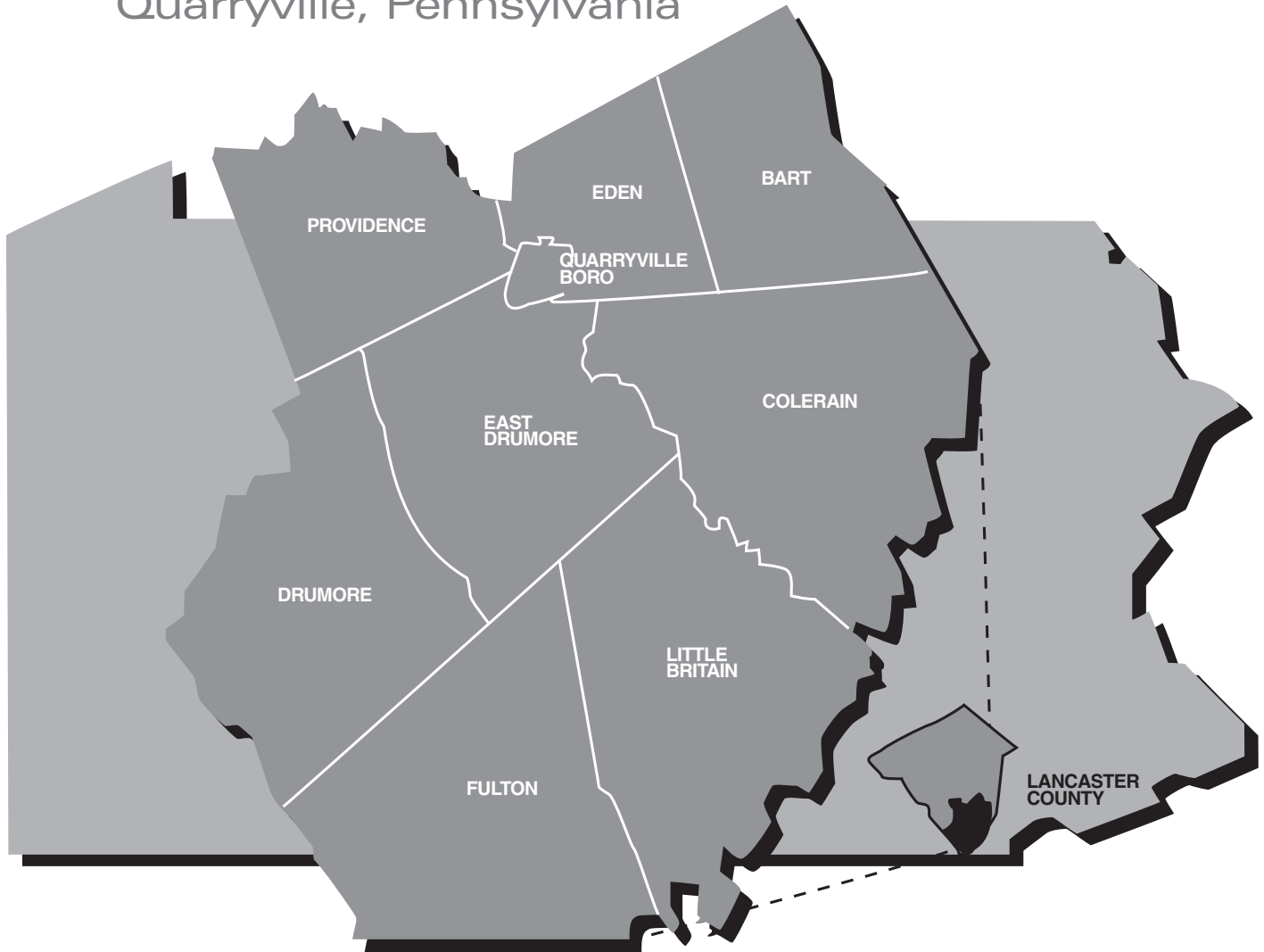


The
**Solanco
School
District**
Quarryville, Pennsylvania



**Annual Comprehensive
Financial Report
For the Fiscal Year Ended
June 30, 2025**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**



QUARRYVILLE, PENNSYLVANIA

PREPARED BY THE BUSINESS OFFICE

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

**MEGAN A. MINCHHOFF
ASSISTANT BUSINESS MANAGER**

SOLANCO SCHOOL DISTRICT **ANNUAL COMPREHENSIVE FINANCIAL REPORT** **FOR THE FISCAL YEAR ENDED JUNE 30, 2025** **TABLE OF CONTENTS**

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**Solanco
School District**

January 28, 2026

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, 2025. State law requires school districts to publish within six months of the close of each fiscal year a complete set of audited financial statements. However, due to extraordinary circumstances an extension was granted. This report is published to fulfill that requirement for the fiscal year ended June 30, 2025.

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.

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
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www.solancosd.org

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, 2025. The independent auditor's report is located at the front of the financial section of this report.

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

The annual comprehensive 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 3,015 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 2024-2025 fiscal year is provided in the following table.

Number of Classroom Teachers	233
Percentage of Certified Teachers	100%
% of Teachers with Bachelor's Degree	36.05%
% of Teachers with Master's Degree	63.09%
Average Teacher Salary	\$71,853
Average Years of Service	12.8 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 30th 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 1,329 kindergarten through fifth grade students. Two middle schools, George A. Smith Middle School and Swift Middle School, house 696 students in grades six through eight. Solanco High School provides instruction to 990 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 13.4 percent decline of students during the past ten-year period. Enrollment reported for the 2015-2016 school year was 3,483 students and 3,015 students were reported for 2024-2025. 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 41.4 percent of total students during 2015-2016 to 51.2 percent of total students during 2024-2025 an increase of 23.7 percent during the ten-year period. The District tracks live birth and census data along with historical information to plan for upcoming years. District enrollment projections are analyzed and updated each year. Refer to the chart, "*Enrollment History and Projections by Instructional Level*" located in the statistical section of this report for additional information.

ECONOMIC CONDITION AND OUTLOOK OF LOCAL ECONOMY

Lancaster County is located approximately 240 miles east of Pittsburgh and 60 miles west of Philadelphia in the south central portion of the state. In addition to being only one and one half hours from Philadelphia, Lancaster County is within easy driving distance of the metropolitan areas of Harrisburg, Baltimore, Washington, D.C., and New York. The County's population has grown 5.0 percent over the past ten years, from 536,624, reported for the 2015 calendar year to 563,293 during 2024. The annual County unemployment rate fluctuated during the past ten years from a minimal rate of 2.5 percent, reported for the 2024 calendar year, to the maximum rate of 7.5 percent reported for calendar year 2020. The unemployment rate reported for the 2024 calendar year was 2.5 percent. Lancaster County's unemployment rate is .9 percent lower than the state rate of 3.4 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 38.4 percent during the past ten years, from the 2015 year assessed value of \$36.2 billion to the 2024 assessed value of \$50.1 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 2024-2025 general fund budget on June 3, 2024 at a duly advertised public meeting. The budget proposed total expenditures and other financing uses of \$75,202,654. Actual total expenditures and other financing uses for the

2024-2025 fiscal year were \$97 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, 2025. 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 \$6.7 million to the capital project fund during the fiscal year ended June 30, 2025.

LONG-TERM FINANCIAL PLANNING

The school board committed \$6.5 million of the general fund balance at June 30, 2025 as follows: \$3.5 million for planned future facility repair and improvement costs, \$2.0 million for technology and security upgrades, and \$1.0 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 2024-2025 fiscal year to the adjusted Act 1 index of 4.0% or 0.4908 mills. The adjusted Act 1 index for Solanco was 5.3%. The school district did not increase its millage rate to the maximum rate. 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 building systems projects and has guided district capital improvements. ESSER funds paid for several of the district's school building HVAC upgrades.

A feasibility study was completed for the Administrative Office during the spring of 2022 to analyze costs for the upgrade and relocation of the office to the high school campus and the addition of two turf fields. Construction plans for the project were developed and continue to be defined to ensure district needs are satisfied. Renovations to the Bart Colerain Elementary School, Providence Elementary School, Quarryville Elementary School and High School entrances were completed to enhance building security. Windows were replaced at Swift Middle School, paving completed at both middle schools and sections of the High School roof restored as part of ongoing efforts to maintain buildings in good condition.

The School District borrowed \$31.6 million to complete the renovation and additions to George A. Smith Middle School, Swift Middle School and Clermont Elementary School, reconstruction of the High School Activities Building and construction of a new Administrative Office. The outstanding debt obligation for these loans totals \$19.7 million as of June 30, 2025.

MAJOR INITIATIVES

The District comprehensive plan, which was approved by the board on June 20, 2022, defines the District's mission, goals, strategies and activities for the three-year period beginning 2022-2023 through 2024-2025. 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 2024-2025 fiscal year include:

- Ongoing implementation of numerous technology controls to enhance security to prevent fraud and unauthorized access to the school district's technology network.
- Fencing and bollards were installed to enhance building security at district school buildings.
- Water heaters and a cooling tower/pump were replaced at two elementary schools, and the High School HVAC upgrade was completed as part of the initiative to make building mechanical systems more efficient.
- Classroom furnishings were installed to expand STEM activities.

ACCOMPLISHMENTS

The District strives to provide students with a quality education and comprehensive educational experience, while controlling spending and operating within a fiscally responsible framework. Student accomplishments for the 2024-2025 school year are highlighted below.

2024-2025 School Year Accomplishments

- Solanco's Marching Band was one of thirteen PA bands invited to perform at the PA Marching Band Coalition's Season Finale Showcase.
- The first-ever induction ceremony of the Tri-M National Honor Society chapter was held in November 2024.
- Solanco School District artists earned an impressive 22 awards at the 2025 Lancaster County Young Artists and Scholastic Art Awards exhibition, including 6 Gold Awards, 3 Silver Awards, and 13 Honorable Mentions.
- A Solanco School District artist had her pastel drawing selected as a finalist for Pennsylvania's 11th Congressional District Art Competition by Congressman Lloyd Smucker.
- Solanco's Girls' Softball team was named Section Champions, League Champions, District Runners-Up, and State Qualifiers for the 24-25 Season.
- Solanco's Girls' track boasted a two-time District Champion in the long jump and a District Championship 4x100 relay team.
- Solanco's Odyssey of the Mind team competed in the World Finals at Michigan State University, placing 9th out of 29 teams overall, and scoring the 4th highest style score amongst all high school vehicle teams.
- Solanco 4th Grade Extensions students swept the top three places in the elementary state online simulation Stock Market Game in the Central Pennsylvania region.
- Solanco's Quiz Bowl team had an impressive first year, competing in the Quiz Bowl Regional Championship, securing the L-L League Division II Championship, and having a player named as the 9th highest scorer for the season out of 85 competitors.
- A Solanco Senior was honored as the 2025 Founders Award Winner at the Pennsylvania State Legislative Leadership Conference (SLLC) for his exceptional contributions.
- Two Solanco Students were named to the PMEA Regional V chorus, competing in the Regional V Chorale Festival.

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 \$22,765 per student during the 2024-2025 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.

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, 2024. [This was the twenty-eighth 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 annual comprehensive 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, 2025.

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.

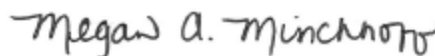
Respectfully submitted,



Brian Bliss, Ed.D.
Superintendent



Sandra S. Tucker, CPA
Business Manager



Megan A. Minchhoff
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, 2024.**

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



Ryan S. Stechschulte
President

James M. Rowan, CAE, SFO
CEO/Executive Director



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Pennsylvania**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

SOLANCO SCHOOL DISTRICT

BOARD OF SCHOOL DIRECTORS AND PRINCIPAL OFFICIALS

Fiscal Year Ended June 30, 2025

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

Wynn Robinson

PRINCIPAL OFFICIALS

Brian A. Bliss, Ed.D., Superintendent

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

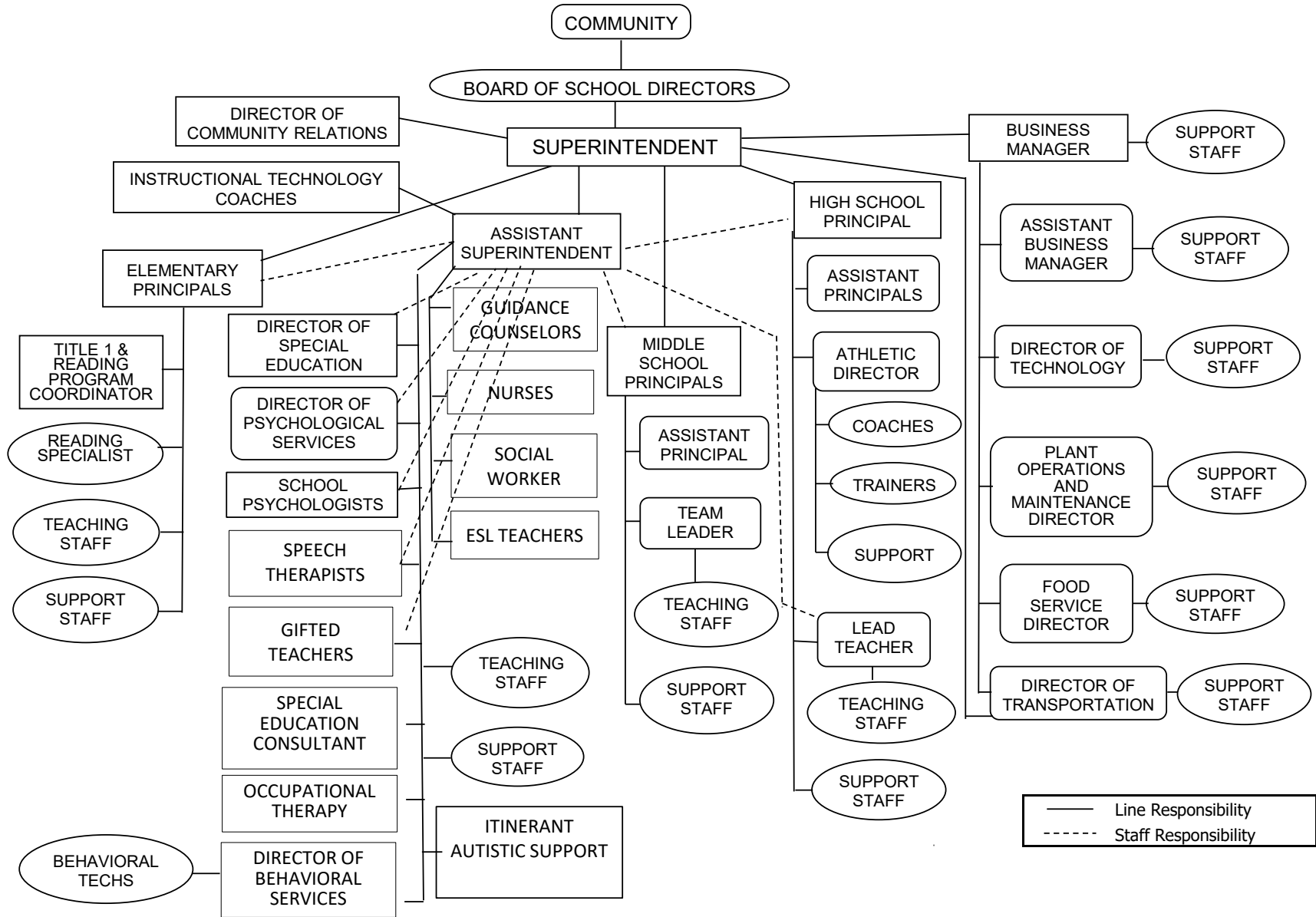
Sandra S. Tucker, CPA, SFO, PRSBA, Business Manager

Megan A. Minchhoff, Assistant Business Manager

Sandra D. Smart, Board Secretary

Saxton & Stump, Lawyers & Consultants

SOLANCO SCHOOL DISTRICT ORGANIZATIONAL CHART 2024-2025





INDEPENDENT AUDITOR'S REPORT

January 28, 2026

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, 2025, 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, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

Emphasis of a Matter

As discussed in Notes 1 and 21 to the financial statements, the District has adopted the requirements of GASB Statement No. 101, "Compensated Absences." The purpose of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. As a result, the District has restated its governmental activities net position as of July 1, 2024. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the District's 2024 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 19, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024 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-74 through F-85 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Board of School Directors
Solanco School District

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 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 January 28, 2026, 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

Solanco School District
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)
Year Ended June 30, 2025

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, 2025. 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-116 and S-2 through S-60 of this report.

FINANCIAL HIGHLIGHTS

Key financial highlights for the year ended June 30, 2025 are as follows:

- Total net position of the School District increased by \$12.9 million or 35.0 percent. Total revenues decreased by \$2.1 million or 2.6 percent with tax program revenues representing 28.3 percent of the decline. Total expenses increased by \$1.7 million or 2.6 percent during the same period with growth exhibited through costs associated with Instruction.
- Program revenues represent 28.3 percent and general revenues represent 71.7 percent of total School District revenues for the fiscal year ended June 30, 2025. 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, 2025 totaled \$69 million, of which \$23 million or 33.6 percent were funded directly from program revenues in the form of charges for services, operating grants, capital grants, and contributions. The remaining 66.4 percent of total expenses were funded from general revenues.
- Total net position for the School District's food service program decreased \$41 thousand or 5.9%, while revenues decreased by \$153 thousand or 6.7 percent for the fiscal year ended June 30, 2025.
- As of June 30, 2025, the School District's governmental funds reported combined ending fund balances of \$49 million, an increase of \$1.9 million or 4.2 percent in comparison with the prior year. Approximately 68.7 percent or \$33.6 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, 2025 for General Obligation debt totaled \$19.7 million. The total legal debt capacity at June 30, 2025 was \$174.8 million. Approximately \$155.1 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 \$78 million as of June 30, 2025, a net increase of \$5.3 million or 7.3 percent compared to the prior year. Capital asset additions totaled \$9.0 million and depreciation/amortization expense totaled \$3.7 million. Approximately \$5.2 million of capital project expenditures was used to fund capital improvements.

Solanco School District
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)
Year Ended June 30, 2025
(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, 2025
(Continued)

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

	Government-wide Statements	Fund Financial Statements		
		Governmental	Proprietary	Fiduciary
Scope	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
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures and changes in fund balance 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Basis of accounting and measurement focus	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
Type of information	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
Type of inflow and outflow information	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, 2025
(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-31. The fiduciary fund financial statements begin on page F-35. 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, 2025
(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, 2025, the sum of total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$49.9 million. \$78.4 million of total assets at June 30, 2025, reflects the School District's 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, 2025. Total assets increased \$6.5 million or 4.6 percent, primarily from the increase in capital asset additions. Total liabilities decreased \$6.6 million or 5.9 percent and is primarily attributable to the payment of long term debt, and decreases in pension liabilities.

Solanco School District
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)
Year Ended June 30, 2025
(Continued)

Net Position (Continued)

Deferred outflows of resources decreased \$986 thousand or 7.0 percent and deferred inflows of resources decreased by \$471 thousand or 13.8 percent during the same period. The deferrals associated with Other Postemployment Benefits represent 12.8 percent of aggregate deferred outflows and 61.2 percent of aggregate deferred inflows at June 30, 2025. 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, 2025 compared to June 30, 2024.

Figure 2
Net Position
June 30, 2025 and 2024
(Amounts in Thousands)

	Governmental Activities		Business-Type Activities		Totals	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Assets						
Current Assets	\$ 66,299	\$ 65,051	\$ 1,870	\$ 1,959	\$ 68,169	\$ 67,010
Capital Assets	78,306	72,972	100	114	78,406	73,086
Total Assets	<u>144,605</u>	<u>138,023</u>	<u>1,970</u>	<u>2,073</u>	<u>146,575</u>	<u>140,097</u>
Deferred Outflows of Resources						
Pension/OPEB	<u>12,876</u>	<u>13,847</u>	<u>257</u>	<u>270</u>	<u>13,133</u>	<u>14,117</u>
Liabilities						
Current Liabilities	15,400	16,489	53	47	15,453	16,536
Noncurrent Liabilities	<u>89,916</u>	<u>95,740</u>	<u>1,506</u>	<u>1,586</u>	<u>91,422</u>	<u>97,326</u>
Total Liabilities	<u>105,316</u>	<u>112,229</u>	<u>1,559</u>	<u>1,633</u>	<u>106,875</u>	<u>113,862</u>
Deferred Inflows of Resources						
Pension/OPEB	<u>2,924</u>	<u>3,393</u>	<u>9</u>	<u>12</u>	<u>2,923</u>	<u>3,405</u>
Net Position						
Net Investment in Capital Assets	66,575	61,746	100	114	66,675	61,860
Unrestricted (Deficit)	<u>(17,335)</u>	<u>(25,197)</u>	<u>559</u>	<u>584</u>	<u>(16,777)</u>	<u>(24,613)</u>
Net Position, End of Year	<u>\$ 49,240</u>	<u>\$ 36,249</u>	<u>\$ 659</u>	<u>\$ 698</u>	<u>\$ 49,899</u>	<u>\$ 36,947</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, 2025
(Continued)

Changes in Net Position (Continued)

Figure 3 provides a comparison of revenues and expenses for the fiscal years ended June 30, 2025 and 2024.

Figure 3
Statement of Activities
Fiscal Years Ended June 30, 2025 and June 30, 2024
(Amounts in Thousands)

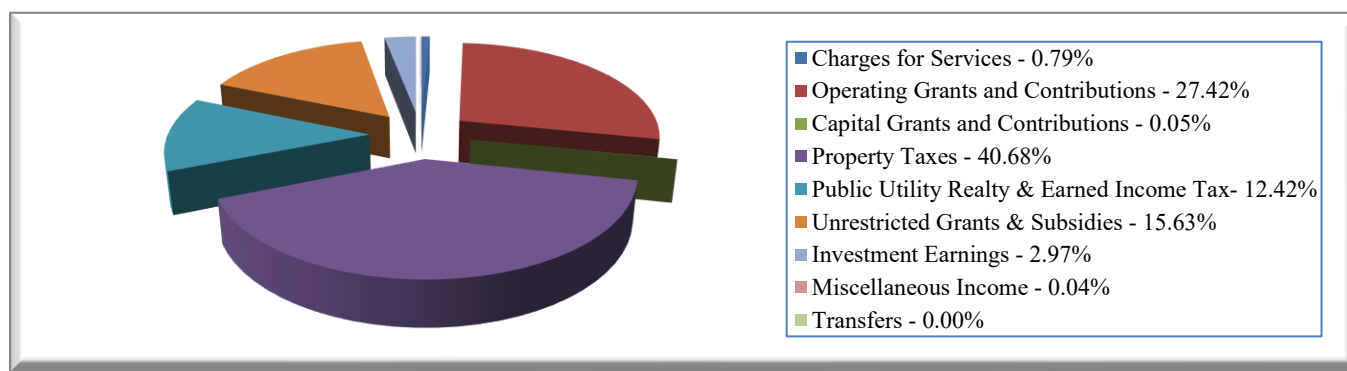
	Governmental Activities		Business-Type Activities		Totals	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Program Revenues						
Charges for Services	\$ 224	\$ 201	\$ 423	\$ 487	\$ 647	\$ 688
Operating Grants and Contributions	20,737	25,791	1,637	1,729	22,374	27,520
Capital Grants and Contributions	37	37	-	-	37	37
Total Program Revenue	<u>20,998</u>	<u>26,029</u>	<u>2,060</u>	<u>2,216</u>	<u>23,058</u>	<u>28,245</u>
General Revenues						
Property Taxes	33,192	31,567	-	-	33,192	31,567
Public Utility Realty and Earned Income Taxes	10,134	9,712	-	-	10,134	9,712
Unrestricted Grants and Subsidies	12,756	12,313	-	-	12,756	12,313
Investment Earnings	2,348	1,837	72	69	2,420	1,906
Miscellaneous Income	27	1	-	-	27	1
Transfers	-	-	-	-	-	-
Total General Revenues	<u>58,457</u>	<u>55,429</u>	<u>72</u>	<u>69</u>	<u>58,528</u>	<u>55,498</u>
Total Revenues	<u>79,455</u>	<u>81,459</u>	<u>2,132</u>	<u>2,285</u>	<u>81,587</u>	<u>83,744</u>
Expenses						
Instruction	40,985	39,821	-	-	40,985	39,821
Instructional Student Support	6,201	6,098	-	-	6,201	6,098
Administrative and Financial Support Services	6,056	6,388	-	-	6,056	6,388
Operation and Maintenance of Plant Services	6,055	5,886	-	-	6,055	5,886
Pupil Transportation	5,114	4,778	-	-	5,114	4,778
Student Activities	1,179	1,192	-	-	1,179	1,192
Community Services	238	213	-	-	238	213
Interest on Long-Term Debt	637	377	-	-	637	377
Food Services	-	-	2,171	2,163	2,173	2,163
Total Expenses	<u>66,465</u>	<u>64,753</u>	<u>2,171</u>	<u>2,163</u>	<u>68,636</u>	<u>66,916</u>
Change in Net Position	12,990	16,705	(39)	122	12,951	16,828
Beginning Net Position	<u>36,250</u>	<u>19,544</u>	<u>698</u>	<u>576</u>	<u>36,948</u>	<u>20,120</u>
Ending Net Position	<u>\$ 49,240</u>	<u>\$ 36,250</u>	<u>\$ 659</u>	<u>\$ 698</u>	<u>\$ 49,899</u>	<u>\$ 36,948</u>

Solanco School District
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)
Year Ended June 30, 2025
(Continued)

Changes in Net Position (Continued)

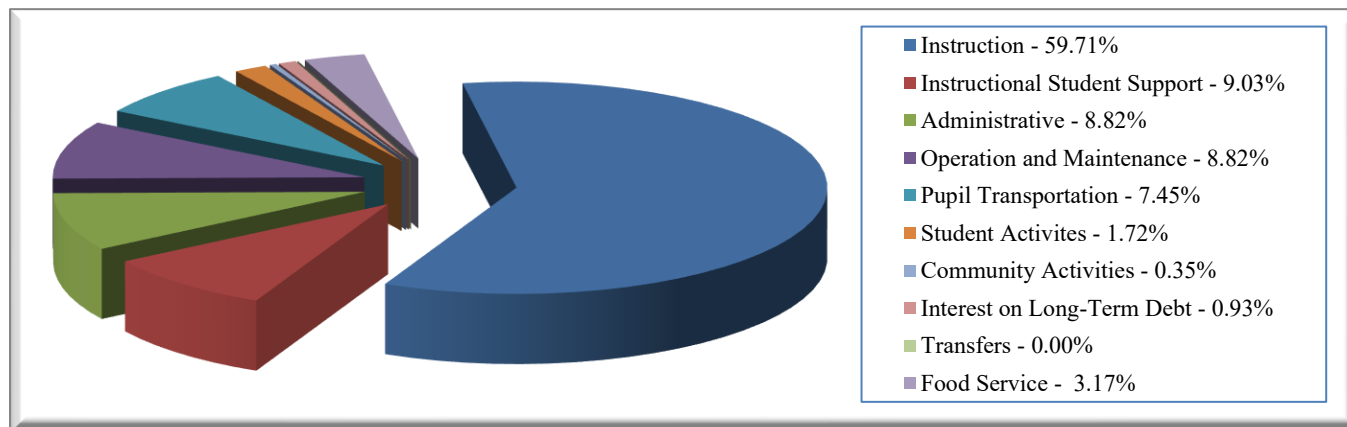
Total program revenues, for the fiscal year ended June 30, 2025 were \$23.1 million, a decrease of \$5.1 million or 18.4 percent from the prior year. Total general revenues increased by \$3.0 million or 5.5 percent and total expenses, increased \$1.7 million or 2.6 percent during the same period. Decreases in total revenue sources from the state, accounts for the overall decline in total program revenues generated by governmental activities. Real estate tax collections represent \$1.6 million or 5.1 percent of the total growth in general revenues during the year ended June 30, 2025. 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, 2025.

Figure 4
Government-wide Revenues as a % of Total Revenues
Fiscal Year Ended June 30, 2025



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, 2025 is reflected in Figure 5. Instruction expenses comprise 59.71 percent of total government-wide expenses. A comparison of total School District spending during the 2025 and 2024 fiscal years reflects an increase of total expenses, excluding the transfer, by \$1.7 million or 2.6 percent. Instruction and Instructional Student Support expenses increased \$1.2 million or 2.8 percent, Administrative and Financial Support costs decreased \$333 thousand or 5.2 percent, Operation and Maintenance of Plant Services expenses increased \$169 thousand or 2.9 percent, and Interest on Long-Term Debt accounts increased \$259 thousand or 69.0 percent.

Figure 5
Government-wide Expenses as a % of Total Expenses
Fiscal Year Ended June 30, 2025



Solanco School District
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)
Year Ended June 30, 2025
(Continued)

Governmental Activities

Total expenses, generated from governmental activities increased \$1.7 million or 2.6 percent during the fiscal year ended June 30, 2025. 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 2024-2025 fiscal year totaled \$45.5 million, a increase of \$7.0 million or 19.3 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, 2025 and June 30, 2024.

Figure 6
Governmental Activities
Fiscal Years Ended June 30, 2025 and June 30, 2024

	Total Cost of Services		Net Cost of Services		% Change of Net Cost
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>	
Instruction	\$ 40,984,739	\$ 39,820,910	\$ 24,253,032	\$ 17,748,248	36.7%
Support Services:					
Instructional Student Support	6,200,811	6,098,289	5,378,782	5,173,408	4.0%
Administrative and Financial Support Services	6,055,793	6,388,481	5,400,934	5,638,192	-4.2%
Operation and Maintenance of Plant Services	6,054,751	5,885,614	5,692,801	5,472,728	4.0%
Pupil Transportation	5,113,868	4,777,906	2,928,080	2,567,557	14.0%
Student Activities	1,178,639	1,192,444	981,599	982,529	-0.1%
Community Services	238,440	212,707	231,054	203,453	13.6%
Interest on Long-Term Debt	636,704	376,809	599,902	339,821	76.5%
Transfers	-	-	-	-	0.0%
<u>Total Governmental Activities Expenses</u>	<u>\$ 66,463,745</u>	<u>\$ 64,753,160</u>	<u>\$ 45,466,184</u>	<u>\$ 38,125,936</u>	19.3%

The net cost of governmental activities increased primarily as a result of the decrease in grant revenues in the current year. There is a heavy reliance on tax revenues to fund the operations of the School District. Tax revenues represented 56.8 percent of total general revenues generated by governmental activities during the 2024-2025 year. The net cost of governmental activities totaled \$45.5 million and was financed from general revenues totaling \$58.5 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 1.3 percent of total net position at June 30, 2025. Revenues generated from business-type activities during the 2024-2025 fiscal year totaled \$2.1 million, a decrease of \$153 thousand or 6.7 percent from the prior year. The decrease is due to the decrease in state and federal subsidies received during the fiscal year.

Solanco School District
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)
Year Ended June 30, 2025
(Continued)

Total expenses generated by business-type activities during the same period increased from the 2023-2024 fiscal year by \$10 thousand or 0.5 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 decreased \$41 thousand or 5.9 percent during the 2024-2025 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, 2025, the School District's governmental funds reported combined ending fund balances of \$49 million, an increase of \$1.9 million or 4.2 percent in comparison with the prior year. The increase is as a result of an increase in tax revenues brought about by a tax rate increase, an increase in state and federal subsidy allocations and Issuance of debt proceeds in the capital project fund. These increases outpaced similar increases in expenditures. The general fund is the chief operating fund of the School District, comprising \$13.4 million or 27.3 percent of the total combined governmental fund balance at June 30, 2025. The capital project fund represents \$35.6 million or 72.7 percent of the total combined fund balance. A comparison of the general fund's unassigned fund balance of \$4.7 million, with the total aggregate general fund balance of \$13.4 million provides a measure of the fund's liquidity. Approximately 35 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 \$4.7 million represents 6.3 percent of total general fund expenditures and other financing uses of \$75.1 million, for the fiscal year ended June 30, 2025 and 6.2 percent of budgeted expenditures, totaling \$75.8 million, for the 2025-2026 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, 2025 and June 30, 2024.

Figure 7
Governmental Fund Balances
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>	<u>Difference</u>	<u>% of Change</u>
General Fund				
Nonspendable	\$ 721,404	\$ 368,643	352,761	95.7%
Committed	6,500,000	6,500,000	-	0.0%
Assigned	1,468,949	201,954	1,266,995	627.4%
Unassigned	4,707,061	3,208,170	1,498,891	46.7%
Total General Fund	<u>13,397,414</u>	<u>10,278,767</u>	<u>3,118,647</u>	30.3%
Capital Project				
Restricted	8,130,960	11,346,341	(3,215,381)	(28.3)%
Assigned	27,501,398	25,445,788	2,055,610	8.1%
Total Capital Project Fund	<u>35,632,358</u>	<u>36,792,129</u>	<u>(1,159,771)</u>	(3.2)%

Solanco School District
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)
Year Ended June 30, 2025
(Continued)

Governmental Funds (Continued)

Other Governmental Fund				
Nonspendable	-0-	-0-	-0-	
Total Other Governmental Fund	-0-	-0-	-0-	
Total Governmental Funds	\$ 49,029,772	\$ 47,070,896	\$ 1,958,876	4.2%

Inventory decreased \$38 thousand and prepaid balances increased \$391 thousand during the fiscal year 2024-2025, resulting in total nonspendable fund balance decrease of \$78 thousand, compared to the prior year. The June 30, 2025 committed balance of \$6,500,000 is to mitigate anticipated future facility repair and improvement costs, facility and technology security enhancements and early retirement of debt services.

A fund balance of \$35.6 million was reported for the capital projects fund as of June 30, 2025 and reflects a decrease of \$1.1 million or 3.2 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 and future planned 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, 2025 represents 72.7 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 decreased \$515 thousand or 8.0 percent from the prior year and total expenses decreased \$1.0 million or 16.3 percent during the same period. The total net position for the internal service fund reported at June 30, 2025 and 2024 was \$4.5 million and \$3.8 million, respectively. 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, 2025 totaled \$78 million (net of accumulated depreciation and amortization). This investment in capital assets includes land, site improvements, buildings and building improvements, furniture and equipment, vehicles, library books, right to use lease assets, 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, 2025
(Continued)

Capital Assets (continued)

Figure 8
Capital Assets at June 30, 2025 and June 30, 2024
(Net of Depreciation)

	<u>2025</u>	<u>2024</u>
Non-Depreciable	\$ 10,397,283	\$ 6,584,106
Depreciable, net	67,908,842	66,388,967
Depreciable, net business-type	99,826	114,375
Totals	<u>\$ 78,405,951</u>	<u>\$ 73,087,448</u>

The School District's total investment in capital assets for the fiscal year ended June 30, 2025 increased \$5.3 million or 7.3 percent compared with the previous year. Capital Asset additions totaled \$9.1 million and depreciation expense totaled \$3.7 million during the 2024-2025 fiscal year. Major capital project expenditures incurred during the 2024-2025 fiscal year included:

- Renovation and improvement projects at multiple district buildings totaling \$8,819,296.
- Site improvements totaling \$256,658
- Furniture and Equipment totaling \$68,528.

Approximately \$5.2 million in funds previously transferred into the capital project fund in addition to bond proceeds were used to fund capital improvement projects was used to fund capital asset additions for the 2024-2025 fiscal year. Future commitments on capital projects in progress at June 30, 2025 total \$2.1 million. The commitment is related to various district buildings. 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 \$174.8 million. The School District has \$19.7 million of outstanding general obligation debt at June 30, 2025 with \$155.1 million debt capacity available for future borrowing needs.

The School District is financially responsible for a portion of approximately 5.94 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, 2025, totaled \$21.9 million and is comprised of general obligation debt, lease payable, estimated liabilities for compensated absences and accrued retirement bonus, of which \$3.1 million is due within one year. Refer to Notes 11 through 13 for additional information on long-term debt. Compensated absences increased \$53 thousand and estimated retirement bonuses increased \$169 thousand.

Solanco School District
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)
Year Ended June 30, 2025
(Continued)

Details regarding the long-term debt balances at June 30, 2025 and June 30, 2024 follow.

Figure 9
Outstanding Long-Term Debt
At June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>	<u>Increase/(Decrease)</u>	<u>% of Change</u>
General Obligation	\$ 19,692,000	\$ 22,335,438	\$ (2,643,438)	(11.8)%
Lease Payable	169,967	238,152	(68,185)	(28.6)%
Compensated Absences	1,103,125	1,049,933	53,192	5.1%
Accrued Retirement	1,032,355	863,071	169,284	19.6%
Totals	<u>\$ 21,997,447</u>	<u>\$ 24,485,594</u>	<u>\$ (2,489,147)</u>	(10.17)%

GENERAL FUND BUDGETARY HIGHLIGHTS

2024-2025 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 2024-2025 final budgeted revenue and other financing sources totals to actual totals is presented in Figure 10. Total actual revenues and other financing sources were below budget exceeded estimates by \$3.3 million or 4.4 percent.

Figure 10
2024-2025 Budgeted to Actual Revenue Totals

	<u>2024-2025 Final Budget</u>	<u>2024-2025 Actual Totals</u>	<u>Final Budget vs. Actual Variance</u>	
Revenue				
Local	\$ 44,499,670	\$ 45,880,782	\$ 1,381,112	3.1%
State	24,418,925	25,391,917	972,992	4.0%
Federal	5,454,605	6,964,981	1,510,376	27.7%
Other Financing Sources	<u>627,500</u>	<u>26,897</u>	<u>(600,603)</u>	(95.7)%
Total Revenue and other financing sources	<u>\$ 75,000,700</u>	<u>\$ 78,264,577</u>	<u>\$ 3,263,877</u>	4.4%

Federal revenues were \$1.5 million or 27.7 percent over budget estimates.

Actual 2024-2025 expenditures and other financing uses were below final budgeted expenditures by \$96 thousand or 0.13 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 2024-2025 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, 2025
(Continued)

2024-2025 General Fund Budget (Continued)

Figure 11
2024-2025 Budgeted to Actual Expenditure Totals

	2024-2025 Final Budget	2024-2025 Actual Totals	Final Budget vs. Actual Variance
Expenditures			
Current - Instructional Services	\$ 40,844,361	\$ 40,828,987	\$ 15,374 0.0%
Support Services	22,888,768	22,825,087	63,681 0.3%
Operation of Noninstructional Services	1,520,716	1,503,660	17,056 1.1%
Other Financing Uses	9,948,809	9,949,267	(458) (0.0)%
Total Expenditures and Other Financing Uses	<u>\$ 75,202,654</u>	<u>\$ 75,107,001</u>	<u>\$ 95,653 0.13%</u>

Actual expenditures and other financing uses were below budget estimates. Delinquent, Real Estate Transfer and Earned Income tax collections exceeded expectation enabling the school district to increase the amount transferred to the capital project fund in preparation of future capital expenditures.

2025-2026 Budget Process

The 2025-2026 general fund budget was adopted on June 19, 2025. 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 and other financing sources for the 2025-2026 fiscal year totaled \$74.3 million, a decrease of \$3.8 million or 4.9 percent from 2024-2025 actual revenues. Budgeted expenditures and other financing uses for the 2025-2026 fiscal year totaled \$75.9 million, a reduction of \$752 thousand or 1.0 percent from 2024-2025 actual expenditures. The following items were considered during the development of the 2025-2026 general fund budget.

- The School Board approved a millage rate increase of 4.0 percent or 0.5104 mills.
- A slight decline in district-wide student enrollment and increase in charter school enrollment.
- The School District's taxable property assessed values increased 1.0 percent.
- Budgeted payroll and benefits were increased by \$3.6 million or 8.1 percent as a result of the reduced labor force and rising cost of personnel and healthcare benefits.
- Technology and building security enhancements.
- Political and economic uncertainties, especially the impact of tariffs on operating costs.
- Reduction of revenue projections.

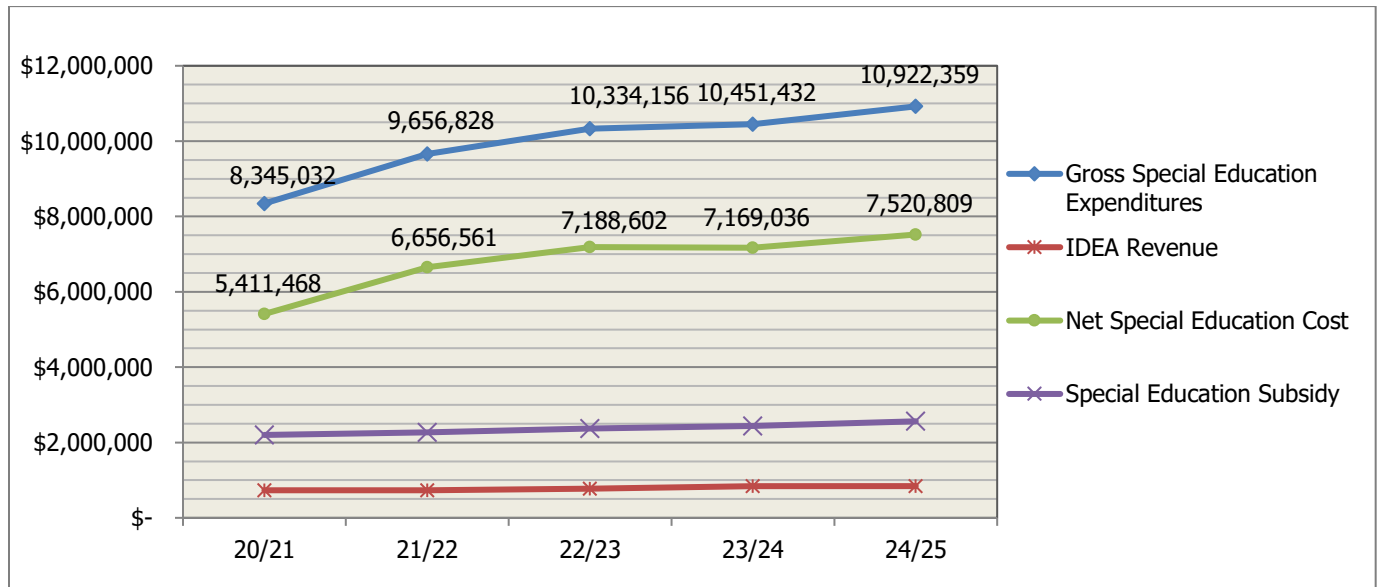
Solanco School District
MANAGEMENT'S DISCUSSION and ANALYSIS (UNAUDITED)
Year Ended June 30, 2025
(Continued)

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 \$2,109,341, or 39 percent increase in the net special education cost at June 30, 2025 when compared to 2020-2021 school year. The number of students qualifying for special education services increased 12.7 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, 2025
(Continued)

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

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

<u>Fiscal</u> <u>Year</u>	<u>Employee</u> <u>Contributions</u>	<u>Retiree</u> <u>Contributions</u>	<u>Health</u> <u>Benefit</u> <u>Expenses</u>	<u>Contributions</u> <u>as Percentage</u> <u>of Expense</u>
24/25	\$ 752,605	\$ 257,891	\$ 4,964,887	18.5%
23/24	647,891	271,339	5,976,148	15.4%
22/23	568,806	243,795	5,367,554	15.1%
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 33.9% for the 2024-2025 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.** A collective bargaining agreement was approved by the school board on May 20, 2024. The agreement applies to the period July 1, 2024 through June 30, 2028.
- **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. Minchhoff, 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, 2025

	<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	\$ 38,827,273	\$ 1,584,759	\$ 40,412,032
Investments	18,866,400	200,000	19,066,400
Taxes Receivable, net	2,674,258	-	2,674,258
Due from Other Governments	4,763,508	43,787	4,807,295
Other Receivables	445,832	2,237	448,069
Inventories	258,553	38,801	297,354
Prepaid Items	462,851	-	462,851
<u>Total Current Assets</u>	66,298,675	1,869,584	68,168,259
Noncurrent Assets:			
Non-Depreciable	10,397,283	-	10,397,283
Depreciable, net	67,908,842	99,826	68,008,668
<u>Total Noncurrent Assets</u>	78,306,125	99,826	78,405,951
 <u>TOTAL ASSETS</u>	 144,604,800	 1,969,410	 146,574,210
 <u>DEFERRED OUTFLOWS of RESOURCES</u>			
Deferred Outflows - Pension	11,202,809	244,132	11,446,941
Deferred Outflows - Other Postemployment Benefits	1,672,965	12,553	1,685,518
<u>TOTAL DEFERRED OUTFLOWS</u> <u>of RESOURCES</u>	\$ 12,875,774	\$ 256,685	\$ 13,132,459

See notes to financial statements.

(Continued)

Solanco School District
STATEMENT of NET POSITION
June 30, 2025

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
<u>LIABILITIES</u>			
Current Liabilities:			
Internal Balance	\$ (3,142)	\$ 3,142	\$ -
Accounts Payable	7,478,873	5,296	7,484,169
Notes Payable Due Within One Year	2,590,000	-	2,590,000
Bonds Payable Due Within One Year	5,000	-	5,000
Lease Payable Due Within One Year	70,803	-	70,803
Compensated Absences Due Within One Year	360,854	-	360,854
Accrued Retirement Bonus Due Within One Year	112,763	-	112,763
Total Postemployment Benefit Liability Due Within One Year	153,765	-	153,765
Accrued Salaries and Benefits	4,261,434	8,624	4,270,058
Accrued Interest	174,161	-	174,161
Payroll Deductions and Withholdings	11,679	-	11,679
Unearned Revenues	31,973	36,175	68,148
Other Current Liabilities	151,473	-	151,473
<u>Total Current Liabilities</u>	15,399,636	53,237	15,452,873
Noncurrent Liabilities:			
Long-Term Portion of Notes Payable	6,289,500	-	6,289,500
Long-Term Portion of Bonds Payable	10,807,500	-	10,807,500
Long-Term Portion of Lease Payable	99,164	-	99,164
Long-Term Portion of Compensated Absences	742,271	-	742,271
Accrued Retirement Bonus	919,592	-	919,592
Long-Term Portion of Total Postemployment Benefit Liability	5,903,139	113,166	6,016,305
Net Pension Liability	65,155,501	1,393,499	66,549,000
<u>Total Noncurrent Liabilities</u>	89,916,667	1,506,665	91,423,332
<u>TOTAL LIABILITIES</u>	105,316,303	1,559,902	106,876,205
<u>DEFERRED INFLOWS of RESOURCES</u>			
Deferred Inflows - Pension	1,138,332	-	1,138,332
Deferred Inflows - Other Postemployment Benefits	1,785,833	9,482	1,795,315
<u>TOTAL DEFERRED INFLOWS of RESOURCES</u>	2,924,165	9,482	2,933,647
<u>NET POSITION</u>			
Net Investment in Capital Assets	66,575,118	99,826	66,674,944
Unrestricted (Deficit)	(17,335,012)	556,885	(16,778,127)
<u>TOTAL NET POSITION</u>	\$ 49,240,106	\$ 656,711	\$ 49,896,817

See notes to financial statements.

Solanco School District
STATEMENT of ACTIVITIES
Year Ended June 30, 2025

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	\$ 40,984,739	\$ 18,034	\$ 16,713,673	\$ -	\$ (24,253,032)	\$ -	\$ (24,253,032)
Instructional Student Support	6,200,811	-	822,029	-	(5,378,782)	-	(5,378,782)
Administrative and Financial Support Services	6,055,793	27,348	627,511	-	(5,400,934)	-	(5,400,934)
Operation and Maintenance of Plant Services	6,054,751	93,882	268,068	-	(5,692,801)	-	(5,692,801)
Pupil Transportation	5,113,868	15	2,185,773	-	(2,928,080)	-	(2,928,080)
Student Activities	1,178,639	84,518	112,522	-	(981,599)	-	(981,599)
Community Services	238,440	-	7,386	-	(231,054)	-	(231,054)
Interest on Long-Term Debt	636,704	-	-	36,802	(599,902)	-	(599,902)
<u>Total Governmental Activities</u>	66,463,745	223,797	20,736,962	36,802	(45,466,184)	-	(45,466,184)
Business-Type Activities:							
Food Services	2,172,746	423,169	1,636,476	-	-	(113,101)	(113,101)
<u>Total Government</u>	\$ 68,636,491	\$ 646,966	\$ 22,373,438	\$ 36,802	(45,466,184)	(113,101)	(45,579,285)
General Revenues:							
Taxes:							
Property Taxes,							
Levied for General Purposes, net					33,191,897	-	33,191,897
Public Utility Realty and Earned Income Taxes,							
Levied for General Purposes, net					10,133,558	-	10,133,558
Unrestricted Grants and Subsidies					12,755,889	-	12,755,889
Investment Earnings					2,348,303	71,819	2,420,122
<u>Total General Revenues</u>					58,456,544	71,819	58,528,363
<u>CHANGES in NET POSITION</u>					12,990,360	(41,282)	12,949,078

See notes to financial statements.

(Continued)

Solanco School District
STATEMENT of ACTIVITIES
Year Ended June 30, 2025
 (Continued)

		Program Revenues	Net Revenue (Expense) and Changes in Net Position		
			Capital Grants and Contributions	Governmental Activities	Business - Type Activities
	Expenses				Total
<u>Functions/Programs</u> (continued)					
<u>NET POSITION</u>					
Beginning				36,249,746	697,993
Ending			\$ 49,240,106	\$ 656,711	\$ 49,896,817

See notes to financial statements.

Solanco School District
BALANCE SHEET -
GOVERNMENTAL FUNDS
June 30, 2025

	<u>Major Funds</u>			
	<u>General</u>	<u>Capital</u>	<u>Other</u>	<u>Total</u>
	<u>Fund</u>	<u>Project</u>	<u>Governmental</u>	<u>Governmental</u>
		<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 14,619,021	\$ 23,403,218	\$ -	\$ 38,022,239
Investments	5,680,000	9,400,000	-	15,080,000
Taxes Receivable, net	2,674,258	-	-	2,674,258
Due from Other Funds	3,142	3,885,438	-	3,888,580
Due from Other Governments	4,763,508	-	-	4,763,508
Other Receivables	91,958	8,000	-	99,958
Inventories	258,553	-	-	258,553
Prepaid Items	462,851	-	-	462,851
<u>TOTAL ASSETS</u>	<u>\$ 28,553,291</u>	<u>\$ 36,696,656</u>	<u>\$ -</u>	<u>\$ 65,249,947</u>
<u>LIABILITIES, DEFERRED INFLOWS of RESOURCES</u> <u>and FUND BALANCES</u>				
<u>LIABILITIES</u>				
Due to Other Funds	3,885,438	-	-	3,885,438
Due to Other Governments	283,098	-	-	283,098
Accounts Payable	5,929,325	1,064,298	-	6,993,623
Accrued Salaries and Benefits	4,261,434	-	-	4,261,434
Payroll Deductions and Withholdings	11,679	-	-	11,679
Unearned Revenues	31,973	-	-	31,973
<u>TOTAL LIABILITIES</u>	<u>14,402,947</u>	<u>1,064,298</u>	<u>-</u>	<u>15,467,245</u>
<u>DEFERRED INFLOWS of RESOURCES</u>	<u>752,930</u>	<u>-</u>	<u>-</u>	<u>752,930</u>
<u>FUND BALANCES</u>				
Nonspendable	721,404	-	-	721,404
Restricted	-	8,130,960	-	8,130,960
Committed	6,500,000	-	-	6,500,000
Assigned	1,468,949	27,501,398	-	28,970,347
Unassigned	4,707,061	-	-	4,707,061
<u>TOTAL FUND BALANCES</u>	<u>13,397,414</u>	<u>35,632,358</u>	<u>-</u>	<u>49,029,772</u>
<u>TOTAL LIABILITIES, DEFERRED</u> <u>INFLOWS of RESOURCES, and FUND</u> <u>BALANCES</u>	<u>\$ 28,553,291</u>	<u>\$ 36,696,656</u>	<u>\$ -</u>	<u>\$ 65,249,947</u>

See notes to financial statements.

Solanco School District
RECONCILIATION of the GOVERNMENTAL FUNDS BALANCE SHEET
to the STATEMENT of NET POSITION
June 30, 2025

Total fund balances - governmental funds	\$	49,029,772
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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 \$149,754,076 and the accumulated depreciation is \$71,447,951.		78,306,125
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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.		4,583,683
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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.		752,930
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In the statement of activities, interest is accrued on long-term debt, whereas in the governmental funds, an interest expenditure is recorded when due.		(174,161)
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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	\$	(65,155,501)	
Notes Payable		(8,879,500)	
Bonds Payable		(10,812,500)	
Lease Payable		(169,967)	
Accrued Retirement Bonus		(1,032,355)	
Compensated Absences		(1,103,125)	
Net Other Postemployment Benefit Obligation		<u>(6,056,904)</u>	(93,209,852)

Deferred outflows of resources - pension and OPEB are not due and payable in the current period and, therefore, are not reported in the funds.		12,875,774
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Deferred inflows of resources - pension and OPEB are not due and collectable in the current period and, therefore, are not reported in the funds.		<u>(2,924,165)</u>
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<u>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</u>	\$	<u>49,240,106</u>
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See notes to financial statements.

Solanco School District
STATEMENT of REVENUES, EXPENDITURES, and CHANGES in FUND BALANCES -
GOVERNMENTAL FUNDS
Year Ended June 30, 2025

	<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	\$ 32,323,135	\$ -	\$ -	\$ 32,323,135
Other Taxes	11,032,599	-	-	11,032,599
Investment Earnings	1,128,498	1,219,806	-	2,348,304
Revenue from School District Activities	50,053	-	-	50,053
Revenue from Intermediate Sources	1,071,720	-	-	1,071,720
Tuition	1,834	-	-	1,834
Other Revenue	<u>272,943</u>	<u>-</u>	<u>-</u>	<u>272,943</u>
<u>Total Local Sources</u>	<u>45,880,782</u>	<u>1,219,806</u>	<u>-</u>	<u>47,100,588</u>
State Sources	25,391,917	-	-	25,391,917
Federal Sources	<u>6,964,981</u>	<u>-</u>	<u>-</u>	<u>6,964,981</u>
<u>Total Revenues</u>	<u>78,237,680</u>	<u>1,219,806</u>	<u>-</u>	<u>79,457,486</u>
<u>EXPENDITURES</u>				
Current:				
Instructional Services	40,828,987	-	-	40,828,987
Support Services	22,825,087	-	172	22,825,259
Operation of Noninstructional Services	<u>1,427,610</u>	<u>-</u>	<u>-</u>	<u>1,427,610</u>
<u>Total Current</u>	<u>65,081,684</u>	<u>-</u>	<u>172</u>	<u>65,081,856</u>
Capital Outlay:				
Facilities Acquisition, Construction, and Improvement Services	<u>-</u>	<u>9,044,517</u>	<u>-</u>	<u>9,044,517</u>
Debt Service:				
Principal	68,185	-	2,540,000	2,608,185
Interest	7,865	-	744,155	752,020
<u>Total Debt Service</u>	<u>76,050</u>	<u>-</u>	<u>3,284,155</u>	<u>3,360,205</u>
<u>Total Expenditures</u>	<u>65,157,734</u>	<u>9,044,517</u>	<u>3,284,327</u>	<u>77,486,578</u>
<u>EXCESS (DEFICIENCY) of</u>				
<u>REVENUES over (under) EXPENDITURES</u>	<u>13,079,946</u>	<u>(7,824,711)</u>	<u>(3,284,327)</u>	<u>1,970,908</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, 2025
(Continued)

	<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>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from Sale of Capital Assets	26,897	-	-	26,897
Transfers In (Out)	<u>(9,949,267)</u>	<u>6,664,940</u>	<u>3,284,327</u>	<u>-</u>
<u>Total Other Financing</u>				
<u>Sources (Uses)</u>	<u>(9,922,370)</u>	<u>6,664,940</u>	<u>3,284,327</u>	<u>26,897</u>
 <u>NET CHANGES in FUND BALANCES</u>	 3,157,576	 (1,159,771)	 -	 1,997,805
 <u>FUND BALANCES - Beginning of Year</u>	 10,278,767	 36,792,129	 -	 47,070,896
 Decrease in Reserve for Inventory	<u>(38,929)</u>	<u>-</u>	<u>-</u>	<u>(38,929)</u>
 <u>FUND BALANCES - End of Year</u>	 \$ <u>13,397,414</u>	 \$ <u>35,632,358</u>	 \$ <u>-</u>	 \$ <u>49,029,772</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, 2025

Total net changes in fund balances - governmental funds	\$	1,997,805
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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	(3,732,205)	
Capital Outlays	9,144,482	5,412,277

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 decreased by this amount this year.		(30,281)
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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.

Compensated absences	(53,192)	
Accrued retirement bonus	(169,284)	
Net Other Postemployment Benefit Obligation	(4,786)	(227,262)

A proportionate share of pension expense and related obligation are recorded in the statement of activities but not included in the governmental funds.		2,513,893
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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.		(38,929)
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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.		718,581
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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 Bonds, Notes and Leases Payable	2,608,185	2,608,185
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Governmental funds report issuance costs and bond discounts as expenditures and deferred bond refunding option proceeds and bond premiums as revenue. However, these amounts are reported on the statement of net position as deferred charges and credits and are amortized over the life of the debt.

Amortization on premium on issuance of debt	103,438	103,438
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The net effect of various miscellaneous transactions involving capital assets (i.e sales) is to decrease net assets		(79,225)
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In the statement of activities, interest is accrued on outstanding bonds, whereas in the governmental funds, an interest expenditure is reported when due.		11,878
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<u>CHANGES in NET POSITION of GOVERNMENTAL ACTIVITIES</u>	\$	12,990,360
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See notes to financial statements.

Solanco School District
STATEMENT of NET POSITION -
PROPRIETARY FUNDS
June 30, 2025

	Enterprise Fund	Internal Service Fund
<u>ASSETS</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 1,584,759	\$ 805,034
Investments	200,000	3,786,400
Due from Other Governments	43,787	-
Other Receivables	2,237	345,874
Inventories	38,801	-
<u>Total Current Assets</u>	1,869,584	4,937,308
Noncurrent Assets:		
Furniture and Equipment, net of Accumulated Depreciation	99,826	-
<u>TOTAL ASSETS</u>	1,969,410	4,937,308
<u>DEFERRED OUTFLOWS of RESOURCES</u>		
Pension	244,132	-
Other Postemployment Benefits	12,553	-
<u>TOTAL DEFERRED OUTFLOWS of RESOURCES</u>	256,685	-
<u>TOTAL ASSETS and DEFERRED OUTFLOWS of RESOURCES</u>	2,226,095	4,937,308
<u>LIABILITIES</u>		
Current Liabilities:		
Due to Other Funds	3,142	-
Accounts Payable	5,296	-
Claims Payable	-	353,625
Accrued Salaries and Benefits	8,624	-
Unearned Revenues	36,175	-
<u>Total Current Liabilities</u>	53,237	353,625
Noncurrent Liabilities:		
Net Pension Liability	1,393,499	-
Total Postemployment Benefit Liability	113,166	-
<u>Total Noncurrent Liabilities</u>	1,506,665	-
<u>TOTAL LIABILITIES</u>	1,559,902	353,625
<u>DEFERRED INFLOWS of RESOURCES</u>		
Other Postemployment Benefits	9,482	-
<u>TOTAL DEFERRED INFLOWS of RESOURCES</u>	9,482	-
<u>TOTAL LIABILITIES and DEFERRED INFLOWS of RESOURCES</u>	1,569,384	353,625
<u>NET POSITION</u>		
Net Investment in Capital Assets	99,826	-
Unrestricted	556,885	4,583,683
<u>TOTAL NET POSITION</u>	\$ 656,711	\$ 4,583,683

See notes to financial statements.

Solanco School District
STATEMENT of REVENUES, EXPENSES, and
CHANGES in NET POSITION - PROPRIETARY FUNDS
Year Ended June 30, 2025

	Enterprise Fund	Internal Service Fund
	<u>Fund</u>	<u>Fund</u>
<u>OPERATING REVENUES</u>		
Food Service Revenue	\$ 393,670	\$ -
Charges for Services	29,499	5,696,476
Miscellaneous Income	7,793	-
<u>Total Operating Revenues</u>	<u>430,962</u>	<u>5,696,476</u>
<u>OPERATING EXPENSES</u>		
Salaries	558,752	-
Employee Benefits	324,442	4,964,887
Purchased Professional and Technical Service	19,168	273,567
Purchased Property Service	48,171	-
Other Purchased Services	3,723	-
Supplies	1,203,758	-
Dues and Fees	183	-
Depreciation	14,549	-
<u>Total Operating Expenses</u>	<u>2,172,746</u>	<u>5,238,454</u>
<u>OPERATING INCOME (LOSS)</u>	(1,741,784)	458,022
<u>NONOPERATING REVENUES</u>		
Investment Earnings	71,819	260,559
State Subsidies	404,090	-
Federal Subsidies	1,224,593	-
<u>Total Nonoperating Revenues</u>	<u>1,700,502</u>	<u>260,559</u>
<u>CHANGES in NET POSITION</u>	(41,282)	718,581
<u>NET POSITION</u>		
Beginning of Year	<u>697,993</u>	<u>3,865,102</u>
<u>NET POSITION - End of Year</u>	\$ <u>656,711</u>	\$ <u>4,583,683</u>

See notes to financial statements.

Solanco School District
STATEMENT of CASH FLOWS -
PROPRIETARY FUNDS
Year Ended June 30, 2025

	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
<u>CASH FLOWS from OPERATING ACTIVITIES</u>		
Cash Received from Users	\$ 428,764	\$ -
Cash Received from Assessments Made to Other Funds	-	5,727,495
Cash Payments to Employees for Services	(948,598)	-
Cash Payments for Insurance Services	-	(5,446,671)
Cash Payments to Suppliers for Goods and Services	(1,264,933)	-
Cash Payments for Other Operating Expenses	<u>-</u>	<u>(269,028)</u>
<u>Net Cash (Used) Provided by Operating Activities</u>	<u>(1,784,767)</u>	<u>11,796</u>
<u>CASH FLOWS from NONCAPITAL FINANCING ACTIVITIES</u>		
State Subsidies	400,976	-
Federal Subsidies	<u>1,214,479</u>	<u>-</u>
<u>Net Cash Provided by Noncapital Financing Activities</u>	<u>1,615,455</u>	<u>-</u>
<u>CASH FLOWS from INVESTING ACTIVITIES</u>		
Investment Earnings	70,101	139,035
Deposits from (to) Investment Pools	<u>(200,000)</u>	<u>(2,359,650)</u>
<u>Net Cash Provided (Used) by Investing Activities</u>	<u>(129,899)</u>	<u>(2,220,615)</u>
<u>INCREASE (DECREASE) in CASH and CASH EQUIVALENTS</u>	(299,211)	(2,208,819)
<u>CASH and CASH EQUIVALENTS</u>		
Beginning of Year	<u>1,883,970</u>	<u>3,013,853</u>
End of Year	\$ <u><u>1,584,759</u></u>	\$ <u><u>805,034</u></u>

See notes to financial statements.

(Continued)

Solanco School District
STATEMENT of CASH FLOWS -
PROPRIETARY FUNDS
Year Ended June 30, 2025
(Continued)

	Enterprise Fund	Internal Service Fund
	<hr/>	<hr/>
<u>RECONCILIATION of OPERATING INCOME (LOSS)</u>		
<u>to NET CASH USED by OPERATING ACTIVITIES</u>		
Operating Income (Loss)	\$ (1,741,784)	\$ 458,022
	<hr/>	<hr/>
<u>ADJUSTMENTS to RECONCILE OPERATING INCOME (LOSS)</u>		
<u>to NET CASH USED by OPERATING ACTIVITIES</u>		
Depreciation	14,549	-
GASB 68 & 75 Retirement and OPEB Expense	(68,425)	-
Increase in Accounts Receivables	(186)	31,018
Decrease (Increase) in Inventories	5,173	-
Decrease in Prepaid Expenses	-	4,540
Increase (Decrease) in Accounts and Claims Payable	3,320	(481,784)
Decrease in Due to other funds	1,577	-
Increase in Accrued Salaries and Benefits	3,021	-
Decrease in Unearned Revenues	(2,012)	-
<u>Total Adjustments</u>	<u>(42,983)</u>	<u>(446,226)</u>
	<hr/>	<hr/>
<u>Net Cash Used by Operating Activities</u>	\$ <u>(1,784,767)</u>	\$ <u>11,796</u>
	<hr/>	<hr/>
<u>NONCASH NONCAPITAL FINANCING ACTIVITIES</u>		
Receipt of U.S. Department of Agriculture Donated Commodities	\$ 106,495	\$ -
	<hr/>	<hr/>

See notes to financial statements.

Solanco School District
STATEMENT OF NET POSITION -
FIDUCIARY FUNDS
June 30, 2025

	Private Purpose Trust Fund	Custodial Fund
	<u> </u>	<u> </u>
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 330,362	\$ 197,056
Investments	<u>185,100</u>	<u>-</u>
 <u>TOTAL ASSETS</u>	 \$ <u>515,462</u>	 \$ <u>197,056</u>
 <u>LIABILITIES</u>		
Accounts Payable	<u>100,900</u>	<u>-</u>
 <u>NET POSITION</u>		
Restricted for Scholarships	414,562	-
Restricted for Student Activities	<u>-</u>	<u>197,056</u>
<u>TOTAL NET POSITION</u>	<u>414,562</u>	<u>197,056</u>
 <u>TOTAL LIABILITIES and NET POSITION</u>	 \$ <u><u>515,462</u></u>	 \$ <u><u>197,056</u></u>

See notes to financial statements.

Solanco School District
STATEMENT of CHANGES in NET POSITION -
FIDUCIARY FUNDS
Year Ended June 30, 2025

	Private Purpose Trust Fund	Custodial Fund
	<u> </u>	<u> </u>
<u>ADDITIONS</u>		
Gifts and Contributions	\$ 82,329	\$ -
Student Activity Receipts	-	212,619
Investment Earnings	<u>20,976</u>	<u>8,017</u>
 <u>TOTAL ADDITIONS</u>	 <u>103,305</u>	 <u>220,636</u>
 <u>DEDUCTIONS</u>		
Scholarships	150,463	-
Student Activity Disbursements	<u>-</u>	<u>206,920</u>
 <u>TOTAL DEDUCTIONS</u>	 <u>150,463</u>	 <u>206,920</u>
 <u>CHANGES in NET POSITION</u>	 (47,158)	 13,716
 <u>NET POSITION - Beginning of Year</u>	 <u>461,720</u>	 <u>183,340</u>
 <u>NET POSITION - End of Year</u>	 \$ <u>414,562</u>	 \$ <u>197,056</u>

See notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Solanco School District
NOTES to the FINANCIAL STATEMENTS

NOTE 1 - Summary of Significant Accounting Policies

Solanco School District (the School District), located in Lancaster County, Pennsylvania, provides a full range of educational services appropriate to grade levels kindergarten through 12 for students residing in Bart, Colerain, Drumore, East Drumore, Eden, Fulton, Little Britain and Providence Townships, and the Borough of Quarryville. These services include regular, advanced academic, vocational education programs and special education programs for gifted and handicapped children. The governing body of the School District is a board of nine school directors who are each elected for a four-year term. The daily operation and management of the School District is carried out by the administrative staff of the School District, headed by the Superintendent of Schools who is appointed by the Board of School Directors. The School District is comprised of four elementary schools, two middle schools, and one high school, serving approximately 3,015 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, 2025, was approximately \$1,261,408. The School District paid tuition expenses for 47 students enrolled in LCCTC half-day programs and 60 students enrolled in full-day programs during the 2024-2025 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 \$13,329,966 on June 30, 2025, and the School District's share of the outstanding debt obligation is \$791,269. 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, 2025. 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, 2025, was \$1,487,448. Average daily membership of Solanco School District students in LLIU special education programs during the fiscal year approximated 72.471 students. The School District received 1,274 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, 2025, for 10 student reservations was \$52,450. Complete financial information for the Academy can be obtained from the Administrative Office at 1641 Old Philadelphia Pike, Lancaster, PA 17602.

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, 2025, was \$120,718. 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.

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.

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)

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.

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.

Solanco School District
NOTES to the FINANCIAL STATEMENTS
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Basis of Accounting (continued)

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, 2025, and which are not available to finance fiscal 2025 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.

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.

Solanco School District
NOTES to the FINANCIAL STATEMENTS
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Basis of Accounting (continued)

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, 2025, are reported as unearned revenue since title does not pass to the School District until the commodities are used.

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.

Solanco School District
NOTES to the FINANCIAL STATEMENTS
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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/amortized 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
Lease Assets	Life of lease

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.

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.

Solanco School District
NOTES to the FINANCIAL STATEMENTS
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Pension Plan

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

Other Postemployment Benefits (OPEB)

Single-Employer Defined Benefit OPEB Plan

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

Cost-Sharing Multiple-Employer Defined Benefit Plan

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

Interfund Activity

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

Solanco School District
NOTES to the FINANCIAL STATEMENTS
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Governmental Fund Balances

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

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

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

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

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

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

Spending Policy

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

Solanco School District
NOTES to the FINANCIAL STATEMENTS
(Continued)

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Estimates

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

Implementation of New Accounting Pronouncements

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This Statement updates the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The impact of this statement has been reflected in these financial statements.

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. The implementation of this statement did not have a material impact on these financial statements.

Pending Changes in Accounting Principles

In April 2024, GASB issued Statement No. 103 *Financial Reporting Model Improvements*. This Statement will improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability as well as addresses certain application issues. The requirements of this Statement are effective for the School District's June 30, 2026 financial statements.

In September 2024, GASB issued Statement No. 104 *Disclosure of Certain Capital Assets*. This Statement will provide users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assesses accountability. The requirements of this Statement are effective for the School District's June 30, 2026 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.

Solanco School District
NOTES to the FINANCIAL STATEMENTS
(Continued)

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

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

Cash and Cash Equivalents - Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. As of June 30, 2025, the carrying amount of the School District's deposits was \$40,939,450 and the bank balance was \$42,273,265. Of the deposits balance, \$250,000 was covered by federal depository insurance and \$41,076,743 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	41,076,743
Deposits not in the School District's Name	<u>\$ 41,326,743</u>

Reconciliation of Cash and Cash Equivalents to the Financial Statements

Uninsured Amount Above	\$ 41,076,743
Plus: Collateralized Amount	250,000
Bank Balance	41,326,743
Less: Reconciling items	<u>(1,333,815)</u>

Carrying Amount – Bank Balances	\$ 39,992,928
Plus: Pooled Cash Equivalents	946,522
<u>Total Cash and Cash Equivalents Per Financial Statements</u>	<u>\$ 40,939,450</u>

Cash and Cash Equivalents:

Governmental Activity	\$ 38,827,273
Business-Type Activity	1,584,759
Fiduciary Funds	527,418
<u>Total Cash and Cash Equivalents</u>	<u>\$ 40,939,450</u>

Solanco School District
NOTES to the FINANCIAL STATEMENTS
(Continued)

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

Investments

At June 30, 2025, the School District holds the following investments recorded at cost or amortized cost:

PSDLAF CD Purchase Program	\$ 15,086,400
PLGIT CD Purchase Program	<u>4,165,100</u>
	<u>\$ 19,251,000</u>

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, 2025, was 12.7604 mills as levied by the Board of School Directors.

The schedule for real estate taxes levied for the fiscal year ended June 30, 2025, follows:

July 1	- 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, 2025, are as follows:

Solanco School District
NOTES to the FINANCIAL STATEMENTS
(Continued)

NOTE 4 - Taxes Receivable and Deferred Inflows of Resources (Continued)

	Gross Taxes Receivable	Allowance for Uncollectible Taxes	Net Estimated to be Collectible	Tax Revenue Recognized	Deferred Inflows of Resources
Real Estate	\$ 753,746	\$ 62,329	\$ 691,414	\$ 28,761	\$ 662,653
Earned Income	1,803,954	-0-	1,803,954	1,803,954	-0-
Interim	90,277	-0-	90,277	-0-	90,277
Realty Transfer	88,613	-0-	88,613	88,613	-0-
	<u>\$ 2,736,590</u>	<u>\$ 62,329</u>	<u>\$ 2,674,258</u>	<u>\$ 1,921,328</u>	<u>\$ 752,930</u>

NOTE 5 - Interfund Receivables, Payables, and Transfers

The general fund reported a \$3,142 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 \$3,885,438. The School District accumulates monies in its capital project fund for the purpose of financing construction and major capital improvements, which is permitted under state statute. Interfund receivables and payables for the fiscal year ended June 30, 2025, is as follow:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 3,142	\$ 3,885,438
Capital Project Fund	3,885,438	-0-
Enterprise Fund – Food Service	-0-	3,142
	<u>\$ 3,888,580</u>	<u>\$ 3,888,580</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. Of the transfer of \$9,949,267, \$6,063,829 was paid to the capital project fund at June 30, 2025. The general fund transferred \$3,284,327 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, 2025, follow:

<u>Fund</u>	<u>Transfer from Other Funds</u>	<u>Transfer to Other Funds</u>
General Fund	\$ -0-	\$ 9,949,267
Capital Project Fund	6,664,940	-0-
Debt Service Fund	3,284,327	-0-
	<u>\$ 9,949,267</u>	<u>\$ 9,949,267</u>

Solanco School District
NOTES to the FINANCIAL STATEMENTS
(Continued)

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, 2025, 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	\$ 372,059	\$ -0-
Title 2A Grant	36,924	-0-
Federal-Funded Food Nutrition Subsidy		33,904
Other Federal Grants	20,000	-0-
State Sources:		
State Retirement Subsidy	2,743,927	531
State FICA Subsidy	370,339	267
Other State Grants	5,072	-0-
State-Funded Grants and Subsidies	421,303	
State-Funded Food Nutrition Subsidy	-0-	9,085
Local Sources:		
Pass Through Federal and State Grants	793,884	-0-
	<u>\$ 4,763,508</u>	<u>\$ 43,787</u>

NOTE 7 - Other Receivables

Other receivables consist of payments not received by June 30, 2025, 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:

	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>	<u>Total</u>
Interest Receivable	\$ 67,223	\$ -0-	\$ -0-	\$ 58,132	\$ 125,355
Miscellaneous Receivables	24,735	8,000	2,237	287,742	322,714
	<u>\$ 91,958</u>	<u>\$ 8,000</u>	<u>\$ 2,237</u>	<u>\$ 345,874</u>	<u>\$ 448,069</u>

NOTE 8 - Changes in Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2025, follows:

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2025</u>
Historical Cost:				
Capital Assets, not being Depreciated/amortized:				
Land	\$ 1,176,455	\$ -0-	\$ -0-	\$ 1,176,455
Construction in Progress	5,407,651	5,627,720	(1,814,543)	9,220,828
<u>Total Capital Assets, not being Depreciated/Amortized</u>	<u>6,584,106</u>	<u>5,627,720</u>	<u>(1,814,543)</u>	<u>10,937,283</u>

Solanco School District
NOTES to the FINANCIAL STATEMENTS
(Continued)

NOTE 8 - Changes in Capital Assets (Continued)

Capital Assets being Depreciated/Amortized:

Buildings and Building Improvements	118,067,031	5,006,119	-0-	123,073,150
Site Improvements	5,850,357	256,658	-0-	6,107,015
Furniture and Equipment	9,177,831	68,528	-0-	9,246,359
Vehicles	584,256	-0-	-0-	584,256
Library Books	1,943,663	-0-	(1,943,663)	-0-
Lease Assets – Equipment	346,013	-0-	-0-	346,013
<u>Total Capital Assets being Depreciated/Amortized</u>	<u>135,969,151</u>	<u>5,331,305</u>	<u>(1,943,663)</u>	<u>139,356,793</u>

Accumulated Depreciation/Amortization:

Buildings and Building Improvements	58,870,711	2,907,481	-0-	59,778,192
Site Improvements	4,017,248	259,600	-0-	4,276,848
Furniture and Equipment	6,241,708	437,191	-0-	6,678,899
Vehicles	497,670	30,248	-0-	527,918
Library Books	1,835,956	28,482	(1,864,438)	-0-
Lease Assets – Equipment	116,891	69,203	-0-	186,094
<u>Total Accumulated Depreciation/Amortization</u>	<u>69,580,184</u>	<u>3,732,205</u>	<u>(1,864,438)</u>	<u>71,447,951</u>

Net Capital Assets being Depreciated/Amortized	<u>66,388,967</u>	<u>1,599,100</u>	<u>(79,225)</u>	<u>67,908,842</u>
<u>Net Capital Assets</u>	<u>\$ 72,973,073</u>	<u>\$ 7,226,820</u>	<u>\$(1,893,768)</u>	<u>\$ 78,306,125</u>

Capital asset activity for business-type activities for the year ended June 30, 2025, follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025
Historical Cost:				
Capital Assets being Depreciated/Amortized:				
Furniture and Equipment	\$ 427,126	\$ -0-	\$ -0-	\$ 427,126
Less: Accumulated Depreciation/Amortization:				
Furniture and Equipment	312,751	(14,549)	-0-	327,300
Net Capital Assets being Depreciated/Amortized	114,375	(14,549)	-0-	99,826
<u>Net Capital Assets</u>	<u>\$ 114,375</u>	<u>\$ (14,549)</u>	<u>\$ -0-</u>	<u>\$ 99,826</u>

Solanco School District
NOTES to the FINANCIAL STATEMENTS
(Continued)

NOTE 8 - Changes in Capital Assets (Continued)

Depreciation/amortization expenses were charged to governmental functions as follows:

Instruction	\$ 2,123,221
Instructional Student Support	259,410
Administrative and Financial Support Services	318,060
Operation and Maintenance of Plant Services	712,992
Pupil Transportation	255,105
Student Activities	59,203
	<u>\$ 3,732,205</u>

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

Food Service	<u>\$ 14,549</u>
--------------	------------------

Lease Assets - Equipment Liabilities:

The District leases equipment. The leases terminate in 2029.

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 70,803	\$ 5,247	\$ 76,050
2027	73,522	2,529	76,051
2028	22,173	375	22,548
2029	<u>3,469</u>	<u>65</u>	<u>3,534</u>
	<u>\$ 169,967</u>	<u>\$ 8,216</u>	<u>\$ 178,183</u>

Net Investment in Capital Assets

Net position of the governmental activities net investment in capital assets, at June 30, 2025 is as follows:

Capital assets net of accumulated depreciation/amortization	\$ 78,306,125
Unspent debt proceeds	8,130,960
Total outstanding debt	<u>(19,861,967)</u>
Net investment in capital assets	<u>\$ 66,575,118</u>

NOTE 9 - Accrued Salaries and Benefits

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

Solanco School District
NOTES to the FINANCIAL STATEMENTS
(Continued)

NOTE 9 - Accrued Salaries and Benefits (Continued)

	<u>General Fund</u>	<u>Food Service Fund</u>
Payroll	\$ 2,975,102	\$ 6,982
Social Security	225,629	534
Retirement	1,003,136	1,062
Workers' Compensation	1,514	46
Health Benefits	56,053	-0-
	<u>\$ 4,261,434</u>	<u>\$ 8,624</u>

NOTE 10 - Unearned Revenues

Unearned revenues consist of the following as of June 30, 2025:

	<u>General Fund</u>	<u>Enterprise Fund</u>	<u>Total</u>
Grants Advanced	\$ 31,973	\$ -0-	\$ 31,973
Unearned Revenues – Value of Unused Donated Commodities	-0-	13,567	13,567
Unearned Revenues – Food Service Prepayments	-0-	22,608	22,608
	<u>\$ 31,973</u>	<u>\$ 36,175</u>	<u>\$ 68,148</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, 2025 as follows:

<u>Issue</u>	<u>Final Maturity Date</u>	<u>Interest Rates</u>	<u>Principal Amount Outstanding at June 30, 2025</u>
Series 2024A Note	April 1, 2033	5.00%	\$ 9,985,000
Series 2021A Note	April 1, 2027	0.90%	1,400,000
Series 2021 Note	April 1, 2029	1.95%	3,840,000
Series 2019 Note	April 1, 2028	3.02%	3,639,500
			<u>\$ 18,864,500</u>

In February 2024 the School District issued the Series 2024 A General Obligation Note in the amount of \$9,995,000. The proceeds were used to provide funds to various capital projects of the School District and to pay the costs of issuing the bonds. The principal outstanding at June 30, 2025 was \$9,985,000 due in various amounts through April 1, 2033. Principal due within one year is 5,000.

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, 2025 was \$1,400,000 due in various amounts through April 1, 2027. Principal due within one year is \$925,000.

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, 2025 was \$3,840,000 due in various amounts through April 1, 2029. Principal due within one year is \$940,000.

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, 2025 was \$3,639,500 due in various amounts through April 1, 2028. Principal due within one year is \$725,000.

Change in Long-Term Liabilities

Long-term liability activity can be summarized as follows:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025
<u>Governmental Activities</u>				
General Obligation Debt	\$ 21,404,500	\$ -0-	\$ 2,540,000	\$ 18,864,500
Estimated Liability for Compensated Absences	1,049,933	53,192	-0-	1,103,125
Lease Liability	238,152	-0-	68,185	169,967
Deferred Amounts				
Bond Premium	930,938	-0-	103,438	827,500
Net Pension Liability	68,815,982	-0-	3,660,481	65,155,501
Total Postemployment Benefit Liability	5,480,286	687,778	39,160	6,056,904
Estimated Liability for Accrued Retirement Bonus	863,071	169,284	-0-	1,032,355
Total Governmental Activities	<u>\$ 98,710,862</u>	<u>\$ 910,254</u>	<u>\$ 6,411,264</u>	<u>\$ 93,209,852</u>
	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025
<u>Business-type Activities</u>				
Net Pension Liability	\$ 1,472,018	\$ -0-	\$ 78,519	\$ 1,393,499
Total Postemployment Benefit Liability	114,006	-0-	840	113,166
Business-type Activities	<u>\$ 1,586,024</u>	<u>\$ -0-</u>	<u>\$ 79,359</u>	<u>\$ 1,506,665</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, 2025, is detailed below:

	Current Portion	Noncurrent Portion
Estimated Liability for Compensated Absences	\$ 360,854	\$ 742,271
Lease Liability	70,803	99,164
Estimated Liability for Accrued Retirement Bonus	112,763	919,592
Notes Payable	2,590,000	6,289,500
Bonds Payable	5,000	10,807,500
	<u>\$ 3,139,420</u>	<u>\$ 18,858,027</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>
2026	\$ 696,643	\$ 2,595,000	\$ 3,291,643
2027	647,843	2,650,000	3,297,843
2028	588,002	2,669,500	3,257,502
2029	517,610	2,005,000	2,522,610
2030	447,250	2,075,000	2,522,250
2031-2033	<u>697,500</u>	<u>6,870,000</u>	<u>7,567,500</u>
	\$ <u>3,594,848</u>	\$ <u>18,864,500</u>	\$ <u>22,459,348</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, 2025:

Professional Staff and Administration:	
Accumulated Sick Leave	\$ 289,508
Accumulated Vacation Leave	445,993
Employer Social Security and Medicare on Leave Amounts Above (net of State Reimbursement)	<u>56,266</u>
	<u>791,767</u>
Support Staff:	
Accumulated Sick Leave	137,956
Accumulated Vacation Leave	151,276
Employer Social Security and Medicare on Leave Amounts Above (net of State Reimbursement)	<u>22,126</u>
	<u>311,358</u>
<u>Total Accumulated Compensated Absences</u>	\$ <u>1,103,125</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, 2025:

Solanco School District
NOTES to the FINANCIAL STATEMENTS
(Continued)

NOTE 13 - Accrued Retirement Bonus

Professional Staff (Collective Bargaining Agreement):

Estimated Accrued Retirement Benefit	\$ 958,992
Employer Social Security and Medicare on Retirement Bonus (net of State Reimbursement)	<u>73,363</u>
<u>Total Accrued Retirement Bonus</u>	<u>1,032,355</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, 2024, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	19
Inactive Employees Entitled to but not yet Receiving Benefits	-0-
Active Employees	<u>332</u>
	351

Total OPEB Liability and OPEB Expense

The School District's total OPEB liability of \$3,335,070 was measured as of July 1, 2024, and was determined by an actuarial valuation as of July 1, 2023 rolled forward to July 1, 2024.

For the year ended June 30, 2025, the School District recognized net OPEB expense of \$81,814 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, 2024 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: 4.29%, 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: 7.0% in 2024 with 0.5% decrease per year until 5.5% in 2027. Rates gradually decrease from 5.4% in 2028 to 4.0% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.
Retirees' Share of Benefit-Related Costs: 100.0% of Premium

The actuarial assumptions used in the July 1, 2024 valuation were based on the results of an actuarial experience study for the period ended July 1, 2023.

Changes in the Total OPEB Liability

Balance, June 30, 2024	\$ <u>2,647,292</u>
Changes for the Year	
Service Cost	144,110
Interest	111,232
Changes of Benefit Terms	-0-
Differences Between Expected and Actual Experience	39,367
Changes of Assumptions	574,214
Benefit Payments	<u>(181,145)</u>
Net Changes	<u>687,778</u>
Balance, June 30, 2025	\$ <u>3,335,070</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	
3.29% Discount Rate (1.0% Decrease)	3,621,145
4.29% Discount Rate (Current Rate)	3,335,070
5.29% Discount Rate (1.0% Increase)	3,067,157

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	2,943,950
Current Rate	3,335,070
1% Increase	3,799,357

Solanco School District
NOTES to the FINANCIAL STATEMENTS
(Continued)

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

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, 2024, 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, 2025, 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, 2024, 92,149 retirees were receiving the maximum amount allowed of \$1,200 per year and 489 members were receiving less than the maximum amount allowed of \$1,200 per year.

Contributions

The School District's contractually required contribution rate for the fiscal year ended June 30, 2025, was 0.63% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the School District were \$170,210 for the year ended June 30, 2025.

Solanco School District
NOTES to the FINANCIAL STATEMENTS
(Continued)

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

OPEB Liabilities and OPEB Expense

At June 30, 2025, the School District reported a liability of \$2,835,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2023 to June 30, 2024. The 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, 2024, the School District's proportion was 0.1596 percent, which was an increase of 0.0007 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School District recognized a negative OPEB expense of \$79,016 related to this plan.

Actuarial Assumptions

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

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

Investment Return: 4.21%, based on the S&P 20 year municipal bond rate.

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

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

Assumed Healthcare Cost Trends: 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, 2022, determined the employer contribution rate for fiscal year 2024.

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

Asset valuation method: Market Value.

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

Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 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.

Solanco School District
NOTES to the FINANCIAL STATEMENTS
(Continued)

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

Actuarial Assumptions (Continued)

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 Allocation	Long-Term Expected Real Rate of Return
Cash	<u>100.0%</u> <u>100.0%</u>	1.7%

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, 2024.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.21%, an increase from 0.08% 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 4.21% which represents the S&P 20- year municipal bond rate at June 30, 2024, was applied to all projected benefit payments to measure the total OPEB liability.

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	
3.21% Discount Rate (1.0% Decrease)	3,203,000
4.21% Discount Rate (Current Rate)	2,835,000
5.21% Discount Rate (1.0% Increase)	2,527,000

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	2,835,000
Current Rate	2,835,000
1% Increase	2,835,000

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, 2025, the School District recognized a net OPEB expense of \$4,786. At June 30, 2025, 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	\$ 170,210	\$ -0-	\$ 153,765	\$ -0-	\$ 323,975	\$ -0-
Difference between Projected and Actual Investment Earnings	2,981	-0-	-0-	-0-	2,981	-0-
Changes of Assumptions Difference between Expected and Actual Experience	172,818	432,923	656,326	677,348	829,144	1,110,271
	10,766	42,560	457,000	603,802	467,766	646,362
Difference between Employer Contributions and Proportionate Share of Total Contributions	3,652	233	-0-	-0-	3,652	233
Changes in Proportion	58,000	38,449	-0-	-0-	58,000	38,449
	<u>\$ 418,427</u>	<u>\$ 514,165</u>	<u>\$ 1,267,091</u>	<u>\$ 1,281,150</u>	<u>\$ 1,685,518</u>	<u>\$ 1,795,315</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)

The amount of \$323,975 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, 2026. 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>
2026	\$ (81,914)	\$ (19,763)	\$ (101,677)
2027	(88,835)	(19,763)	(108,598)
2028	(96,124)	(19,763)	(115,887)
2029	(3,694)	(19,763)	(23,457)
2030	2,861	(19,763)	(16,902)
Thereafter	<u>1,758</u>	<u>(69,009)</u>	<u>(67,251)</u>
Total	\$ <u>(265,948)</u>	\$ <u>(167,824)</u>	\$ <u>(433,772)</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 for renovations and additions to Brownstown, Mount Joy and Willow Street campuses of the LCCTC, for the purchase and renovation of property for a practical nursing program, for various ongoing and proposed capital projects of the LCCTC, and for the payment and cost of issuing the Bonds. The LCCTC and sixteen member school districts have entered into a lease agreement with the Authority stipulating each school district will pay its proportionate share of the lease rentals in order to fund the debt based on real estate market values as set forth in the LCCTC Organization Agreement. The aggregate amount borrowed was \$23,890,000 via the issuance of the LCCTC General Obligation Bonds, Series of 2012, Series of 2013, and Series of 2014. The Bonds are to be repaid over a period not to exceed thirty years, with gross annual debt service not to exceed \$1,985,000 and net annual debt service (after reimbursement by the Commonwealth of Pennsylvania) of \$1,330,000.

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

Fiscal Year	School District Share
<u>Ended June 30,</u>	<u>Projected Future Minimum</u>
	<u>Rental Payments</u>
2026	\$ 81,478
2027	80,924
2028	80,439
2029	80,454
2030	79,781
2031-2035	397,691
2036-2037	<u>158,610</u>
Total	\$ <u>959,377</u>

Solanco School District
NOTES to the FINANCIAL STATEMENTS
(Continued)

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 \$450,000. The EHCC does not issue stand-alone financial statements. The School District was limited in liability to \$200,000 per individual and \$9,095,288 in total for hospitalization claims for the year ended June 30, 2025.

Transactions related to this hospitalization plan are reflected in the self-insurance hospitalization fund, which is an 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, 2025, the liability for claims incurred prior to June 30, 2025 and paid subsequently was \$339,599.

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 was \$14,026 in liabilities for claims incurred, which were unpaid at June 30, 2025, and for claims incurred prior to June 30, 2025.

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, 2025, 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, 2025, and the three previous fiscal years.

Solanco School District
NOTES to the FINANCIAL STATEMENTS
(Continued)

NOTE 16 - Risk Management (Continued)

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 2025 and 2024 were:

	<u>Year Ended June 30, 2025</u>		
	<u>Hospitalization</u>	<u>Unemployment</u>	<u>Total</u>
Claim Liability at July 1, 2024	\$ 835,409	\$ -0-	\$ 835,409
Current year Claims and Changes in Estimates	5,236,224	2,230	5,238,454
Claim Payments	<u>(5,732,034)</u>	<u>11,796</u>	<u>(5,720,238)</u>
Claim Liability at June 30, 2025	\$ <u>339,599</u>	\$ <u>14,026</u>	\$ <u>353,625</u>

	<u>Year Ended June 30, 2024</u>		
	<u>Hospitalization</u>	<u>Unemployment</u>	<u>Total</u>
Claim Liability at July 1, 2023	\$ 921,559	\$ -0-	\$ 571,721
Current year Claims and Changes in Estimates	6,256,442	2,027	6,258,469
Claim Payments	<u>(6,342,592)</u>	<u>(2,027)</u>	<u>(5,994,781)</u>
Claim Liability at June 30, 2024	\$ <u>835,409</u>	\$ <u>-0-</u>	\$ <u>835,409</u>

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, 2025.

	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Other Governmental Fund</u>	<u>Total Governmental Funds</u>
<u>Nonspendable</u>				
Inventory	\$ 258,553	\$ -0-	\$ -0-	\$ 268,553
Prepaid Items	<u>462,851</u>	<u>-0-</u>	<u>-0-</u>	<u>462,851</u>
Total Nonspendable	<u>721,404</u>	<u>-0-</u>	<u>-0-</u>	<u>721,404</u>
<u>Restricted</u>				
Debt Proceeds	<u>-0-</u>	<u>8,130,960</u>	<u>-0-</u>	<u>8,130,960</u>
<u>Committed</u>				
Facility Repair and Improvements, Early Retirement of Debt Service, and Technology and Security Enhancements	<u>6,500,000</u>	<u>-0-</u>	<u>-0-</u>	<u>6,500,000</u>
Total Committed	<u>6,500,000</u>	<u>-0-</u>	<u>-0-</u>	<u>6,500,000</u>
<u>Assigned</u>				
Budgeted 2024-2025 General Fund Operating Deficit	1,468,949	-0-	-0-	1,468,949
Future Capital Projects	<u>-0-</u>	<u>27,501,398</u>	<u>-0-</u>	<u>27,501,398</u>
Total Assigned	<u>1,468,949</u>	<u>27,501,398</u>	<u>-0-</u>	<u>28,970,347</u>
<u>Unassigned</u>	<u>4,707,061</u>	<u>-0-</u>	<u>-0-</u>	<u>4,707,061</u>
Total Fund Balances	<u>\$13,397,414</u>	<u>\$35,632,358</u>	<u>\$ -0-</u>	<u>\$ 49,029,772</u>

Solanco School District
NOTES to the FINANCIAL STATEMENTS
(Continued)

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 2024-2025. 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, 2025 and is, therefore, not recorded as a liability in the long-term debt obligation. During the school year 2024-2025, benefits totaling \$18,381 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. During the school year 2024-2025, benefits totaling \$10,252 were paid to employees under the plan.

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.

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.

Solanco School District
NOTES to the FINANCIAL STATEMENTS
(Continued)

NOTE 19 - Defined Benefit Pension Plan (Continued)

Benefits Provided (Continued)

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.

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, 2025, the rate of employer's contribution was 33.90% of covered payroll. The rate is comprised of a contribution rate of 32.92% for pensions, and 0.35% for Act 5 defined contributions and 0.63% 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:

Solanco School District
NOTES to the FINANCIAL STATEMENTS
(Continued)

NOTE 19 - Defined Benefit Pension Plan (Continued)

Employer Contributions (Continued)

	<u>School District's Contribution</u>		<u>Members' Contribution</u>	
	<u>Dollars</u>	<u>Percentage</u>	<u>Dollars</u>	<u>Percentage</u>
For the Year Ended:				
June 30, 2025	8,988,701	32.92%	2,099,625	7.77%
2024	8,562,504	33.09%	2,057,588	8.02%
2023	8,438,909	34.51%	1,967,847	8.05%
2022	7,849,545	34.14%	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%

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

At June 30, 2025, the School District reported a liability of \$66,549,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by rolling forward PSERS's total pension liability as of June 30, 2023 to June 30, 2024. 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, 2024, the School District's proportion was .1590%, which was an increase of .0010% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School District recognized a net negative pension expense of \$2,580,330. At June 30, 2025, 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	\$ -0-	\$ 1,046,332
Net Difference between Projected and Actual Investment Earnings	1,101,667	-0-
Change in Proportions	987,000	92,000
Difference between Employer Contributions and Proportionate Share of Total Contributions	369,573	-0-
Contributions Subsequent to the Measurement Date	<u>8,988,701</u>	<u>-0-</u>
	<u>\$11,446,941</u>	<u>\$1,138,332</u>

Solanco School District
NOTES to the FINANCIAL STATEMENTS
(Continued)

NOTE 19 - Defined Benefit Pension Plan (Continued)

Deferred outflows of resources related to pensions totaling \$8,988,701, 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, 2026. The deferred outflows of resources and deferred inflows of resources reported above will be fully amortized as follows in the year ending June 30, 2029:

Year Ended June 30:

2026	\$ (1,404,902)
2027	2,107,874
2028	710,081
2029	(93,145)
	<u>\$ 1,319,908</u>

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

Actuarial Assumptions

The total pension liability as of June 30, 2024, was determined by rolling forward PSERS' total pension liability as of the June 30, 2023 actuarial valuation to June 30, 2024, 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, 2024.

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	30.0%	4.8%
Private equity	12.0%	6.7%
Fixed income	33.5%	3.9%
Commodities	5.0%	2.5%
Infrastructure/MLPs	10.0%	6.4%
Real Estate	<u>9.5%</u>	5.9%
	<u>100.0%</u>	

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

Solanco School District
NOTES to the FINANCIAL STATEMENTS
(Continued)

NOTE 19 - Defined Benefit Pension Plan (Continued)

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.

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
School District's Proportionate Share of the Net Pension Liability	\$ 87,666,000	\$ 66,549,000	\$ 48,718,000

Pension Plan Fiduciary Net Position

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

Payable to the Pension Plan

At June 30, 2025, the School District reported a payable of \$4,484,719 for the outstanding amount of employer contributions to PSERS required for the year ended June 30, 2025. These amounts relate to the second quarter of 2025 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 6.00%.

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.

Solanco School District
NOTES to the FINANCIAL STATEMENTS
(Continued)

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 \$2,144,759. The project commitments will be paid from the capital project fund during the 2025-2026 school year.

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 – Prior Period Restatement

As a result of the implementation of GASB Statement No. 101, the District made a prior period adjustment decreasing the governmental activities net position totaling \$298,902. This restated the beginning net position to \$36,249,746.

	<u>Governmental Activities</u>
Net position at June 30, 2024, as previously stated	\$ 36,548,648
Prior period adjustment to	
Record Compensated Absences Liabilities	(298,902)
Net position at June 30, 2024, as restated	<u>\$ 36,249,746</u>

NOTE 22 - Subsequent Events

The School District has evaluated all subsequent events through January 28, 2026, 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

	MEASUREMENT DATE							
	July 1, 2024	July 1, 2023	July 1, 2022	July 1, 2021	July 1, 2020	July 1, 2019	July 1, 2018	July 1, 2017
<u>TOTAL OPEB LIABILITY</u>								
Service Cost	\$ 144,110	\$ 135,257	\$ 291,290	\$ 294,260	\$ 199,565	\$ 201,155	\$ 207,788	\$ 194,735
Interest	111,232	105,238	86,036	68,658	95,120	83,105	93,663	66,943
Change of Benefit Terms	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Differences Between Expected and Actual Experience	39,367	-0-	(540,331)	-0-	630,382	-0-	(343,072)	-0-
Change of Assumptions	574,214	35,208	(689,419)	(111,255)	12,772	(77,393)	1,552	188,035
Benefit Payments	(181,145)	(185,944)	(157,648)	(176,949)	(166,545)	(159,035)	(154,482)	(163,927)
<u>NET CHANGE in TOTAL OPEB LIABILITY</u>	687,778	89,759	(1,010,072)	74,714	771,294	47,832	(194,551)	285,786
<u>TOTAL OPEB LIABILITY</u>								
Beginning	<u>2,647,292</u>	<u>2,557,533</u>	<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>2,582,530</u>
Ending	\$ <u>3,335,070</u>	\$ <u>2,647,292</u>	\$ <u>2,557,533</u>	\$ <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>	\$ 23,125,411	\$ 22,269,519	\$ 22,269,519	\$ 19,568,485	\$ 19,568,485	\$ 18,904,418	\$ 18,904,418	\$ 18,883,896
<u>TOTAL OPEB LIABILITY as a PERCENTAGE of COVERED EMPLOYEE PAYROLL</u>	14.42%	11.89%	11.48%	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

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, 2024:

Discount rate was increased from 4.13% to 4.29%.

Measurement date July 1, 2023:

Discount rate was increased from 4.06% to 4.13%.

Measurement date July 1, 2022:

Discount rate was increased from 2.28% to 4.06%.

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

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%
2022	0.1555%	2,862,000	22,992,223	12.45%	6.86%
2023	0.1589%	2,875,000	24,337,250	11.81%	7.22%
2024	0.1596%	2,835,000	24,337,250	11.91%	7.13%

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
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	-	22,332,903	0.84%
2021	180,871	180,871	-	22,057,498	0.82%
2022	183,938	183,938	-	22,992,223	0.80%
2023	183,401	183,401	-	24,337,250	0.75%
2024	164,269	164,269	-	25,667,031	0.64%
2025	170,210	170,210	-	27,017,460	0.63%

Solanco School District
NOTES to REQUIRED SUPPLEMENTARY INFORMATION -
PSERS HEALTH INSURANCE PREMIUM ASSISTANCE PLAN

Changes of Assumptions:

Measurement date July 1, 2024:

Discount rate was increased from 4.13% to 4.21%.

Measurement date July 1, 2023:

Discount rate was increased from 4.09% to 4.13%.

Salary growth changes from an effective average of 5.00% to 4.50%

Real wage growth and merit or seniority increases (components for salary growth) – decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively.

Mortality rates – Previously based on the RP-2014 Mortality tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

Measurement period ending June 30, 2022:

Discount rate was increased from 2.66% to 4.09%.

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>
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	-	22,992,223	34.14%
2023	8,438,909	8,438,909	-	24,337,250	34.51%
2024	8,562,504	8,562,504	-	25,667,031	33.09%
2025	8,988,701	8,988,701	-	27,017,460	32.92%

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
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	21,686,677	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%
2022	0.1555%	68,911,000	22,992,223	299.71%	61.34%
2023	0.1580%	70,288,000	24,337,250	288.81%	61.85%
2024	0.1590%	66,549,000	25,330,737	262.72%	64.63%

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, 2024:

Investment Rate of Return remained at 7.00%.

Inflation assumption remained at 2.50%.

Salary growth remained at 4.50%.

Discount rate used to measure Total Pension Liability remained at 7.00%

Measurement period ending June 30, 2023:

Investment Rate of Return remained at 7.00%.

Inflation assumption remained at 2.50%.

Salary growth remained at 4.50%.

Discount rate used to measure Total Pension Liability remained at 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-2020 Improvement Scale.

Measurement period ending June 30, 2022:

Investment Rate of Return remained at 7.00%.

Inflation assumption remained at 2.50%.

Salary growth remained at 4.50%.

Discount rate used to measure Total Pension Liability remained at 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-2020 Improvement Scale.

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

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, 2020:

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, 2025

	<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	\$ 31,986,084	\$ 31,986,084	\$ 32,323,135	\$ 337,051
Other Taxes	10,533,649	10,533,649	11,032,599	498,950
Investment Earnings	750,000	750,000	1,128,498	378,498
Revenue from School District Activities	50,000	50,000	50,053	53
Revenue from Intermediate Sources	986,937	986,937	1,071,720	84,783
Tuition	-	-	1,834	1,834
Other Revenue	193,000	193,000	272,943	79,943
<u>Total Local Sources</u>	44,499,670	44,499,670	45,880,782	1,381,112
State Sources	24,418,925	24,418,925	25,391,917	972,992
Federal Sources	5,454,605	5,454,605	6,964,981	1,510,376
<u>Total Revenues</u>	74,373,200	74,373,200	78,237,680	3,864,480
<u>EXPENDITURES</u>				
Current - Instructional Services:				
Regular Programs	26,559,175	26,101,175	26,098,252	(2,923)
Special Programs	12,178,007	10,964,507	10,960,358	(4,149)
Vocational Programs	2,900,806	2,725,806	2,722,276	(3,530)
Other Instructional Programs	620,004	788,004	784,908	(3,096)
Nonpublic School Programs	59,570	14,570	13,979	(591)
Pre-Kindergarten Programs	318,299	250,299	249,214	(1,085)
Support Services:				
Pupil Personnel Services	4,911,507	3,858,007	3,840,598	(17,409)
Instructional Staff Services	1,775,843	1,622,343	1,615,180	(7,163)
Administrative Services	3,613,672	3,570,672	3,560,036	(10,636)
Pupil Health Services	750,163	772,163	766,255	(5,908)
Business Services	1,144,760	1,067,760	1,064,154	(3,606)
Operation and Maintenance of				
Plant Services	6,390,720	5,614,220	5,610,227	(3,993)
Pupil Transportation Services	4,999,198	4,927,198	4,918,333	(8,865)
Central Support Services	1,995,155	1,423,155	1,417,395	(5,760)
Other Support Services	33,250	33,250	32,909	(341)
Operation of Noninstructional Services:				
Student Activities	1,309,341	1,197,341	1,186,218	(11,123)
Community Services	204,875	244,375	241,392	(2,983)
Debt Service:				
Principal	54,000	70,000	68,185	(1,815)
Interest	20,000	9,000	7,865	(1,135)
<u>Total Expenditures</u>	\$ 69,838,345	\$ 65,253,845	\$ 65,157,734	\$ (96,111)

See independent auditor's report.

(Continued)

Solanco School District
SCHEDULE of REVENUES, EXPENDITURES, and CHANGES in FUND BALANCES -
BUDGET and ACTUAL -
GENERAL FUND
Year Ended June 30, 2025
(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>4,534,855</u>	\$ <u>9,119,355</u>	\$ <u>13,079,946</u>	\$ <u>3,960,591</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers In	300,000	300,000	-	(300,000)
Proceeds from Extended Term Financing, Leases and Other Right-to Use Arrangements	325,000	325,000	-	(325,000)
Proceeds from Sale of Capital Assets	2,500	2,500	26,897	24,397
Transfers Out	(5,114,309)	(9,948,809)	(9,949,267)	(458)
Budgetary Reserve	<u>(250,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Net Other Financing Uses</u>	<u>(4,736,809)</u>	<u>(9,321,309)</u>	<u>(9,922,370)</u>	<u>(601,061)</u>
<u>NET CHANGES in</u>				
<u>FUND BALANCES</u>	(201,954)	(201,954)	3,157,576	3,359,530
<u>FUND BALANCES - Beginning of Year</u>	10,278,767	10,278,767	10,278,767	-
Decrease in Reserve for Inventory	<u>-</u>	<u>-</u>	<u>(38,929)</u>	<u>(38,929)</u>
<u>FUND BALANCES - End of Year</u>	\$ <u>10,076,813</u>	\$ <u>10,076,813</u>	\$ <u>13,397,414</u>	\$ <u>3,320,601</u>

See independent auditor's 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)

GOVERNMENTAL FUNDS – GENERAL FUND

Solanco School District
SCHEDULE of GENERAL FUND REVENUES and OTHER FINANCING SOURCES -
BUDGET to ACTUAL COMPARISON
Year Ended June 30, 2025

	Original Budget	Transfers Increase (Decrease)	Final Revised Budget	Actual	Variance With Final Budget
<u>REVENUES from LOCAL SOURCES</u>					
<u>Taxes</u>					
Current Real Estate Taxes	\$ 31,211,084	\$ -	\$ 31,211,084	\$ 31,433,076	\$ 221,992
Interim Real Estate Taxes	275,000	-	275,000	192,014	(82,986)
Public Utility Realty	33,540	-	33,540	37,612	4,072
Payments in Lieu of Current Taxes	109	-	109	382	273
Earned Income Tax	9,800,000	-	9,800,000	10,095,563	295,563
Real Estate Transfer Tax	700,000	-	700,000	899,042	199,042
Delinquent Real Estate Taxes	500,000	-	500,000	698,045	198,045
<u>Total Taxes</u>	<u>42,519,733</u>	<u>-</u>	<u>42,519,733</u>	<u>43,355,734</u>	<u>836,001</u>
<u>Other Local Revenues</u>					
Investment Earnings	750,000	-	750,000	1,128,498	378,498
Revenue from School District Activities	50,000	-	50,000	50,053	53
Federal Revenue Passed through Local Sources	986,937	-	986,937	1,071,720	84,783
Rent of School Facilities	100,000	-	100,000	93,882	(6,118)
Contributions and Donations	43,000	-	43,000	70,191	27,191
Tuition	-	-	-	1,834	1,834
Miscellaneous	50,000	-	50,000	108,870	58,870
<u>Total Other Local Revenues</u>	<u>1,979,937</u>	<u>-</u>	<u>1,979,937</u>	<u>2,525,048</u>	<u>545,111</u>
<u>Total Revenues from Local Sources</u>	<u>44,499,670</u>	<u>-</u>	<u>44,499,670</u>	<u>45,880,782</u>	<u>1,381,112</u>
<u>REVENUES from STATE SOURCES</u>					
Basic Education Funding	12,613,924	-	12,613,924	12,610,502	(3,422)
Cyber Charter School	-	-	-	145,387	145,387
Tuition for Orphans and Children	50,000	-	50,000	120,008	70,008
Vocational Education	180,039	-	180,039	176,933	(3,106)
Migratory Children	600	-	600	1,320	720
Special Education Funding	2,466,469	-	2,466,469	2,562,537	96,068
Other Program Subsidies	-	-	-	779,025	779,025
Transportation Subsidy	2,165,000	-	2,165,000	2,169,932	4,932
Rental and Sinking Fund Subsidies	36,677	-	36,677	36,802	125
Health Services	56,100	-	56,100	59,056	2,956
State Property Tax Reduction	835,984	-	835,984	835,984	-
Ready to Learn Grant	427,715	-	427,715	-	(427,715)
Safe Schools	394,960	-	394,960	554,586	159,626
Social Security Reimbursement	953,533	-	953,533	881,671	(71,862)
Retirement Reimbursement	4,237,924	-	4,237,924	4,458,174	220,250
<u>Total Revenues from State Sources</u>	<u>\$ 24,418,925</u>	<u>\$ -</u>	<u>\$ 24,418,925</u>	<u>\$ 25,391,917</u>	<u>\$ 972,992</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, 2025

	Original Budget	Transfers Increase (Decrease)	Final Revised Budget	Actual	Variance With Final Budget
<u>REVENUES from FEDERAL SOURCES</u>					
Title I	\$ 2,290,806	\$ -	\$ 2,290,806	\$ 2,454,852	\$ 164,046
Title II	218,143	-	218,143	261,555	43,412
Title IV	225,656	-	225,656	185,544	(40,112)
ESSER	49,000	-	49,000	-	(49,000)
ARP ESSER	2,641,000	-	2,641,000	3,876,806	1,235,806
ARP ESSER LEARNING LOSS	-	-	-	112,756	112,756
ARP ESSER SUMMER PROGRAMS	-	-	-	27,476	27,476
ARP ESSER AFTERSCHOOL PROGRAM	-	-	-	45	45
Medical Assistance Reimbursements	30,000	-	30,000	45,947	15,947
<u>Total Revenues from</u>			-		
<u>Federal Sources</u>	<u>5,454,605</u>	<u>-</u>	<u>5,454,605</u>	<u>6,964,981</u>	<u>1,510,376</u>
<u>OTHER FINANCING SOURCES</u>					
Proceeds from Extended Term Financing, Leases and Other Right-to Use Arrangements	325,000	-	325,000	-	(325,000)
Proceeds from Sale of Capital Assets	2,500	-	2,500	26,897	24,397
Transfers In	300,000	-	300,000	-	(300,000)
<u>Total Other Financing Sources</u>	<u>627,500</u>	<u>-</u>	<u>627,500</u>	<u>26,897</u>	<u>(600,603)</u>
<u>TOTAL GENERAL FUND</u> <u>REVENUES and OTHER</u> <u>FINANCING SOURCES</u>	\$ <u>75,000,700</u>	\$ <u>-</u>	\$ <u>75,000,700</u>	\$ <u>78,264,577</u>	\$ <u>3,263,877</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, 2025

	Original <u>Budget</u>	Transfers Increase (Decrease)	Final Revised <u>Budget</u>	<u>Actual</u>	Variance With <u>Final Budget</u>
<u>EXPENDITURES</u>					
Current - Instructional Services:					
<u>Regular Programs</u>					
Salaries	\$ 13,771,561	\$ (513,000)	\$ 13,258,561	\$ 13,258,412	\$ 149
Employee Benefits	9,131,585	(617,000)	8,514,585	8,514,010	575
Purchased Professional and Technical Services	551,000	(162,000)	389,000	388,720	280
Purchased Property Services	150,000	(92,000)	58,000	57,378	622
Other Purchased Services	1,100,100	102,000	1,202,100	1,201,800	300
Supplies	1,785,304	858,000	2,643,304	2,643,012	292
Property and Equipment	60,000	(32,500)	27,500	27,000	500
Other Objects	<u>9,625</u>	<u>(1,500)</u>	<u>8,125</u>	<u>7,920</u>	<u>205</u>
<u>Total Regular Programs</u>	<u>26,559,175</u>	<u>(458,000)</u>	<u>26,101,175</u>	<u>26,098,252</u>	<u>2,923</u>
<u>Special Programs</u>					
Salaries	4,216,923	(624,500)	3,592,423	3,591,863	560
Employee Benefits	2,547,929	(395,500)	2,152,429	2,151,621	808
Purchased Professional and Technical Services	3,603,855	(386,500)	3,217,355	3,216,494	861
Other Purchased Services	1,705,300	223,000	1,928,300	1,928,019	281
Supplies	100,500	(28,000)	72,500	71,521	979
Other Objects	<u>3,500</u>	<u>(2,000)</u>	<u>1,500</u>	<u>840</u>	<u>660</u>
<u>Total Special Programs</u>	<u>12,178,007</u>	<u>(1,213,500)</u>	<u>10,964,507</u>	<u>10,960,358</u>	<u>4,149</u>
<u>Vocational Programs</u>					
Salaries	840,824	(77,000)	763,824	763,591	233
Employee Benefits	571,760	(78,000)	493,760	493,561	199
Purchased Professional and Technical Services	8,500	13,000	21,500	21,120	380
Purchased Property Services	114,550	(29,000)	85,550	84,962	588
Other Purchased Services	1,241,131	39,000	1,280,131	1,279,719	412
Supplies	112,275	(46,000)	66,275	65,787	488
Property and Equipment	-	10,000	10,000	9,448	552
Other Objects	<u>11,766</u>	<u>(7,000)</u>	<u>4,766</u>	<u>4,088</u>	<u>678</u>
<u>Total Vocational Programs</u>	<u>\$ 2,900,806</u>	<u>\$ (175,000)</u>	<u>\$ 2,725,806</u>	<u>\$ 2,722,276</u>	<u>\$ 3,530</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, 2025

	<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	\$ 290,233	\$ 48,000	\$ 338,233	\$ 337,687	\$ 546
Employee Benefits	139,117	(16,000)	123,117	122,956	161
Purchased Professional and Technical Services	77,094	(74,000)	3,094	2,400	694
Other Purchased Services	18,500	248,000	266,500	265,617	883
Supplies	79,060	(25,000)	54,060	53,608	452
Property and Equipment	16,000	(13,000)	3,000	2,640	360
<u>Total Other Instructional Programs</u>	<u>620,004</u>	<u>168,000</u>	<u>788,004</u>	<u>784,908</u>	<u>3,096</u>
<u>Nonpublic School Programs</u>					
Purchased Professional and Technical Services	59,570	(45,000)	14,570	13,979	591
<u>Total Nonpublic School Programs</u>	<u>59,570</u>	<u>(45,000)</u>	<u>14,570</u>	<u>13,979</u>	<u>591</u>
<u>Pre-Kindergarten Programs</u>					
Salaries	149,150	7,000	156,150	155,644	506
Employee Benefits	101,422	(12,000)	89,422	89,185	237
Purchased Professional and Technical Services	-	1,000	1,000	820	180
Other Purchased Services	2,300	(1,000)	1,300	1,157	143
Supplies	65,427	(63,000)	2,427	2,408	19
	<u>318,299</u>	<u>(68,000)</u>	<u>250,299</u>	<u>249,214</u>	<u>1,085</u>
<u>Total Current - Instructional Services</u>	<u>42,635,861</u>	<u>(1,791,500)</u>	<u>40,844,361</u>	<u>40,828,987</u>	<u>15,374</u>
Support Services:					
<u>Pupil Personnel</u>					
Salaries	2,317,240	(226,000)	2,091,240	2,089,372	1,868
Employee Benefits	1,575,722	(264,000)	1,311,722	1,310,543	1,179
Purchased Professional and Technical Services	696,020	(360,000)	336,020	333,130	2,890
Purchased Property Services	7,500	(5,500)	2,000	-	2,000
Other Purchased Services	108,250	(91,000)	17,250	15,210	2,040
Supplies	94,450	(14,000)	80,450	78,373	2,077
Property and Equipment	28,850	(26,000)	2,850	-	2,850
Other Objects	83,475	(67,000)	16,475	13,970	2,505
<u>Total Pupil Personnel</u>	<u>\$ 4,911,507</u>	<u>\$ (1,053,500)</u>	<u>\$ 3,858,007</u>	<u>\$ 3,840,598</u>	<u>\$ 17,409</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, 2025

	<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>EXPENDITURES (Continued)</u>					
<u>Support Services (Continued):</u>					
<u>Instructional Staff Services</u>					
Salaries	\$ 807,133	\$ 80,000	\$ 887,133	\$ 886,274	\$ 859
Employee Benefits	537,960	28,000	565,960	565,172	788
Purchased Professional and Technical Services	173,050	(86,000)	87,050	85,648	1,402
Purchased Property Services	4,500	(3,500)	1,000	-	1,000
Other Purchased Services	112,050	(104,000)	8,050	6,546	1,504
Supplies	140,500	(68,000)	72,500	70,910	1,590
Other Objects	650	-	650	630	20
<u>Total Instructional Staff Services</u>	<u>1,775,843</u>	<u>(153,500)</u>	<u>1,622,343</u>	<u>1,615,180</u>	<u>7,163</u>
<u>Administrative Services</u>					
Salaries	1,887,216	62,000	1,949,216	1,947,402	1,814
Employee Benefits	1,280,506	13,000	1,293,506	1,291,918	1,588
Purchased Professional and Technical Services	224,500	(5,000)	219,500	218,477	1,023
Purchased Property Services	1,750	-	1,750	-	1,750
Other Purchased Services	96,200	(68,000)	28,200	26,733	1,467
Supplies	88,500	(39,000)	49,500	47,620	1,880
Other Objects	35,000	(6,000)	29,000	27,886	1,114
<u>Total Administrative Services</u>	<u>3,613,672</u>	<u>(43,000)</u>	<u>3,570,672</u>	<u>3,560,036</u>	<u>10,636</u>
<u>Pupil Health Services</u>					
Salaries	226,109	(12,000)	214,109	212,739	1,370
Employee Benefits	153,754	(6,000)	147,754	146,377	1,377
Purchased Professional and Technical Services	350,000	32,000	382,000	380,544	1,456
Other Purchased Services	300	1,000	1,300	605	695
Supplies	20,000	7,000	27,000	25,990	1,010
<u>Total Pupil Health Services</u>	<u>\$ 750,163</u>	<u>\$ 22,000</u>	<u>\$ 772,163</u>	<u>\$ 766,255</u>	<u>\$ 5,908</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, 2025

	<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>EXPENDITURES (Continued)</u>					
<u>Support Services (Continued):</u>					
<u>Business Services</u>					
Salaries	\$ 591,763	\$ (54,000)	\$ 537,763	\$ 537,202	\$ 561
Employee Benefits	384,647	(27,000)	357,647	357,523	124
Purchased Professional and Technical Services	74,500	3,000	77,500	76,665	835
Purchased Property Services	10,000	(6,000)	4,000	3,344	656
Other Purchased Services	40,000	7,000	47,000	46,433	567
Supplies	30,000	1,000	31,000	30,603	397
Other Objects	13,850	(1,000)	12,850	12,384	466
<u>Total Business Services</u>	<u>1,144,760</u>	<u>(77,000)</u>	<u>1,067,760</u>	<u>1,064,154</u>	<u>3,606</u>
<u>Operation and Maintenance of Plant Services</u>					
Salaries	1,489,804	(178,000)	1,311,804	1,311,368	436
Employee Benefits	879,606	(86,000)	793,606	792,678	928
Purchased Professional and Technical Services	680,000	(25,000)	655,000	654,514	486
Purchased Property Services	725,000	80,000	805,000	804,341	659
Other Purchased Services	302,350	(228,000)	74,350	73,782	568
Supplies	2,124,960	(317,000)	1,807,960	1,807,851	109
Property and Equipment	150,000	(122,500)	27,500	26,955	545
Other Objects	39,000	100,000	139,000	138,738	262
<u>Total Operation and Maintenance of Plant Services</u>	<u>6,390,720</u>	<u>(776,500)</u>	<u>5,614,220</u>	<u>5,610,227</u>	<u>3,993</u>
<u>Pupil Transportation Services</u>					
Salaries	120,118	(44,000)	76,118	75,013	1,105
Employee Benefits	76,280	(29,000)	47,280	46,162	1,118
Purchased Professional and Technical Services	12,000	(2,000)	10,000	8,245	1,755
Purchased Property Services	12,000	(5,000)	7,000	5,479	1,521
Other Purchased Services	4,775,000	(7,000)	4,768,000	4,766,149	1,851
Supplies	3,300	15,000	18,300	17,285	1,015
Other Objects	500	-	500	-	500
<u>Total Pupil Transportation Services</u>	<u>\$ 4,999,198</u>	<u>\$ (72,000)</u>	<u>\$ 4,927,198</u>	<u>\$ 4,918,333</u>	<u>\$ 8,865</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, 2025

	<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	\$ 555,770	\$ 30,000	\$ 585,770	\$ 585,593	\$ 177
Employee Benefits	384,184	7,000	391,184	390,272	912
Purchased Professional and Technical Services	446,000	(130,000)	316,000	315,412	588
Purchased Property Services	2,500	2,000	4,500	3,500	1,000
Other Purchased Services	54,200	(42,000)	12,200	11,806	394
Supplies	546,601	(438,000)	108,601	107,538	1,063
Other Objects	5,900	(1,000)	4,900	3,274	1,626
<u>Total Central Support Services</u>	<u>1,995,155</u>	<u>(572,000)</u>	<u>1,423,155</u>	<u>1,417,395</u>	<u>5,760</u>
<u>Other Support Services</u>					
Other Purchased Services	33,250	-	33,250	32,909	341
<u>Total Support Services</u>	<u>25,614,268</u>	<u>(2,725,500)</u>	<u>22,888,768</u>	<u>22,825,087</u>	<u>63,681</u>
<u>Operation of Noninstructional Services:</u>					
<u>Student Activities</u>					
Salaries	532,227	5,000	537,227	535,344	1,883
Employee Benefits	266,114	13,000	279,114	277,498	1,616
Purchased Professional and Technical Services	130,000	(25,000)	105,000	103,673	1,327
Purchased Property Services	31,500	(8,000)	23,500	21,643	1,857
Other Purchased Services	94,500	11,000	105,500	103,990	1,510
Supplies	170,000	(50,000)	120,000	119,817	183
Property and Equipment	65,000	(46,000)	19,000	17,508	1,492
Other Objects	20,000	(12,000)	8,000	6,745	1,255
<u>Total Student Activities</u>	<u>1,309,341</u>	<u>(112,000)</u>	<u>1,197,341</u>	<u>1,186,218</u>	<u>11,123</u>
<u>Community Services</u>					
Salaries	52,000	11,000	63,000	62,326	674
Employee Benefits	26,000	-	26,000	25,035	965
Purchased Professional and Technical Services	2,000	(1,500)	500	-	500
Supplies	124,875	30,000	154,875	154,031	844
<u>Total Community Services</u>	<u>204,875</u>	<u>39,500</u>	<u>244,375</u>	<u>241,392</u>	<u>2,983</u>
<u>Total Operation of Noninstructional Services</u>	<u>1,514,216</u>	<u>(72,500)</u>	<u>1,441,716</u>	<u>1,427,610</u>	<u>14,106</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, 2025
(Continued)

	<u>Original Budget</u>	<u>Transfers Increase (Decrease)</u>	<u>Final Revised Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<u>Debt Service</u>					
Principal	54,000	16,000	70,000	68,185	1,815
Interest	<u>20,000</u>	<u>(11,000)</u>	<u>9,000</u>	<u>7,865</u>	<u>1,135</u>
Total Debt Service	<u>74,000</u>	<u>5,000</u>	<u>79,000</u>	<u>76,050</u>	<u>2,950</u>
 <u>TOTAL EXPENDITURES</u>	 \$ <u>69,838,345</u>	 \$ <u>(4,584,500)</u>	 \$ <u>65,253,845</u>	 \$ <u>65,157,734</u>	 \$ <u>96,111</u>
 <u>OTHER FINANCING USES</u>					
Transfers Out	\$ 5,114,309	\$ 4,834,500	\$ 9,948,809	\$ 9,949,267	\$ (458)
Budgetary Reserve	<u>250,000</u>	<u>(250,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Uses	<u>5,364,309</u>	<u>4,584,500</u>	<u>9,948,809</u>	<u>9,949,267</u>	<u>(458)</u>
 <u>TOTAL EXPENDITURES and</u>					
<u>OTHER FINANCING USES</u>	\$ <u>75,202,654</u>	\$ <u>-</u>	\$ <u>75,202,654</u>	\$ <u>75,107,001</u>	\$ <u>95,653</u>

See independent auditor's report.

GOVERNMENTAL FUNDS - CAPITAL PROJECT SUB-FUNDS

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

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

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

Solanco School District
COMBINING BALANCE SHEET SCHEDULE - GOVERNMENTAL FUNDS -
CAPITAL PROJECT FUND
June 30, 2025

	<u>Construction Project Sub-Fund</u>	<u>Capital Reserve Sub-Fund</u>	<u>Total Capital Project Fund</u>
<u>ASSETS</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 9,059,083	\$ 14,344,135	\$ 23,403,218
Investments	-	9,400,000	9,400,000
Due From Other Funds	-	3,885,438	3,885,438
Other Receivables	<u>-</u>	<u>8,000</u>	<u>8,000</u>
 <u>TOTAL ASSETS</u>	 <u>9,059,083</u>	 <u>27,637,573</u>	 <u>36,696,656</u>
 <u>LIABILITIES</u>			
Accounts Payable	<u>928,123</u>	<u>136,175</u>	<u>1,064,298</u>
	<u>928,123</u>	<u>136,175</u>	<u>1,064,298</u>
 <u>FUND BALANCES</u>			
Restricted	8,130,960	-	8,130,960
Assigned	<u>-</u>	<u>27,501,398</u>	<u>27,501,398</u>
<u>TOTAL FUND BALANCES</u>	<u>8,130,960</u>	<u>27,501,398</u>	<u>35,632,358</u>
 <u>TOTAL LIABILITIES and FUND BALANCES</u>	 \$ <u>9,059,083</u>	 \$ <u>27,637,573</u>	 \$ <u>36,696,656</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, 2025

	Construction Project Sub-Fund	Capital Reserve Sub-Fund	Total Capital Project Fund
<u>REVENUES</u>			
Investment Earnings	\$ 541,358	\$ 678,448	\$ 1,219,806
<u>Total Revenues</u>	<u>541,358</u>	<u>678,448</u>	<u>1,219,806</u>
<u>EXPENDITURES</u>			
Capital Outlay:			
Facilities Acquisition, Construction, and Improvement Services	<u>3,756,739</u>	<u>5,287,778</u>	<u>9,044,517</u>
<u>Total Expenditures</u>	<u>3,756,739</u>	<u>5,287,778</u>	<u>9,044,517</u>
<u>DEFICIENCY of REVENUES</u> <u>over EXPENDITURES</u>	(3,215,381)	(4,609,330)	(7,824,711)
<u>OTHER FINANCING SOURCES</u>			
Transfers in (out)	<u>-</u>	<u>6,664,940</u>	<u>6,664,940</u>
<u>Total Other Financing Sources</u>	<u>-</u>	<u>6,664,940</u>	<u>6,664,940</u>
<u>NET CHANGES in FUND BALANCES</u>	(3,215,381)	2,055,610	(1,159,771)
FUND BALANCES - Beginning of Year	<u>11,346,341</u>	<u>25,445,788</u>	<u>36,792,129</u>
<u>FUND BALANCES - End of Year</u>	\$ <u>8,130,960</u>	\$ <u>27,501,398</u>	\$ <u>35,632,358</u>

See independent auditor's 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, 2025

	<u>Hospitalization Fund</u>	<u>Unemployment Compensation Fund</u>	<u>Total Internal Service Funds</u>
<u>ASSETS</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 743,031	\$ 62,003	\$ 805,034
Investments	3,586,400	200,000	3,786,400
Other Receivables	<u>287,742</u>	<u>58,132</u>	<u>345,874</u>
 <u>TOTAL ASSETS</u>	 <u>4,617,173</u>	 <u>320,135</u>	 <u>4,937,308</u>
 <u>LIABILITIES</u>			
Current Liabilities:			
Claims Payable	<u>339,599</u>	<u>14,026</u>	<u>353,625</u>
 <u>TOTAL CURRENT LIABILITIES</u>	 <u>339,599</u>	 <u>14,026</u>	 <u>353,625</u>
 <u>NET POSITION</u>			
Unrestricted	\$ <u>4,277,574</u>	\$ <u>306,109</u>	\$ <u>4,583,683</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, 2025

	Hospitalization Fund	Unemployment Compensation Fund	Total Internal Service Funds
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
<u>OPERATING REVENUES</u>			
Charges for Services	\$ 5,696,476	\$ -	\$ 5,696,476
<u>Total Operating Revenues</u>	<u>5,696,476</u>	<u>-</u>	<u>5,696,476</u>
<u>OPERATING EXPENSES</u>			
Employee Benefits	4,964,693	194	4,964,887
Purchased Professional and Technical Service	<u>271,531</u>	<u>2,036</u>	<u>273,567</u>
<u>Total Operating Expenses</u>	<u>5,236,224</u>	<u>2,230</u>	<u>5,238,454</u>
<u>OPERATING INCOME (LOSS)</u>	460,252	(2,230)	458,022
<u>NONOPERATING REVENUES</u>			
Investments Earnings	<u>198,898</u>	<u>61,661</u>	<u>260,559</u>
<u>Total Nonoperating Revenues</u>	<u>198,898</u>	<u>61,661</u>	<u>260,559</u>
<u>CHANGES in NET POSITION</u>	659,150	59,431	718,581
<u>NET POSITION</u> - Beginning of Year	<u>3,618,424</u>	<u>246,678</u>	<u>3,865,102</u>
<u>NET POSITION</u> - End of Year	\$ <u>4,277,574</u>	\$ <u>306,109</u>	\$ <u>4,583,683</u>

See independent auditor's report.

Solanco School District
COMBINING STATEMENT of CASH FLOWS -
PROPRIETARY FUNDS - INTERNAL SERVICE FUNDS
Year Ended June 30, 2025

	Hospitalization Fund	Unemployment Compensation Fund	Total Internal Service Funds
<u>CASH FLOWS from OPERATING ACTIVITIES</u>			
Cash Received from Assessments Made to Other Funds	\$ 5,727,495	\$ -	\$ 5,727,495
Cash Payments for Insurance Services	(5,460,503)	13,832	(5,446,671)
Cash Payments for Other Operating Expenses	(266,992)	(2,036)	(269,028)
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>-</u>	<u>11,796</u>	<u>11,796</u>
<u>CASH FLOWS from INVESTING ACTIVITIES</u>			
Investment Earnings	133,417	5,618	139,035
Deposits to Investment Pools	(2,159,650)	(200,000)	(2,359,650)
<u>Net Cash Provided (Used) by Investing Activities</u>	<u>(2,026,233)</u>	<u>(194,382)</u>	<u>(2,220,615)</u>
<u>(DECREASE) INCREASE in CASH and CASH EQUIVALENTS</u>	(2,026,233)	(182,586)	(2,208,819)
<u>CASH and CASH EQUIVALENTS</u>			
Beginning of Year	2,769,264	244,589	3,013,853
End of Year	\$ <u>743,031</u>	\$ <u>62,003</u>	\$ <u>805,034</u>
<u>RECONCILIATION of OPERATING INCOME (LOSS)</u> <u>to NET CASH USED by OPERATING ACTIVITIES</u>			
Operating Income (Loss)	\$ <u>460,252</u>	\$ <u>(2,230)</u>	\$ <u>458,022</u>
<u>ADJUSTMENTS to RECONCILE OPERATING INCOME</u> <u>(LOSS) to NET CASH USED by OPERATING</u> <u>ACTIVITIES</u>			
Increase in Accounts Receivables	31,018	-	31,018
Decrease in Prepaid Items	4,540	-	4,540
Increase in Accounts and Claims Payable	(495,810)	14,026	(481,784)
<u>Total Adjustments</u>	<u>(460,252)</u>	<u>14,026</u>	<u>(446,226)</u>
<u>Net Cash Provided (Used) by Operating Activities</u>	\$ <u>-</u>	<u>11,796</u>	<u>11,796</u>

See independent auditor's report.

FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS AND CUSTODIAL 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. These 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, 2025

	William W. Avis, Jr. Memorial Scholarship Trust Fund	Bair-Helm Scholarship Trust Fund	G Daniel Baughman Memorial Scholarship Trust Fund	Chalala Family Scholarship Trust Fund	Class of 2020 Trust Fund
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 2,313	\$ 7,352	\$ 3,507	\$ 30,009	\$ 336
Investments	<u>1,296</u>	<u>4,119</u>	<u>1,965</u>	<u>16,814</u>	<u>188</u>
<u>TOTAL ASSETS</u>	<u>3,609</u>	<u>11,471</u>	<u>5,472</u>	<u>46,823</u>	<u>524</u>
<u>LIABILITIES and NET POSITION</u>					
<u>LIABILITIES</u>					
Accounts Payable	<u>500</u>	<u>500</u>	<u>1,500</u>	<u>2,400</u>	<u>500</u>
<u>NET POSITION</u>					
Restricted for Scholarships	<u>3,109</u>	<u>10,971</u>	<u>3,972</u>	<u>44,423</u>	<u>24</u>
<u>TOTAL NET POSITION</u>	<u>\$ 3,109</u>	<u>\$ 10,971</u>	<u>\$ 3,972</u>	<u>\$ 44,423</u>	<u>\$ 24</u>

See independent auditor's report.

(Continued)

Solanco School District
COMBINING STATEMENT of NET POSITION -
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS
June 30, 2025

	Richard W. Croyle Memorial Scholarship Trust Fund	Richard Cummings Memorial Scholarship Trust Fund	William Day Memorial Scholarship Trust Fund	Michael DeBerdine Scholarship Trust Fund	Joanne Sprout Gerrity Scholarship Trust Fund
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 3,874	\$ 72,867	\$ 68	\$ 6,643	\$ 6,535
Investments	<u>2,171</u>	<u>40,827</u>	<u>38</u>	<u>3,721</u>	<u>3,662</u>
<u>TOTAL ASSETS</u>	<u>6,045</u>	<u>113,694</u>	<u>106</u>	<u>10,364</u>	<u>10,197</u>
<u>LIABILITIES and NET POSITION</u>					
<u>LIABILITIES</u>					
Accounts Payable	<u>1,000</u>	<u>57,000</u>	<u>-</u>	<u>1,000</u>	<u>-</u>
<u>NET POSITION</u>					
Restricted for Scholarships	<u>5,045</u>	<u>56,694</u>	<u>106</u>	<u>9,364</u>	<u>10,197</u>
<u>TOTAL NET POSITION</u>	<u>\$ 5,045</u>	<u>\$ 56,694</u>	<u>\$ 106</u>	<u>\$ 9,364</u>	<u>\$ 10,197</u>

See independent auditor's report.

(Continued)

Solanco School District
COMBINING STATEMENT of NET POSITION -
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS
June 30, 2025

	Brett C Hershey Music Scholarship Trust Fund	Alice Kirk Kyle Scholarship Trust Fund	Earl Linton Memorial Agriculture Scholarship Trust Fund	Long- Krushinski Scholarship Trust Fund	Charlene Musselman Music Scholarship Trust Fund
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 9,501	\$ 875	\$ 1,053	\$ 13,972	\$ 10,874
Investments	<u>5,323</u>	<u>490</u>	<u>590</u>	<u>7,828</u>	<u>6,093</u>
<u>TOTAL ASSETS</u>	<u>14,824</u>	<u>1,365</u>	<u>1,643</u>	<u>21,800</u>	<u>16,967</u>
<u>LIABILITIES and NET POSITION</u>					
<u>LIABILITIES</u>					
Accounts Payable	<u>1,200</u>	<u>-</u>	<u>300</u>	<u>-</u>	<u>500</u>
<u>NET POSITION</u>					
Restricted for Scholarships	<u>13,624</u>	<u>1,365</u>	<u>1,343</u>	<u>21,800</u>	<u>16,467</u>
<u>TOTAL NET POSITION</u>	<u>\$ 13,624</u>	<u>\$ 1,365</u>	<u>\$ 1,343</u>	<u>\$ 21,800</u>	<u>\$ 16,467</u>

See independent auditor's report.

(Continued)

Solanco School District
COMBINING STATEMENT of NET POSITION -
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS
June 30, 2025

	Linda Jo Newswagner Mylin Scholarship Trust Fund	Pribitkin-Day Scholarship Trust Fund	Presting Perserverance Scholarship Trust Fund	Jeffrey Roth Memorial Scholarship Trust Fund	Solanco Senior High Scholarship Trust Fund
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 26,251.00	\$ 1,393	\$ 23,040	\$ 8,318	\$ -
Investments	<u>14,709</u>	<u>781</u>	<u>12,909</u>	<u>4,661</u>	<u>-</u>
<u>TOTAL ASSETS</u>	<u>40,960</u>	<u>2,174</u>	<u>35,949</u>	<u>12,979</u>	<u>-</u>
<u>LIABILITIES and NET POSITION</u>					
<u>LIABILITIES</u>					
Accounts Payable	<u>2,000</u>	<u>-</u>	<u>2,100</u>	<u>4,000</u>	<u>-</u>
<u>NET POSITION</u>					
Restricted for Scholarships	<u>38,960</u>	<u>2,174</u>	<u>33,849</u>	<u>8,979</u>	<u>-</u>
<u>TOTAL NET POSITION</u>	<u>\$ 38,960</u>	<u>\$ 2,174</u>	<u>\$ 33,849</u>	<u>\$ 8,979</u>	<u>\$ -</u>

See independent auditor's report.

(Continued)

Solanco School District
COMBINING STATEMENT of NET POSITION -
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS
June 30, 2025

	Wyatt Teaman Memorial Scholarship Trust Fund	Daulton Trout Memorial Scholarship Trust Fund	Wagner Miss Solanco Trust Fund	Wakefield Lions Club Scholarship Trust Fund	Washington Lodge #156 Scholarship Trust Fund
<u>ASSETS</u>					
Cash and Cash Equivalents	\$ 35,567	\$ 4,688	\$ 2,004	\$ 31,874	\$ 11,595
Investments	<u>19,928</u>	<u>2,626</u>	<u>1,122</u>	<u>17,859</u>	<u>6,497</u>
<u>TOTAL ASSETS</u>	<u>55,495</u>	<u>7,314</u>	<u>3,126</u>	<u>49,733</u>	<u>18,092</u>
<u>LIABILITIES and NET POSITION</u>					
<u>LIABILITIES</u>					
Accounts Payable	<u>5,000</u>	<u>1,000</u>	<u>2,000</u>	<u>16,000</u>	<u>1,000</u>
<u>NET POSITION</u>					
Restricted for Scholarships	<u>50,495</u>	<u>6,314</u>	<u>1,126</u>	<u>33,733</u>	<u>17,092</u>
<u>TOTAL NET POSITION</u>	<u>\$ 50,495</u>	<u>\$ 6,314</u>	<u>\$ 1,126</u>	<u>\$ 33,733</u>	<u>\$ 17,092</u>

See independent auditor's report.

(Continued)

Solanco School District
COMBINING STATEMENT of NET POSITION -
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS
June 30, 2025

	Norman Wood Scholarship Trust Fund	Brittany Lynne Wrigley Scholarship Trust Fund	Ophelia Scholarship Trust Fund	Private Purpose Trust Fund Totals
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 13,984	\$ 1,732	\$ 137	\$ 330,362
Investments	<u>7,835</u>	<u>971</u>	<u>77</u>	<u>185,100</u>
<u>TOTAL ASSETS</u>	<u>21,819</u>	<u>2,703</u>	<u>214</u>	<u>515,462</u>
<u>LIABILITIES and NET POSITION</u>				
<u>LIABILITIES</u>				
Accounts Payable	<u>900</u>	<u>500</u>	<u>-</u>	<u>100,900</u>
<u>NET POSITION</u>				
Restricted for Scholarships	<u>20,919</u>	<u>2,203</u>	<u>214</u>	<u>414,562</u>
<u>TOTAL NET POSITION</u>	<u>\$ 20,919</u>	<u>\$ 2,203</u>	<u>\$ 214</u>	<u>\$ 414,562</u>

See independent auditor's report.

Solanco School District
COMBINING STATEMENT of CHANGES in NET POSITION -
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS
Year Ended June 30, 2025

	William W. Avis, Jr. Memorial Scholarship Trust Fund	Bair-Helm Scholarship Trust Fund	G Daniel Baughman Memorial Scholarship Trust Fund	Chalala Family Scholarship Trust Fund	Class of 2020 Trust Fund
<u>ADDITIONS</u>					
Gifts and Contributions	\$ -	\$ -	\$ 5,350	\$ -	\$ -
Investment Earnings	<u>147</u>	<u>469</u>	<u>122</u>	<u>1,907</u>	<u>20</u>
<u>TOTAL ADDITIONS</u>	<u>147</u>	<u>469</u>	<u>5,472</u>	<u>1,907</u>	<u>20</u>
<u>DEDUCTIONS</u>					
Scholarships Awarded	<u>500</u>	<u>500</u>	<u>1,500</u>	<u>2,400</u>	<u>499</u>
<u>TOTAL DEDUCTIONS</u>	<u>500</u>	<u>500</u>	<u>1,500</u>	<u>2,400</u>	<u>499</u>
<u>CHANGES in NET POSITION</u>	(353)	(31)	3,972	(493)	(479)
<u>NET POSITION - Beginning of Year</u>	<u>3,462</u>	<u>11,002</u>	<u>-</u>	<u>44,916</u>	<u>503</u>
<u>NET POSITION - End of Year</u>	\$ <u>3,109</u>	\$ <u>10,971</u>	<u>3,972</u>	\$ <u>44,423</u>	\$ <u>24</u>

See independent auditor's report.

Solanco School District
COMBINING STATEMENT of CHANGES in NET POSITION -
FIDUCIARY FUNDS - PRIVATE PURPOSE TRUST FUNDS
Year Ended June 30, 2025

	Richard W. Croyle Memorial Scholarship Trust Fund	Richard Cummings Memorial Scholarship Trust Fund	William Day Memorial Scholarship Trust Fund	Michael DeBerdine Scholarship Trust Fund	Joanne Sprout Gerrity Scholarship Trust Fund
<u>ADDITIONS</u>					
Gifts and Contributions	\$ -	\$ 53,469	\$ 125	\$ -	\$ 1,000
Investment Earnings	<u>250</u>	<u>5,036</u>	<u>9</u>	<u>426</u>	<u>428</u>
<u>TOTAL ADDITIONS</u>	<u>250</u>	<u>58,505</u>	<u>134</u>	<u>426</u>	<u>1,428</u>
<u>DEDUCTIONS</u>					
Scholarships Awarded	<u>-</u>	<u>114,760</u>	<u>250</u>	<u>999</u>	<u>1,000</u>
<u>TOTAL DEDUCTIONS</u>	<u>-</u>	<u>114,760</u>	<u>250</u>	<u>999</u>	<u>1,000</u>
<u>CHANGES in NET POSITION</u>	250	(56,255)	(116)	(573)	428
<u>NET POSITION - Beginning of Year</u>	<u>4,795</u>	<u>112,949</u>	<u>222</u>	<u>9,937</u>	<u>9,769</u>
<u>NET POSITION - End of Year</u>	\$ <u>5,045</u>	\$ <u>56,694</u>	\$ <u>106</u>	\$ <u>9,364</u>	\$ <u>10,197</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, 2025

	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	Charlene Musselman Music Scholarship Trust Fund
<u>ADDITIONS</u>					
Gifts and Contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Earnings	<u>604</u>	<u>56</u>	<u>68</u>	<u>895</u>	<u>692</u>
<u>TOTAL ADDITIONS</u>	<u><u>604</u></u>	<u><u>56</u></u>	<u><u>68</u></u>	<u><u>895</u></u>	<u><u>692</u></u>
<u>DEDUCTIONS</u>					
Scholarships Awarded	<u>-</u>	<u>-</u>	<u>300</u>	<u>-</u>	<u>500</u>
<u>TOTAL DEDUCTIONS</u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>300</u></u>	<u><u>-</u></u>	<u><u>500</u></u>
<u>CHANGES in NET POSITION</u>	604	56	(232)	895	192
<u>NET POSITION</u> - Beginning of Year	<u>13,020</u>	<u>1,309</u>	<u>1,575</u>	<u>20,905</u>	<u>16,275</u>
<u>NET POSITION</u> - End of Year	\$ <u><u>13,624</u></u>	\$ <u><u>1,365</u></u>	\$ <u><u>1,343</u></u>	\$ <u><u>21,800</u></u>	\$ <u><u>16,467</u></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, 2025

	Linda Jo Newswagner Mylin Scholarship Trust Fund	Pribitkin-Day Scholarship Trust Fund	Presting Perserverance Scholarship Trust Fund	Jeffrey Roth Memorial Scholarship Trust Fund	Solanco Senior High Scholarship Trust Fund
<u>ADDITIONS</u>					
Gifts and Contributions	\$ -	\$ -	\$ -	\$ 4,000	\$ -
Investment Earnings	<u>1,677</u>	<u>88</u>	<u>1,473</u>	<u>387</u>	<u>1</u>
<u>TOTAL ADDITIONS</u>	<u><u>1,677</u></u>	<u><u>88</u></u>	<u><u>1,473</u></u>	<u><u>4,387</u></u>	<u><u>1</u></u>
<u>DEDUCTIONS</u>					
Scholarships Awarded	<u>2,000</u>	<u>-</u>	<u>(150)</u>	<u>4,000</u>	<u>8</u>
<u>TOTAL DEDUCTIONS</u>	<u><u>2,000</u></u>	<u><u>-</u></u>	<u><u>(150)</u></u>	<u><u>4,000</u></u>	<u><u>8</u></u>
<u>CHANGES in NET POSITION</u>	(323)	88	1,623	387	(7)
<u>NET POSITION</u> - Beginning of Year	<u>39,283</u>	<u>2,086</u>	<u>32,226</u>	<u>8,592</u>	<u>7</u>
<u>NET POSITION</u> - End of Year	\$ <u><u>38,960</u></u>	\$ <u><u>2,174</u></u>	\$ <u><u>33,849</u></u>	\$ <u><u>8,979</u></u>	\$ <u><u>-</u></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, 2025

	Wyatt Teaman Memorial Scholarship Trust Fund	Daulton Trout Memorial Scholarship Trust Fund	Wagner Miss Solanco Trust Fund	Wakefield Lions Club Scholarship Trust Fund	Washington Lodge #156 Scholarship Trust Fund
<u>ADDITIONS</u>					
Gifts and Contributions	\$ 10,385	\$ -	\$ -	\$ 8,000	\$ -
Investment Earnings	<u>2,239</u>	<u>314</u>	<u>128</u>	<u>1,785</u>	<u>745</u>
<u>TOTAL ADDITIONS</u>	<u>12,624</u>	<u>314</u>	<u>128</u>	<u>9,785</u>	<u>745</u>
<u>DEDUCTIONS</u>					
Scholarships Awarded	<u>5,000</u>	<u>1,000</u>	<u>1,000</u>	<u>12,000</u>	<u>1,000</u>
<u>TOTAL DEDUCTIONS</u>	<u>5,000</u>	<u>1,000</u>	<u>1,000</u>	<u>12,000</u>	<u>1,000</u>
<u>CHANGES in NET POSITION</u>	7,624	(686)	(872)	(2,215)	(255)
<u>NET POSITION</u> - Beginning of Year	<u>42,871</u>	<u>7,000</u>	<u>1,998</u>	<u>35,948</u>	<u>17,347</u>
<u>NET POSITION</u> - End of Year	\$ <u>50,495</u>	\$ <u>6,314</u>	\$ <u>1,126</u>	\$ <u>33,733</u>	\$ <u>17,092</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, 2025

	Norman Wood Scholarship Trust Fund	Brittany Lynne Wrigley Scholarship Trust Fund	Ophelia Scholarship Trust Fund	Private Purpose Trust Fund Totals
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>ADDITIONS</u>				
Gifts and Contributions	\$ -	\$ -	\$ -	\$ 82,329
Investment Earnings	<u>891</u>	<u>110</u>	<u>9</u>	<u>20,976</u>
<u>TOTAL ADDITIONS</u>	<u>891</u>	<u>110</u>	<u>9</u>	<u>103,305</u>
<u>DEDUCTIONS</u>				
Scholarships Awarded	<u>897</u>	<u>500</u>	<u>-</u>	<u>150,463</u>
<u>TOTAL DEDUCTIONS</u>	<u>897</u>	<u>500</u>	<u>-</u>	<u>150,463</u>
<u>CHANGES in NET POSITION</u>	(6)	(390)	9	(47,158)
<u>NET POSITION</u> - Beginning of Year	<u>20,925</u>	<u>2,593</u>	<u>205</u>	<u>461,720</u>
<u>NET POSITION</u> - End of Year	\$ <u>20,919</u>	\$ <u>2,203</u>	\$ <u>214</u>	\$ <u>414,562</u>

See independent auditor's report.

Solanco School District
COMBINING STATEMENT of NET POSITION -
FIDUCIARY FUNDS - CUSTODIAL FUNDS
June 30, 2025

	<u>George A. Smith</u> <u>Middle</u> <u>School</u>	<u>Swift</u> <u>Middle</u> <u>School</u>	<u>Solanco</u> <u>High</u> <u>School</u>	<u>Custodial</u> <u>Fund</u> <u>Totals</u>
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ <u>59,643</u>	\$ <u>8,470</u>	\$ <u>128,943</u>	\$ <u>197,056</u>
<u>TOTAL ASSETS</u>	<u>59,643</u>	<u>8,470</u>	<u>128,943</u>	<u>197,056</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>59,643</u>	<u>8,470</u>	<u>128,943</u>	<u>197,056</u>
<u>TOTAL NET POSITION</u>	<u>\$ 59,643</u>	<u>\$ 8,470</u>	<u>\$ 128,943</u>	<u>\$ 197,056</u>

See independent auditor's report.

Solanco School District
COMBINING STATEMENT of CHANGES in NET POSITION -
FIDUCIARY FUNDS - CUSTODIAL FUNDS
Year Ended June 30, 2025

	George A. Smith Middle School	Swift Middle School	Solanco High School	Custodial Fund Totals
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>ADDITIONS</u>				
Student Activity Receipts	\$ 45,307	\$ 21,935	\$ 145,377	\$ 212,619
Investment Earnings	<u>1,722</u>	<u>457</u>	<u>5,838</u>	<u>8,017</u>
<u>TOTAL ADDITIONS</u>	<u>47,029</u>	<u>22,392</u>	<u>151,215</u>	<u>220,636</u>
<u>DEDUCTIONS</u>				
Student Activity Disbursements	<u>23,731</u>	<u>22,663</u>	<u>160,526</u>	<u>206,920</u>
<u>TOTAL DEDUCTIONS</u>	<u>23,731</u>	<u>22,663</u>	<u>160,526</u>	<u>206,920</u>
<u>CHANGES in NET POSITION</u>	23,298	(271)	(9,311)	13,716
<u>NET POSITION - Beginning of Year</u>	<u>36,345</u>	<u>8,741</u>	<u>138,254</u>	<u>183,340</u>
<u>NET POSITION - End of Year</u>	\$ <u>59,643</u>	\$ <u>8,470</u>	\$ <u>128,943</u>	\$ <u>197,056</u>

See independent auditor's report.

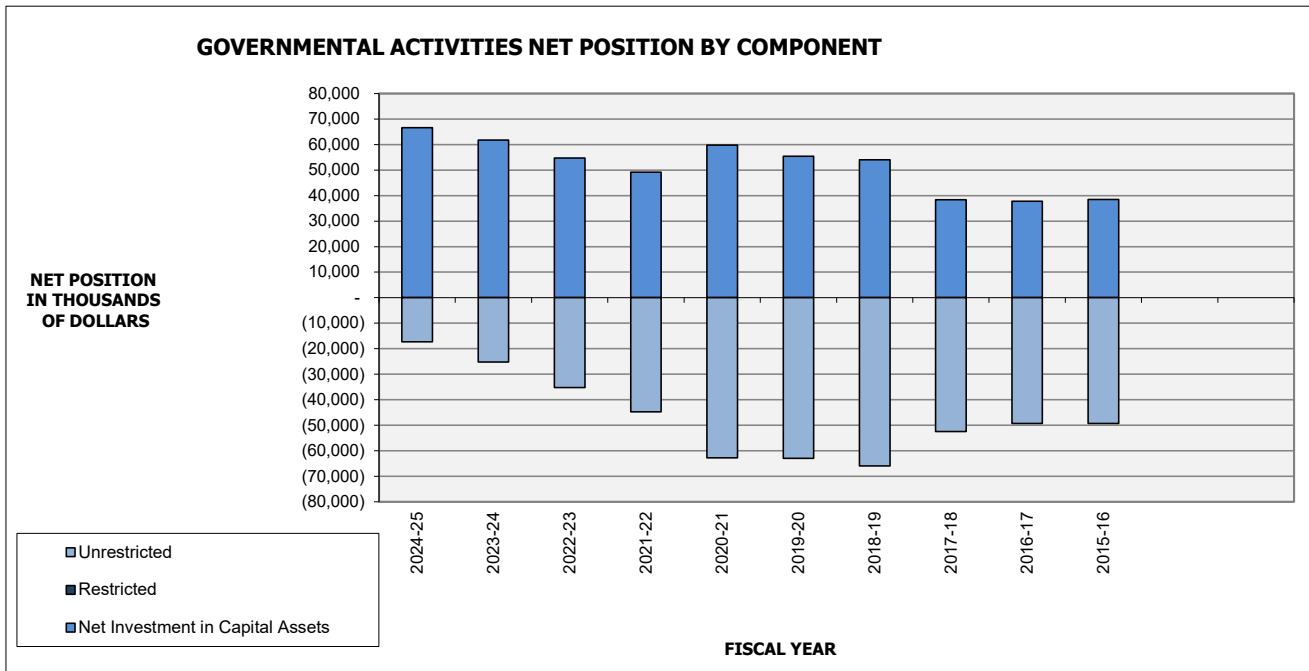
STATISTICAL SECTION

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.

<u>Contents</u>	<u>Pages</u>
<u>Financial Trends</u> 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
<u>Revenue Capacity</u> 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
<u>Debt Capacity</u> 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
<u>Demographic and Economic Information</u> 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
<u>Operating Information</u> 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
<u>Glossary of Terms</u> 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>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>
GOVERNMENTAL ACTIVITIES					
NET INVESTMENT IN CAPITAL ASSETS	\$ 66,575,118	\$ 61,745,824	\$ 54,780,197	\$ 49,222,521	\$ 59,746,416
RESTRICTED	-	-	-	-	-
UNRESTRICTED	<u>(17,335,012)</u>	<u>(25,496,078)</u>	<u>(35,236,044)</u>	<u>(44,777,414)</u>	<u>(62,783,467)</u>
TOTAL GOVERNMENTAL ACTIVITIES					
NET POSITION	<u>49,240,106</u>	<u>36,249,746</u>	<u>19,544,153</u>	<u>4,445,107</u>	<u>(3,037,051)</u>
BUSINESS-TYPE ACTIVITIES					
NET INVESTMENT IN CAPITAL ASSETS	99,826	114,375	128,924	55,679	56,860
UNRESTRICTED	<u>556,885</u>	<u>583,618</u>	<u>446,909</u>	<u>118,322</u>	<u>(757,929)</u>
TOTAL BUSINESS-TYPE ACTIVITIES					
NET POSITION	<u>656,711</u>	<u>697,993</u>	<u>575,833</u>	<u>174,001</u>	<u>(701,069)</u>
PRIMARY GOVERNMENT					
NET INVESTMENT IN CAPITAL ASSETS	66,674,944	61,860,199	54,909,121	49,278,200	59,803,276
RESTRICTED	-	-	-	-	-
UNRESTRICTED	<u>(16,778,127)</u>	<u>(24,912,460)</u>	<u>(34,789,135)</u>	<u>(44,659,092)</u>	<u>(63,541,396)</u>
TOTAL PRIMARY GOVERNMENT					
NET POSITION	\$ <u>49,896,817</u>	\$ <u>36,947,739</u>	\$ <u>20,119,986</u>	\$ <u>4,619,108</u>	\$ <u>(3,738,120)</u>



SOURCE: SOLANCO SCHOOL DISTRICT STATEMENT OF NET POSITION

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

<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>
\$ 55,389,240	\$ 54,009,778	\$ 38,375,747	\$ 37,780,225	\$ 38,439,441
-	-	-	-	-
<u>(62,959,165)</u>	<u>(65,934,492)</u>	<u>(52,511,264)</u>	<u>(49,289,514)</u>	<u>(49,294,020)</u>
<u>(7,569,925)</u>	<u>(11,924,714)</u>	<u>(14,135,517)</u>	<u>(11,509,289)</u>	<u>(10,854,579)</u>
61,045	71,995	79,620	69,515	89,230
<u>(745,555)</u>	<u>(528,803)</u>	<u>(558,047)</u>	<u>(495,448)</u>	<u>(638,122)</u>
<u>(684,510)</u>	<u>(456,808)</u>	<u>(478,427)</u>	<u>(425,933)</u>	<u>(548,892)</u>
55,450,285	54,081,773	38,455,367	37,849,741	38,528,671
-	-	-	-	-
<u>(63,704,720)</u>	<u>(66,463,295)</u>	<u>(53,069,311)</u>	<u>(49,784,962)</u>	<u>(49,932,142)</u>
\$ <u>(8,254,435)</u>	\$ <u>(12,381,522)</u>	\$ <u>(14,613,944)</u>	\$ <u>(11,935,221)</u>	\$ <u>(11,403,471)</u>

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

	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>
GOVERNMENTAL ACTIVITIES				
PROGRAM REVENUES				
CHARGES FOR SERVICES				
SCHOOL TUITION	\$ 18,034	\$ 4,730	\$ -	\$ 4,185
STUDENT ACTIVITIES	84,518	80,017	109,077	71,017
LOCAL TRANSPORTATION FEES	15	2,912	5,567	4,914
MISCELLANEOUS CHARGES	121,230	113,525	112,332	249,927
OPERATING GRANTS AND CONTRIBUTIONS				
INSTRUCTION	16,713,673	21,608,496	18,401,331	12,869,207
INSTRUCTIONAL STUDENT SUPPORT	822,029	854,867	852,550	779,577
ADMINISTRATIVE AND FINANCIAL SUPPORT	627,511	679,145	548,782	501,034
OPERATION AND MAINTENANCE OF PLANT SERVICES	268,068	302,151	265,174	292,416
PUPIL TRANSPORTATION	2,185,773	2,207,437	2,243,908	1,855,518
STUDENT ACTIVITIES	112,522	129,898	114,888	106,864
COMMUNITY SERVICES	7,386	9,254	7,723	5,644
CAPITAL GRANTS AND CONTRIBUTIONS	36,802	36,988	37,138	54,200
TOTAL GOVERNMENTAL ACTIVITIES PROGRAM REVENUES	<u>20,997,561</u>	<u>26,029,420</u>	<u>22,698,470</u>	<u>16,794,503</u>
PROGRAM EXPENSES				
INSTRUCTION	40,984,739	39,820,910	36,837,276	35,970,147
INSTRUCTIONAL STUDENT SUPPORT	6,200,811	6,098,289	5,573,898	5,102,222
ADMINISTRATIVE AND FINANCIAL SUPPORT	6,055,793	6,388,481	5,323,303	5,326,836
OPERATION AND MAINTENANCE OF PLANT SERVICES	6,054,751	5,885,614	5,280,320	5,489,577
PUPIL TRANSPORTATION	5,113,868	4,777,906	4,705,227	4,273,625
STUDENT ACTIVITIES	1,178,639	1,192,444	1,168,248	1,053,592
COMMUNITY SERVICES	238,440	212,707	198,640	107,977
INTEREST ON LONG-TERM DEBT	636,704	376,809	332,360	363,938
TOTAL GOVERNMENTAL ACTIVITIES PROGRAM EXPENSES	<u>66,463,745</u>	<u>64,753,160</u>	<u>59,419,272</u>	<u>57,687,914</u>
NET GOVERNMENTAL ACTIVITIES PROGRAM EXPENSE	(45,466,184)	(38,723,740)	(36,720,802)	(40,893,411)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
TAXES:				
PROPERTY TAXES, NET	33,191,897	31,566,520	30,052,693	28,639,540
EARNED INCOME TAXES, NET	10,095,564	9,678,146	9,601,700	8,929,515
OTHER TAXES, NET	37,994	33,650	34,614	34,185
UNRESTRICTED GRANTS AND SUBSIDIES	12,755,889	12,313,197	11,311,150	10,663,798
INVESTMENT EARNINGS	2,348,303	1,837,225	914,042	(9,105)
MISCELLANEOUS INCOME	26,897	9,465	3,526	117,636
LOSS ON SALE OF CAPITAL ASSETS	-	(8,870)	-	-
TRANSFERS	-	-	(97,877)	-
TOTAL GOVERNMENTAL ACTIVITIES	<u>58,456,544</u>	<u>55,429,333</u>	<u>51,819,848</u>	<u>48,375,569</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION	<u>58,456,544</u>	<u>55,429,333</u>	<u>51,819,848</u>	<u>48,375,569</u>
TOTAL CHANGE IN NET POSITION	\$ <u>12,990,360</u>	\$ <u>16,705,593</u>	\$ <u>15,099,046</u>	\$ <u>7,482,158</u>

SOURCE: SOLANCO SCHOOL DISTRICT STATEMENT OF ACTIVITIES

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

<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>
\$ 10,063	\$ 12,764	\$ 7,258	\$ 10,521	\$ 19,038	\$ 34,757
5,925	55,974	65,375	65,081	47,953	55,285
5,733	3,554	2,728	7,002	11,794	17,627
14,978	263,084	96,667	82,263	95,572	50,895
12,294,163	9,709,296	9,496,339	9,015,263	8,669,160	8,027,444
738,270	646,451	668,961	723,332	778,429	671,360
494,373	483,385	467,347	545,029	493,844	444,302
337,036	296,980	354,124	383,204	278,209	451,604
1,924,029	2,215,398	2,071,755	2,107,818	1,950,835	1,874,328
103,631	101,817	101,966	102,221	91,699	85,093
3,950	925	807	42,551	39,796	40,631
37,636	39,232	38,205	12,195	234,860	-
<u>15,969,787</u>	<u>13,828,860</u>	<u>13,371,532</u>	<u>13,096,480</u>	<u>12,711,189</u>	<u>11,753,326</u>
36,648,556	34,803,499	35,259,206	35,905,182	36,038,371	33,402,590
4,929,161	4,787,017	4,716,596	4,538,968	4,682,552	4,381,066
5,435,332	5,084,921	5,142,579	5,002,233	4,817,625	4,523,724
4,754,718	4,777,881	4,465,921	4,056,931	3,933,764	3,788,748
3,914,376	3,857,835	4,029,687	3,774,144	3,795,429	3,631,051
1,044,667	1,048,236	1,142,097	1,139,339	1,070,669	1,015,047
93,809	44,697	56,068	56,026	38,034	39,129
457,494	620,097	465,906	224,279	-	-
<u>57,278,113</u>	<u>55,024,183</u>	<u>55,278,060</u>	<u>54,697,102</u>	<u>54,376,444</u>	<u>50,781,355</u>
(41,308,326)	(41,195,323)	(41,906,528)	(41,600,622)	(41,665,255)	(39,028,029)
27,435,224	26,688,609	25,553,857	24,449,549	23,497,238	22,539,279
8,003,137	7,500,092	7,652,775	7,325,951	7,297,915	7,212,916
32,603	27,319	31,802	30,776	32,429	32,326
10,334,838	10,334,847	10,148,447	10,097,407	10,019,564	9,744,228
(12,955)	337,520	691,387	441,094	147,759	54,428
48,353	661,725	39,063	436,617	15,640	16,479
-	-	-	-	-	-
-	-	-	-	-	-
<u>45,841,200</u>	<u>45,550,112</u>	<u>44,117,331</u>	<u>42,781,394</u>	<u>41,010,545</u>	<u>39,599,656</u>
\$ <u>4,532,874</u>	\$ <u>4,354,789</u>	\$ <u>2,210,803</u>	\$ <u>1,180,772</u>	\$ <u>(654,710)</u>	\$ <u>571,627</u>

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

	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>
BUSINESS-TYPE ACTIVITIES				
PROGRAM REVENUES				
CHARGES FOR SERVICES				
DAILY SALES	\$ 393,670	\$ 455,383	\$ 475,900	\$ 167,267
OTHER CHARGES FOR SERVICES	29,499	31,270	25,155	15,248
OPERATING GRANTS AND CONTRIBUTIONS				
FOOD SERVICES	<u>1,636,476</u>	<u>1,729,021</u>	<u>1,639,925</u>	<u>2,247,909</u>
TOTAL BUSINESS-TYPE ACTIVITIES				
PROGRAM REVENUES	<u>2,059,645</u>	<u>2,215,674</u>	<u>2,140,980</u>	<u>2,430,424</u>
PROGRAM EXPENSES				
FOOD SERVICES	<u>2,172,746</u>	<u>2,162,600</u>	<u>1,876,481</u>	<u>1,557,175</u>
NET BUSINESS-TYPE ACTIVITIES				
PROGRAM EXPENSE	(113,101)	53,074	264,499	873,249
GENERAL REVENUES AND OTHER				
CHANGES IN NET POSITION				
INVESTMENT EARNINGS	71,819	69,086	39,456	1,821
MISCELLANEOUS INCOME	-	-	-	-
TRANSFERS				
TOTAL BUSINESS-TYPE ACTIVITIES	<u>-</u>	<u>-</u>	<u>97,877</u>	<u>-</u>
GENERAL REVENUES AND OTHER				
CHANGES IN NET POSITION	<u>71,819</u>	<u>69,086</u>	<u>137,333</u>	<u>1,821</u>
TOTAL CHANGE IN NET POSITION	\$ <u>(41,282)</u>	\$ <u>122,160</u>	\$ <u>401,832</u>	\$ <u>875,070</u>

SOURCE: SOLANCO SCHOOL DISTRICT STATEMENT OF ACTIVITIES

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

<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>
\$ 129,670	\$ 369,624	\$ 518,193	\$ 547,658	\$ 584,955	\$ 624,197
1,410	15,189	34,285	33,811	28,292	35,248
<u>1,163,295</u>	<u>799,629</u>	<u>1,015,367</u>	<u>1,023,226</u>	<u>1,067,100</u>	<u>1,035,806</u>
<u>1,294,375</u>	<u>1,184,442</u>	<u>1,567,845</u>	<u>1,604,695</u>	<u>1,680,347</u>	<u>1,695,251</u>
<u>1,311,561</u>	<u>1,424,825</u>	<u>1,567,495</u>	<u>1,594,334</u>	<u>1,564,224</u>	<u>1,584,070</u>
(17,186)	(240,383)	350	10,361	116,123	111,181
627	12,681	21,269	12,467	5,521	1,808
-	-	-	1,677	1,316	789
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>627</u>	<u>12,681</u>	<u>21,269</u>	<u>14,144</u>	<u>6,837</u>	<u>2,597</u>
\$ <u>(16,559)</u>	\$ <u>(227,702)</u>	\$ <u>21,619</u>	\$ <u>24,505</u>	\$ <u>122,960</u>	\$ <u>113,778</u>

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

	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES			
CHARGES FOR SERVICES			
GOVERNMENTAL ACTIVITIES	\$ 223,797	\$ 201,184	\$ 226,976
BUSINESS-TYPE ACTIVITIES	423,169	486,653	501,055
OPERATING GRANTS AND CONTRIBUTIONS			
INSTRUCTION	16,713,673	21,608,496	18,401,331
INSTRUCTIONAL STUDENT SUPPORT	822,029	854,867	852,550
ADMINISTRATIVE AND FINANCIAL SUPPORT	627,511	679,145	548,782
OPERATION AND MAINTENANCE OF PLANT SERVICES	268,068	302,151	265,174
PUPIL TRANSPORTATION	2,185,773	2,207,437	2,243,908
STUDENT ACTIVITIES	112,522	129,898	114,888
COMMUNITY SERVICES	7,386	9,254	7,723
FOOD SERVICES	1,636,476	1,729,021	1,639,925
CAPITAL GRANTS AND CONTRIBUTIONS	36,802	36,988	37,138
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	<u>23,057,206</u>	<u>28,245,094</u>	<u>24,839,450</u>
PROGRAM EXPENSES			
INSTRUCTION	40,984,739	39,820,910	36,837,276
INSTRUCTIONAL STUDENT SUPPORT	6,200,811	6,098,289	5,573,898
ADMINISTRATIVE AND FINANCIAL SUPPORT	6,055,793	6,388,481	5,323,303
OPERATION AND MAINTENANCE OF PLANT SERVICES	6,054,751	5,885,614	5,280,320
PUPIL TRANSPORTATION	5,113,868	4,777,906	4,705,227
STUDENT ACTIVITIES	1,178,639	1,192,444	1,168,248
COMMUNITY SERVICES	238,440	212,707	198,640
INTEREST ON LONG-TERM DEBT	636,704	376,809	332,360
FOOD SERVICE	2,172,746	2,162,600	1,876,481
TOTAL PRIMARY GOVERNMENT PROGRAM EXPENSES	<u>68,636,491</u>	<u>66,915,760</u>	<u>61,295,753</u>
NET PRIMARY GOVERNMENT PROGRAM EXPENSE	(45,579,285)	(38,670,666)	(36,456,303)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION			
TAXES:			
PROPERTY TAXES, NET	33,191,897	31,566,520	30,052,693
EARNED INCOME TAXES ,NET	10,095,564	9,678,146	9,601,700
OTHER TAXES, NET	37,994	33,650	34,614
UNRESTRICTED GRANTS AND SUBSIDIES	12,755,889	12,313,197	11,311,150
INVESTMENT EARNINGS	2,420,122	1,906,311	953,498
MISCELLANEOUS INCOME	26,897	9,465	3,526
LOSS ON SALE OF CAPITAL ASSETS	-	(8,870)	-
TRANSFERS	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT GENERAL REVENUES AND OTHER CHANGES IN NET POSITION	<u>58,528,363</u>	<u>55,498,419</u>	<u>51,957,181</u>
TOTAL CHANGE IN NET POSITION	\$ <u>12,949,078</u>	\$ <u>16,827,753</u>	\$ <u>15,500,878</u>

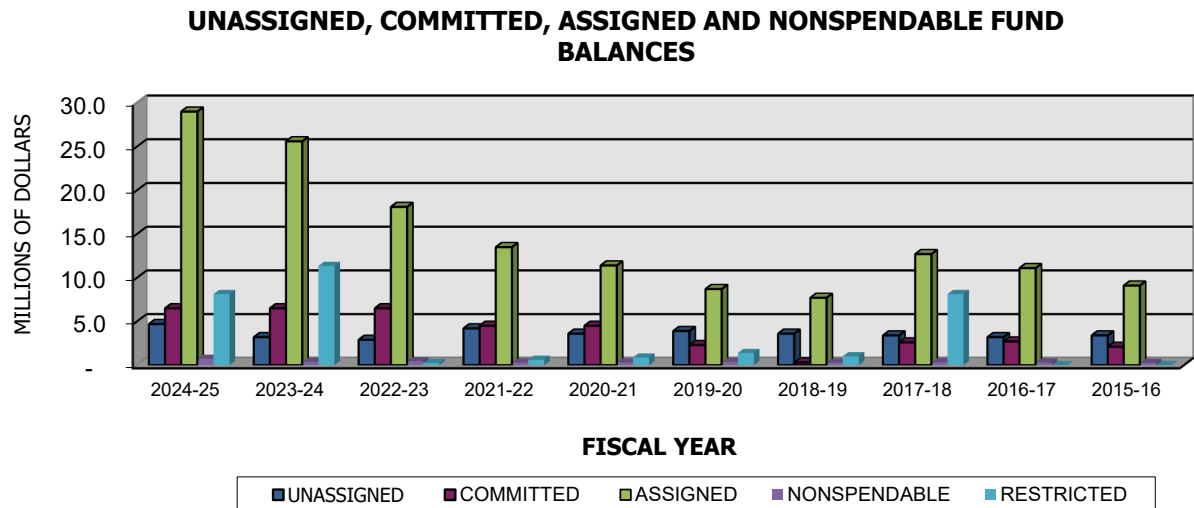
SOURCE: SOLANCO SCHOOL DISTRICT STATEMENT OF ACTIVITIES

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

<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>
\$ 330,043	\$ 36,699	\$ 335,376	\$ 172,028	\$ 164,867	\$ 174,357	\$ 158,564
182,515	131,080	384,813	552,478	579,939	613,247	659,445
12,869,207	12,294,163	9,709,296	9,496,339	9,015,263	8,669,160	8,027,444
779,577	738,270	646,451	668,961	723,332	778,429	671,360
501,034	494,373	483,385	467,347	545,029	493,844	444,302
292,416	337,036	296,980	354,124	383,204	278,209	451,604
1,855,518	1,924,029	2,215,398	2,071,755	2,107,818	1,950,835	1,874,328
106,864	103,631	101,817	101,966	102,221	91,699	85,093
5,644	3,950	925	807	42,551	39,796	40,631
2,247,909	1,163,295	799,629	1,015,367	1,024,903	1,067,100	1,035,806
54,200	37,636	39,232	38,205	12,195	234,860	-
<u>19,224,927</u>	<u>17,264,162</u>	<u>15,013,302</u>	<u>14,939,377</u>	<u>14,701,322</u>	<u>14,391,536</u>	<u>13,448,577</u>
35,970,147	36,648,556	34,803,499	35,259,206	35,905,182	36,038,371	33,402,590
5,102,222	4,929,161	4,787,017	4,716,596	4,538,968	4,682,552	4,381,066
5,326,836	5,435,332	5,084,921	5,142,579	5,002,233	4,817,625	4,523,724
5,489,577	4,754,718	4,777,881	4,465,921	4,056,931	3,933,764	3,788,748
4,273,625	3,914,376	3,857,835	4,029,687	3,774,144	3,795,429	3,631,051
1,053,592	1,044,667	1,048,236	1,142,097	1,139,339	1,070,669	1,015,047
107,977	93,809	44,697	56,068	56,026	38,034	39,129
363,938	457,494	620,097	465,906	224,279	-	-
1,557,175	1,311,561	1,424,825	1,567,495	1,594,334	1,564,224	1,584,070
<u>59,245,089</u>	<u>58,589,674</u>	<u>56,449,008</u>	<u>56,845,555</u>	<u>56,291,436</u>	<u>55,940,668</u>	<u>52,365,425</u>
(40,020,162)	(41,325,512)	(41,435,706)	(41,906,178)	(41,590,114)	(41,549,132)	(38,916,848)
28,639,540	27,435,224	26,688,609	25,553,857	24,449,549	23,497,238	22,539,279
8,929,515	8,003,137	7,500,092	7,652,775	7,325,951	7,297,915	7,212,916
34,185	32,603	27,319	31,802	30,776	32,429	32,326
10,663,798	10,334,838	10,334,847	10,148,447	10,097,407	10,019,564	9,744,228
(7,284)	(12,328)	350,201	712,656	453,561	153,280	56,236
117,636	48,353	661,725	39,063	438,147	16,956	17,268
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>48,377,390</u>	<u>45,841,827</u>	<u>45,562,793</u>	<u>44,138,600</u>	<u>42,795,391</u>	<u>41,017,382</u>	<u>39,602,253</u>
\$ <u>8,357,228</u>	\$ <u>4,516,315</u>	\$ <u>4,127,087</u>	\$ <u>2,232,422</u>	\$ <u>1,205,277</u>	\$ <u>(531,750)</u>	\$ <u>685,405</u>

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

	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>
GENERAL FUND					
NONSPENDABLE:					
INVENTORY	\$ 258,553	\$ 297,483	\$ 342,399	\$ 221,842	\$ 205,187
PREPAID ITEMS	462,851	71,160	104,629	72,345	105,927
RESTRICTED:					
DEBT SERVICE	-	-	-	-	-
COMMITTED	6,500,000	6,500,000	6,500,000	4,500,000	4,500,000
ASSIGNED	1,468,949	201,954	200,988	806,985	578,107
UNASSIGNED	<u>4,707,061</u>	<u>3,208,170</u>	<u>2,917,221</u>	<u>4,223,390</u>	<u>3,603,733</u>
TOTAL GENERAL FUND	<u>13,397,414</u>	<u>10,278,767</u>	<u>10,065,237</u>	<u>9,824,562</u>	<u>8,992,954</u>
ALL OTHER GOVERNMENTAL FUNDS					
NONSPENDABLE:					
CAPITAL PROJECTS	-	-	-	-	-
RESTRICTED:					
DEBT SERVICE	-	-	-	-	2,503
CAPITAL PROJECTS	8,130,960	11,346,341	240,635	608,892	861,733
ASSIGNED:					
CAPITAL PROJECTS	<u>27,501,398</u>	<u>25,445,788</u>	<u>17,891,164</u>	<u>12,663,912</u>	<u>10,838,406</u>
TOTAL ALL OTHER GOVERNMENTAL FUNDS	<u>35,632,358</u>	<u>36,792,129</u>	<u>18,131,799</u>	<u>13,272,804</u>	<u>11,702,642</u>
TOTAL GOVERNMENT FUNDS	<u>\$ 49,029,772</u>	<u>\$ 47,070,896</u>	<u>\$ 28,197,036</u>	<u>\$ 23,097,366</u>	<u>\$ 20,695,596</u>



SOURCE: SOLANCO SCHOOL DISTRICT GOVERNMENTAL FUND BALANCE SHEETS

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

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

<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>
\$ 233,800 139,050	\$ 165,633 93,035	\$ 239,341 83,110	\$ 194,313 105,748	\$ 203,117 54,708
-	-	-	-	-
2,325,000	325,000	2,578,777	2,702,452	2,098,778
2,300,524	2,032,216	-	-	-
<u>3,856,559</u>	<u>3,593,706</u>	<u>3,379,639</u>	<u>3,240,425</u>	<u>3,390,208</u>
<u>8,854,933</u>	<u>6,209,590</u>	<u>6,280,867</u>	<u>6,242,938</u>	<u>5,746,811</u>
-	25,762	11,052	-	-
-	-	-	-	-
1,379,564	1,006,536	8,124,550	-	-
<u>6,404,661</u>	<u>5,680,578</u>	<u>12,714,790</u>	<u>11,103,697</u>	<u>9,123,116</u>
<u>7,784,225</u>	<u>6,712,876</u>	<u>20,850,392</u>	<u>11,103,697</u>	<u>9,123,116</u>
<u>\$ 16,639,158</u>	<u>\$ 12,922,466</u>	<u>\$ 27,131,259</u>	<u>\$ 17,346,635</u>	<u>\$ 14,869,927</u>

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

	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>
REVENUES				
LOCAL SOURCES	\$ 47,100,588	\$ 44,367,419	\$ 41,893,447	\$ 38,908,199
STATE SOURCES	25,391,917	24,506,119	22,377,395	20,846,718
FEDERAL SOURCES	6,964,981	12,513,135	10,181,188	5,224,215
TOTAL REVENUES	<u>79,457,486</u>	<u>81,386,673</u>	<u>74,452,030</u>	<u>64,979,132</u>
EXPENDITURES				
CURRENT				
INSTRUCTIONAL	40,828,987	39,049,839	37,893,188	37,026,345
SUPPORT	22,825,259	22,216,369	21,154,778	20,317,837
NONINSTRUCTIONAL	1,427,610	1,399,959	1,409,948	1,210,274
CAPITAL OUTLAY	9,044,517	7,803,613	6,431,398	1,471,268
DEBT SERVICE				
PRINCIPAL	2,608,185	2,552,892	2,469,969	2,375,000
INTEREST	752,020	366,863	343,478	378,794
BOND/NOTE ISSUANCE COSTS	-	128,807	-	-
FISCAL CHARGES	-	-	-	-
TOTAL EXPENDITURES	<u>77,486,578</u>	<u>73,518,342</u>	<u>69,702,759</u>	<u>62,779,518</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER (UNDER) EXPENDITURES	<u>1,970,908</u>	<u>7,868,331</u>	<u>4,749,271</u>	<u>2,199,614</u>
OTHER FINANCING				
SOURCES (USES)				
ISSUANCE OF DEBT	-	10,016,069	324,944	-
ISSUANCE OF REFUNDING DEBT	-	-	-	-
PAYMENT TO REFUNDED DEBT				
ESCROW AGENT	-	-	-	-
PREMIUM ON ISSUANCE OF DEBT	-	1,034,376	-	-
PROCEEDS FROM SALE OF CAPITAL ASSETS	26,897	-	2,775	185,499
INSURANCE RECOVERIES	-	-	-	-
TRANSFERS IN (OUT)	-	-	(97,877)	-
TOTAL OTHER FINANCING	<u>26,897</u>	<u>11,050,445</u>	<u>229,842</u>	<u>185,499</u>
NET CHANGE IN FUND BALANCES	<u>\$ 1,997,805</u>	<u>\$ 18,918,776</u>	<u>\$ 4,979,113</u>	<u>\$ 2,385,113</u>
DEBT SERVICE AS % OF				
NONCAPITAL EXPENDITURES (A)	4.92%	4.45%	4.51%	4.51%
DEBT SERVICE AS % OF				
TOTAL EXPENDITURES	4.34%	3.97%	4.04%	4.39%

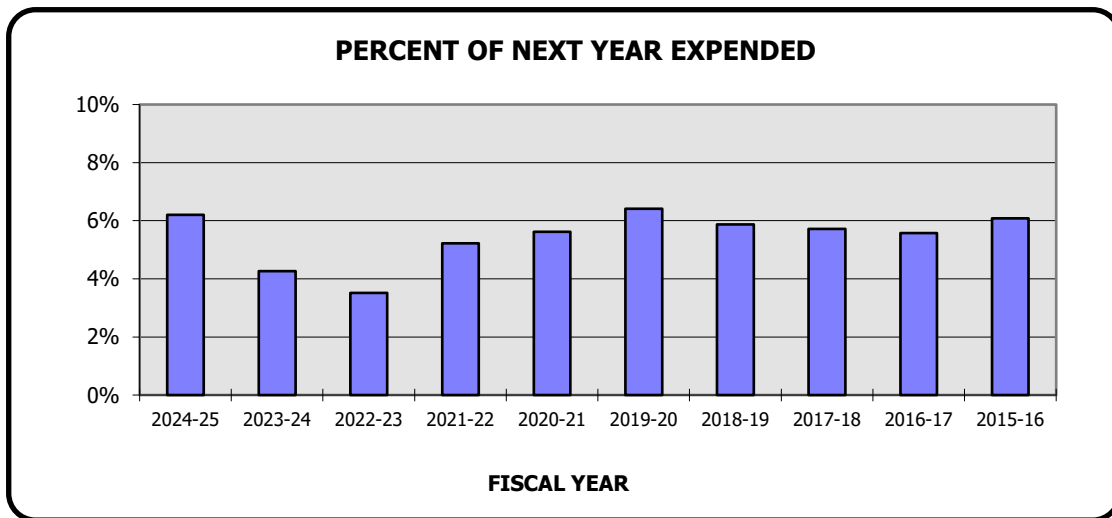
SOURCE: SOLANCO SCHOOL DISTRICT STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
(A) NONCAPITAL EXPENDITURES REPRESENT TOTAL EXPENDITURES LESS CAPITAL OUTLAYS AS REPORTED ON THE RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO 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>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>
\$ 36,893,248	\$ 35,928,830	\$ 35,104,605	\$ 33,259,981	\$ 32,335,599	\$ 30,986,070
20,659,185	20,629,535	20,047,273	19,806,794	19,527,031	18,311,720
4,303,209	2,123,977	2,264,864	2,145,726	2,039,305	2,062,082
<u>61,855,642</u>	<u>58,682,342</u>	<u>57,416,742</u>	<u>55,212,501</u>	<u>53,901,935</u>	<u>51,359,872</u>
34,934,838	32,973,351	33,383,858	33,471,881	33,066,257	31,099,335
17,817,710	17,597,991	17,247,108	16,164,057	15,664,747	15,179,515
1,078,752	1,046,747	1,141,946	1,126,230	1,014,167	992,917
1,196,667	7,959,768	17,886,877	12,271,914	-	1,600,107
2,405,000	2,155,571	2,430,000	1,875,000	-	-
351,224	558,637	475,989	109,616	-	-
126,890	-	-	-	-	-
-	-	112	142,450	-	-
<u>57,911,081</u>	<u>62,292,065</u>	<u>72,565,890</u>	<u>65,161,148</u>	<u>49,745,171</u>	<u>48,871,874</u>
<u>3,944,561</u>	<u>(3,609,723)</u>	<u>(15,149,148)</u>	<u>(9,948,647)</u>	<u>4,156,764</u>	<u>2,487,998</u>
-	7,000,000	1,000,000	19,200,000	-	-
13,510,000	-	-	-	-	-
(13,383,110)	-	-	-	-	-
-	-	-	-	-	-
13,601	16,370	1,689	21,312	2,624	7,772
-	641,877	37,374	466,932	553	113
-	(400,000)	(25,000)	-	-	-
<u>140,491</u>	<u>7,258,247</u>	<u>1,014,063</u>	<u>19,688,244</u>	<u>3,177</u>	<u>7,885</u>
\$ <u>4,085,052</u>	\$ <u>3,648,524</u>	\$ <u>(14,135,085)</u>	\$ <u>9,739,597</u>	\$ <u>4,159,941</u>	\$ <u>2,495,883</u>
4.91%	5.01%	5.34%	3.77%	0.00%	0.00%
4.76%	4.36%	4.00%	3.05%	0.00%	0.00%

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

<u>FISCAL YEAR</u>	<u>UNASSIGNED GENERAL FUND BALANCE</u>	<u>TOTAL EXPENDED</u>	<u>FUND BALANCE PERCENTAGE OF NEXT YEAR EXPENDED</u>	
2024-25	\$ 4,707,061	\$ 75,107,001	6.20%	(A)
2023-24	3,208,170	80,541,587	4.27%	
2022-23	2,917,221	74,430,676	3.52%	
2021-22	4,223,390	64,152,599	5.22%	
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%	



(A) % OF 2025-26 BUDGETED EXPENDITURES - \$75,859,614

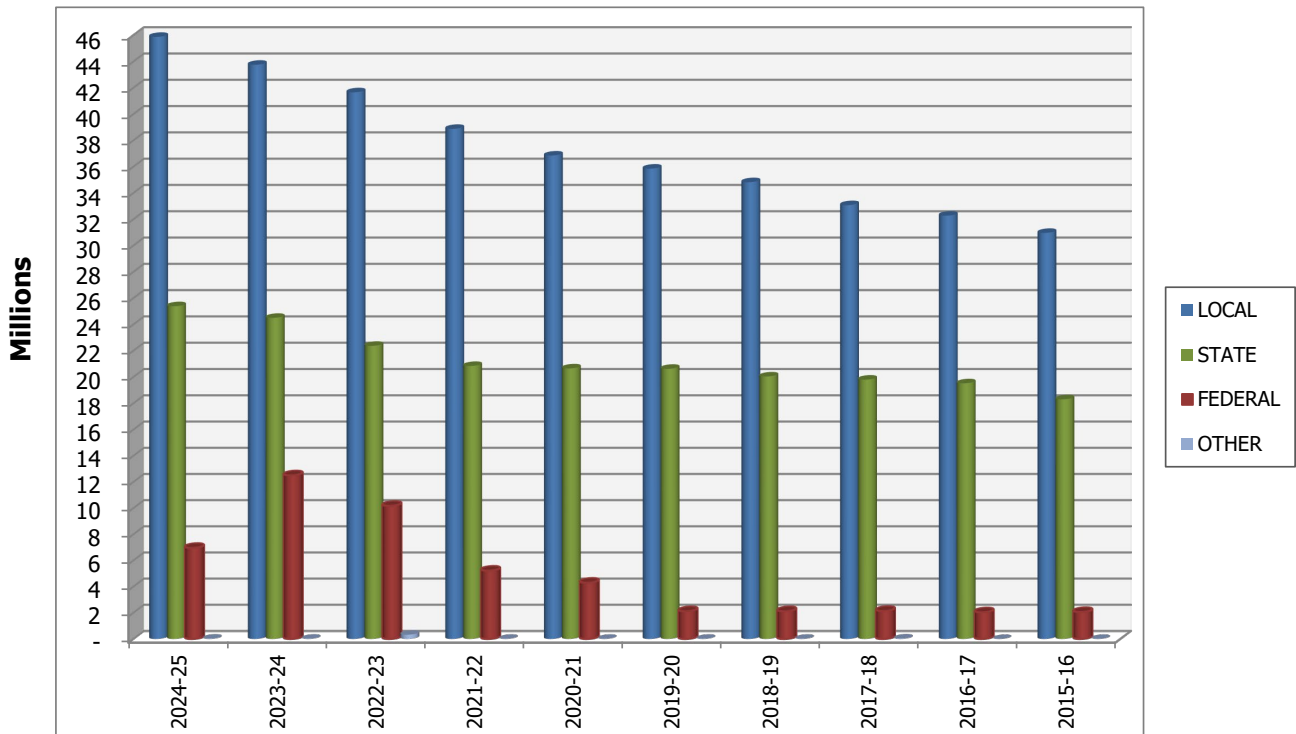
EFFECTIVE JULY 1, 2005, STATE LEGISLATION REQUIRED SCHOOL DISTRICT UNASSIGNED FUND BALANCES TO BE 8% OR LOWER OF BUDGETED EXPENDITURES FOR THE FOLLOWING FISCAL YEAR

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>
2024-25	\$	45,880,782	\$	25,391,917	\$	6,964,981	\$	26,897	\$	78,264,577
2023-24		43,759,710		24,506,119		12,513,135		21,069		80,800,033
2022-23		41,664,492		22,377,395		10,181,188		327,719		74,550,794
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

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>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>
LOCAL SOURCES					
CURRENT REAL ESTATE TAX	\$ 31,433,076	\$ 29,824,805	\$ 28,356,307	\$ 27,230,078	\$ 25,800,241
INTERIM REAL ESTATE TAX	192,014	278,185	258,703	156,112	197,733
PUBLIC UTILITY TAX	37,612	33,540	34,505	34,075	32,494
PAYMENT IN LIEU OF TAX	382	109	109	109	109
EARNED INCOME TAX	10,095,563	9,678,147	9,601,699	8,929,516	8,003,138
REALTY TRANSFER TAX	899,042	753,659	791,499	839,661	754,817
DELINQUENT TAXES	698,045	628,923	484,796	340,200	740,688
INVESTMENT EARNINGS	1,128,498	1,238,980	685,836	(20,371)	(18,364)
REVENUE FROM STUDENT ACTIVITIES	50,053	46,425	62,904	56,607	3,761
REVENUE FROM INTERMEDIATE	1,071,720	1,043,068	1,126,846	964,108	1,208,677
RENTALS	93,882	110,735	105,073	54,341	10,053
CONTRIBUTIONS/DONATIONS	70,191	59,295	77,478	39,419	55,715
TUITION	1,834	3,215	-	4,183	10,061
MISCELLANEOUS REVENUE	108,870	60,624	78,737	252,110	53,780
TOTAL LOCAL REVENUE	<u>45,880,782</u>	<u>43,759,710</u>	<u>41,664,492</u>	<u>38,880,148</u>	<u>36,852,903</u>
STATE SOURCES					
BASIC EDUCATION FUNDING	12,610,502	12,313,197	11,311,150	10,663,798	10,334,838
CYBER CHARTER SCHOOL	145,387	-	-	-	-
TUITION CHILD PLACED	120,008	44,618	77,705	48,050	19,860
VOCATIONAL EDUCATION	176,933	157,869	133,454	113,354	120,059
MIGRATORY CHILDREN	1,320	609	400	1,360	1,760
SPECIAL EDUCATION	2,562,537	2,441,502	2,373,558	2,268,786	2,200,552
OTHER PROGRAM SUBSIDIES	779,025	19,277	18,213	17,291	719
TRANSPORTATION	2,169,932	2,182,568	2,210,749	1,824,598	1,895,770
RENTAL/SINKING FUND	36,802	36,988	37,138	37,600	37,636
HEALTH SERVICES	59,056	56,094	55,775	55,944	58,740
STATE PROPERTY TAX REDUCTION	835,984	703,579	704,565	567,596	583,010
READY TO LEARN/PA ACCOUNTABILITY GRANT	-	427,715	427,715	427,715	427,715
SAFE SCHOOL	554,586	43,706	-	48,763	409,493
SOCIAL SECURITY REIMBURSEMENT	881,671	848,412	804,638	781,558	817,819
RETIREMENT REIMBURSEMENT	4,458,174	5,229,985	4,222,335	3,990,305	3,751,214
MISCELLANEOUS GRANTS/REVENUE	-	-	-	-	-
TOTAL STATE REVENUE	<u>25,391,917</u>	<u>24,506,119</u>	<u>22,377,395</u>	<u>20,846,718</u>	<u>20,659,185</u>
FEDERAL SOURCES					
TITLE I	2,454,852	2,880,939	2,840,903	2,521,272	2,171,225
TITLE II	261,555	220,403	251,020	342,657	228,452
TITLE IV	185,544	225,656	250,981	133,159	130,979
ESSER	-	-	-	-	1,554,200
FEMA	-	-	11,089	-	33,268
GEER	-	-	(1,973)	34,724	81,816
ESSER II	-	747,316	4,240,708	1,919,535	-
ESSER III	3,876,806	7,805,133	2,136,166	153,887	-
ARP ESSER LEARNING LOSS	112,756	337,444	252,505	-	-
ARP ESSER SUMMER PROGRAMS	27,476	103,616	-	-	-
ARP ESSER AFTERSCHOOL PROGRAM	45	27,331	7,832	-	-
ARP ESSER HOMELESS CHILDREN & YOUTH FUNDS	-	65,882	-	-	-
ARP ESSER ATSI GRANT RECEIPTS	-	56,596	5,522	-	-
IDEA Part B	-	-	-	-	23,034
MEDICAL ASSISTANCE REIMBURSEMENTS	45,947	42,819	186,435	118,981	80,235
TOTAL FEDERAL REVENUE	<u>6,964,981</u>	<u>12,513,135</u>	<u>10,181,188</u>	<u>5,224,215</u>	<u>4,303,209</u>
OTHER FINANCING SOURCES					
PROCEEDS FROM SALE OF CAPITAL ASSETS	26,897	-	2,775	16,469	13,601
ISSUANCE OF DEBT	-	21,069	324,944	-	-
INSURANCE RECOVERIES	-	-	-	-	-
TRANSFERS IN	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>26,897</u>	<u>21,069</u>	<u>327,719</u>	<u>16,469</u>	<u>13,601</u>
TOTAL REVENUES	<u>\$ 78,264,577</u>	<u>\$ 80,800,033</u>	<u>\$ 74,550,794</u>	<u>\$ 64,967,550</u>	<u>\$ 61,828,898</u>

SOURCE: SOLANCO SCHOOL DISTRICT FINANCIAL RECORDS

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

<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>
\$ 25,374,366	\$ 24,094,317	\$ 23,120,583	\$ 22,359,441	\$ 21,279,420
165,104	244,123	77,178	162,310	109,319
27,210	31,693	30,667	32,320	32,217
109	109	109	109	109
7,500,091	7,652,775	7,325,951	7,297,915	7,212,916
576,774	604,950	534,800	590,782	495,841
533,980	577,410	523,502	591,789	678,650
270,273	411,968	216,398	66,052	20,349
53,828	57,801	77,644	58,502	66,466
997,784	907,646	915,488	930,513	710,126
50,105	71,762	43,764	70,335	25,966
38,442	21,234	41,520	23,981	10,332
2,240	7,260	10,521	19,038	34,757
267,542	141,953	160,843	77,501	292,271
<u>35,857,848</u>	<u>34,825,001</u>	<u>33,078,968</u>	<u>32,280,588</u>	<u>30,968,739</u>
10,334,847	10,148,447	10,097,407	10,019,564	9,744,228
-	-	-	-	-
40,889	74,752	83,704	64,728	70,521
115,194	118,119	116,629	90,822	8,425
1,178	660	617	867	650
2,200,598	2,149,400	2,143,535	2,227,676	2,215,550
189,513	89,673	91,548	-	-
2,189,802	2,045,683	1,986,562	1,833,239	1,793,302
39,232	38,205	12,195	234,860	-
60,091	62,723	63,468	65,077	66,388
548,986	548,128	545,938	545,973	553,770
427,715	427,715	427,715	496,413	359,017
17,754	-	-	-	-
708,383	754,560	743,869	737,722	758,985
3,755,353	3,589,208	3,482,437	3,199,264	2,740,883
-	-	11,170	10,826	-
<u>20,629,535</u>	<u>20,047,273</u>	<u>19,806,794</u>	<u>19,527,031</u>	<u>18,311,720</u>
1,662,401	1,807,331	1,778,840	1,712,512	1,748,451
283,441	282,751	239,470	241,890	249,204
143,425	116,764	34,899	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
34,710	58,018	92,517	84,903	64,428
<u>2,123,977</u>	<u>2,264,864</u>	<u>2,145,726</u>	<u>2,039,305</u>	<u>2,062,082</u>
16,370	1,689	21,312	2,624	7,772
-	-	-	-	-
-	-	13,528	553	113
-	-	-	-	-
<u>16,370</u>	<u>1,689</u>	<u>34,840</u>	<u>3,177</u>	<u>7,885</u>
\$ <u>58,627,730</u>	\$ <u>57,138,827</u>	\$ <u>55,066,328</u>	\$ <u>53,850,101</u>	\$ <u>51,350,426</u>

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

	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>
INSTRUCTION				
REGULAR PROGRAM	\$ 26,098,252	\$ 25,034,152	\$ 24,055,047	\$ 23,758,416
SPECIAL PROGRAM	10,960,358	10,451,431	10,334,157	9,656,829
VOCATIONAL ED PROGRAM	2,722,276	2,726,829	2,610,556	2,781,965
OTHER INSTRUCT PROGRAM	1,048,101	837,427	893,428	829,135
REFUND OF PRIOR YEAR REVENUE	-	-	-	-
TOTAL INSTRUCTION	<u>40,828,987</u>	<u>39,049,839</u>	<u>37,893,188</u>	<u>37,026,345</u>
SUPPORT SERVICES				
PUPIL PERSONNEL	3,840,598	3,777,992	3,640,996	3,170,177
INSTRUCTIONAL STAFF	1,615,180	1,560,155	1,442,308	1,529,621
ADMINISTRATION	3,560,036	3,535,097	3,231,070	3,015,287
PUPIL HEALTH	766,255	737,767	687,288	683,805
BUSINESS	1,064,154	1,087,852	1,015,552	971,986
OPERATION & MAINTENANCE OF PLANT SERVICES	5,610,227	5,418,712	5,384,278	5,373,652
TRANSPORTATION	4,918,333	4,545,109	4,485,371	4,063,861
CENTRAL	1,417,395	1,502,864	1,235,322	1,476,983
OTHER SUPPORT	32,909	32,687	32,102	32,465
TOTAL SUPPORT SERVICES	<u>22,825,087</u>	<u>22,198,235</u>	<u>21,154,287</u>	<u>20,317,837</u>
NONINSTRUCTIONAL SERVICES				
STUDENT ACTIVITIES	1,186,218	1,184,413	1,205,804	1,097,905
COMMUNITY SERVICES	241,392	215,546	204,144	112,369
TOTAL NONINSTRUCTIONAL SERVICES	<u>1,427,610</u>	<u>1,399,959</u>	<u>1,409,948</u>	<u>1,210,274</u>
DEBT SERVICE/TRANSFERS OUT				
DEBT SERVICE/TRANSFERS OUT	76,050	72,516	53,504	-
TRANSFERS OUT	9,949,267	17,821,038	13,919,749	5,598,143
TOTAL DEBT SERVICE/TRANSFERS OUT	<u>10,025,317</u>	<u>17,893,554</u>	<u>13,973,253</u>	<u>5,598,143</u>
TOTAL EXPENDITURES	<u>\$ 75,107,001</u>	<u>\$ 80,541,587</u>	<u>\$ 74,430,676</u>	<u>\$ 64,152,599</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)

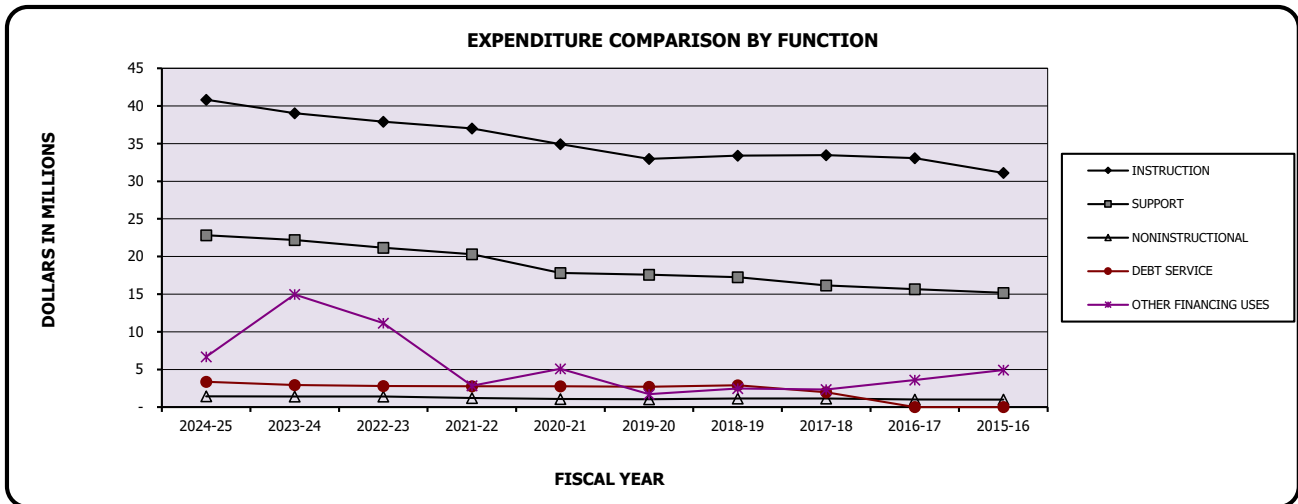
<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>
\$ 23,362,694	\$ 21,129,471	\$ 21,270,797	\$ 20,864,000	\$ 20,879,559	\$ 19,891,642
8,345,032	8,603,451	9,033,510	9,705,015	9,157,820	8,420,491
2,695,655	2,727,482	2,543,840	2,380,357	2,522,108	2,306,065
531,457	512,947	535,711	522,509	506,770	481,137
-	-	-	-	-	-
<u>34,934,838</u>	<u>32,973,351</u>	<u>33,383,858</u>	<u>33,471,881</u>	<u>33,066,257</u>	<u>31,099,335</u>
2,831,244	2,607,885	2,496,325	2,257,019	2,148,239	1,992,763
1,223,706	1,454,491	1,431,654	1,471,950	1,606,529	1,587,702
2,929,810	2,891,063	2,900,373	2,674,993	2,533,450	2,593,540
636,627	513,573	544,976	506,653	499,223	524,158
974,139	881,014	855,593	970,565	836,119	720,748
4,374,802	4,405,010	4,032,257	3,663,429	3,450,224	3,385,050
3,716,226	3,841,812	3,862,654	3,663,743	3,620,010	3,490,230
1,098,714	971,287	1,091,459	923,578	938,949	853,128
32,442	31,856	31,817	32,127	32,004	32,195
<u>17,817,710</u>	<u>17,597,991</u>	<u>17,247,108</u>	<u>16,164,057</u>	<u>15,664,747</u>	<u>15,179,515</u>
984,915	1,002,057	1,085,977	1,070,024	976,146	953,874
93,837	44,690	55,969	56,206	38,021	39,043
<u>1,078,752</u>	<u>1,046,747</u>	<u>1,141,946</u>	<u>1,126,230</u>	<u>1,014,167</u>	<u>992,917</u>
-	-	-	1,984,616	-	2,825,500
<u>7,830,963</u>	<u>4,432,466</u>	<u>5,363,484</u>	<u>2,326,642</u>	<u>3,600,000</u>	<u>2,097,036</u>
<u>7,830,963</u>	<u>4,432,466</u>	<u>5,363,484</u>	<u>4,311,258</u>	<u>3,600,000</u>	<u>4,922,536</u>
\$ <u>61,662,263</u>	\$ <u>56,050,555</u>	\$ <u>57,136,396</u>	\$ <u>55,073,426</u>	\$ <u>53,345,171</u>	\$ <u>52,194,303</u>

SOLANCO SCHOOL DISTRICT

GENERAL FUND EXPENDITURES AND OTHER FINANCING USES BY FUNCTION

(Modified Accrual Basis of Accounting)

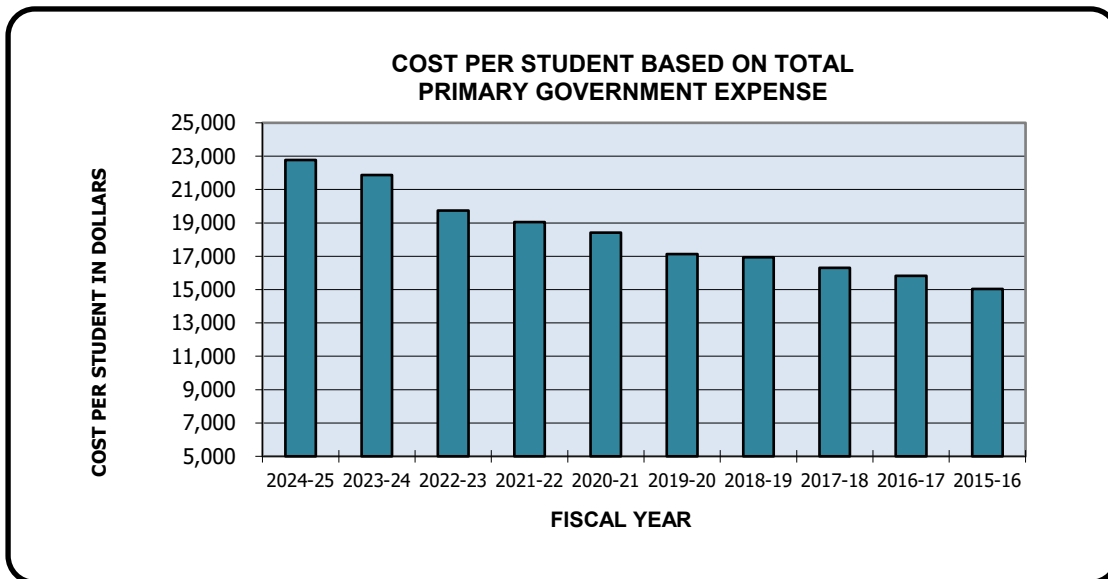
<u>FISCAL YEAR</u>	<u>INSTRUCTION</u>	<u>SUPPORT SERVICES</u>	<u>OPERATION OF NONINSTRUCTIONAL SERVICES</u>	<u>DEBT SERVICE</u>	<u>OTHER FINANCING USES</u>	<u>TOTAL</u>
2024-25	\$ 40,828,987	\$ 22,825,087	\$ 1,427,610	\$ 3,360,377	\$ 6,664,940	\$ 75,107,001
2023-24	39,049,839	22,198,235	1,399,959	2,937,889	14,955,665	80,541,587
2022-23	37,893,188	21,154,287	1,409,948	2,813,938	11,159,315	74,430,676
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



SOURCE: SOLANCO SCHOOL DISTRICT FINANCIAL RECORDS

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

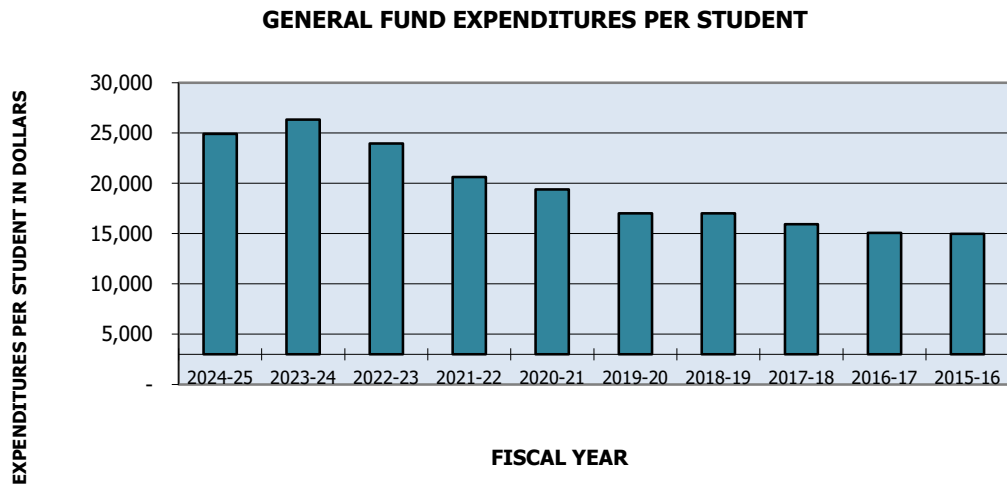
<u>FISCAL YEAR</u>	<u>TOTAL PRIMARY GOVERNMENT EXPENSE</u>	<u>STUDENT ENROLLMENT</u>	<u>TOTAL PRIMARY GOVERNMENT COST PER STUDENT</u>
2024-25	\$ 68,636,491	3015	\$ 22,765
2023-24	66,915,760	3059	21,875
2022-23	61,295,753	3106	19,735
2021-22	59,245,089	3110	19,050
2020-21	58,589,674	3182	18,413
2019-20	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



SOURCES: SOLANCO SCHOOL DISTRICT FINANCIAL RECORDS AND STUDENT ENROLLMENT RECORDS

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

<u>FISCAL YEAR</u>	<u>GENERAL FUND EXPENDITURES</u>	<u>ENROLLMENT</u>	<u>GENERAL FUND EXPENDITURES PER STUDENT</u>
2024-25	\$ 75,107,001	3015	\$ 24,911
2023-24	80,541,587	3059	26,329
2022-23	74,430,676	3106	23,964
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



NOTE: EXPENDITURES INCLUDE OTHER FINANCING USES

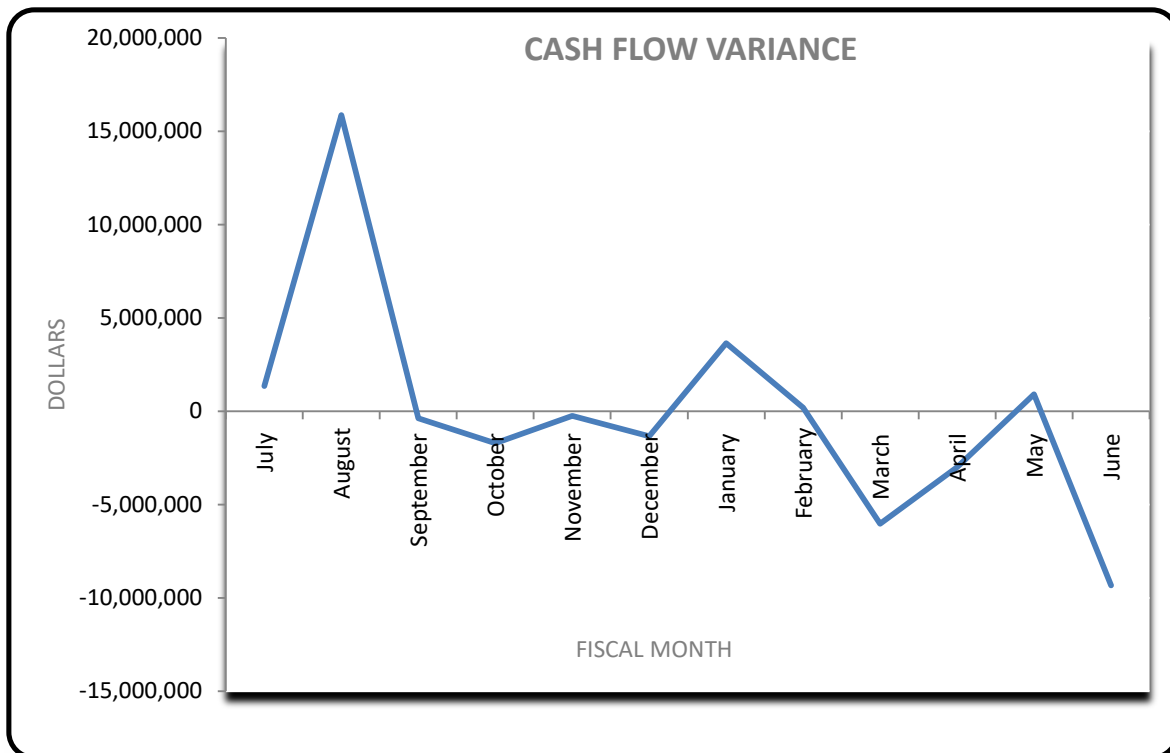
SOURCES: SOLANCO SCHOOL DISTRICT FINANCIAL RECORDS AND STUDENT ENROLLMENT RECORDS

SOLANCO SCHOOL DISTRICT

GENERAL FUND CASH FLOW ANALYSIS

2024-2025

<u>MONTH</u>		<u>CASH RECEIVED</u>	<u>CASH DISBURSED</u>	<u>VARIANCE</u>
July	2024	\$ 6,698,205	\$ 5,354,583	\$ 1,343,622
August	2024	24,337,377	8,468,587	15,868,790
September	2024	7,257,010	7,627,594	(370,584)
October	2024	4,744,766	6,451,791	(1,707,024)
November	2024	4,439,634	4,685,445	(245,811)
December	2024	6,533,814	7,868,774	(1,334,960)
January	2025	8,690,493	5,040,969	3,649,524
February	2025	5,185,102	4,999,180	185,922
March	2025	3,416,612	9,448,145	(6,031,533)
April	2025	3,111,713	6,102,928	(2,991,216)
May	2025	6,969,840	6,063,253	906,587
June	2025	<u>3,663,891</u>	<u>12,994,762</u>	<u>(9,330,871)</u>
TOTAL		<u>\$ 85,048,455</u>	<u>\$ 85,106,010</u>	<u>\$ (57,555)</u>

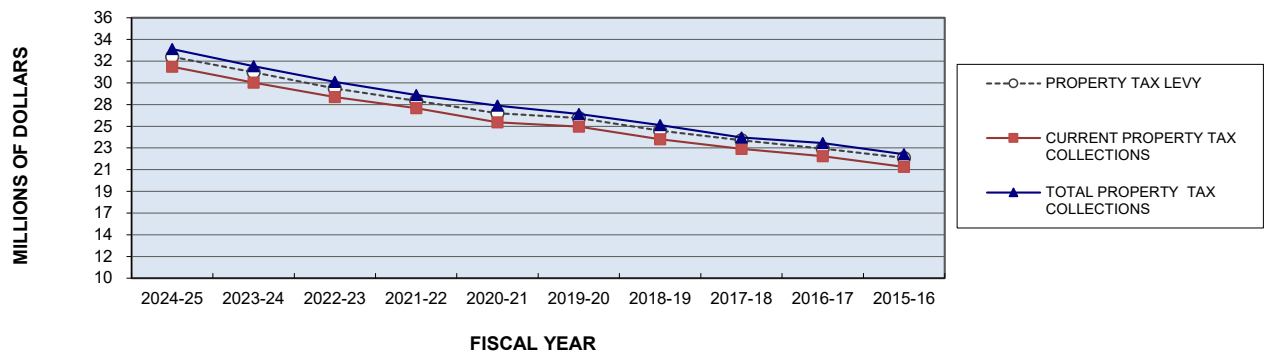


NOTE: CASH BASIS ONLY; DOES NOT REFLECT MODIFIED ACCRUAL ACCOUNTING PRINCIPLES, REPRESENTS COMBINATION OF CASH AND INVESTMENTS
 SOURCE: MONTHLY GENERAL FUND FINANCIAL STATEMENTS PRESENTED TO THE BOARD OF SCHOOL DIRECTORS

SOLANCO SCHOOL DISTRICT PROPERTY TAX LEVY AND COLLECTIONS

FISCAL YEAR	(A) PROPERTY TAX LEVY	(B) CURRENT PROPERTY TAX COLLECTIONS	CURRENT PROPERTY TAX COLLECTION PERCENTAGE	(B) INTERIM PROPERTY TAX COLLECTIONS	(C) DELINQUENT PROPERTY TAX COLLECTIONS	(D) TOTAL PROPERTY TAX LEVY COLLECTION PERCENTAGE	(E) PROPERTY TRANSFER TAX COLLECTIONS	TOTAL PROPERTY TAX COLLECTIONS
2024-25	\$ 32,436,309	\$ 31,433,076	96.91%	\$ 192,014	\$ 698,045	98.9%	\$ 899,042	\$ 33,222,177
2023-24	30,861,303	29,824,805	96.64%	278,185	628,923	98.5%	753,659	31,485,572
2022-23	29,244,262	28,356,307	96.96%	258,703	484,796	98.5%	791,499	29,891,305
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

PROPERTY TAX LEVY AND TAX COLLECTIONS



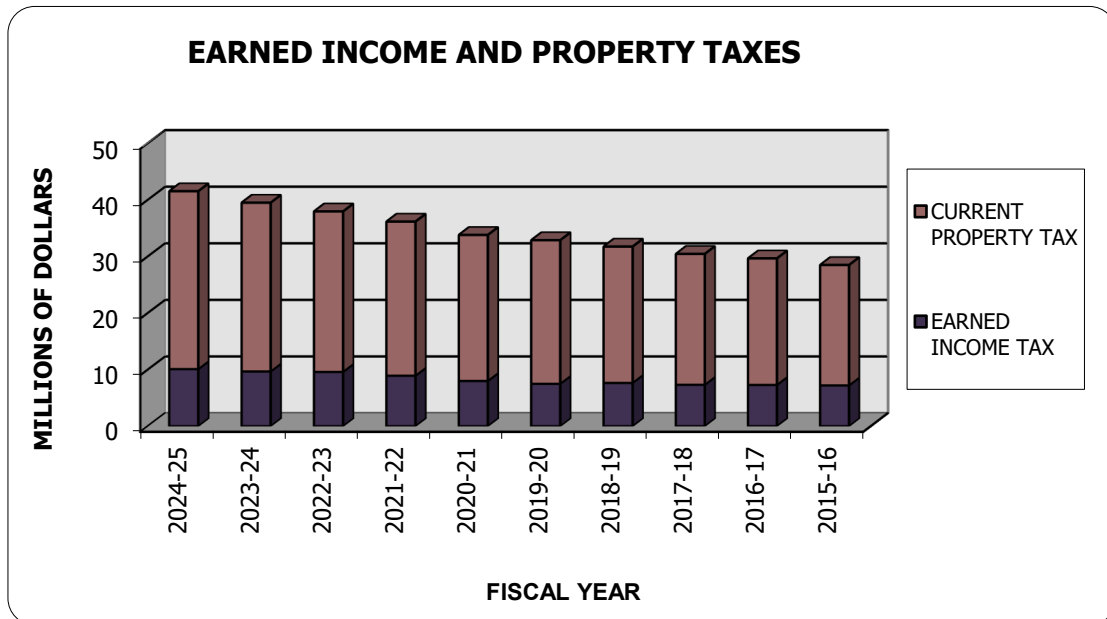
SOURCES:

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

SOLANCO SCHOOL DISTRICT

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

FISCAL YEAR	(A) EARNED INCOME TAX COLLECTIONS	CURRENT PROPERTY TAX COLLECTIONS	TOTAL TAX COLLECTIONS
2024-25	\$ 10,095,563	\$ 31,433,076	\$ 41,528,639
2023-24	9,678,147	29,824,805	39,502,952
2022-23	9,601,699	28,356,307	37,958,006
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



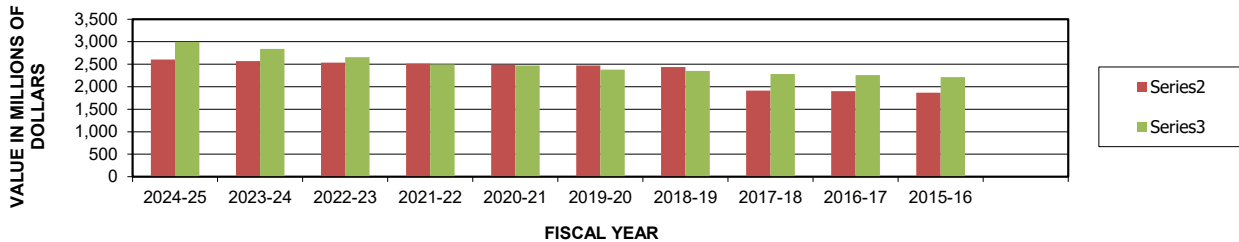
(A) EARNED INCOME TAX RATE - 1.15%

SOURCE: TAX COLLECTIONS OBTAINED FROM SCHOOL DISTRICT TAX OFFICE RECORDS

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

FISCAL YEAR		(A) (D) TOTAL ASSESSED VALUE	(A) (D) EXEMPT ASSESSED VALUE	(A) TAXABLE ASSESSED VALUE	(B) TOTAL DIRECT TAX RATE	(C) ESTIMATED ACTUAL VALUE	% OF TAXABLE ASSESSED TO ESTIMATED ACTUAL
2024-25	LAND	\$ -	\$ -	\$ 823,910,600			
	BUILDING	-	-	1,783,513,200			
	TOTAL	2,808,780,400	206,241,500	2,607,423,800	12.7604	\$ 2,998,252,501	86.96%
2023-24	LAND	\$ -	\$ -	\$ 821,966,400			
	BUILDING	-	-	1,750,648,500			
	TOTAL	2,777,428,400	204,813,500	2,572,614,900	12.2696	\$ 2,840,357,395	90.57%
2022-23	LAND	\$ -	\$ -	\$ 823,054,200			
	BUILDING	-	-	1,715,437,800			
	TOTAL	2,737,140,000	198,652,000	2,538,492,000	11.7977	\$ 2,657,758,071	95.51%
2021-22	LAND	\$ -	\$ -	\$ 824,254,000			
	BUILDING	-	-	1,690,902,900			
	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	-	-	1,665,822,100			
	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	-	-	1,645,912,700			
	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	-	-	1,610,351,900			
	TOTAL	2,624,500,600	186,154,600	2,438,346,000	10.4590	\$ 2,351,209,126	103.71%
2017-18	LAND	\$ -	\$ -	\$ 534,980,200			
	BUILDING	-	-	1,378,943,900			
	TOTAL	2,059,625,800	145,701,700	1,913,924,100	12.8109	\$ 2,284,025,924	83.80%
2016-17	LAND	\$ 582,722,100	\$ 45,028,600	\$ 537,693,500			
	BUILDING	1,463,585,300	98,843,000	1,364,742,300			
	TOTAL	2,046,307,400	143,871,600	1,902,435,800	12.4499	\$ 2,260,493,042	84.16%
2015-16	LAND	\$ 574,539,500	\$ 44,897,200	\$ 529,642,300			
	BUILDING	1,438,335,700	98,578,600	1,339,757,100			
	TOTAL	2,012,875,200	143,475,800	1,869,399,400	12.0991	\$ 2,211,606,376	84.53%

TAXABLE ASSESSED AND ESTIMATED ACTUAL PROPERTY VALUES



SOURCES:

- (A) ASSESSED VALUE (AS OF LEVY DATE) OBTAINED FROM LANCASTER COUNTY TAX ASSESSMENT OFFICE
- (B) DISTRICT REAL ESTATE TAX MILLAGE RATES FROM DISTRICT RECORDS
- (C) ESTIMATED ACTUAL VALUE OBTAINED FROM PENNSYLVANIA STATE TAX EQUALIZATION BOARD (STEB)
- PROPERTY ASSESSMENTS BASED ON 100% OF 2018 MARKET VALUES
- (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

YEAR	TOTAL (A) ASSESSED VALUE	TOTAL (A) EXEMPT VALUE	TAXABLE (A) ASSESSED	ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (B)	TAXABLE ASSESSED VALUE TO ESTIMATED ACTUAL VALUE	CONSTRUCTION AND ADDITIONS (C) NUMBER OF UNITS	TAXABLE VALUE
2024	50,082,262,600	5,338,484,200	44,743,778,400	44,305,118,200	101%	1,732	435,826,400
2023	49,528,105,000	5,315,393,000	44,212,712,000	45,282,345,588	98%	2,011	473,292,800
2022	49,169,728,900	5,170,775,700	43,998,953,200	41,713,396,295	105%	2,469	440,068,600
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	96%	1,551	290,996,900
2016	36,278,680,600	3,921,620,400	32,357,060,200	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	87%	2,053	303,000,500

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>2024-25</u>	<u>2023-24</u>	<u>2022-23</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>
SOLANCO SCHOOL DISTRICT	12.7604	12.2696	11.7977	11.3440	10.9604	10.8251	10.4590	12.8109	12.4499	12.0991
MUNICIPALS:										
BART TOWNSHIP	1.0000	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750	0.6000	0.6000	0.6000
COLERAIN TOWNSHIP	0.6180	0.5180	0.5180	0.5180	0.5180	0.5180	0.5180	0.6620	0.6620	0.6620
DRUMORE TOWNSHIP	0.9000	0.9000	0.8459	0.8459	0.8459	0.8459	0.8459	1.0000	1.0000	1.0000
EAST DRUMORE TOWNSHIP	0.3300	0.3300	0.3300	0.3300	0.3300	0.3300	0.3300	0.3900	0.3900	0.3900
EDEN TOWNSHIP	1.1500	1.1000	1.0500	1.0200	1.0000	0.9500	0.9500	1.1500	1.0500	1.0500
FULTON TOWNSHIP	0.4200	0.4200	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	0.3010	0.3010	0.3010	0.3900	0.3900	0.3900
PROVIDENCE TOWNSHIP	0.2810	0.3810	0.3810	0.3810	0.3810	0.3810	0.3810	0.6300	0.8075	0.8075
QUARRYVILLE BOROUGH	4.8800	4.8800	4.8800	4.6300	4.6300	4.6300	4.6300	6.0000	6.0000	6.0000
LANCASTER COUNTY	2.9110	2.9110	2.9110	2.9110	2.9110	2.9110	2.9110	3.7350	3.7350	3.7350

SOURCE: LANCASTER COUNTY ASSESSMENT OFFICE

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

LANCASTER COUNTY SCHOOL DISTRICTS

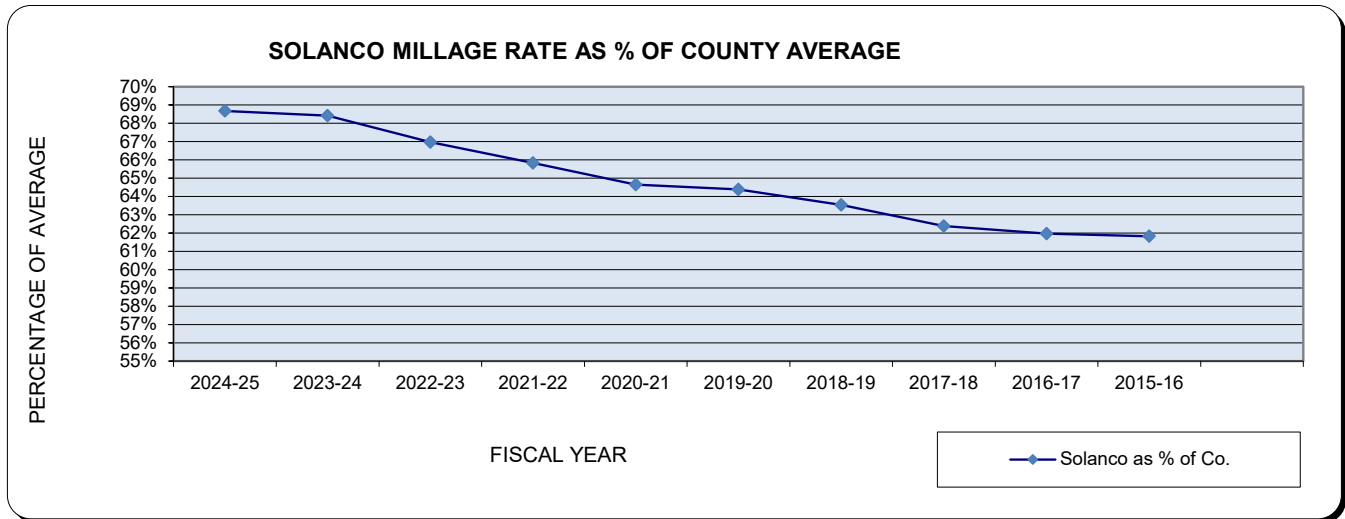
SCHEDULE OF MILLAGE RATES

(IN MILLS)

<u>School District</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</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>
COCALICO	21.2683	20.1978	19.6190	18.9739	18.9739	18.9739	18.6935	23.1600	22.8200	22.8200
COLUMBIA	26.4600	26.4600	26.4600	26.4600	26.4600	26.4600	25.8163	30.1908	29.3400	28.7600
CONESTOGA VALLEY	15.7620	15.3776	14.9660	14.4739	14.1526	13.7940	13.3940	16.3220	15.9240	15.2064
DONEGAL	19.5674	19.3737	19.2774	19.0866	19.0866	18.6211	18.1670	22.8790	22.4640	22.0243
EASTERN LANCASTER CO.	13.5973	13.2981	13.0400	12.8500	12.5711	12.5711	12.3854	15.3848	15.0400	14.6879
ELIZABETHTOWN	19.7900	18.6089	18.6089	18.0669	17.5577	17.0878	16.6063	20.8450	19.9000	19.1048
EPHRATA	19.3700	18.8200	18.2300	17.7200	17.2500	17.2500	16.9500	20.9600	20.4500	20.0500
HEMPFIELD	18.3084	17.6893	17.2579	16.6743	16.3474	16.3474	16.0034	20.3258	20.1246	19.6530
LAMPETER-STRASBURG	18.4120	17.9629	17.5762	17.2485	16.9269	16.9269	16.6440	20.5494	20.2458	19.8683
LANCASTER	24.4389	24.0186	23.3531	22.6731	22.2824	21.8734	21.3274	28.2568	27.7572	27.2129
MANHEIM CENTRAL	18.4744	16.0438	15.6145	15.1011	14.6613	14.6613	14.3317	17.7731	17.7731	17.3566
MANHEIM TOWNSHIP	17.2429	16.1277	16.1277	15.7729	15.5399	15.3103	15.1138	19.4128	19.0500	18.6409
PENN MANOR	18.4744	17.9363	17.9363	17.5230	16.9800	16.9800	16.4000	20.0600	19.2700	18.0100
PEQUEA VALLEY	16.7860	16.2980	15.6797	15.2933	15.1463	14.9225	14.6806	18.4841	18.1217	17.4735
SOLANCO	12.7604	12.2696	11.7977	11.3440	10.9604	10.8251	10.4590	12.8109	12.4499	12.0991
WARWICK	16.5845	16.4611	16.3711	16.3711	16.3711	16.3711	16.3711	21.1623	20.7474	20.1627

AVERAGE LANCASTER
COUNTY SCHOOL
DISTRICT MILLAGE RATE

18.58	17.93	17.62	16.95	16.81	16.46	20.54	20.09	19.57	19.25
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SOURCE: LANCASTER-LEBANON SCHOOL BUSINESS OFFICIAL MILLAGE RATE HISTORY

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

	2024		2023		2022		2021		2020	
	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
<u>INCOME RANGE</u>										
> \$1,000,000	210	0.09%	216	0.09%	230	0.10%	214	0.09%	158	0.07%
\$250,000 - \$999,999	4,222	1.83%	3,891	1.68%	3,696	1.62%	3,406	1.48%	2,969	1.29%
\$200,000 - \$249,999	2,641	1.15%	2,431	1.05%	2,153	0.94%	1,925	0.83%	1,688	0.73%
\$150,000 - \$199,999	6,322	2.75%	5,893	2.54%	5,285	2.31%	4,498	1.95%	4,124	1.80%
\$100,000 - \$149,999	21,424	9.31%	19,537	8.41%	17,803	7.78%	15,414	6.68%	13,640	5.94%
\$90,000 - \$99,999	9,732	4.23%	9,198	3.96%	8,155	3.56%	7,363	3.19%	6,392	2.78%
\$80,000 - \$89,999	13,200	5.73%	12,596	5.42%	11,727	5.13%	10,502	4.55%	9,409	4.10%
\$70,000 - \$79,999	16,290	7.08%	15,803	6.80%	15,075	6.59%	14,346	6.22%	12,958	5.64%
\$60,000 - \$69,999	18,525	8.05%	18,717	8.06%	18,051	7.89%	17,851	7.74%	16,579	7.22%
\$50,000 - \$59,999	20,910	9.08%	21,489	9.25%	21,514	9.40%	21,706	9.41%	20,478	8.91%
\$40,000 - \$49,999	22,459	9.76%	23,809	10.25%	23,742	10.38%	24,085	10.44%	23,497	10.23%
\$30,000 - \$39,999	20,447	8.88%	22,366	9.63%	23,211	10.15%	24,980	10.83%	25,481	11.09%
\$20,000 - \$29,999	19,277	8.37%	19,971	8.60%	20,167	8.82%	21,966	9.52%	23,086	10.05%
\$10,000 - \$19,999	22,776	9.89%	23,509	10.12%	23,831	10.42%	25,330	10.98%	26,778	11.66%
\$1 - \$9,999	31,786	13.81%	32,827	14.13%	34,124	14.92%	37,105	16.08%	42,485	18.49%
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>230,221</u>	<u>100.00%</u>	<u>232,253</u>	<u>100.00%</u>	<u>228,764</u>	<u>100.00%</u>	<u>230,691</u>	<u>100.00%</u>	<u>229,722</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)

2019		2018		2017		2016		2015	
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
148	0.06%	135	0.05%	123	0.05%	114	0.05%	128	0.06%
2,753	1.17%	2,737	1.10%	2,622	1.02%	2,459	1.04%	2,253	0.98%
1,629	0.69%	1,526	0.62%	1,483	0.58%	1,477	0.63%	1,325	0.57%
3,717	1.58%	3,639	1.47%	3,403	1.32%	3,219	1.36%	3,020	1.21%
12,501	5.30%	12,169	4.91%	11,546	4.49%	10,676	4.53%	10,175	4.08%
6,131	2.60%	5,852	2.36%	5,648	2.20%	5,271	2.23%	4,933	1.98%
8,978	3.81%	8,715	3.52%	8,174	3.18%	7,778	3.30%	7,522	3.02%
12,812	5.43%	12,715	5.13%	12,323	4.79%	11,624	4.93%	11,334	4.55%
16,852	7.14%	17,021	6.87%	16,565	6.44%	16,118	6.83%	15,404	6.18%
21,433	9.08%	22,092	8.91%	22,606	8.79%	21,957	9.31%	21,306	8.55%
25,285	10.72%	26,808	10.81%	28,017	10.90%	27,845	11.80%	26,840	10.77%
28,131	11.92%	29,841	12.04%	32,080	12.48%	32,015	13.57%	30,940	12.41%
26,035	11.04%	29,300	11.82%	31,604	12.29%	32,832	13.92%	32,117	12.88%
28,542	12.10%	31,205	12.59%	33,314	12.96%	34,626	14.68%	33,998	13.64%
40,970	17.37%	44,156	17.81%	47,585	18.51%	48,779	20.68%	48,028	19.25%
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<u>235,917</u>	<u>100.00%</u>	<u>247,911</u>	<u>100.00%</u>	<u>257,093</u>	<u>100.00%</u>	<u>256,790</u>	<u>108.85%</u>	<u>249,323</u>	<u>100.00%</u>
N/A		N/A		N/A		N/A		N/A	

SOLANCO SCHOOL DISTRICT
PRINCIPAL TAXPAYERS
July 1, 2024 and July 1, 2016

TAXPAYERS	July 1, 2024 ASSESSMENT			July 1, 2016 ASSESSMENT		
	ASSESSED VALUE	RANK	PERCENT OF TOTAL ASSESSMENT	ASSESSED VALUE	RANK	PERCENT OF TOTAL ASSESSMENT
CONSTELLATION ENERGY	\$ 38,824,700	1	1.5274%	\$ 36,660,200	1	1.4422%
QUARRYVILLE PRESBYTERIAN RETIREMENT COMMUNITY	32,259,600	2	1.2691%	18,499,500	2	0.7278%
WEISSER HOLDINGS LIMITED PTN	6,528,400	3	0.2568%	5,539,300	3	0.2179%
SOUTHERN END PROPERTIES LTD	6,022,400	4	0.2369%	4,509,000	4	0.1774%
INDIVIDUAL A Fite	4,211,800	5	0.1657%			
B&E PROPERTY MANAGEMENT LTD	3,919,200	6	0.1542%	3,023,600	8	0.1189%
LONG VALLEY DAIRY LP	3,896,600	7	0.1533%			
FOUR CORNERS PROPERTIES LLC	3,701,300	8	0.1456%			
INDIVIDUAL B Stoltzfus	3,610,900	9	0.1421%			
CREEKSIDE PROVIDENCE LLC	3,532,800	10	0.1390%			
GOODS STORE LTD PARTNERSHIP	3,478,800	11	0.1369%			
INDIVIDUAL C Petro	3,274,700	12	0.1288%			
TRENT PROPERTIES LLC	3,254,600	13	0.1280%			
PROPERTY MANAGEMENT INC	3,108,100	14	0.1223%			
LMSE MANAGEMENT GROUP	3,027,600	15	0.1191%			
TOWNS EDGE ASSOC INC				3,915,800	5	0.1540%
HOPE VALLEY FARMS				2,947,900	9	0.1160%
GRAYWOOD FARMS/GRAYWOOD REALTY AND AFFILIATIONS				3,172,500	7	0.1248%
	<u>\$ 122,651,500</u>		<u>4.8251%</u>	<u>\$ 78,267,800</u>		<u>3.0790%</u>
 TOTAL TAXABLE ASSESSED VALUATION	 <u>\$ 2,541,950,746</u>			 <u>\$ 1,902,435,800</u>		

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

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

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

FISCAL YEAR							(F)			
	(B)	(C)	RATIO OF			(E)	RATIO OF	(G)		
	ASSESSED TAXABLE PROPERTY VALUE	GENERAL OBLIGATION BONDED DEBT	BONDED DEBT TO ASSESSED VALUE	(D) POPULATION	BONDED DEBT PER CAPITA	TOTAL PERSONAL INCOME	BONDED DEBT TO PERSONAL INCOME	STUDENT ENROLLMENT	BONDED DEBT PER STUDENT	
2024-25	\$ 2,607,423,800	\$ 19,692,000	0.00%	32,970	\$ 597	N/A	0.00	3015	\$ 6,531	
2023-24	2,572,614,900	22,335,438	0.00%	28,215	792	N/A	0.00	3059	7,302	
2022-23	2,538,492,000	13,899,500	0.55%	28,215	493	N/A	0.00	3106	4,475	
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	-	

(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 DISTRICT CENSUS THRU 2021-2022.

(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

FISCAL YEAR	<u>GOVERNMENTAL ACTIVITIES</u>			PERCENTAGE OF PERSONAL INCOME (A)	DEBT PER CAPITA (A)
	<u>GENERAL OBLIGATION DEBT</u>	<u>LEASE PAYABLE</u>	<u>TOTAL PRIMARY GOVERNMENT</u>		
2024-25	\$ 19,692,000	\$ 169,967	\$ 19,861,967	N/A	\$ 597
2023-24	22,335,438	238,152	22,573,590	N/A	792
2022-23	13,899,500	279,975	14,179,475	N/A	493
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

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, 2025

<u>JURISDICTION</u>	<u>GROSS DEBT OUTSTANDING</u>	<u>PERCENTAGE APPLICABLE TO JURISDICTION</u>	<u>NET SHARE OF DEBT</u>
DIRECT:			
SOLANCO SCHOOL DISTRICT (A)	\$ 19,861,967	100.00%	\$ 19,861,967
OVERLAPPING:			
LANCASTER COUNTY (B)	118,586,954	5.61%	<u>6,650,752</u>
TOTAL DIRECT AND OVERLAPPING DEBT:			<u>\$ 26,512,719</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, 2024 AND CONSISTS OF GENERAL OBLIGATION BONDS, NOTES PAYABLE, BOND PREMIUM, CAPITAL LEASES AND CONTRACT PAYABLES.

SOURCE: LANCASTER COUNTY ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2024

(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, 2024- \$44,212,712,000

SOLANCO SCHOOL DISTRICT TOTAL ASSESSED VALUE AT JULY 1, 2024 - \$2,756,757,900

SOURCE: LANCASTER COUNTY TAX ASSESSMENT OFFICE TAX ROLLS BY SCHOOL DISTRICT AS OF JULY 1, 2024

SOLANCO SCHOOL DISTRICT

COMPUTATION OF NONELECTORAL DEBT MARGIN (A)

JUNE 30, 2025

	FOR THE FISCAL YEAR ENDED JUNE 30:		
FORMULA FOR DEBT:	<u>2025</u>	<u>2024</u>	<u>2023</u>
TOTAL GENERAL FUND REVENUES	\$ 78,264,577	\$ 80,778,964	\$ 74,225,850
LESS REQUIRED DEDUCTIONS INCLUDED IN THE ABOVE REVENUES			
A. RENTAL AND SINKING FUND REIMBURSEMENT	36,802	36,988	37,138
B. REFUNDS FROM PRIOR YEAR EXPENDITURES	-	-	-
C. PROCEEDS FROM SALE OF CAPITAL ASSETS & NON-RECURRING REVENUES	<u>26,897</u>	<u>-</u>	<u>2,775</u>
NET REVENUE	<u>\$ 78,200,878</u>	<u>\$ 80,741,976</u>	<u>\$ 74,185,937</u>
TOTAL NET REVENUES FOR THREE YEARS	<u>233,128,791</u>		
 BORROWING BASE: AVERAGE NET REVENUES FOR THREE YEAR PERIOD	 77,709,597 (A)		
DEBT LIMIT PERCENTAGE	<u>225%</u>		
LEGAL DEBT LIMIT	174,846,593		
LESS: CURRENT OUTSTANDING APPLICABLE DEBT	<u>19,861,967</u>		
TOTAL DEBT MARGIN	<u>\$ 154,984,626</u>		

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

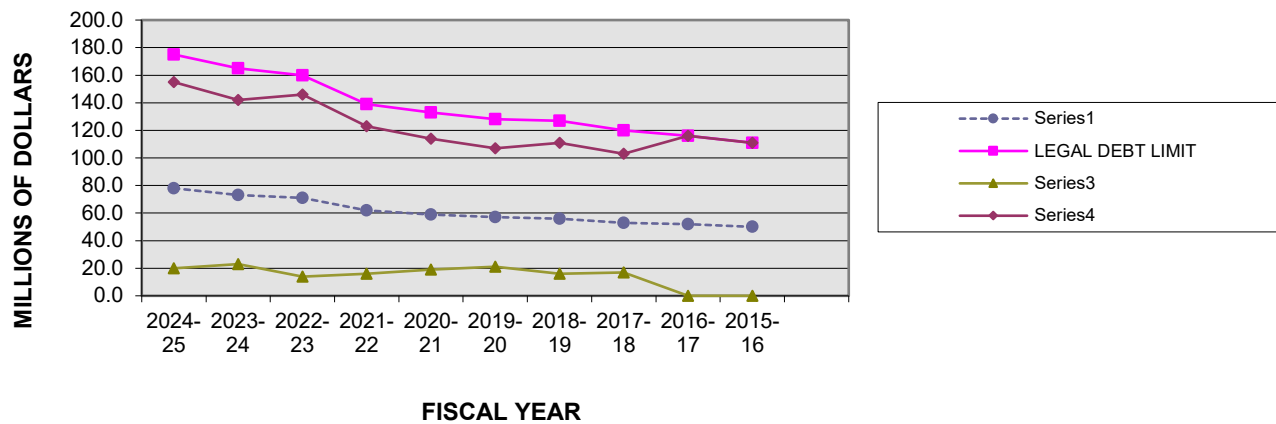
(A) THE BORROWING BASE REPRESENTS THE ANNUAL AVERAGE OF TOTAL REVENUES FOR THE THREE PRECEDING FISCAL YEARS, LESS ANNUAL RENTAL AND SINKING FUND REIMBURSEMENTS, GRANTS AND GIFTS DESIGNATED FOR A SPECIFIC CAPITAL PROJECT AND NONRECURRING RECEIPTS. NONRECURRING RECEIPTS INCLUDE PROCEEDS FROM THE SALE OF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

SOURCE: SOLANCO SCHOOL DISTRICT FINANCIAL RECORDS.

SOLANCO SCHOOL DISTRICT LEGAL DEBT MARGIN INFORMATION LAST TEN YEARS

FISCAL YEAR	(A) THREE YEAR AVERAGE REVENUE	(B) LEGAL DEBT LIMIT	DEBT APPLICABLE TO LIMIT	LEGAL DEBT MARGIN	LEGAL DEBT MARGIN %
2024-25	\$ 77,709,597	\$ 174,846,593	\$ 19,861,967	\$ 154,984,626	88.64%
2023-24	73,280,465	164,881,046	22,573,590	142,307,456	86.31%
2022-23	71,095,118	159,964,016	14,179,475	145,784,541	91.14%
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	17,325,000.00	102,651,961	85.56%
2016-17	51,544,549	115,975,235	-	115,975,235	100.00%
2015-16	49,513,745	111,405,774	-	111,405,774	100.00%

LEGAL DEBT MARGIN



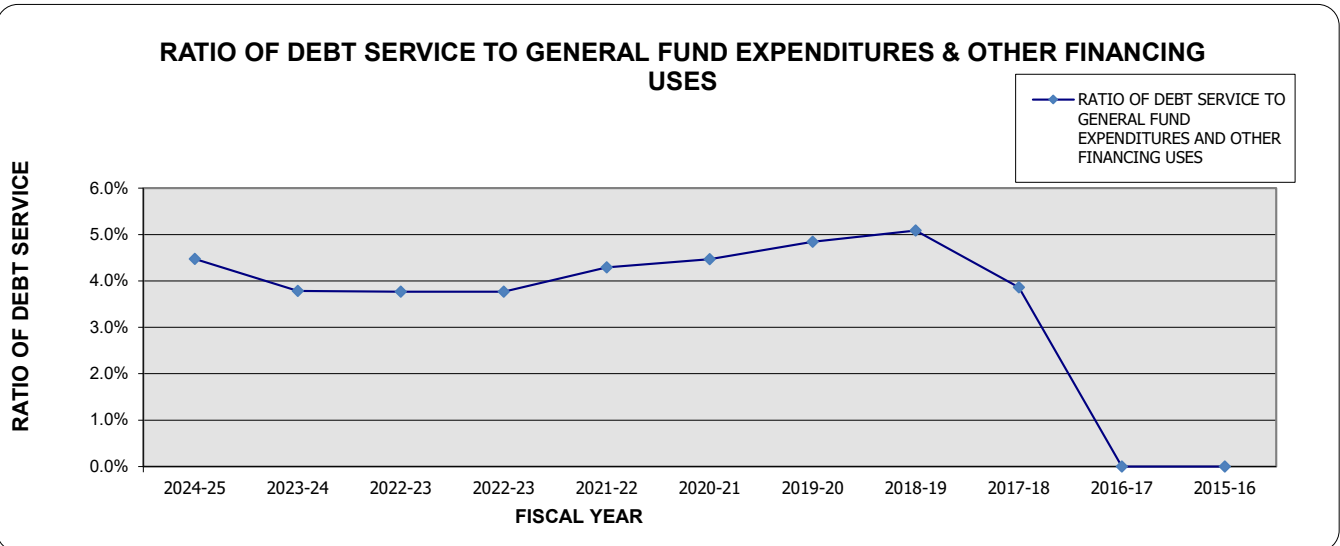
(A) THE LOCAL GOVERNMENT DEBT ACT (ACT 52 OF 1978, RE-ENACTING AND AMENDING ACT 185 OF 1972) DESCRIBES DEBT LIMITS FOR ALL LOCAL GOVERNMENTS IN PENNSYLVANIA. THE "DEBT ACT" IS ADMINISTERED BY THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AFFAIRS.

(B) 225% OF BORROWING BASE

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

FISCAL YEAR	PRINCIPAL	INTEREST AND FISCAL CHARGES	TOTAL BONDED DEBT SERVICE	GENERAL FUND EXPENDITURES AND OTHER FINANCING USES	RATIO OF DEBT SERVICE TO GENERAL FUND EXPENDITURES AND OTHER FINANCING USES
2024-25	\$ 2,608,185	\$ 752,020	\$ 3,360,205	\$ 75,107,001	4.47%
2023-24	2,552,892	495,670	3,048,562	80,541,587	3.79%
2022-23	2,469,969	344,943	2,804,912	74,430,676	3.77%
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%

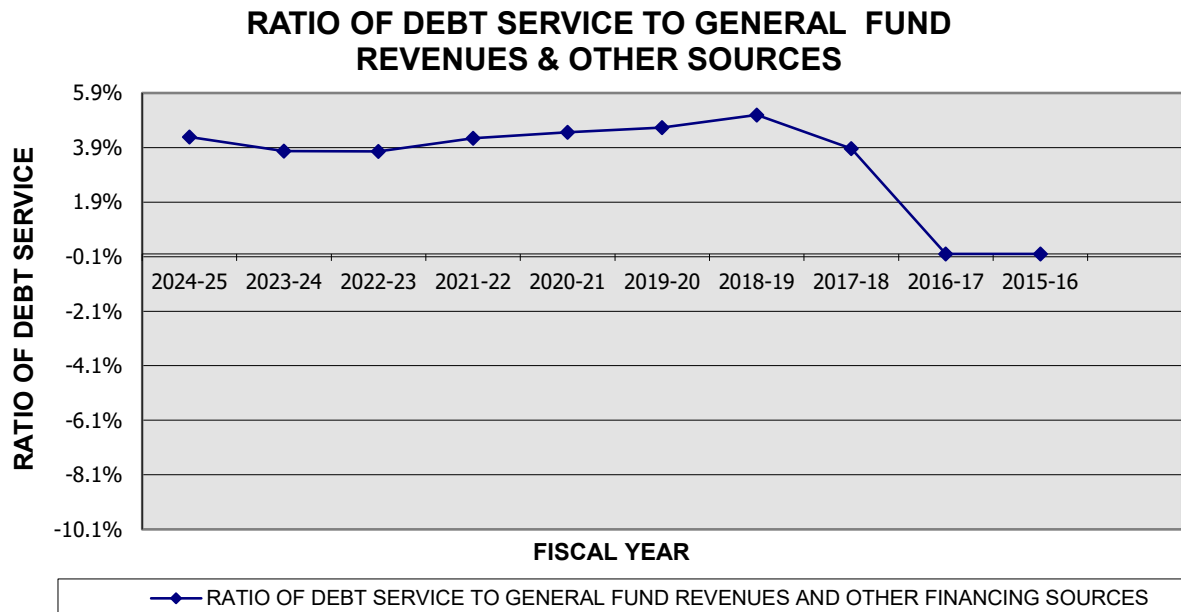


SOURCE: SOLANCO SCHOOL DISTRICT FINANCIAL RECORDS

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>
2024-25	\$ 2,608,185	\$ 752,020	\$ 3,360,205	\$ 78,264,577	4.29%
2023-24	2,552,892	495,670	3,048,562	80,800,033	3.77%
2022-23	2,469,969	334,943	2,804,912	74,550,794	3.76%
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%

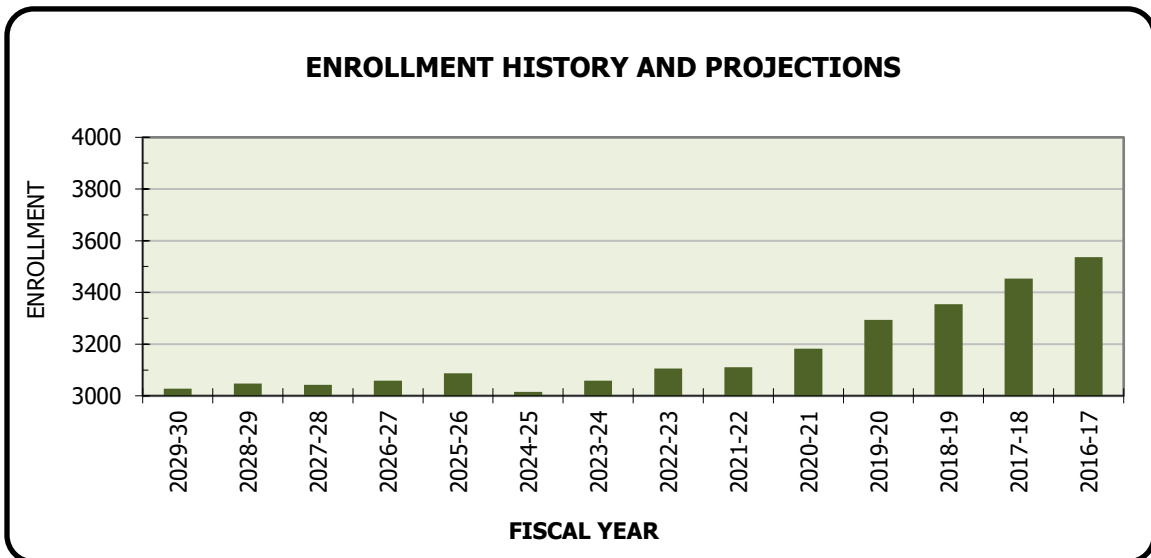


SOURCE: SOLANCO SCHOOL DISTRICT FINANCIAL RECORDS

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)	2029-30	1385	729	914	3028	N/A
(B)	2028-29	1445	690	913	3048	N/A
(B)	2027-28	1439	663	941	3043	N/A
(B)	2026-27	1433	632	993	3058	N/A
(B)	2025-26	1430	648	1009	3087	N/A
(A)	2024-25	1329	696	990	3015	51.2%
(A)	2023-24	1325	700	1034	3059	46.1%
(A)	2022-23	1314	711	1081	3106	43.6%
(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) SOURCE: SCHOOL DISTRICT OCTOBER 1 ENROLLMENT REPORTS

(B) PROJECTION

N/A = NOT AVAILABLE

SOURCE: SOLANCO SCHOOL DISTRICT PLANT OPERATION RECORDS AND OCTOBER 1, 2023 STUDENT ENROLLMENT REPORT

SOLANCO SCHOOL DISTRICT
DISTRICT BUILDING INFORMATION
JUNE 30, 2025

BUILDING	YEAR OF CONSTRUCTION			SQUARE FEET	ACRES	GRADES SERVED	RATED CAPACITY	NUMBER OF CLASSROOMS		ENROLLMENT
	ORIGINAL	ADDITION	RENOVATION					REGULAR	TOTAL	
SOLANCO HIGH SCHOOL	1961	1981 1983 1988 1995 2015	1988 1995 2015	240,564	87.8	9 - 12	1,650	47	53	1,034
1 ROOM SCHOOL HOUSE	circa 1875			800	on S.H.S. site	N/A	N/A	N/A	N/A	N/A
ATH./WRESTLING BLDG	1992	1996 2004 2019	2019	19,496	on S.H.S. site	N/A	N/A	N/A	N/A	N/A
FIELDHOUSE	2006			4,159	on S.H.S. site	N/A	N/A	N/A	N/A	N/A
GEORGE A. SMITH MIDDLE SCHOOL	1982	2018	2018	117,922	30	6 - 8	663	26	30	359
SWIFT MIDDLE SCHOOL	1968		1992 2020	116,759	45.9	6 - 8	531	23	33	341
BART-COLERAIN ELEMENTARY SCHOOL	1960	2002	2002	52,432	27	K - 5	350	14	15	200
CLERMONT ELEMENTARY SCHOOL	1992		2020	74,259	on Swift site	K - 5	600	27	31	414
PROVIDENCE ELEMENTARY SCHOOL	1954	1981 2002	1985 2002	65,848	39.1	K - 5	570	20	23	375
QUARRYVILLE ELEMENTARY SCHOOL	1951	1961 1988 2014		60,560	13.6 0.3	K - 5	630 N/A	24 N/A	27 N/A	336 N/A
CENTRAL ADMINISTRATION	1915		1996	18,500	on Q.E. site	N/A	N/A	N/A	N/A	N/A
WAREHOUSE (B)	purchased 1994 - built circa 1910		1996 2021 Acreage Increased	9,600	1.4	N/A	N/A	N/A	N/A	N/A
LITTLE BRITAIN LAND (A)	purchased 1994				15.8	N/A	N/A	N/A	N/A	N/A

(A) LITTLE BRITAIN SCHOOL BUILDING DEMOLISHED DURING 2012-2013; LAND USED FOR NONPUBLIC TRANSPORTATION PARKING AND RENTAL INCOME

(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, 2023 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>
TOTAL POPULATION					
2020 U.S. CENSUS	3,181	3,883	2,561	3,936	2,239
SEX					
MALE	1,582	1,956	1,313	1,859	1,145
FEMALE	1,599	1,927	1,248	2,077	1,094
AGE					
UNDER 19 YEARS	1,248	1,410	831	1,072	847
20 TO 24 YEARS	227	273	184	200	141
25 TO 34 YEARS	417	392	291	412	262
35 TO 44 YEARS	287	360	220	356	225
45 TO 54 YEARS	267	376	270	405	213
55 TO 64 YEARS	286	458	330	477	262
65 YEARS AND OVER	449	614	435	1,014	289
ETHNICITY					
HISPANIC	71	88	44	108	39
NON HISPANIC OR LATINO	3,110	3,795	2,517	3,828	2,200
RACE					
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
TOTAL HOUSING UNITS	934	1,206	876	1,268	701
OCCUPIED UNITS	905	1,170	839	1,214	684
OWNER-OCCUPIED	606	889	604	874	588
RENTER-OCCUPIED	299	281	235	340	96
VACANT UNITS	29	36	37	54	17
VACANT FOR RENT	11	6	10	16	3
SOURCE: 2020 U.S. CENSUS					

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	552,984	13,002,700
1,640	2,085	3,487	1,388	16,455	269,868	6,362,357
1,574	2,033	3,508	1,455	16,515	283,116	6,640,343
1,062	1,342	1,785	813	10,410	142,897	3,001,038
246	232	368	170	2,041	35,824	856,692
358	430	776	350	3,688	69,423	1,673,168
316	432	750	341	3,287	63,091	1,542,339
368	464	767	328	3,458	62,757	1,597,936
392	578	1,155	334	4,272	72,858	1,848,473
472	640	1,394	507	5,814	106,134	2,483,054
135	171	239	270	1,165	61,171	1,049,615
3,079	3,947	6,756	2,573	31,805	491,813	11,953,085
2,970	3,866	6,531	2,460	30,947	452,646	10,451,170
36	36	55	51	243	22,394	1,655,034
6	8	8	23	77	14,147	603,726
4	1	18	6	44	1,322	189,164
0	1	2	0	5	169	16,532
198	206	381	303	1,654	48,623	916,633
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	139,002	3,505,778
246	158	522	460	2,637	67,465	1,704,820
95	62	83	31	444	10,035	532,230
8	10	20	18	102	3,411	135,262

LANCASTER COUNTY DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN YEARS

YEAR	(C) POPULATION	(C) PER CAPITA PERSONAL INCOME	(B) TOTAL PERSONAL INCOME	(C) MEDIAN AGE	(D) EDUCATIONAL ATTAINMENT: BACHELOR'S DEGREE OR HIGHER	(A) (E) UNEMPLOYMENT RATE	(A) CIVILIAN LABOR FORCE	(A) EMPLOYMENT	(C) TAXABLE PROPERTY VALUES
2024	563,293	N/A	N/A	39.1	36.2%	2.5%	293,200	282,000	\$ 44,743,778,400
2023	558,589	N/A	N/A	39	30.5%	2.7%	291,261	283,369	\$ 44,212,712,000
2022	556,629	63,044	35,091,885	38.7	29.7%	3.5%	290,028	279,806	\$ 43,998,953,200
2021	553,652	61,547	34,075,719	38.7	28.6%	4.9%	284,900	270,900	\$ 43,564,940,800
2020	547,479	58,434	31,916,314	38.7	27.3%	7.5%	281,700	275,400	\$ 43,147,922,500
2019	545,724	54,314	29,640,682	38.6	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	\$ 32,357,060,200
2015	536,624	44,995	24,145,511	38.4	25.2%	4.0%	275,300	265,500	\$ 32,239,497,600

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 ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR YEAR ENDED DECEMBER 31, 2024

(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 2024 AND 2015**

<u>EMPLOYER</u>	<u>2024 CALENDAR YEAR</u>			<u>2015 CALENDAR YEAR</u>		
	<u>RANK</u>	<u>EMPLOYEES</u>	<u>PERCENT OF TOTAL COUNTY EMPLOYMENT</u>	<u>RANK</u>	<u>EMPLOYEES</u>	<u>PERCENT OF TOTAL COUNTY EMPLOYMENT</u>
LANCASTER GENERAL HOSPITAL	1	9,433	3.73%	1	7,569	0.33%
GIANT FOOD STORES	2	**		10	1,344	0.58%
EUROFINS LANCASTER LABORATORIES	4	**				
COUNTY OF LANCASTER	3	1,846	0.73%	2	1,899	0.82%
LANCASTER SCHOOL DISTRICT	5	1,610	0.63%	7	1,504	0.65%
DART CONTAINER CORPORATION	6	**		3	1,847	0.80%
MASONIC VILLAGES OF THE GRAND LODGE	7	1,643	0.65%	6	1,582	0.68%
WILLOW VALLEY RETIREMENT COMMUNITIES	8	**			*	
LANCASTER LEBANON INTERMEDIATE UNIT	9	1,746	0.69%		*	
WEIS MARKETS	10	1,207	0.48%		*	
WELLSPAN EPHRATA COMMUNITY HOSPITAL II		*			*	
R.R. DONNELLY & SONS COMPANY		*		4	**	**
ARMSTRONG WORLD INDUSTRIES		*		8	1,500	0.65%
MANHEIM REMARKETING INC		*		9	1,460	0.63%
TURKEY HILL CO INC		*		5	1,767	0.76%
NORDSTROM INC		*			*	
SUBTOTAL		<u>17,485</u>			<u>20,472</u>	
TOTAL COUNTY EMPLOYMENT (A)		<u>252,699</u>			<u>231,110</u>	

SOURCE - 2024 LANCASTER COUNTY COMPREHENSIVE FINANCIAL REPORT

* - INFORMATION NOT AVAILABLE

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

<u>FUNCTION</u>	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>
GOVERNMENTAL ACTIVITIES					
INSTRUCTIONAL SERVICES					
TEACHERS	233.5	233.0	229.0	226.0	221.0
AIDES	61.0	65.2	65.8	83.7	78.5
SUPPORT SERVICES					
PUPIL PERSONNEL	35.6	31.9	29.9	32.4	31.6
INSTRUCTION STAFF SERVICES	8.6	8.7	8.7	9.6	9.7
ADMINISTRATIVE SERVICES	25.0	25.0	25.0	23.8	22.8
PUPIL HEALTH SERVICES	3.0	3.5	3.5	3.5	3.5
BUSINESS SERVICES	10.0	9.5	8.5	9.7	8.8
PLANT OPERATION AND MAINTENANCE	33.9	35.1	33.1	30.5	29.7
PUPIL TRANSPORTATION	2.4	2.4	3.9	3.9	3.9
CENTRAL SUPPORT SERVICES	9.0	9.0	9.0	9.0	8.0
NONINSTRUCTIONAL SERVICES	<u>1.5</u>	<u>1.5</u>	<u>1.5</u>	<u>1.5</u>	<u>1.5</u>
TOTAL FULL-TIME EQUIVALENT EMPLOYEES GOVERNMENTAL ACTIVITIES	<u>423.5</u>	<u>424.7</u>	<u>417.9</u>	<u>433.7</u>	<u>418.9</u>
BUSINESS-TYPE ACTIVITIES					
TOTAL FULL-TIME EQUIVALENT EMPLOYEES					
FOOD SERVICES - BUSINESS-TYPE ACTIVITIES	<u>21.7</u>	<u>21.5</u>	<u>18.8</u>	<u>20.6</u>	<u>18.6</u>
TOTAL PRIMARY GOVERNMENT FULL-TIME EQUIVALENT EMPLOYEES	<u>445.3</u>	<u>446.1</u>	<u>436.7</u>	<u>454.3</u>	<u>437.5</u>
 STUDENT/TEACHER RATIO (A)	 12.9	 13.1	 13.6	 14.1	 14.4

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>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>
224.0	226.4	230.8	233.6	237.6
87.9	89.5	95.6	91.5	88.3
30.4	27.8	25.3	18.1	18.0
9.6	9.8	11.1	13.5	14.4
22.8	22.8	22.8	24.8	23.5
3.5	6.5	6.5	8.7	8.8
8.8	8.7	9.4	6.3	5.6
31.3	28.0	30.9	30.0	31.2
3.2	3.6	3.6	6.8	9.0
7.0	7.0	6.8	6.7	6.1
<u>1.5</u>	<u>1.5</u>	<u>1.4</u>	<u>1.4</u>	<u>1.5</u>
<u>429.9</u>	<u>431.4</u>	<u>444.2</u>	<u>441.3</u>	<u>444.0</u>
<u>19.6</u>	<u>19.9</u>	<u>20.4</u>	<u>19.7</u>	<u>23.8</u>
<u>449.5</u>	<u>451.3</u>	<u>464.6</u>	<u>461.0</u>	<u>467.8</u>
14.7	14.8	15.0	15.2	14.7

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

FUNCTION/PROGRAM

GOVERNMENTAL ACTIVITIES	2024-25	2024-23	2022-23	2021-22	2020-21
INSTRUCTIONAL SERVICES SQUARE FOOTAGE OCCUPIED VEHICLE	643,817 1	643,817 1	643,817 1	643,817 1	643,817 1
STUDENT SUPPORT SERVICES SQUARE FOOTAGE OCCUPIED ATHLETIC FIELDS TENNIS COURTS	26,019 28 3	26,019 28 3	26,019 28 3	26,019 28 3	26,019 28 3
ADMINISTRATIVE SERVICES SQUARE FOOTAGE OCCUPIED	29,699	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 11 2	40,627 11 2	40,627 11 2
PUPIL TRANSPORTATION SQUARE FOOTAGE OCCUPIED VEHICLES	424 9	424 9	424 9	424 10	424 10
BUSINESS-TYPE ACTIVITIES					
FOOD SERVICES SQUARE FOOTAGE OCCUPIED	39,057	39,057	39,057	39,057	39,057
RENTAL INCOME SQUARE FOOTAGE OCCUPIED	0	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)

2019-20	2018-19	2017-18	2016-17	2015-16
596,950 1	596,950 1	596,950 1	557,800 1	557,800 1
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	29,699
40,627 10 2	40,627 11 2	40,627 10 2	40,627 10 2	40,627 10 2
424 11	424 14	424 14	424 17	424 15
39,057	39,057	39,057	39,057	39,057
0	0	0	0	0

**SOLANCO SCHOOL DISTRICT
SCHEDULE OF INSURANCE POLICIES
FISCAL YEAR ENDED JUNE 30, 2025**

<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 Additional Specific Commercial Property Solanco High School Equipment Breakdown Data Compromise Commerical Inland Marine	\$ 215,506,569 \$ 1,000,000 \$ 250,000 \$ 100,000 \$ 32,000	7/1/2024 through 6/30/2025	YU2-Z51-293494-044	\$ 198,356	Liberty Mutual Insurance Co.
COMMERCIAL GENERAL LIABILITY Each Occurrence Fire Damage to Premises Medical Expense Personal & Advertising Injury Each Person General Aggregate Products & Completed Work Aggregate Pollution Liability Violent Event Response Errors & Omissions Crime Employee Dishonesty Employee Benefits Liability Sexual Misconduct and Molestation Public Officials Bond	\$ 1,000,000 \$ 500,000 \$ 15,000 \$ 1,000,000 \$ 3,000,000 \$ 3,000,000 \$ 1,000,000 \$ 1,000,000 \$ 1,000,000 \$ 1,000,000 \$ 100,000 \$ 100,000 \$ 1,000,000 \$ 1,000,000 \$ 100,000	7/1/2024 through 6/30/2025	TB7-Z51-293494-024 R62-Z51-293494-034	\$ 45,001 \$ 38,683 \$ 899 \$ 281	Liberty Mutual Insurance Co.
CYBER LIABILITY Aggregate	\$ 1,000,000		C4LSI003763	\$ 30,059	Liberty Mutual Insurance Co.

SOURCE: DISTRICT INSURANCE POLICIES AND RECORDS

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

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

**SOLANCO SCHOOL DISTRICT
SCHEDULE OF INSURANCE POLICIES
FISCAL YEAR ENDED JUNE 30, 2025**
(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	7/1/2024 through 6/30/2025	AS7-Z51-293494-014	\$ 20,437	Liberty Mutual Insurance Co.
COMMERCIAL UMBRELLA Each Occurrence Aggregate Self-Insured Retention	\$ 8,000,000 \$ 8,000,000 \$ 10,000	7/1/2024 through 6/30/2025	TH7-Z51-293494-064	\$ 33,538	Liberty Mutual Insurance Co.
ACCIDENT & HEALTH-Sports Coverage Accident Medical Accidental Death & Dismemberment (Sports)	\$ 25,000 \$ 15,000	7/1/2024 through 6/30/2025	US2066394	\$ 8,874	Axis Insurance Company
LIFE INSURANCE Administrators Professional Staff Full-Time Support Staff	2 times salary \$ 48,000 \$ 48,000	7/1/2024 through 6/30/2025	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	7/1/2024 through 6/30/2025	N/A	\$0.02 per \$1,000 covered payroll	CM Regent Solution- Sun Life
LONG TERM DISABILITY Administrators /Directors	annual salary \$216,558	7/1/2024 through 6/30/2025	N/A	\$0.42 per \$100	CM Regent Solutions- Sun Life
WORKERS' COMPENSATION Employers' Liability Limit - Occurrence or Accident	\$ 1,000,000	7/1/2024 through 6/30/2025	SP4066746	\$ 150,196	Safety National Casualty

SOLANCO SCHOOL DISTRICT

PSERS RETIREMENT RATES

<u>FISCAL YEAR</u>		<u>PENSION CONTRIBUTION</u>	<u>HEALTH CARE CONTRIBUTION</u>	<u>TOTAL PSERS RATE</u>
2029-30	(A)	35.81	0.68	36.49
2028-29	(A)	35.18	0.67	35.85
2027-28	(A)	34.59	0.67	35.26
2026-27	(A)	34.05	0.67	34.72
2025-26		33.38	0.62	34.00
2024-25		33.27	0.63	33.90
2023-24		33.36	0.64	34.00
2022-23		34.51	0.75	35.26
2021-22		34.14	0.8	34.94
2020-21		33.69	0.82	34.51



(A) PSERS PROJECTED RETIREMENT RATES
 SOURCE: PSERS DECEMBER 2023 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

January 28, 2026

Board of School Directors
Solanco School District
Quarryville, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Solanco School District (the District), Quarryville, Pennsylvania, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 28, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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

January 28, 2026

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, 2025. 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, 2025.

Basis for Opinion on Each Major Federal Program

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

Solanco School District
SCHEDULE of EXPENDITURES of FEDERAL AWARDS
Year Ended June 30, 2025

Federal Grantor	Pass-Through Agency	Federal Program	Source Code	Federal ALN Number	Pass-Through Grantor's Number	Grant Period Beginning/ Ending Date	Grant Amount	Accrued (Unearned) Revenue at July 1, 2024	Total Received for the Year	Revenue Recongized	Expenditures	Accrued (Unearned) Revenue at June 30, 2025	Passed Through to Subrecipients
Child Nutrition Cluster													
U.S. Department of Agriculture	Pennsylvania Department of Education	School Breakfast Program	I	10.553	N/A	7/1/24-6/30/25	N/A	\$ -0-	\$ 331,281	\$ 341,518	\$ 341,518	\$ 10,237	\$ -0-
		Total		10.553				-0-	331,281	341,518	341,518	10,237	-0-
U.S. Department of Agriculture	Pennsylvania Department of	National School Lunch Program	I	10.555	N/A	7/1/24-6/30/25	N/A	23,790	776,703	776,580	776,580	23,667	-0-
U.S. Department of Agriculture	Pennsylvania Department of Agriculture	National School Lunch Program (Note 2)	I	10.555	N/A	7/1/24-6/30/25	N/A	-0-	106,495	106,495	106,495	-0-	-0-
		Total		10.555				23,790	883,198	883,075	883,075	23,667	-0-
Total Child Nutrition Cluster								23,790	1,214,479	1,224,593	1,224,593	33,904	-0-
Special Education Cluster													
U.S. Department of Education	Lancaster-Lebanon Intermediate Unit #13	Special Education - Grants to States	I	84.027	062-25-0013	7/1/24 - 9/30/25	839,013	-0-	839,313	839,313	839,313	-0-	-0-
U.S. Department of Education	Lancaster-Lebanon Intermediate Unit #13	ARP Special Education - Grants to States	I	84.027	062-22-0013	7/1/23 - 9/30/24	197,301	-0-	-0-	-0-	-0-	-0-	-0-
		Total		84.027				-0-	839,313	839,313	839,313	-0-	-0-
U.S. Department of Education	Lancaster-Lebanon Intermediate Unit #13	Special Education - Preschool Grants	I	84.173	131-25-0013	7/1/24 - 9/30/25	2,700	-0-	2,700	2,700	2,700	-0-	-0-
		Total		84.173				-0-	2,700	2,700	2,700	-0-	-0-
Total Special Education Cluster								-0-	842,013	842,013	842,013	-0-	-0-

See independent auditors' report.

Solanco School District
SCHEDULE of EXPENDITURES of FEDERAL AWARDS
(Continued)
Year Ended June 30, 2025

Federal Grantor	Pass-Through Agency	Federal Program	Source Code	Federal ALN Number	Pass-Through Grantor's Number	Grant Period Beginning/Ending Date	Grant Amount	Accrued (Unearned) Revenue at July 1, 2024	Total Received for the Year	Revenue Reconciled	Expenditures	Accrued (Unearned) Revenue at June 30, 2025	Passed Through to Subrecipients
U.S. Department of Education	Pennsylvania Department of Education	Title I Grants to Local Educational Agencies	I	84.010	013-240390	7/1/23 - 9/30/24	2,463,806	360,070	656,973	296,903	296,903	-0-	\$ -0-
U.S. Department of Education	Department of Education	Title I Grants to Local Educational Agencies	I	84.010	013-250390	7/1/24 - 9/30/25	2,157,949	-0-	1,785,890	2,157,949	2,157,949	372,059	-0-
Total				84.010				360,070	2,442,863	2,454,852	2,454,852	372,059	0
U.S. Department of Education	Pennsylvania Department of Education	Title II Improving Teacher Quality State Grants	I	84.367	020-240390	7/1/23 - 9/30/24	220,403	14,748	14,748	-0-	-0-	-0-	-0-
U.S. Department of Education	Department of Education	Teacher Quality State Grants	I	84.367	020-250390	7/1/24 - 9/30/25	261,555	-0-	224,631	261,555	261,555	36,924	-0-
Total				84.367				14,748	239,379	261,555	261,555	36,924	0
U.S. Department of Education	Lancaster-Lebanon Intermediate Unit #13	Title III Language Instruction for Limited English and Immigrant Students	I	84.305	N/A	7/1/24 - 9/30/25	N/A	-0-	2,759	2,759	2,759	-0-	-0-
Total				84.305				-0-	2,759	2,759	2,759	-0-	-0-
U.S. Department of Education	Pennsylvania Department of Education	Title IV Student Support and Academic Enrichment Program	I	84.424	144-250390	7/1/24 - 9/30/25	185,544	-0-	185,544	185,544	185,544	-0-	-0-
Total				84.424				0	185,544	185,544	185,544	-0-	-0-

See independent auditors' report.

Solanco School District
SCHEDULE of EXPENDITURES of FEDERAL AWARDS
(Continued)
Year Ended June 30, 2025

Federal Grantor	Pass-Through Agency	Federal Program	Source Code	Federal ALN Number	Pass-Through Grantor's Number	Grant Period Beginning/Ending Date	Grant Amount	Accrued (Unearned) Revenue at July 1, 2024	Total Received for the Year	Revenue Recongized	Expenditures	Accrued (Unearned) Revenue at June 30, 2025	Passed Through to Subrecipients
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	3,744,281	7,621,087	3,876,806	3,876,806	0	-0-
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	251,475	364,231	112,756	112,756	0	-0-
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	36,527	64,003	27,476	27,476	0	-0-
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	2,776	2,821	45	45	0	-0-
U.S. Department of Education	Pennsylvania Department of Education	ARP ESSER 2.5%	I	84.425U	225-210390	3/13/20-9/30/24	62,118	47,436	47,436	-0-	-0-	-0-	-0-
				Total	84.425			4,082,495	8,099,578	4,017,083	4,017,083	0	-0-
Medicaid Cluster													
U.S. Department of Health and Human Services	Pennsylvania Department of Human Services	Medical Assistance Program	I	93.778	N/A	7/1/24-6/30/25	N/A	-0-	25,947	25,947	25,947	-0-	\$ -0-
				Total Medicaid Cluster	93.778			-0-	25,947	25,947	25,947	-0-	-0-
United States Department of Treasury	Pennsylvania Commission on Crime and Delinquency	School Safety and Security	I	21.027	2023-CM-01-42531	8/1/24 - 6/30/25	138,588	-0-	138,588	138,588	138,588	-0-	\$ -0-
				Total	21.027			-0-	138,588	138,588	138,588	-0-	-0-
TOTAL EXPENDITURES of FEDERAL AWARDS								\$ 4,481,103	\$ 13,191,150	\$ 9,152,934	\$ 9,152,934	\$ 442,887	\$ -0-

Legend
I = Indirect funding
ALN = Assistance Listing Number

See independent auditors' report.

Solanco School District
SCHEDULE of EXPENDITURES of FEDERAL AWARDS
(Continued)
Year Ended June 30, 2025

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, 2025, was \$45,947. Of this amount, \$20,000 is listed on the PDE confirmation as program #044-007390 and \$25,947 was included in the Schedule of Expenditures of Federal Awards under ALN 93.778

NOTE 5 - IDEA REVENUE PASSED THROUGH LANCASTER-LEBANON INTERMEDIATE UNIT #13

IDEA federal revenue passed through the Lancaster-Lebanon Intermediate Unit 13 in the amount of \$842,013 has been reported as local revenue in the financial statements.

See independent auditors' report.

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:

Assistance Listing Numbers

Name of Federal Programs or Cluster

10.555, 10.553

Child Nutrition Cluster

84.010

Title I Grants to Local Educational Agencies

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 Statement of Expectations:

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.