

SCHUYLKILL TECHNOLOGY CENTER

SINGLE AUDIT REPORT

MAR LIN, PENNSYLVANIA

FOR THE YEAR ENDED JUNE 30, 2017

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Independent Auditor's Report

Board of School Directors
Schuylkill Technology Center
Mar Lin, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Schuylkill Technology Center, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Schuylkill Technology Center, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 7-18 budgetary comparison information on pages 25, and the Schedule of Proportionate Share of the Net Pension Liability and Center Contributions on page 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Schuylkill Technology Center's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2018, on our consideration of the Schuylkill Technology Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Schuylkill Technology Center's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Hering, Roll & Solomon". The signature is written in dark ink on a light-colored background.

March 27, 2018

**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**

Members of the School Board
Schuylkill Technology Center
Mar Lin, 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 Schuylkill Technology Center, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Schuylkill Technology Center's basic financial statements, and have issued our report thereon dated March 27, 2018.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Schuylkill Technology Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of

laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in cursive script that reads "Hering, Roll + Solomon". The signature is written in dark ink on a light-colored, slightly textured background.

March 27, 2018

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Members of the School Board
Schuylkill Technology Center
Mar Lin, Pennsylvania

Report on Compliance for Each Major Federal Program

We have audited Schuylkill Technology Center's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Schuylkill Technology Center's major federal programs for the year ended June 30, 2017. Schuylkill Technology Center's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Schuylkill Technology Center's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Schuylkill Technology Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Schuylkill Technology Center's compliance.

Opinion on Each Major Federal Program

In our opinion, Schuylkill Technology Center, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

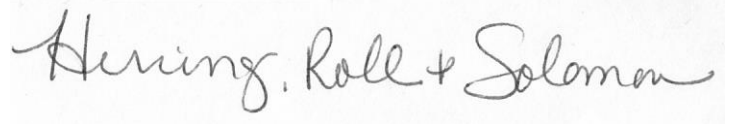
Management of Schuylkill Technology Center, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and

performing our audit of compliance, we considered Schuylkill Technology Center's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Schuylkill Technology Center's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

A handwritten signature in black ink that reads "Hering, Roll + Solomon". The signature is written in a cursive, flowing style.

March 27, 2018

**SCHUYLKILL TECHNOLOGY CENTER
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

Our discussion and analysis of the Schuylkill Technology Center’s financial performance provides an overall view of the School’s financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School’s financial performance.

The Management’s Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their statement No. 34 Basic Financial Statements – and Management’s Discussion and Analysis (MD&A) – for State and Local Governments issued June 1999.

JOINT VENTURE

Schuylkill Technology Center is a joint venture of twelve public schools in Schuylkill County, PA organized under the Public School Code of PA, namely:

Blue Mountain School District	Saint Clair School District
Mahanoy Area School District	Schuylkill Haven School District
Minersville Area School District	Shenandoah Valley School District
Pottsville Area School District	Tamaqua Area School District
Pine Grove School District	Tri Valley School District
North Schuylkill School District	Williams Valley School District

The School provides career and technology programs for high school students who are residents of the participating school districts and out of school youths and adults. Career and Technology programs are provided at two campuses: South (Mar Lin) and North (Frackville) and include the following programs:

Regular Instruction – Social Studies
Business Management
Health Occupations
Emerging Health Professionals
Home Economics – Child Care and Food Preparation
Technology – Drafting and Computer Information
Trade and Industry – Auto Body, Auto Mechanics, Carpentry, Cosmetology,
Electrical, Criminal Justice, Machine Trades, Masonry, Plumbing, Small Engine
Repair, Welding, Diesel Mechanics, and Pre-Engineering.

In addition, a post secondary program is offered for adults in the area of Heavy Equipment Operation, Commercial Driver Licensing, and Licensed Practical Nursing.

**SCHUYLKILL TECHNOLOGY CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

Each district is responsible for a share of the operating budget based on student enrollment using a formula described within the Articles of Agreement.

As a result of an amendment to the Articles of Agreement made in October of 2004, the formula used to calculate the district contributions was changed from a 21% projection of enrollment to a 17% projection beginning with the 2005-2006 school year.

Continuing Education for out-of-school youths and adults receives no school district funding and operates on student paid tuition and state and federal grants that become available.

FINANCIAL HIGHLIGHTS

The twelve participating school districts provide the largest sum of revenue, which supports the secondary education programs and totaled \$5,870,391 for 2016-2017. This amount is based on a funding formula that is agreed upon by all the districts as part of the Articles of Agreement.

Total contributions from participating school districts were almost 77% of the secondary program's revenue for 2016-2017. The balance of revenue was made up of both state and federal grants and local tuition.

At the end of the 2016-2017 school year, secondary programs' income exceeded expenditures and the School ended up with a surplus of \$47,039 increasing the maximum allowable fund balance to \$385,903.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts:

- Management's Discussion and Analysis (this section);
- The basic financial statements, and
- Notes to the financial statements.

The basic financial statements include two types of statements that present different views of the Schuylkill Technology Center. The first two statements are government-wide financial statements: the Statement of Net Position and the Statement of Activities. These provide both long-term and short-term information about the School's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the School's operations in more detail than the government-wide statements.

The governmental fund statements tell how the School's services were financed for the current period as well as what remains for future spending.

**SCHUYLKILL TECHNOLOGY CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

Proprietary funds statements offer short and long-term financial information about the activities of the food service operations and the post-secondary programs. These activities are operated as a business entity.

Fiduciary funds statements provide information about the financial relationships in which the School acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Entity-Wide Statements

The entity-wide statements report information about the School as a whole, using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the School's assets and liabilities. All of the current year's revenues and expenditures are accounted for in the statement of activities, regardless of when cash is received or paid.

The entity-wide statements report the School's net position and how they have changed. Net position, the difference between the School's assets and liabilities, are one way to measure the School's financial health or position.

Over time, increases or decreases in the School's net position is an indication of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the School, you need to consider additional factors, such as change in the member district contributions and the projected enrollment of the students.

The entity-wide financial statements of the school are divided into two categories:

Governmental activities – All of the School's basic services are included here, such as instruction, administration, and community services. Participating school district contributions, state and federal subsidies, grants, and tuition finance most of these activities

Business-type activities – The school operates a food service operation and charges fees to staff, students, and visitors to help cover the cost of the food service operation. The post secondary program is also reported as a business type activity.

**SCHUYLKILL TECHNOLOGY CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

Fund Financial Statements

Governmental funds – Most of the School's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the School's services. Because this information does not encompass the long-term focus on the School-wide statements, we provide additional information with the governmental funds statements to explain the relationship between them.

Proprietary funds – These funds are used to account for the School's activities that are similar to business operations in the private sector; or where reporting is on determining net income, financial position, changes in financial position, and a significant portion of funding through user charges. The food service operation and post secondary programs are reported in this fund.

Fiduciary funds – The School is the trustee, or fiduciary, for assets that belong to others, such as student activities funds and payroll liabilities. The School is responsible for ensuring that those to whom the assets belong are used only for their intended purposes and assets reported in these funds. All of the School's fiduciary activities are reported separate of the fiduciary net assets. We exclude these activities from the entity-wide financial statements because the School cannot use these assets to finance program services.

**SCHUYLKILL TECHNOLOGY CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

FINANCIAL ANALYSIS OF THE TECHNOLOGY CENTER AS A WHOLE

The School's total net position increased from (\$7,661,469) to (\$7,356,420), an increase of \$305,049 or 4%. (See Table A-1)

The School's net position at June 30, 2017 is a negative (\$7,356,420). This negative balance is due primarily to the adoption of GASB Statement No. 68, resulting in a net position liability of \$12,934,000, representing its proportionate share of PSERS' net position liability.

**Table A-1
Fiscal Year Ended June 30, 2016 and June 30, 2017
Net Position**

	Governmental Activities		Business-type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current and other assets	\$ 1,368,391	\$ 1,350,367	\$ 788,496	\$ 723,187	\$ 2,156,887	\$ 2,073,554
Capital assets	1,690,199	2,029,659	73,350	40,035	1,763,549	2,069,694
Total Assets	3,058,590	3,380,026	861,846	763,222	3,920,436	4,143,248
Deferred outflows	2,629,428	797,295	657,357	185,386	3,286,785	982,681
Current Liabilities	974,997	945,487	163,661	219,167	1,138,658	1,164,654
Long-term Liabilities	10,668,100	9,231,061	2,597,883	2,254,683	13,265,983	11,485,744
Total Liabilities	11,643,097	10,176,548	2,761,544	2,473,850	14,404,641	12,650,398
Deferred inflows	127,200	37,551	31,800	99,449	159,000	137,000
Restricted for Capital Projects	7,491	95,358	-	-	7,491	95,358
Net investment in Capital Assets	1,690,199	2,029,659	73,349	40,035	1,763,548	2,069,694
Unrestricted net position	(7,779,969)	(8,161,795)	(1,347,490)	(1,664,726)	(9,127,459)	(9,826,521)
Total Net Position	\$ (6,082,279)	\$ (6,036,778)	\$ (1,274,141)	\$ (1,624,691)	\$ (7,356,420)	\$ (7,661,469)

**SCHUYLKILL TECHNOLOGY CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

**Table A-2
Change in Net Position
For the Year Ended June 30, 2017 and 2016**

	Governmental Activities		Business-type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues						
Program Revenues						
Charges for Services	\$ 41,102	\$ 30,389	\$ 581,952	\$ 487,648	\$ 623,054	\$ 518,037
Operating Grants and Contributions	1,017,767	995,791	1,223,584	1,044,452	2,241,351	2,040,243
General Revenues						
Member Districts Receipts	5,870,391	5,533,991	-	-	5,870,391	5,533,991
Investment Income	8,469	2,370	2,157	1,266	10,626	3,636
Transfer In (Out)	-	-	-	-	-	-
Total Revenues	6,937,729	6,562,541	1,807,693	1,533,366	8,745,422	8,095,907
Expenses						
Instructional	3,602,934	3,317,711	-	-	3,602,934	3,317,711
Instructional Support	488,626	557,022	-	-	488,626	557,022
Administration	1,104,393	945,988	-	-	1,104,393	945,988
Operation and Maintenance of facilities	1,400,291	1,228,523	-	-	1,400,291	1,228,523
Pupil Transportation	355,913	350,077	-	-	355,913	350,077
Student Activities	31,073	33,480	-	-	31,073	33,480
Food Service	-	-	231,167	225,255	231,167	225,255
Other Enterprise Fund(Post Secondary)	-	-	1,225,976	1,361,296	1,225,976	1,361,296
Total Expenses	6,983,230	6,432,801	1,457,143	1,586,551	8,440,373	8,019,352
Increase (Decrease) in net position	\$ (45,501)	\$ 129,740	\$ 350,550	\$ (53,185)	\$ 305,049	\$ 76,555

Changes in net position: The School's total revenues were \$8,745,422 for the year ended June 30, 2017 (see Table A-2). Member district contributions make up \$5,870,391 or 67% of the total revenue for the year. The balance of the revenue came from Charges for Services, Other State and Federal Subsidies, Grants, Investment Income and Tuition.

The total cost of all programs and services was \$8,440,373. The School's costs related to education and servicing students amounted to \$4,122,633 or 49% (Instruction, Instructional Student Support, Pupil Transportation, Student Activities), Administration costs accounted for \$1,104,393 or 13%, Operation and Maintenance of Facilities accounted for \$1,400,291 or 17%, Food Service Costs \$231,167 or 3%, and Post-Secondary expenses of \$1,225,976 or 15% (see Table A-2).

Total revenue exceeded expenditures increasing net position by \$305,049.

**SCHUYLKILL TECHNOLOGY CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

The table below presents the expenditures of both Governmental-type and Business-type Activities of the School.

Table A-3 shows the School's largest functions – instructional programs, instructional student support, administration, pupil health, business services, operation and maintenance of plants, pupil transportation services, central services, student activities as well as each program's net cost (total cost less revenues generated by the activity). This table also shows the net cost offset by other related grants, subsidies and contributions to show the remaining financial needs supported by local revenue and other miscellaneous revenues.

**Table A-3
Fiscal Year Ended June 30, 2017 and 2016
Net Cost of Governmental and Business-type Activities**

	Total Cost of Services		Net Cost of Services	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Instruction	\$ 3,602,934	\$ 3,317,711	\$ 2,573,091	\$ 2,324,912
Instructional Student Support	488,626	557,022	460,743	540,540
Administration	1,104,393	945,988	1,103,250	942,939
Operation and Maintenance			1,400,291	
of facilities	1,400,291	1,228,523		1,214,673
Pupil Transportation	355,913	350,077	355,913	350,077
Student Activities	31,073	33,480	31,073	33,480
Food Service	231,167	225,255	(94,194)	(55,054)
Other Enterprise Fund (Post Secondary)	1,225,976	1,361,296	(254,199)	109,505
	\$ 8,440,373	\$ 8,019,352	\$ 5,575,968	\$ 5,461,072

**SCHUYLKILL TECHNOLOGY CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

FUND BALANCES

The Schools fund balance and net position of (\$880,747) increased \$309,722 from the prior year. The schedule below summarizes the fund balances and the total change in fund balances as of June 30, 2016 and 2017:

	Fund Balance June 30, 2016	Fund Balance June 30, 2017	Increase (Decrease)
General	\$ 338,864	\$ 385,903	\$ 47,039
Post Secondary	(1,447,652)	(1,191,614)	256,038
Capital Reserve	95,358	7,491	(87,867)
Food Service	(177,039)	(82,527)	94,512
Total	\$ (1,190,469)	\$ (880,747)	\$ 309,722

	Budget Final	Actual Cost	Variance Positive (Negative)
EXPENDITURES - General Fund			
Regular Programs	\$ 364,215	\$ 355,710	\$ 8,505
Special Programs	516,988	385,012	131,976
Vocational Programs	3,150,910	3,163,374	(12,464)
Pupil Personnel Services	270,578	271,449	(871)
Instructional Staff Services	94,264	138,248	(43,984)
Administrative Services	785,735	730,805	54,930
Pupil Health	170,133	160,968	9,165
Business Services	522,501	524,174	(1,673)
Operation of Plant	1,315,008	1,370,202	(55,194)
Student Transportation Service	384,800	391,248	(6,448)
Refund of prior year revenues	64,412	64,412	-
Student Activities	20,361	32,566	(12,205)
Total Expenditures	\$ 7,659,905	\$ 7,588,168	\$ 71,737

**SCHUYLKILL TECHNOLOGY CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

GENERAL FUND - EXPENDITURES (2017 vs. 2016)

	2017	2016	Difference
	Cost	Cost	Increase(Decrease)
Regular Programs	\$ 355,710	\$ 334,883	\$ 20,827
Special Programs	385,012	314,092	70,920
Vocational Programs	3,163,374	3,032,019	131,355
Pupil Personnel Services	271,449	252,440	19,009
Instructional Staff Services	138,248	225,216	(86,968)
Administrative Services	730,805	751,627	(20,822)
Pupil Health	160,968	152,869	8,099
Business Services	524,174	318,044	206,130
Operation of Plant	1,370,202	1,301,486	68,716
Student Transportation Service	391,248	379,626	11,622
Refunds of prior year expenditures	64,412	57,456	6,956
Student Activities	32,566	36,381	(3,815)
Total Expenditures	\$ 7,588,168	\$ 7,156,139	\$ 432,029

**SCHUYLKILL TECHNOLOGY CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

BUDGETARY PROCESS

General Fund Budget

Annually in December and January, the School Administration prepares the General Fund Program Budget for the following fiscal year. The Program Budget is presented to the Chief School Administrators at their February Meeting for review, discussion, and approval. At the meeting of the School's Board of Directors, the budget is presented for review and approval. Following the approval of the budget by the Board of Directors, the Administration forwards copies of the program budget to the twelve member districts of the School. Included with the program budget are individual ballots and a resolution that must be completed by each member district. The local member districts are required to approve the program budget, indicate on the individual ballot how each member voted and adopt the resolution. An original resolution and each of the signed ballots are then forwarded to the School. A program budget is approved when a majority of the twelve school districts and a majority of the 108 board members, using the proportionate vote as calculated by the Pennsylvania Department of Education, vote in favor of the budget.

Over the course of the year, the School reviews expenditures and makes appropriate adjustments to cover unexpected expenditures in the annual operating budget that exceed the original line item budget.

The General Fund Budget was prepared projecting a deficit of revenue over expenditures of \$100,549. Actual results reflected a surplus of revenues over expenditures of \$47,039.

**SCHUYLKILL TECHNOLOGY CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

The Technology Center has invested to date, \$1,763,548 net of accumulated depreciation, in capital assets that includes the land, buildings, and equipment. Currently, Board Policy states "anything to be considered as equipment must be valued at a minimum of \$1,500.00". Computer equipment is recorded as equipment when the value of all components equal or exceed the \$1,500.00 threshold. Depreciation expense for the year totaled \$416,157.

DEBT ADMINISTRATION

The Non-Current Liabilities consist of accrued vacation pay, sick leave, retirement incentives, other post-employment benefits, and the School's share of state net pension liability for qualifying employees of the Center. Additional detailed information about the Non-Current Liabilities is included in the financial statements.

LABOR RELATIONS

The Schuylkill Technology Center Education Association, an affiliation of the Pennsylvania State Teachers Association (PSEA), represents the teachers of the technology center. This group, which represents approximately 37 employees, has the responsibility of bargaining for these employees. A three year agreement was approved beginning September 1, 2015 which provided for wage increases determined each year based on the average wage increase of the 12 member district's teachers. The wage increase for the 2016-2017 year was \$1,725 for each teacher.

The Schuylkill Technology Center Education Support Services Association, an affiliation of the Pennsylvania State Teachers Association (PSEA), represents the non-professional personnel. This group consists of secretaries, teacher aides, custodians, bus drivers and cafeteria personnel. This group, which represents approximately 35 employees, has the responsibility of bargaining for these employees. A three year agreement effective July 1, 2015 provides for wage increases of \$0.50, \$0.50, and \$0.60.

The Schuylkill Technology Center approved a (3) three year contract for the Act 93 and Compensation Plan Personnel effective July 1, 2012. This Act 93 plan consists of 3 administrators and the Compensation Plan consists of 7 employees. Representatives from each of the various levels meet annually with the administration to discuss salaries and benefits provided by the compensation plan. The Administrators of the Technology Center meet with a Committee of the Board of Directors to prepare recommendations to the Board as a whole for increases in salaries and/or benefits. The Act 93 Plan was approved for a (3) year period beginning July 1, 2015 through June 30, 2018 and provides for percentage wage increases equal to the average percentage wage increase of the 12 member district's Act 93 employees. The wage increase was 2.20% for 2016-2017.

**SCHUYLKILL TECHNOLOGY CENTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017**

FACTORS BEARING ON THE TECHNOLOGY CENTER'S FINANCIAL FUTURE

One major issue facing the Technology Center, and all school entities throughout the Commonwealth is future retirement cost. It is projected that rates will increase dramatically over the next years. For the year ended June 30, 2017, the rate had increased to 30.03% from 25.84% of gross wages and is 32.57% for the year ended June 30, 2018. The rate is projected to be 33.43% for the year ended June 30, 2019.

CONTACTING THE TECHNOLOGY CENTER FINANCIAL MANAGEMENT

This financial report is designed to provide the Board of Directors, Administration, and citizens of the member districts with a general overview of the Technology Center's finances and to show the Board's accountability for the monies received. If you have any questions about this report or wish to request additional financial information, please contact Brittany K. Kellman, CPA, Business Manager, Schuylkill Technology Center, P.O. Box 130, 17 Maple Avenue, Mar Lin, PA 17951.

SCHUYLKILL TECHNOLOGY CENTER

STATEMENT OF NET POSITION

JUNE 30, 2017

ASSETS	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,102,793	\$ 548,399	\$ 1,651,192
Due from other funds	5,352	120,039	125,391
Due from other governments	-	114,088	114,088
State revenue receivable	-	-	-
Other receivables	243,246	-	243,246
Inventories	17,000	5,970	22,970
Land	80,750	-	80,750
Site improvements, net	586,574	-	586,574
Building and building improvements, net	371,586	-	371,586
Furniture and equipment, net	651,289	73,349	724,638
TOTAL ASSETS	\$ 3,058,590	\$ 861,845	\$ 3,920,435
DEFERRED OUTFLOWS OF RESOURCES			
Pensions, net of accumulated amortization	\$ 2,629,428	\$ 657,357	\$ 3,286,785
LIABILITIES			
Internal balances	\$ -	\$ 35,053	\$ 35,053
Due to other governments	20,214	-	20,214
Due to other funds	75,715	-	75,715
Accounts payable	113,887	52,564	166,451
Accrued salaries and benefits	765,181	74,559	839,740
Unearned revenues	-	427	427
Other current liabilities	-	1,057	1,057
Compensated absences	200,111	-	200,111
Long-term post-employment benefits	120,789	11,083	131,872
Net pension liability	10,347,200	2,586,800	12,934,000
TOTAL LIABILITIES	11,643,097	2,761,543	14,404,640
DEFERRED INFLOWS OF RESOURCES			
Pensions, net of accumulated amortization	127,200	31,800	159,000
NET POSITION			
Restricted for capital projects	7,491	-	7,491
Net investment in capital assets	1,690,199	73,349	1,763,548
Unrestricted (Deficit)	(7,779,969)	(1,347,490)	(9,127,459)
TOTAL NET POSITION	\$ (6,082,279)	\$ (1,274,141)	\$ (7,356,420)

See notes to financial statements
which are an integral part of this statement.

SCHUYLKILL TECHNOLOGY CENTER

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES						
Instruction	\$ 3,602,934	\$ 12,076	\$ 1,017,767	\$ (2,573,091)	\$ -	\$ (2,573,091)
Instructional student support	488,626	27,883		(460,743)	-	(460,743)
Administrative and financial support services	1,104,393	1,143	-	(1,103,250)	-	(1,103,250)
Operation and maintenance of plant services	1,400,291	-	-	(1,400,291)	-	(1,400,291)
Pupil transportation	355,913	-	-	(355,913)	-	(355,913)
Student activities	31,073	-	-	(31,073)	-	(31,073)
TOTAL GOVERNMENTAL ACTIVITIES	6,983,230	41,102	1,017,767	(5,924,361)	-	(5,924,361)
BUSINESS-TYPE ACTIVITIES						
Food services	231,167	98,219	227,142	-	94,194	94,194
Post secondary education	1,225,976	483,733	996,442	-	254,199	254,199
TOTAL PRIMARY GOVERNMENT	\$ 8,440,373	\$ 623,054	\$ 2,241,351	\$ (5,924,361)	\$ 348,393	\$ (5,575,968)
GENERAL REVENUES AND TRANSFERS						
Receipts from member districts				\$ 5,870,391	\$ -	\$ 5,870,391
Investment earnings				8,469	2,157	10,626
Transfers				-	-	-
TOTAL GENERAL REVENUES AND TRANSFERS				5,878,860	2,157	5,881,017
CHANGE IN NET POSITION				(45,501)	350,550	305,049
NET POSITION - BEGINNING				(6,036,778)	(1,624,691)	(7,661,469)
NET POSITION - ENDING				\$ (6,082,279)	\$ (1,274,141)	\$ (7,356,420)

See notes to financial statements
which are an integral part of this statement.

SCHUYLKILL TECHNOLOGY CENTER

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2017

	General	Capital Reserve	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 1,100,654	\$ 2,139	\$ 1,102,793
Due from other funds		5,352	5,352
Due from other governments	243,246	-	243,246
Inventories	17,000	-	17,000
TOTAL ASSETS	<u>\$ 1,360,900</u>	<u>\$ 7,491</u>	<u>\$ 1,368,391</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to other governments	\$ 20,214	\$ -	\$ 20,214
Due to other funds	75,715	-	75,715
Accounts payable	113,887	-	113,887
Accrued salaries and benefits	765,181	-	765,181
Unearned revenues	-	-	-
TOTAL LIABILITIES	<u>974,997</u>	<u>-</u>	<u>974,997</u>
FUND BALANCES			
Restricted fund balance	-	7,491	7,491
Assigned fund balance	35,903		35,903
Unassigned fund balance	350,000	-	350,000
TOTAL FUND BALANCES	<u>385,903</u>	<u>7,491</u>	<u>393,394</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,360,900</u>	<u>\$ 7,491</u>	<u>\$ 1,368,391</u>

See notes to financial statements
which are an integral part of this statement.

SCHUYLKILL TECHNOLOGY CENTER

**RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION**

GOVERNMENTAL FUNDS

AS OF JUNE 30, 2017

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$	393,394
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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.

Cost of capital assets	9,962,363	
Less: accumulated depreciation	<u>(8,272,164)</u>	1,690,199

Long-term liabilities, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.

Other post-employment benefits	(120,789)	
Compensated absences	(200,111)	
Net pension liability	(10,347,200)	
Deferred outflows of resources	2,629,428	
Deferred inflows of resources	<u>(127,200)</u>	<u>(8,165,872)</u>

TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	\$	<u>(6,082,279)</u>
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SCHUYLKILL TECHNOLOGY CENTER

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

	General	Capital Reserve	Total Governmental Funds
REVENUES			
Local sources	\$ 5,922,469	\$ 11	\$ 5,922,480
State sources	1,463,707	-	1,463,707
Federal sources	255,869	-	255,869
TOTAL REVENUES	<u>7,642,045</u>	<u>11</u>	<u>7,642,056</u>
EXPENDITURES			
Instruction	3,904,096	58,407	3,962,503
Support services	3,587,094	38,690	3,625,784
Non-instructional services	32,566	-	32,566
Refund of prior year revenues	64,412	-	64,412
TOTAL EXPENDITURES	<u>7,588,168</u>	<u>97,097</u>	<u>7,685,265</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	53,877	(97,086)	(43,209)
OTHER FINANCING SOURCES (USES)			
Interfund transfers	(9,219)	9,219	-
Sale of fixed assets	2,381	-	2,381
TOTAL OTHER FINANCING SOURCES (USES)	<u>(6,838)</u>	<u>9,219</u>	<u>2,381</u>
NET CHANGE IN FUND BALANCES	<u>47,039</u>	<u>(87,867)</u>	<u>(40,828)</u>
FUND BALANCES - BEGINNING	<u>338,864</u>	<u>95,358</u>	<u>434,222</u>
FUND BALANCES - ENDING	<u>\$ 385,903</u>	<u>\$ 7,491</u>	<u>\$ 393,394</u>

See notes to financial statements
which are an integral part of this statement.

SCHUYLKILL TECHNOLOGY CENTER

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES**

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ (40,828)
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Governmental funds report capital outlays as expenditures. 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 depreciation exceeded capital outlays in the current period	(339,460)
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Some expenses reported in the statement of activities do not require the use of current financial resources and; therefore, are not reported as expenditures in governmental funds. This amount represents the change in net pension liability (\$710,400), pension related deferred outflows of resources \$158,680 and pension related deferred inflows of resources \$841,847 in the current year.	369,684
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Compensated absences recognized	(5,555)
Other post-employment benefits recognized	<u>(29,342)</u>

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	\$ <u>(45,501)</u>
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SCHUYLKILL TECHNOLOGY CENTER
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance With
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
REVENUES				
Local sources	\$ 5,910,762	\$ 5,910,762	\$ 5,922,469	\$ 11,707
State sources	1,460,487	1,460,487	1,463,707	3,220
Federal sources	258,107	258,107	255,869	(2,238)
TOTAL REVENUES	<u>7,629,356</u>	<u>7,629,356</u>	<u>7,642,045</u>	<u>12,689</u>
EXPENDITURES				
Regular programs	364,215	364,215	355,710	8,505
Special programs	516,988	516,988	385,012	131,976
Vocational programs	3,150,910	3,150,910	3,163,374	(12,464)
Pupil personnel services	270,578	270,578	271,449	(871)
Instructional staff services	94,264	94,264	138,248	(43,984)
Administrative services	785,735	785,735	730,805	54,930
Pupil health	170,133	170,133	160,968	9,165
Business services	522,501	522,501	524,174	(1,673)
Operation and maintenance of plant services	1,315,008	1,315,008	1,370,202	(55,194)
Student transportation services	384,800	384,800	391,248	(6,448)
Refund of prior year revenues	64,412	64,412	64,412	-
Student activities	20,361	20,361	32,566	(12,205)
TOTAL EXPENDITURES	<u>7,659,905</u>	<u>7,659,905</u>	<u>7,588,168</u>	<u>71,737</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	(30,549)	(30,549)	53,877	84,426
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(70,000)	(70,000)	(9,219)	60,781
Sale of fixed assets	-	-	2,381	2,381
TOTAL OTHER FINANCING SOURCES (USES)	<u>(70,000)</u>	<u>(70,000)</u>	<u>(6,838)</u>	<u>63,162</u>
NET CHANGE IN FUND BALANCES	<u>(100,549)</u>	<u>(100,549)</u>	<u>47,039</u>	<u>147,588</u>
FUND BALANCE - BEGINNING OF YEAR	<u>338,864</u>	<u>338,864</u>	<u>338,864</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 238,315</u>	<u>\$ 238,315</u>	<u>\$ 385,903</u>	<u>\$ 147,588</u>

See notes to financial statements
which are an integral part of this statement.

SCHUYLKILL TECHNOLOGY CENTER

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

	Food Service	Post Secondary Education	Total Proprietary Funds
ASSETS			
Cash and cash equivalents	\$ 40,840	\$ 507,559	\$ 548,399
Due from other funds	-	120,039	120,039
Due from other governments	64,489	49,599	114,088
Inventories	5,970	-	5,970
TOTAL CURRENT ASSETS	<u>111,299</u>	<u>677,197</u>	<u>788,496</u>
NONCURRENT ASSETS			
Equipment, net	48,420	24,929	73,349
TOTAL ASSETS	<u>159,719</u>	<u>702,126</u>	<u>861,845</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pensions, net of accumulated amortization	65,736	591,621	657,357
	<u>225,455</u>	<u>1,293,747</u>	<u>1,519,202</u>
CURRENT LIABILITIES			
Due to other funds	35,053	-	35,053
Accounts payable	3,779	48,785	52,564
Accrued salaries and benefits	5,135	69,424	74,559
Unearned revenue	427	-	427
Other Current Liabilities	1,057	-	1,057
TOTAL CURRENT LIABILITIES	<u>45,451</u>	<u>118,209</u>	<u>163,660</u>
NONCURRENT LIABILITIES			
Other post employment benefits	671	10,412	11,083
Net pension liability	258,680	2,328,120	2,586,800
Total noncurrent liabilities	<u>259,351</u>	<u>2,338,532</u>	<u>2,597,883</u>
TOTAL LIABILITIES	<u>304,802</u>	<u>2,456,741</u>	<u>2,761,543</u>
DEFERRED INFLOWS OF RESOURCES			
Pensions, net of accumulated amortization	3,180	28,620	31,800
NET POSITION			
Net investment in capital assets	48,420	24,929	73,349
Unrestricted	(130,947)	(1,216,543)	(1,347,490)
TOTAL NET POSITION	<u>(82,527)</u>	<u>(1,191,614)</u>	<u>(1,274,141)</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 225,455</u>	<u>\$ 1,293,747</u>	<u>\$ 1,519,202</u>

See notes to financial statements
which are an integral part of this statement.

SCHUYLKILL TECHNOLOGY CENTER

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION**

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

	Food Service	Post Secondary Education	Total
OPERATING REVENUES			
Food service revenue	\$ 98,219	\$ -	\$ 98,219
Charges for services	-	483,733	483,733
TOTAL OPERATING REVENUES	98,219	483,733	581,952
OPERATING EXPENSES			
Salaries	58,618	498,248	556,866
Employee benefits	18,343	139,238	157,581
Purchased professional services	20,211	54,715	74,926
Purchased property services	-	95,960	95,960
Other purchased services	-	16,760	16,760
Supplies	133,995	78,035	212,030
Depreciation	-	15,106	15,106
Dues and Fees	-	395	395
Student loan and grant disbursements	-	327,519	327,519
TOTAL OPERATING EXPENSES	231,167	1,225,976	1,457,143
OPERATING (LOSS)	(132,948)	(742,243)	(875,191)
NON-OPERATING REVENUES (EXPENSES)			
Interest income	318	1,839	2,157
State sources	23,450	331,050	354,500
Federal sources	203,692	665,392	869,084
TOTAL NON-OPERATING REVENUES (EXPENSES)	227,460	998,281	1,225,741
CHANGE IN NET POSITION	94,512	256,038	350,550
NET POSITION - BEGINNING OF YEAR	(177,039)	(1,447,652)	(1,624,691)
NET POSITION - END OF YEAR	\$ (82,527)	\$ (1,191,614)	\$ (1,274,141)

See notes to financial statements
which are an integral part of this statement.

SCHUYLKILL TECHNOLOGY CENTER

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

	Food Service	Post Secondary Education	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from users	\$ 53,945	\$ 465,627	\$ 519,572
Cash payments to suppliers for goods and services	(174,061)	(730,428)	(904,489)
Cash payments to employees for services	(80,522)	(829,919)	(910,441)
NET CASH (USED FOR) OPERATING ACTIVITIES	<u>(200,638)</u>	<u>(1,094,720)</u>	<u>(1,295,358)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
State sources	23,450	331,050	354,500
Federal sources	203,692	665,392	869,084
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	<u>227,142</u>	<u>996,442</u>	<u>1,223,584</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES			
Payments for Fac Acq, Const and Imp	(48,420)	-	(48,420)
NET CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	<u>(48,420)</u>	<u>-</u>	<u>(48,420)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	318	1,839	2,157
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>318</u>	<u>1,839</u>	<u>2,157</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(21,598)	(96,439)	(118,037)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>62,438</u>	<u>603,998</u>	<u>666,436</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 40,840</u></u>	<u><u>\$ 507,559</u></u>	<u><u>\$ 548,399</u></u>
OPERATING (LOSS)	\$ (132,948)	\$ (742,243)	\$ (875,191)
ADJUSTMENTS TO RECONCILE OPERATING (LOSS) TO NET CASH (USED) BY OPERATING ACTIVITIES:			
Depreciation	-	15,106	15,106
Changes in current assets and current liabilities			
(Increase) Decrease in accounts receivable	(44,444)	(18,106)	(62,550)
(Increase) Decrease in inventories	(757)	-	(757)
(Increase) Decrease in deferred outflows	(49,274)	(422,697)	(471,971)
Increase (Decrease) in accounts payable	2,915	(11,400)	(8,485)
Increase (Decrease) in accrued salaries and benefits	914	(15,742)	(14,828)
Increase (Decrease) in unearned revenue	170	-	170
Increase (Decrease) in advances from other funds	(7,816)	(145,644)	(153,460)
Increase (Decrease) in net pension liabilities	36,756	306,444	343,200
Increase (Decrease) in deferred inflows	(7,211)	(60,438)	(67,649)
Increase (Decrease) in Other Current or Noncurrent Liabilities	1,057	-	1,057
TOTAL ADJUSTMENTS	<u>(67,690)</u>	<u>(352,477)</u>	<u>(420,167)</u>
TOTAL CASH (USED FOR) OPERATING ACTIVITIES	<u><u>\$ (200,638)</u></u>	<u><u>\$ (1,094,720)</u></u>	<u><u>\$ (1,295,358)</u></u>

See notes to financial statements
which are an integral part of this statement.

SCHUYLKILL TECHNOLOGY CENTER

STATEMENT OF NET POSITION

FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

	Private Purpose Trust	Agency	Activity	Total Fiduciary Funds
ASSETS				
Cash and cash equivalents	\$ 16,685	\$ 74,512	\$ 36,760	\$ 127,957
Due from other funds	15,952	-	-	15,952
Other receivables	-	-	-	-
TOTAL ASSETS	<u>\$ 32,637</u>	<u>\$ 74,512</u>	<u>\$ 36,760</u>	<u>\$ 143,909</u>
 LIABILITIES AND NET POSITION				
LIABILITIES				
Due to other funds	\$ -	\$ 30,575	\$ -	\$ 30,575
Payroll deductions and withholding	-	43,937	-	43,937
Other current liabilities	-	-	36,760	36,760
TOTAL LIABILITIES	<u>-</u>	<u>74,512</u>	<u>36,760</u>	<u>111,272</u>
 NET POSITION				
Restricted	<u>32,637</u>	<u>-</u>	<u>-</u>	<u>32,637</u>
TOTAL NET POSITION	<u>32,637</u>	<u>-</u>	<u>-</u>	<u>32,637</u>
 TOTAL LIABILITIES AND NET POSITION	<u>\$ 32,637</u>	<u>\$ 74,512</u>	<u>\$ 36,760</u>	<u>\$ 143,909</u>

See notes to financial statements
which are an integral part of this statement.

SCHUYLKILL TECHNOLOGY CENTER
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Private Purpose Trust
	<u> </u>
ADDITIONS	
Other additions	\$ 69
Gifts	100
DEDUCTIONS	
Scholarships awarded	<u> 250</u>
CHANGES IN NET POSITION	(81)
NET POSITION - BEGINNING OF FISCAL YEAR	<u> 32,718</u>
NET POSITION - END OF FISCAL YEAR	<u><u> \$ 32,637</u></u>

See notes to financial statements
which are an integral part of this statement.

SCHUYLKILL TECHNOLOGY CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schuylkill Technology Center (the "School") provides vocational education and training to students of the twelve-member school districts who provide financial support to the School. The School also provides various vocational education and training programs to adults, which are funded by tuition charges to students and federal grants. The board has designated the North Center as the Schuylkill Training and Technology Center, adopted a separate operating budget, and established a separate Proprietary Fund to record the direct and overhead charges for the operation of the Schuylkill Training and Technology Center in order to distinguish between costs relating to the operation of secondary and adult classes.

The financial statements of the Schuylkill Technology Center have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the School are described below.

In June 1999, the Governmental Accounting Standards Board (GASB) approved Statement No. 34, *"Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments"*.

The financial statements include:

- Management's Discussion and Analysis (MD&A), providing an analysis of the School's overall financial position and results of operations.
- Financial statements prepared using full-accrual accounting for all of the School's activities.
- A change in the fund financial statements to focus on major funds.

The School adopted Statement of Governmental Accounting Standards (GASB Statement) No. 68, *"Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27"* in the fiscal year ended June 30, 2015. The School also adopted the provisions of GASB Statement No. 71, *"Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68"*.

SCHUYLKILL TECHNOLOGY CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

REPORTING ENTITY

The School includes all funds, agencies, and boards for which the School is financially accountable. Government Accounting Standards Board (GASB) Statement No. 14 states the primary basis of determining whether outside agencies and organizations should be considered component units of the School and included in the School's financial statements is financial accountability. Financial accountability has been defined as follows: A primary government has substantive authority to appoint a voting majority of the component unit's board; the primary government is either able to impose its will on a component unit or there is a potential for the component unit to provide specific financial burdens on the primary government; and the component unit is fiscally dependent on the primary government. The School has no component units.

BASIS OF PRESENTATION

School-Wide Statements - The statement of net assets and the statement of activities provide information about the financial activities of the overall School, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the School. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each business-type activity of the School and for each function of the School's governmental activities.

- Direct Expenses are those that are clearly identifiable with a specific program.
- Program revenues include 1) charges to students or recipients who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.
- Unrestricted grants and other items not properly included among program revenues are reported as general revenues.

SCHUYLKILL TECHNOLOGY CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF PRESENTATION (Continued)

Depreciation expense can be specifically identified by function and is included in the direct expenses of each function. The effect of interfund activity has been removed from these statements.

Fund Financial Statements - The fund financial statements provide information about the School's funds, including fiduciary funds. Separate statements for each fund category - *governmental, proprietary, and fiduciary* - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities. Enterprise fund operating revenues are related to charges for food in the School's cafeteria and operation of the School's post-secondary education operations. The primary non-operating revenues are federal nutrition program grants, commodities received from the U.S. Department of Agriculture, and federal and state grants and subsidies.

The fiduciary funds are presented in the fiduciary fund financial statements by type (agency). Since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the School, these funds are not incorporated into the School-wide statements.

The School reports the following major governmental funds:

General Fund - The General Fund is the School's primary operating fund. It accounts for all financial resources of the School, except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

SCHUYLKILL TECHNOLOGY CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF PRESENTATION (Continued)

The School reports the following major proprietary fund types:

Food Service Fund - The Food Service Fund is used to account for all financial transactions related to the food service operation.

Post-Secondary Education Fund - This fund was established to segregate this operation from the General Fund beginning July 1, 2005.

Other fund types:

Trust and Agency Funds - These funds account for assets held by the School as an agent for various student groups and clubs.

BASIS OF ACCOUNTING

The School-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the School gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The School considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for claims, judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.

SCHUYLKILL TECHNOLOGY CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BASIS OF ACCOUNTING (Continued)

All business-type activities and enterprise funds of the School follow FASB Statements and Interpretations on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

BUDGETING

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general and special revenue funds. All unencumbered budget appropriations, except capital projects, lapse at the end of each fiscal year.

At the fund level, actual expenditures cannot exceed budgeted appropriations; however, budgetary transfers between accounts can be made with proper approval by the board. The budgeted financial statements represented in this report reflect the final budget authorization, including all transfers.

DEPOSITS

The School's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

INVENTORY

Inventories are recorded using the lower of cost or market on a first-in, first-out basis and are expensed when used. Inventories consist of purchased food, supplies, and surplus commodities received from the federal government. Surplus commodities are stated at standard costs, as determined by the Department of Agriculture. In the financial statements, commodities received are recorded as deferred revenue until consumed.

SCHUYLKILL TECHNOLOGY CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CAPITAL ASSETS

Capital assets, which include land, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The School defines capital assets as assets with an initial, individual cost of more than \$1,500. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Useful Life</u>
Land	Not depreciated
Land Improvements	20 years
Buildings and Improvements	15-30 years
Furniture and Equipment	5-15 years
Vehicles	3-15 years

COMPENSATED ABSENCES

Compensated absences are those for which employees receive pay. A liability is recorded through the use of estimates, which apply historical data to current factors. The School maintains records of unused absences and applies current and/or contracted compensation rates to the various types of compensated absences. Sick leave is recorded using the termination payment method, which has no current maximum per employee. The School allows only restricted sabbatical leave and, therefore, has no recorded liability in advance of the sabbatical. The School also records estimated vested retirement incentives for employees.

FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a restricted purpose.

SCHUYLKILL TECHNOLOGY CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

NET POSITION

Net position represents the difference between assets and liabilities in the School-wide financial statements. Net investment in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets.

OTHER POSTEMPLOYMENT BENEFIT OBLIGATIONS

During 2010, the School adopted the provisions of GASB Statement No. 45, *“Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions”*. This statement provides the accounting and reporting requirements for the benefit plans, as well as, requires that public sector employers accrue the cost of any postretirement healthcare or similar benefits (OPEB) they may offer to employees. For the purpose of the financial statements, GASB Statement No. 45 requires that governments account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in the same manner as they currently do for pensions. Accordingly, the School’s net OPEB obligation for 2017 has been reported on the statement of net position. The disclosure requirements of GASB Statement No. 45 are included in Note 7.

GASB STATEMENT NO. 54 “FUND BALANCE REPORTING AND GOVERNMENTAL FUND TYPE DEFINITIONS”

During 2010/2011, the School adopted the provisions of GASB Statement No. 54, *“Fund Balance Reporting and Governmental Fund Type Definitions.”* The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in government funds. Fund balance reclassifications made to conform to the provisions of the Statement are to be applied retroactively by restating fund balances for all prior periods presented. The disclosure requirements of GASB Statement No. 54 are included in the accompanying footnotes.

SCHUYLKILL TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ESTIMATES

The preparation of 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 may differ from those estimates.

NOTE 2 - DEPOSITS

DEPOSITS

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the School's deposits may not be returned. The deposit policy of the School adheres to state statutes and prudent business practice. Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and include investments with original maturities of three months or less. Cash and cash equivalents consist of demand deposits at various financial institutions.

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

Deposit 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.

At June 30, 2017, the net carrying book amount of the School's deposits was \$1,779,149 and the bank balance was \$1,921,108. Of the bank balance, \$108,382 was covered by federal depository insurance coverage.

Of the bank balance, the School's deposits include \$1,812,726 in the Pennsylvania School District Liquid Asset Fund (PSDLAF). Although not registered with the Securities and Exchange Commission and not subject to regulatory oversight, PSDLAF acts like a money market mutual fund in that its objective is to maintain a stable net asset value of \$1 per share, is rated by a nationally recognized statistical rating organization, and is subject to an independent annual audit.

SCHUYLKILL TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

NOTE 3 - CAPITAL ASSETS

A summary of capital asset activity during the fiscal year follows:

	Balance June 30, 2016	Net Additions (Deductions)	Balance June 30, 2017
Governmental Activities:			
Capital Assets, Not Being Depreciated			
Land	\$ 80,750	\$ -	\$ 80,750
Total Capital Assets, Not Being Depreciated	80,750	-	80,750
Capital Assets, Being Depreciated:			
Site Improvements	1,092,569	-	1,092,569
Buildings and Improvements	5,025,945	-	5,025,945
Furniture and Equipment	3,701,508	61,591	3,763,099
Total Capital Assets, Being Depreciated	9,820,022	61,591	9,881,613
Accumulated Depreciation For:			
Site Improvements	(451,366)	(54,629)	(505,995)
Buildings and Improvements	(4,546,206)	(108,153)	(4,654,359)
Furniture and Equipment	(2,873,541)	(238,269)	(3,111,810)
Total Accumulated Depreciation	(7,871,113)	(401,051)	(8,272,164)
Governmental Activities - Capital Assets, Net	\$ 2,029,659	\$ (339,460)	\$ 1,690,199
Business-type Activities:			
Furniture/equipment	\$ 78,141	\$ 48,420	\$ 126,561
Less: Accumulated Depreciation	(38,106)	(15,106)	(53,212)
Business-type Activities - Capital Assets, Net	\$ 40,035	\$ 33,314	\$ 73,349

Depreciation expense was charged to functions of the School as follows:

Governmental Activities

Instruction	\$ 238,269
Support Services	162,782
Total Depreciation Expense	\$ 401,051

Business-type Activities

Post-Secondary Education	\$ 15,106
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SCHUYLKILL TECHNOLOGY CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 4 - CHANGES IN LONG-TERM DEBT

A summary of the changes in long-term debt is as follows:

	<u>Compensated Absences</u>	<u>Other Postemployment Benefits</u>
Long-Term Debt - July 1, 2016	\$ 194,556	\$ 102,530
Additions	5,555	29,342
Reductions	<u>0</u>	<u>0</u>
Long-Term Debt - June 30, 2017	<u>\$ 200,111</u>	<u>\$ 131,872</u>
Due Within One Year	<u>\$ 0</u>	<u>\$ 29,342</u>

COMPENSATED ABSENCES

Compensated absences at June 30, 2017, consist of the following:

Retirement Incentive	\$ 30,500
Sick Leave	114,322
Vacation	<u>55,289</u>
Total	<u>\$ 200,111</u>

NOTE 5 - PENSION PLAN

PENSIONS

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

SCHUYLKILL TECHNOLOGY CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 5 - PENSION PLAN (Continued)

PLAN DESCRIPTION

PSERS is a governmental cost-sharing multi-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.psers.state.pa.us.

BENEFITS PROVIDED

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 year of credited service; (b) age 60 with 30 or more years of credited service; or (3) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service. Benefits are generally equal to 2% 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 5 years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

Participants are eligible for disability retirement benefits after completion of 5 years of credited service. Such benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

SCHUYLKILL TECHNOLOGY CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 5 - PENSION PLAN (Continued)

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 3 years of credited service for Class T-E and Class T-F members) or who has at least 5 years of credited service (10 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

Member Contributions:

Active members who joined the System prior to July 22, 1983, contribute at 5.25% (Membership Class T-C) or at 6.50% (Membership Class T-D) of the member's qualifying compensation.

Members who joined the System on or after July 22, 1983, and who were active or inactive as of July 1, 2001, contribute at 6.25% (Membership Class T-C) or at 7.50% (Membership Class T-D) of the member's qualifying compensation.

Members who joined the System after June 30, 2001 and before July 1, 2011, contribute at 7.50% (automatic Membership Class T-D). For all new hires and for members who elected Class T-D membership, the higher contribution rates began with service rendered on or after January 1, 2002.

Members who joined the System 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 Class 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:

The School's contractually required contribution rate for fiscal year ended June 30, 2017 was 29.20% 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 pension plan from the School were \$1,043,892 for the year ended June 30, 2017.

SCHUYLKILL TECHNOLOGY CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 5 - PENSION PLAN (Continued)

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At June 30, 2017, the School reported a liability of \$12,934,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2015 to June 30, 2016. The School'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, 2016, the School's proportion was 0.0261 percent, which was a increase of 0.0002 from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the School recognized pension expense of \$641,000. At June 30, 2017, the School 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-	\$ 108,000
Changes in assumptions	467,000	-0-
Net difference between projected and actual investment earnings	721,000	-0-
Changes in proportions	138,000	51,000
Difference between employer contributions and proportionate share of total contributions	916,893	-0-
Contributions subsequent to the measurement date	<u>1,043,892</u>	<u>-0-</u>
	<u>\$ 3,286,785</u>	<u>\$ 159,000</u>

\$1,043,892 reported as deferred outflows and inflows of resources related to pensions resulting from School's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	(416,779)
2019	(416,779)
2020	(708,524)
2021	(541,811)

SCHUYLKILL TECHNOLOGY CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 5 - PENSION PLAN (Continued)

Changes in Actuarial Assumptions:

The total pension liability as of June 30, 2016 was determined by rolling forward the System's total pension liability as of the June 30, 2015 actuarial valuation to June 30, 2016 using the following actuarial assumptions, applied to all periods included in the measurement:

Changes in assumptions used in measurement of the Total Pension Liability beginning June 30, 2016-

- The Investment Rate of Return was adjusted from 7.50% to 7.25%.
- The inflation assumption was decreased from 3.0% to 2.75%.
- Salary growth changed from an effective average of 5.50%, which was comprised of inflation of 3.00%, real wage growth and for merit or seniority increases of 2.50%, to an effective average of 5.00%, comprised of inflation of 2.75% and 2.25% for real wage growth and for merit or seniority increases.
- 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. For disables annuitants the RP-2000 Combined Disabled Tables (male and female) with age set back 7 years for males and 3 years for 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. The actuarial assumptions used in the June 30, 2016 valuation were based on the experience study that was performed for the five-year period ending June 30, 2015. The recommended assumption changes based on this experience study were adopted by the PSERS Board at its June 10, 2016 Board meeting and were effective beginning with the June 30, 2016 actuarial valuation.

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.

SCHUYLKILL TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

NOTE 5 - PENSION PLAN (Continued)

The pension plan's policy in regard to the allocation of invested plan assets is established and may be amended by the Board. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global public equity	22.5%	5.3%
Fixed income	28.5%	2.1%
Commodities	8.0%	2.5%
Absolute Return	10.0%	3.3%
Risk parity	10.0%	3.9%
Infrastructure/ MLPs	5.0%	4.8%
Real Estate	12.0%	4.0%
Alternative investments	15.0%	6.6%
Cash	3.0%	0.2%
Financing (LIBOR)	<u>(14.0%)</u>	0.5%
	<u>100.00%</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, 2016.

Discount rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

SCHUYLKILL TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2017

NOTE 5 - PENSION PLAN (Continued)

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate

The following presents the net pension liability, calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease <u>6.25%</u>	Current Discount Rate <u>7.25%</u>	1% Increase <u>8.25%</u>
District's proportionate share of the net pension liability	\$15,822,000	\$12,934,000	\$10,508,000

Pension plan fiduciary net position

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

NOTE 6 - RISK MANAGEMENT

The School is a member of the Schuylkill County Health and Welfare Trust, a nonprofit organization which is an association of several governmental entities established to share the costs of providing health, dental, vision, prescription drug, and income protection coverage to employees. Members of the Trust included Schuylkill County Intermediate Unit No. 29, Schuylkill County A.V.T.S., Shenandoah Valley School District, Pine Grove Area School District, Tamaqua Area School District, and North Schuylkill School District. The School is co-insured with outside insurance companies against any claim in excess of \$150,000. As of June 30, 2016, the date of the latest audit report, the Trust has reserves in the amount of \$4,477,518. Contribution rates are set by the Trust based on previous years cost experience. The School would share with other members, any costs in excess of the Trust's reserves.

The School is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The School provides for these risks by the purchase of commercial insurance.

SCHUYLKILL TECHNOLOGY CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 7 - POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

PLAN DESCRIPTION

The Schuylkill Technology Center Retiree Health Care Plan (the Plan) is a single-employer defined benefit healthcare plan administered by the School Board. The Plan provides postemployment healthcare benefits to eligible retirees of the School in accordance with the various labor contracts and personnel policies. At July 1, 2015, four retired employees were eligible to participate. Inasmuch as the Plan has no assets, reporting another employee benefit trust fund in the accompanying financial statements is not required nor was a separate or stand-alone report issued.

FUNDING POLICY

The contribution requirements of plan members and the School are established and may be amended by the School Board, subject to applicable labor contracts and benefit plans. Plan members are required to pay \$100 per month towards the premium for medical, drugs, dental, and vision. The School pays the remaining premium for the members until Medicare eligibility or varying percentages for varying options chosen. Teachers who retire with more than 35 years of membership in the state retirement plan have the percentage of school paid premiums reduced in increments to 55%. Administrators hired after December 31, 2008 are not eligible for school paid premiums. Support personnel with 10 years of service with the school and Superannuation Retirement receive school paid coverage for 180 days after which members may continue coverage by paying the full premium, as determined for the purpose of COBRA, to the School.

The School may contribute the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45, *"Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions"*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. For 2017, the School made no contributions and instead elected to continue funding on a pay-as-you-go basis, which was estimated at \$35,905.

SCHUYLKILL TECHNOLOGY CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 7 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

ANNUAL OPEB COST AND NET OPEB OBLIGATION

For 2017, the components of the School's annual OPEB (other postemployment benefit) cost for the year, the amount actually contributed to the Plan, and changes in the School's net OPEB obligation to the Plan were as follows:

Annual Required Contribution	\$ 66,927
Interest on Net OPEB Obligation	3,149
Adjustment to Annual Required Contribution	<u>(4,829)</u>
Annual OPEB Cost	65,247
Contributions or Payments Made (Estimated)	<u>(35,905)</u>
Increase in Net OPEB Obligation	29,342
Net OPEB Obligation, Beginning of Year	<u>102,530</u>
Net OPEB Obligation, End of Year	<u><u>\$131,872</u></u>
 Percentage of Annual OPEB Cost Contributed	 <u>100.00%</u>

FUNDED STATUS AND FUNDING PROGRESS

The funded status of the Plan as of July 1, 2015, is as follows:

	<u>July 1, 2015</u>	<u>July 1, 2012</u>	<u>July 1, 2008</u>
Actuarial Accrued Liability (AAL)	\$ 491,390	\$ 625,656	\$ 734,589
Actuarial Value of Assets	<u>0</u>	<u>0</u>	<u>0</u>
Unfunded AAL (UAAL)	<u>\$ 491,390</u>	<u>\$ 625,656</u>	<u>\$ 734,589</u>
Funded Ratio	0.0%	0.0%	0.0%
 Covered Payroll	 <u>\$ 3,064,198</u>	 <u>\$ 2,938,063</u>	 <u>\$2,663,510</u>
UAAL as % of Covered Payroll	16.04%	21.29%	27.58%

SCHUYLKILL TECHNOLOGY CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 7 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of potential occurrences of certain events in the future. Examples include assumption about future employment, mortality, healthcare costs trends, inflation, etc. Amounts determined regarding the funded status of the plan and the annual required contributions of the School are subject to constant changes and modifications as actual results are compared with past expectations and new estimates and assumptions are formed regarding the future. Projections of retiree benefits for financial reporting purposes are based on current plan activities as it is handled by the School and the benefits are received by the eligible plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the School and plan members. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2015 actuarial valuation, the individual entry age normal actuarial cost method was used. There were also merit and seniority salary rate increase assumptions taken into consideration and those are detailed in the actuarial study and are based on age. There was also an inflationary rate assumption factored into the calculation. Per the actuarial study, the assumed rate ranges from 6.0% in the short-term to 3.8% in the long-term for health care related costs. The UAAL is being amortized as a level percentage of active member payroll over a period of 30 years.

NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2017, consisted of the following individual fund receivables and payables:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 0	\$ 75,715
Capital Reserve Fund	5,352	0
Post-Secondary Education Fund	120,039	0
Food Service Fund	0	35,053
Private Purpose Trust Fund	15,952	0
Agency Fund	0	30,575
Total	<u><u>\$ 141,343</u></u>	<u><u>\$ 141,343</u></u>

SCHUYLKILL TECHNOLOGY CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 9 – RELATED PARTIES

The School shares a board of directors, executive director, director of plant services, and computer technology and business office staff with the Schuylkill Intermediate Unit No. 29. During the year ended June 30, 2017, the school reimbursed the Unit a total of \$501,001 for the above services.

NOTE 10 – GASB STATEMENT NO. 54

On June 15, 2010, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 54 "*Fund Balance Reporting and Governmental Fund Type Definitions*". This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB No. 54 establishes criteria for classifying fund balances into specifically defined classifications that should be based on hierarchy that reflects the extent to which the government is bound to honor constraints on how those funds can be spent. Established classifications are as follows:

Nonspendable – Amounts that cannot be spent because they are either in a nonspendable form or are legally or contractually required to be maintained intact.

Restricted – Amounts constrained to be used for a specific purpose stipulated by constitution, external resource providers, or through enabling legislation.

Committed – Amounts constrained to be used for a specific purpose determined by a formal action of the Unit's board of directors (the Unit's highest level of decision-making authority).

Assigned – Amounts intended to be used for a specific purpose by the finance committee or an individual authorized by the governing body.

Unassigned – Residual amounts available for any purpose not contained in other classifications.

ORDER OF FUND BALANCE SPENDING POLICY

The Unit's policy is to apply expenditures against the nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting entries.

SCHUYLKILL TECHNOLOGY CENTER
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 11 – OTHER

As a result of Pottsville Area School District over-reporting enrollment figures used in determining its funding obligations to the school for the years 2012-2013, 2013-2014, and 2014-2015, the member districts and Pottsville Area School District agreed to a plan of reimbursement of \$387,464. Terms of the repayment agreement will occur over seven years by Pottsville receiving all excess funds from the 2013-2014 and 2014-2015 general fund results of operations with the balance repaid equally over the following five years. Excess funds of \$50,186 were re-paid to Pottsville for the year ended June 30, 2014, \$22,175 was repaid for the year ended June 30, 2015, \$57,456 was repaid for the year ended June 30, 2016, and \$64,412 is due to Pottsville for the year ended June 30, 2017 leaving a balance of \$193,235.

NOTE 12 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 27, 2018, the date on which the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

SCHUYLKILL TECHNOLOGY CENTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

A. SUMMARY OF AUDIT RESULTS

1. Auditor's report expresses an unqualified opinion on the general purpose financial statements of Schuylkill Technology Center.
2. No significant deficiencies relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of Schuylkill Technology Center were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs is reported in the Report on Compliance for Each Major Program and on Internal Control Over Compliance required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for Schuylkill Technology Center expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for Schuylkill Technology Center.
7. The programs tested as major programs were: 84.063 Federal Pell Grant Program and 84.268 Federal Direct Student Loans.
8. The threshold for distinguishing types A and B Programs was \$750,000.
9. Schuylkill Technology Center was determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

SCHUYLKILL TECHNOLOGY CENTERS
SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

Federal Grantor/Pass Through Grantor/Program Title	Source Code	Federal CFDA Number	Pass Through Grantors' Number	Grant Period Beginning/Ending Date	Program or Award Amount	Total Received For Year	Accrued or (Deferred) Revenue 7/1/2016	Revenue Recognized	Expenditures	Accrued or (Deferred) Revenue 6/30/2017
U.S. DEPARTMENT OF EDUCATION										
Student Financial Assistance Cluster										
Pell Grants *	(D)	84.063	N/A	07-01-16/06-30-17	N/A	\$ 144,185	\$ -	\$ 144,185	\$ 144,185	\$ -
Federal Direct Student Loans (Direct Loan) *	(D)	84.268	N/A	07-01-16/06-30-17	N/A	493,207	-	493,207	493,207	-
Total Student Financial Assistance Cluster						637,392	-	637,392	637,392	-
PASSED THROUGH STATE DEPARTMENT OF EDUCATION										
Career and Technical Education-(Perkins IV)	(I)	84.048	380-170049	07-01-16/06-30-17	\$ 254,824	254,824	-	254,824	254,824	-
PASSED THROUGH LUZERNE COUNTY COMMUNITY COLLEGE										
Perkins-Post Secondary	(I)	84.048	381-16-4023	07-01-16/06-30-17	28,000	28,000	-	28,000	28,000	-
TOTAL U.S. DEPARTMENT OF EDUCATION						920,216	-	920,216	920,216	-
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES										
Passed Through State Department of Public Welfare										
Medicare	(I)	93.778	N/A	07-01-16/06-30-17	N/A	1,045	-	1,045	1,045	-
Medicare	(I)	93.778	N/A	07-01-15/06-30-16	N/A	1,590	1,590	-	-	-
TOTAL U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES						2,635	1,590	1,045	1,045	-
U.S. DEPARTMENT OF AGRICULTURE										
PASSED THROUGH STATE DEPARTMENT OF EDUCATION										
Child Nutrition Discretionary Grant	(I)	10.579	NSLP-15-PA-01	07-01-16/06-30-17	\$ 22,453	-	-	21,784	21,784	21,784
Child Nutrition Discretionary Grant	(I)	10.579	NSLP-15-PA-01	07-01-16/06-30-17	22,184	-	-	21,188	21,188	21,188
National School Lunch	(I)	10.555	1-29-54-690-7	07-01-15/06-30-16	N/A	13,911	13,911	-	-	-
National School Lunch	(S)	N/A	1-29-54-690-7	07-01-15/06-30-16	N/A	834	834	-	-	-
Reg/Ddy Breakfast	(I)	10.553	1-29-54-690-7	07-01-15/06-30-16	N/A	4,992	4,992	-	-	-
Reg/Ddy Breakfast	(S)	N/A	1-29-54-690-7	07-01-15/06-30-16	N/A	308	308	-	-	-
National School Lunch	(I)	10.555	1-29-54-690-7	07-01-16/06-30-17	N/A	97,054	-	112,048	112,048	14,994
National School Lunch	(S)	N/A	1-29-54-690-7	07-01-16/06-30-17	N/A	6,006	-	6,935	6,935	929
Reg/Ddy Breakfast	(I)	10.553	1-29-54-690-7	07-01-16/06-30-17	N/A	30,760	-	36,043	36,043	5,283
Reg/Ddy Breakfast	(S)	N/A	1-29-54-690-7	07-01-16/06-30-17	N/A	1,791	-	2,102	2,102	311
PASSED THROUGH DEPARTMENT OF AGRICULTURE										
National School Lunch	(I)	10.555	1-29-54-690-7	07-01-16/06-30-17	N/A (A)	12,797	(B) (257)	12,627	12,627 (D)	(427)
TOTAL DEPARTMENT OF AGRICULTURE						168,453	19,788	212,727	212,727	64,062
Less State Funds						(8,939)	(1,142)	(9,037)	(9,037)	(1,240)
Total Child Nutrition Cluster						159,514	18,646	203,690	203,690	62,822
TOTAL FEDERAL ASSISTANCE						\$ 1,082,365	\$ 20,236	\$ 1,124,951	\$ 1,124,951	\$ 62,822

Source Codes:

(I) Indicates Indirect Funding
(D) Indicates Direct Funding
(S) Indicates State Matching Funds
(*)Indicates major program

Other Code Legend:

(A) Total amount of commodities received
(B) Beginning inventory at July 1, 2016
(C) Total amount of commodities used
(D) Ending inventory at June 30, 2017

See notes to Schedule of Expenditures of Federal and Non-Federal Awards
which are an integral part of this statement.

SCHUYLKILL TECHNOLOGY CENTER
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND
NON- FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES:

The accompanying Schedule of Expenditures of Federal and Non-Federal Awards is prepared on the accrual basis of accounting.

NOTE 2 - INDIRECT COST

The school did not elect to use the 10% to minimize indirect cost rate.

SCHUYLKILL TECHNOLOGY CENTER

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY AND CONTRIBUTIONS**

PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM OF PA

JUNE 30, 2017

	<u>2015</u>	<u>2016</u>	<u>2017</u>
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY			
School's Proportion of the Net Pension Liability	0.0260%	0.0259%	0.0261%
School's Proportionate Share of Net Pension Liability	\$ 10,330,000	\$ 11,218,000	\$ 12,934,000
School's Covered-Employee Payroll	\$ 3,329,353	\$ 3,336,334	\$ 3,377,155
School's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	310%	336%	383%
	<u>2015</u>	<u>2016</u>	<u>2017</u>
SCHOOL CONTRIBUTIONS			
Statutorily Required Contribution	\$ 666,269	\$ 850,627	\$ 1,043,892
Contributions in Relation to the Statutorily Required Contribution	<u>(666,269)</u>	<u>(850,627)</u>	<u>(1,043,892)</u>
Contribution Deficiency (Excess)	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>
School's Covered-Employee Payroll	\$ 3,329,353	\$ 3,336,334	\$ 3,377,155
Contributions as a Percentage of Covered-Employee Payroll	20.01%	25.80%	30.91%

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

The Public School Employees' Retirement System Trust Fund's net pension liability and associated amounts are measured annually at June 30, based on an actuarial valuation as of the previous June 30. The School's contributions and related ratios represent cash contributions and any related accruals that coincide with the School's fiscal year ending June 30.