



PAFR

POPULAR ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDING JUNE 30, 2023



SOLON
CITY SCHOOL DISTRICT



TO THE CITIZENS OF THE SOLON CITY SCHOOL DISTRICT,

We are pleased to present the Solon City School District's (the "District") Popular Annual Financial Report (PAFR) for the year ending June 30, 2023.

This report makes our District's finances easier to understand, and communicates our financial situation in an open and accountable manner. The District has held the outstanding academic distinction of being rated an excellent public school district for the past 23 years. We are proud of this report and the support offered by the Board of Education in its creation.

The PAFR is prepared on the cash-basis of accounting, which differs from financial information prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The information presented is unaudited and has been compiled by the District for purposes of this informational report. Annually, the District prepares financial statements in accordance with GAAP and those financial statements are subject to an annual audit.

The PAFR focuses on the District's General Fund. The General Fund is the chief operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. The most significant items not reported in the General Fund include debt issuance and retirement and permanent improvements.

We would like to thank our citizens for their encouragement in creating a report designed to more adequately address their needs as taxpayers, as well as for the opportunity to serve them. Questions, comments and feedback regarding this report are encouraged, so please do not hesitate to contact the Treasurer's office at **(440) 248-1600** or at **Tim.Pickana@solonboe.org**.

Respectfully submitted,

A handwritten signature in blue ink that reads "Tim Pickana".

Tim Pickana
Treasurer

SOLON CITY SCHOOL DISTRICT

33800 Inwood Road
Solon, Ohio 44139

p. 440.248.1600
f. 440.248.7665

www.solonschools.org

RECEIPTS AND RESOURCES OVER DISBURSEMENTS AND SERVICES

The Financial Activity Statement below is shown on a cash-basis for the District's General Fund. This type of schedule, known in accounting terms as the income statement, provides a summary of the receipts and resources received by the District compared to the disbursements and services provided by the District.

RECEIPTS & RESOURCES <i>(shown in thousands)</i>	FY23	FY22	FY21	FY20
Property Taxes	\$69,087	\$67,021	\$65,285	\$60,881
Intergovernmental – State**	\$10,046	\$10,665	\$11,104	\$11,708
Revenue in Lieu of Taxes	\$1,737	\$2,073	\$1,227	\$702
Tuition	\$1,231	\$1,104	\$751	\$1,039
Earnings on Investments	\$1,255	\$538	\$184	\$841
Rental Income	\$119	\$72	\$12	\$132
Other Revenues and Sources	\$743	\$643	\$1,861	\$971
Advances and Transfers	\$2,494	\$75	\$210	\$355
Total Receipts and Resources	\$86,712	\$82,191	\$80,634	\$76,629

DISBURSEMENTS & SERVICES PROVIDED <i>(shown in thousands)</i>	FY23	FY22	FY21	FY20
Instruction	\$46,873	\$47,514	\$46,550	\$43,783
Pupil Support	\$4,116	\$3,876	\$3,632	\$3,281
Instructional Staff Support	\$2,225	\$2,252	\$2,173	\$2,033
Board/Administration/Fiscal	\$6,618	\$6,568	\$6,533	\$6,027
Business Support	\$7,365	\$2,585	\$2,082	\$2,143
Plant Operation	\$9,017	\$8,349	\$7,946	\$7,548
Transportation	\$4,037	\$3,588	\$3,291	\$3,273
Central Support	\$729	\$1,124	\$891	\$886
Extracurricular	\$1,849	\$1,608	\$1,430	\$1,595
Facilities Acquisition and Construction	\$5,948	\$6,297	\$2,810	\$3,677
Advances and Transfers	\$4,197	\$273	\$2,075	\$510
Total Disbursements and Services	\$92,974	\$84,034	\$79,413	\$74,756
Receipts and Resources Over (or Under) Disbursements and Services	(\$6,262)	(\$1,843)	\$1,221	\$1,873

**Includes state foundation, property tax allocations, state tangible personal property tax reimbursement, and other restricted and unrestricted grants in aid.

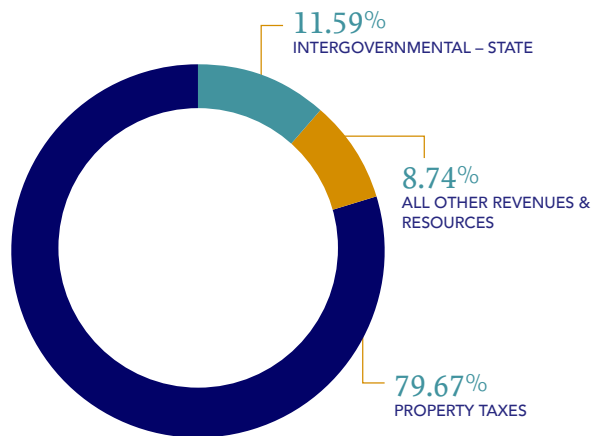
OUTSTANDING DEBT AT YEAR END—ALL FUNDS

The chart below captures the District's long-term debt obligations. In 2003 and 2005, the District issued school improvement debts. In years 2012 and 2015, the District issued refunding debts. The District refunds debts, as appropriate, to take advantage of better interest rates, which provides the District with future cash flow savings.

OUTSTANDING DEBT <i>(shown in thousands)</i>	FY23	FY22	FY21	FY20
General Obligation Debts:				
Series 2012 Refunding Bonds	\$405	\$795	\$1,175	\$1,540
Series 2015 Refunding Bonds	\$760	\$1,005	\$1,245	\$1,480
Total Outstanding	\$1,165	\$1,800	\$2,420	\$3,020

GENERAL FUND RECEIPTS AND RESOURCES

The graph below displays the cash-basis receipts and resources for the General Fund for fiscal year 2023.

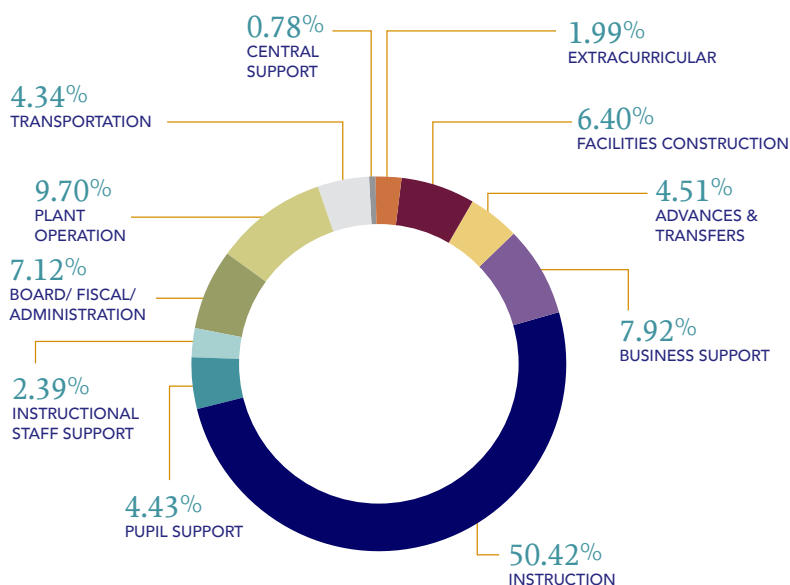


\$86,712 TOTAL

RECEIPTS AND RESOURCES (shown in thousands)

GENERAL FUND DISBURSEMENTS AND SERVICES

The graph below displays the cash-basis disbursements and services for the General Fund for fiscal year 2023.



\$92,974 TOTAL

DISBURSEMENTS AND SERVICES (shown in thousands)

OUR DISBURSEMENTS AND SERVICES DEFINITIONS

INSTRUCTION is the largest disbursement category and relates to the direct instruction of our students. Students are directly impacted by expenditures from this category.

PLANT OPERATION disbursements relate to the safe and efficient environment of the school including building maintenance, grounds, and custodial services.

TRANSPORTATION disbursements relate to providing transportation (mostly by bus) to all students who live in the Solon City School District consistent with Board of Education policies and the laws of the State of Ohio.

BOARD/FISCAL/ADMINISTRATION costs represent those of the administration and Board of Education's operation of the District. Also included in this category are school building secretarial support, financial services, payroll, accounts payable and receivable, auditing, budgeting and reporting, and fringe benefits administration.

BUSINESS SUPPORT costs include business services such as risk management, construction management, central warehousing, courier services, and copy disbursements.

PUPIL SUPPORT areas comprise all guidance services, speech, hearing, occupational therapy, physical therapy, and psychological services.

INSTRUCTIONAL STAFF SUPPORT costs include library services, mentor teacher program, technology integration support, and literacy collaborative support.

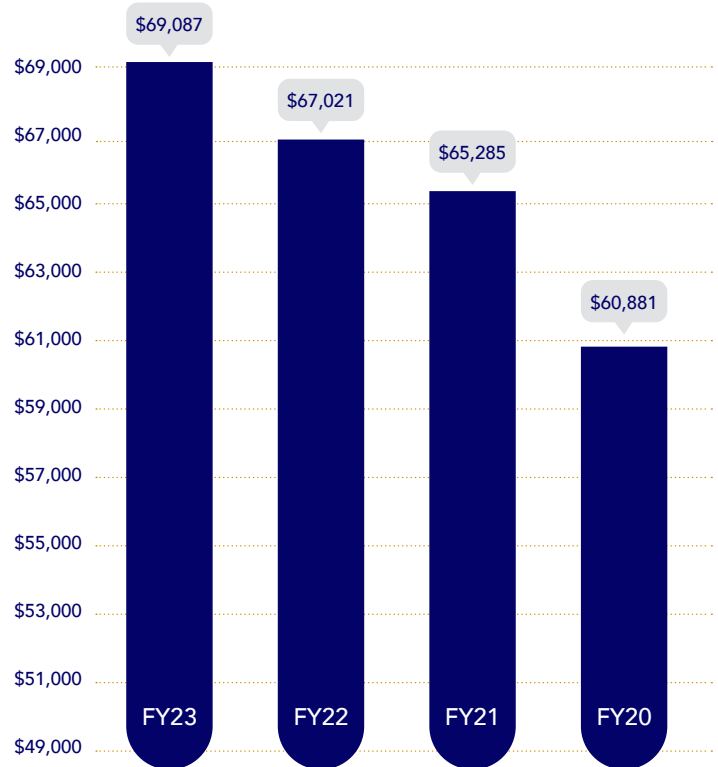
CENTRAL SUPPORT disbursements include community relations and technology maintenance staff, computer network maintenance contracts, district-wide postage costs, and strategic planning type activities.

EXTRACURRICULAR disbursements account for the salaries and benefits of club advisors and athletic coaches.

FACILITIES ACQUISITION AND CONSTRUCTION include disbursements for building improvements, site improvements, installing or extending service systems and other built-in equipment, and the acquisition of other capital assets.

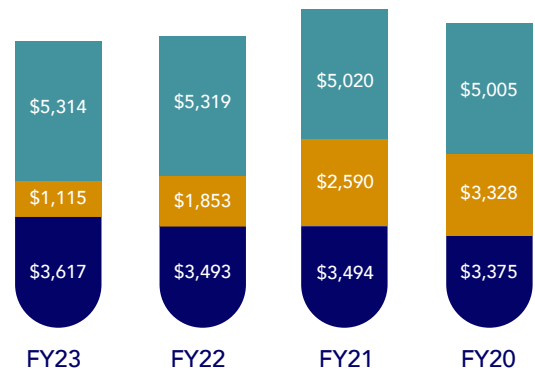
PROPERTY TAXES

To the right is a graph depicting the amount of cash collections received by the District from real and personal property taxes. Property taxes provide a majority of the local revenue to operate and maintain our schools. On May 4, 2010, the voters passed a new 6.9 mill operating levy. On November 5, 2013, the voters passed a new 0.80 mill levy with 0.40 mills used for continuing operations and 0.40 mills used for continuing permanent improvements. The total 0.80 mills offsets a 2013 0.80 mill tax rate decrease due to the district paying off a debt issuance. On May 8, 2018, the voters passed a new 8.5 mill incremental operating levy. The first increment of 1.6 mills became effective January 1, 2019 while the remaining 6.9 mills became effective January 1, 2020. At the same time of the 1.6 mill increase for operating the District realized a 1.6 mill decrease for debt service. Amounts shown in thousands.



STATE FUNDING

The chart to the right depicts the cash receipts for the District's General Fund from the State of Ohio. Monies received from the state are critical in running a fiscally solvent school district. The three primary components of state revenues are (1) unrestricted State Aid consisting of State Foundation, which is a formula calculation based upon student enrollment, (2) property tax allocations, which include Homestead and Rollback payments representing the portion of the tax bill paid by the state instead of by the taxpayer, and (3) State Tangible Personal Property (TPP) reimbursement, which is a hold harmless reimbursement related to the TPP tax phase-out. Amounts shown in thousands.



- PROPERTY TAX ALLOCATION & OTHER
- STATE TPP REIMBURSEMENT
- UNRESTRICTED STATE AID

UNBUNDLING THE TAX RATE

All tax rates for the District, except inside millage, are reduced as valuations increase. In accordance with House Bill 920, as property valuations increase during the triennial update and reappraisal periods, the voted millage is reduced in order to generate the same amount of tax revenue for the District as was received when each levy was initially approved by the voters. The chart below shows the difference in the District's "Gross" or voted tax rates, as compared to the "Effective" rates, which are what is being collected.

The rates below are for the 2022 tax year collected in 2023.

TAX BURDEN ON HOMEOWNERS

TYPE	GROSS RATE	EFFECTIVE RATE	LENGTH APPROVED
Inside – Operating	5.20	5.20	Permanent
Voted – Operating	80.80	41.61	Permanent
Permanent Improvement	2.80	1.22	Permanent
Bond Retirement	0.30	0.30	Various
Total Rates	89.10	48.33	

ASSESSED VALUES OF REAL PROPERTY

COLLECTION YEAR	AGRICULTURAL/ RESIDENTIAL AND OTHER REAL ESTATE	PUBLIC UTILITY PERSONAL	TOTAL
2023	\$1,378,278,810	\$48,980,870	\$1,427,259,680
2022	\$1,362,698,960	\$45,989,560	\$1,408,688,520
2021	\$1,261,652,510	\$45,067,730	\$1,306,720,240
2020	\$1,240,836,870	\$42,280,790	\$1,283,117,660
2019	\$1,242,303,860	\$40,136,420	\$1,282,440,280
2018	\$1,169,539,140	\$36,042,980	\$1,205,582,120
2017	\$1,168,980,270	\$36,201,080	\$1,205,181,350
2016	\$1,164,553,880	\$31,503,900	\$1,196,057,780
2015	\$1,113,168,690	\$26,319,330	\$1,139,488,020
2014	\$1,116,936,270	\$25,163,900	\$1,142,100,170



VALUE FOR LOCAL TAXPAYERS: LOW EFFECTIVE TAX RATE AND HIGH STUDENT ACHIEVEMENT

Despite funding challenges, including ongoing state revenue reductions, Solon's tax rates remain in the middle among comparison communities and the District is among Ohio's top performing each year.





OUR BELIEFS

- We believe every individual has inherent worth and dignity.
- We believe education empowers people.
- We believe lifelong learning is essential in a changing world.
- We believe educated citizens are essential to our global community.
- We believe quality public schools are essential to a democratic society.
- We believe quality public education is worth the investment of time, effort and money.
- We believe our public schools serve the entire community.
- We believe the education and well-being of our students is a partnership of the student, home, school and community.
- We believe diversity is a cornerstone of our community.
- We believe in a culture of acceptance, respect and belonging.
- We believe integrity and empathy are essential values throughout our school community.
- We believe learning thrives in a safe, nurturing and supportive environment.
- We believe social-emotional wellness fosters learning.
- We believe high-quality teachers are essential to high-quality education.
- We believe high-quality school support staff are critical to the education of our students.
- We believe students learn best when they take ownership of their learning.
- We believe all students have the right to reach their potential.
- We believe all students can and will learn.

OUR MISSION

Solon City Schools, a diverse learning community, will ensure all students attain the knowledge and skills to thrive and become empathetic, ethical, contributing citizens in an evolving global society through collaboration and unwavering commitment to empower every student, every day, to achieve personal excellence.

