

*Coatesville Area School District*  
*Finance Committee*



Members

Dean Snyder, Chair  
Robert Fisher  
James Hills

May 7, 2018

# Finance Committee Agenda

Coatesville Area Senior High School Auditorium

**May 7, 2018 - 6:00 PM**

(2<sup>nd</sup> Committee Meeting of the Evening)

**CHAIRPERSON:** Dean Snyder  
**BOARD MEMBERS:** Robert Fisher and James Hills  
**ADMINISTRATION:** Dr. Cathy Taschner and Karen Hall  
**CALL TO ORDER:** \_\_\_\_\_

## APPROVAL of MINUTES

Approval of the April 10, 2018 Finance Committee meeting minutes. (*Enclosure*)

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

## AGENDA ITEMS

### **A. Financial Statements**

**RECOMMENDED MOTION:** That the Board of School Directors approve the enclosed financial statements and the bills payable list, as presented. (*Enclosure*)

### **B. Austill's Rehabilitation Services, Inc. Contract**

**RECOMMENDED MOTION:** That the Board of School Directors approve the confidential student services contract with Austills to provide services for student 10007791 . (*Confidential Enclosure*)

### **C. Insight Substitute Teacher Services Contract**

**RECOMMENDED MOTION:** That the Board of School Directors approve the contract with Insight to provide substitute services for the 2018-19 school year. (*Enclosure*)

### **D. Bayridge Consortium Inc Contract**

**RECOMMENDED MOTION:** That the Board of School Directors approve the contract with Bayridge Consortium Inc. Contract for professional development services for Special Education with Dr. Richard Villa for the 2018-19 school year as presented. (*Confidential Enclosure*)

### **E. CCIU Service Agreement Senior Prom Parade**

**RECOMMENDED MOTION:** That the Board of School Directors approve the services agreement for live streaming of the Senior Prom Parade as presented. (*Enclosure*)

### **F. CCIU Service Agreement Senior Awards**

**RECOMMENDED MOTION:** That the Board of School Directors approve the services agreement for live streaming of the Senior Awards Ceremony as presented. (*Enclosure*)

### **G. Donations**

**RECOMMENDED MOTION:** That the Board of School Directors Accept the Donations as presented. (*Enclosure*)

<u>Donation</u>	<u>Donor</u>	<u>Amount</u>
Faculty Luncheon CAIHS	Texas Roadhouse, Downingtown PA	\$825.00 (valued at)

**H. Approval and Disbursement of Senior Awards & Scholarships**

**RECOMMENDED MOTION:** That the Board of School Directors accept the donations for the express purpose of senior scholarships and awards and approve the disbursement of the awards. *(Confidential Enclosure)*

**I. Approval of Independent Audit for 2016-17**

**RECOMMENDED MOTION:** That the Board of School Directors approve the Independent Auditor's Report for the 2016-17 Fiscal Year. *(Enclosure)*

**J. Administrative Services Agreement with QCC Insurance Company**

**RECOMMENDED MOTION:** That the Board of School Directors approve the contract with QCC Insurance Company as Claims Administrator for PPO Benefit Program. *(Enclosure)*

**K. Ox Creates Services Contract**

**RECOMMENDED MOTION:** That the Board of School Directors approve the contract with Ox Creates for continued public relations campaign work to include survey of community, teacher, administration, competitor analysis and realtor rating analysis, summary & recommendation with metrics. *(Confidential Enclosure)*

**L. Human Resources Report**

**RECOMMENDED MOTION:** That the Board of School Directors approve the resignations, appointments, new positions, leaves of absence, transfers, changes of status and corrections, as outlined below:

**1. Resignations - Regular and Extra Duty**

**RECOMMENDED MOTION:** That the Board of School Directors approve the following Resignations - Regular and Extra Duty:

a. ACT 93

- 1) Mitchell, Richard, Assistant Principal for the Coatesville Area Intermediate High School. Letter Dated: 4/24/2018. Reason: Personal. Effective: 6/29/2018.

b. CATA

- 1) Mondo, Susan, Guidance Counselor for South Brandywine Middle School. Letter Dated: 4/24/2018. Reason: Retirement. Effective: 6/30/2018.

**2. New Appointments - Regular and Extra Duty**

**RECOMMENDED MOTION:** That the Board of School Directors approve the following New Appointments - Regular and Extra Duty:

a. EXTRA DUTY

- 1) Cloud, Dawn, Summer School Elementary Teacher for the Coatesville Area School District. Posted: 1/23/2018. Salary: \$33/hour. Effective: 6/25/2018—8/2/2018. SP4: Staff.
  - 2) Deck, Elizabeth, ESY Aide for the Coatesville Area School District. Posted: 1/22/2018. Salary: \$12.50/hour. Effective: 6/25/2018—8/2/2018. SP4: Approved. Pending 168 Forms.
  - 3) DiPaola, Margaret, ESY Aide for the Coatesville Area School District. Posted: 1/22/2018. Salary: \$12.50/hour. Effective: 6/25/2018—8/2/2018. SP4: Staff.
  - 4) DiPiano, Megan, Summer School Music Teacher for the Coatesville Area School District. Posted: 1/23/2018. Salary: \$33/hour. Effective: 6/25/2018—8/2/2018. SP4: Staff.
  - 5) Hahn, Kathryn, ESY Teacher for the Coatesville Area School District. Posted: 1/22/2018. Salary: \$33/hour. Certifications: Pending Special Education PK-8 and PK-4. Effective: 6/25/2018—8/2/2018. SP4: Approved. Pending 168 Forms.
  - 6) Jackson, Eric, ESY Teacher for the Coatesville Area School District. Posted: 1/22/2018. Salary: \$33/hour. Certifications: Special Education PK-8 and PK-4. Effective: 6/25/2018—8/2/2018. SP4: Approved. Pending 168 Forms.
  - 7) Mercier, Michelle, ESY Teacher for the Coatesville Area School District. Posted: 1/22/2018. Salary: \$33/hour. Effective: 6/25/2018—8/2/2018. SP4: Staff.
  - 8) Powell-Cohen, Jessica, ESY Teacher for the Coatesville Area School District. Posted: 1/22/2018. Salary: \$33/hour. Certifications: Special Education PK-8 and PK-4. Effective: 6/25/2018—8/2/2018. SP4: Approved. Pending 168 Forms.
  - 9) Prescott, Heather, ESY Aide for the Coatesville Area School District. Posted: 1/22/2018. Salary: \$12.50/hour. Effective: 6/25/2018—8/2/2018. SP4: Staff.
  - 10) Steiner, Drew, Summer School Elementary Teacher for the Coatesville Area School District. Posted: 1/23/2018. Salary: \$33/hour. Effective: 6/25/2018—8/2/2018. SP4: Staff.
- b. VOLUNTEER
- 1) Nichols, Thomas, Football Volunteer for the Coatesville Area Senior High School. Effective: 2018—2019 School Year. SP4: Staff.
  - 2) Van Orden, Jeremiah, Football Volunteer for the Coatesville Area Senior High School. Effective: 2018—2019 School Year. SP4: Staff.

3. **Leave(s) of Absence**

**RECOMMENDED MOTION:** That the Board of School Directors approve the following Leave(s) of Absence as indicated:

- a. CATA

- 1) Kenworthy, Laura, Teacher for Reeceville Elementary School. Effective: 5/4/2018—6/8/2018.
- 2) Neff, Valerie, Teacher for Reeceville Elementary School. Medical Sabbatical Effective: 3/16/2018—3/15/2019.
- 3) Roach, Angela, Teacher for the Coatesville Area Intermediate High School. Effective: 4/18/2018—5/30/2018.
- 4) Shechtman, Alize, Teacher for Scott Middle School. Effective: 4/5/2018—6/8/2018.
- 5) Yi, James, Teacher for Caln Elementary School. Effective: 4/11/2018—4/20/2018.

4. **Leave(s) of Absence—Unpaid Personal**

**RECOMMENDED MOTION:** That the Board of School Directors approve the following Unpaid Personal Leave(s) of Absence as indicated:

a. CATA

- 1) Abgarian, Jillian, Teacher for Scott Middle School. Effective: 4/23/2018.
- 2) Carpia, Francine, Teacher for Scott Middle School. Effective: 4/26/2018—4/27/2018.
- 3) Farley, Patricia, Teacher for Scott Middle School. Effective: 4/20/2018; 4/27/2018.
- 4) Hamilton, Devyn, Guidance Counselor for Scott Middle School. Effective: 4/27/2018.
- 5) Jaskot, Gregory, Teacher for Reeceville Elementary School. Effective: 4/23/2018.
- 6) Neubauer, Jaelyn, Teacher for Scott Middle School. Effective: 4/23/2018.
- 7) Ritter, Audra, Teacher for Scott Middle School. Effective: 4/25/2018—4/26/2018.

b. CATSS

- 1) Keen, Melissa, 5.75 Hour Aide for Rainbow Elementary School. Effective: 4/19/2018.
- 2) Kennedy, Deborah, 6.5 Hour Aide for the Coatesville Area Senior High School. Effective: 4/23/2018—4/25/2018.
- 3) Marlow, Lakeesha, 4.5 Hour Aide for Caln Elementary School. Effective: 4/10/2018; 4/13/2018.
- 4) Sawyers, Stephanie, 5.75 Hour Aide for Reeceville Elementary School. Effective: 4/18/2018—4/27/2018.
- 5) Sweigart, Heather, 6.5 Hour Aide for Rainbow Elementary School. Effective: 4/26/2018; 4/30/2018.
- 6) Thompson, Fay, 5.75 Hour Aide for Rainbow Elementary School. Effective: 4/18/2018—4/27/2018.

c. FEDERATION

- 1) Crespo, Melissa, Custodian for the Coatesville Area Senior High School. Effective: 4/20/2018.
- 2) Hurst, Myia, Custodian for the Coatesville Area Intermediate High School. Effective: 4/20/2018—4/23/2018.

d. NON-CERT

- 1) Miller, Belinda, Cook Manager for the Coatesville Area Intermediate High School. Effective: 4/20/2018; 4/24/2018; 4/30/2018.

5. **Involuntary Transfers:**

**RECOMMENDED MOTION:** That the Board of School Directors approve the Involuntary Transfer of:

a. CATSS

- 1) MacCombie, Paula, move from One On One Aide for the Coatesville Area Intermediate High School to the Coatesville Area Cyber Academy. Effective: 4/25/2018.

**INFORMATIONAL ITEM(S)**

- Enrollment Reports for CASD & Charter Schools for the period ending April 30, 2018. (*Enclosure*)
- Budget Town Hall Report and Financing Update (Jeff Ammerman)

**OLD BUSINESS**

**NEW BUSINESS**

**PUBLIC COMMENT**

**ADJOURNMENT** \_\_\_\_\_

*Notice of this public meeting was advertised in the Daily Local News on January 1, 2018 and on the District website. Copies of the minutes will be maintained in the office of the Board Secretary.*



*Minutes to Approve*



# Finance Committee Minutes

Coatesville Area Senior High School Auditorium

**April 10, 2018 - 6:00 PM**

(3<sup>rd</sup> Committee Meeting of the Evening)

**CHAIRPERSON:** Dean Snyder  
**BOARD MEMBERS:** Robert Fisher and James Hills  
**ADMINISTRATION:** Dr. Cathy Taschner and Karen Hall  
**CALL TO ORDER:** 8:22 pm

## APPROVAL of MINUTES

Approval of the March 13, 2018 Finance Committee meeting minutes. (*Enclosure*)

**Motion:** James Hills                      **Second:** Robert Fisher                      **Vote:** 3-0

## AGENDA ITEMS

### **A. Financial Statements**

**RECOMMENDED MOTION:** That the Board of School Directors approves the enclosed financial statements and the bills payable list, as presented. (*Enclosures*)

**Motion:** Robert Fisher                      **Second:** James Hills                      **Vote:** 3-0

### **B. Barton Associates Contract**

**RECOMMENDED MOTION:** That the board of School Directors approve the contract with Barton Associates in the amount of \$10,750 for engineering services for the East Fallowfield boiler replacement. (*Confidential Enclosure*)

**Motion:** Robert Fisher                      **Second:** James Hills                      **Vote:** 3-0

### **C. Pennsylvania Trust Contract**

**RECOMMENDED MOTION:** That the board of School Directors approve the contract with the Pennsylvania Trust in an amount not to exceed \$8,300 for actuarial services from Conrad Seigel to calculate GASB 45 and GASB 75 amounts related to post-employment benefits. (*Confidential Enclosure*)

**Motion:** Robert Fisher                      **Second:** James Hills                      **Vote:** 3-0

### **D. Krapf Bus Contract**

**RECOMMENDED MOTION:** That the board of School Directors approve the five-year contract with the George Krapf, Jr. & Sons, Inc. to provide transportation services through July 31, 2023. (*Confidential Enclosure*)

**Motion:** Robert Fisher                      **Second:** James Hills                      **Vote:** 3-0

**E. Help Desk Support Specialist Contract**

**RECOMMENDED MOTION:** That the board of School Directors approve the Help Desk Support Specialist Contract with Logic Choice Business Technologies in the amount of \$99,500 (*Enclosure*).

Motion: Robert Fisher                      Second: James Hills                      Vote: 3-0

**F. Dismissal Resolution – Andrew Arcaro**

**RECOMMENDED MOTION:** In consideration of the attached Resolution that the Board of School Directors approve that Andrew Arcaro be and is hereby dismissed from employment effective immediately, subject to whatever rights he may have under any collective bargaining agreement, it being expressly understood that the School District hereby retains all defenses it has under the collective bargaining agreement, applicable law or otherwise.

Motion: Robert Fisher                      Second: James Hills                      Vote: 3-0

**G. Revised License with Art Partners**

**RECOMMENDED MOTION:** That the board of School Directors approve the revised license with Art Partners Studio for space in the Benner Building.

Motion: Robert Fisher                      Second: James Hills                      Vote: 3-0

**H. Donations**

**RECOMMENDED MOTION:** That the board of School Directors accept the following donations from the following sponsors:

<u>Amount</u>	<u>Donor/Sponsor</u>	<u>Purpose</u>
Art	Amanda Wisk	Gold Award Project, Autism Awareness
\$600	Anonymous	Retirement/Service Award Dinner
\$250	George Krapf Jr & Son's, Inc	Retirement/Service Award Dinner
\$500	ServiceMaster	Retirement/Service Award Dinner
\$500	EBS Healthcare	Retirement/Service Award Dinner
\$1,500	GCA Services Group, Inc	Retirement/Service Award Dinner
\$1,000	Anastasi Landscaping	Retirement/Service Award Dinner

Motion: Robert Fisher                      Second: James Hills                      Vote: 3-0

**I. Human Resources Report**

**RECOMMENDED MOTION:** That the Board of School Directors approves the resignations, appointments, new positions, leaves of absence, transfers, changes of status and corrections, as outlined below:

**1. Resignations - Regular and Extra Duty**

**RECOMMENDED MOTION:** That the Board of School Directors approve the following Resignations - Regular and Extra Duty:

a. CATA

- 1) Miller, Lindsay, Music Teacher for East Fallowfield Elementary School. Letter Dated: 3/23/2018. Reason: Personal. Effective: 6/8/2018.
- 2) Reynolds, Diane, Guidance Counselor for Friendship Elementary School. Letter Dated: 3/28/2018. Reason: Retirement. Effective: 6/8/2018.

b. FEDERATION

- 1) Ink, Connie, 3 Hour General Utility Worker for Friendship Elementary School. Letter Dated: 3/28/2018. Reason: Personal. Effective: 4/27/2018.
- 2) Watson, Sarita, 3.75 Hour General Utility Worker for Reeceville Elementary School. Letter Dated: 3/28/2018. Reason: Personal. Effective: 3/27/2018.

**2. New Appointments - Regular and Extra Duty**

**RECOMMENDED MOTION:** That the Board of School Directors approve the following New Appointments - Regular and Extra Duty:

a. EXTRA DUTY

- 1) Browne, Phyllis, Summer School Elementary Teacher for the Coatesville Area School District. Posted: 1/23/2018. Salary: \$33/hour. Certifications: Elementary K-6. Effective: 6/25/2018—8/2/2018. SP4: Approved. Pending 168 Forms.
- 2) Burgess, Betty, ESY Aide for the Coatesville Area School District. Posted: 1/22/2018. Salary: \$12.50/hour. Effective: 6/25/2018—8/2/2018. SP4: Staff.
- 3) Carter, Antoinette, ESY Aide for the Coatesville Area School District. Posted: 1/22/2018. Salary: \$12.50/hour. Effective: 6/25/2018—8/2/2018. SP4: Staff.
- 4) Colletti, Darlene, Summer School Librarian for the Coatesville Area School District. Posted: 1/23/2018. Salary: \$33/hour. Effective: 6/25/2018—8/2/2018. SP4: Staff.
- 5) Connolly-Daily, Christine, Mentor for Social Studies Teacher, Rebecca Eberly for the Coatesville Area Intermediate High School. Posted: 8/8/2017. Salary: \$1,000 (pro-rated). Effective: 3/22/2018. SP4: Staff.
- 6) Corcimiglia, Natalie, Girls' Star Advisor for the Coatesville Area Intermediate High School. Posted: 3/13/2018. Salary: \$500. Effective: TBD. SP4: Approved. Pending 168 Forms.

- 7) Cotto, Ruth, ESY Aide for the Coatesville Area School District. Posted: 1/22/2018. Salary: \$12.50/hour. Effective: 6/25/2018—8/2/2018. SP4: Staff.
- 8) Daugherty, Rebecca, Summer School Elementary Teacher for the Coatesville Area School District. Posted: 1/23/2018. Salary: \$33/hour. Effective: 6/25/2018—8/2/2018. SP4: Staff.
- 9) Ferretti-Smith, Renee, Summer School Elementary Teacher for the Coatesville Area School District. Posted: 1/23/2018. Salary: \$33/hour. Effective: 6/25/2018—8/2/2018. SP4: Staff.
- 10) Flad, Deborah, Girls' Star Advisor for South Brandywine Middle School. Posted: 3/13/2018. Salary: \$500. Effective: TBD. SP4: Staff.
- 11) Glah, Sarah, Homebound Instruction Tutor for the Coatesville Area School District. Posted: 11/28/2016. Salary: \$33/hour. Effective: 2017—2018 School Year. SP4: Staff.
- 12) Herr, Ashley, Intramural Club Sponsor for South Brandywine Middle School. Posted: 1/24/2018. Salary: \$440. Effective: 2017—2018 School Year. SP4: Staff.
- 13) Herr, Ashley, Homebound Instruction Tutor for the Coatesville Area School District. Posted: 11/28/2016. Salary: \$33/hour. Effective: 2017—2018 School Year. SP4: Staff.
- 14) Herr, Pamela, Homebound Instruction Tutor for the Coatesville Area School District. Posted: 11/28/2016. Salary: \$33/hour. Effective: 2017—2018 School Year. SP4: Staff.
- 15) Hines, Delores, ESY Substitute Teacher for the Coatesville Area School District. Posted: 1/22/2018. Salary: \$33/hour. Certifications: Special Education K-12, Elementary K-6. Effective: 6/25/2018—8/2/2018. SP4: Staff.
- 16) Hubiak, Katya, Intramural Club Sponsor for South Brandywine Middle School. Posted: 1/24/2018. Salary: \$440. Effective: 2017—2018 School Year. SP4: Staff.
- 17) Kane, Abigail, ESY Teacher for the Coatesville Area School District. Posted: 1/22/2018. Salary: \$33/hour. Certifications: Special Education PK-8, Grades PK-4. Effective: 6/25/2018—8/2/2018. SP4: Staff.
- 18) Knecht, Melissa, ESY Aide for the Coatesville Area School District. Posted: 1/22/2018. Salary: \$12.50/hour. Effective: 6/25/2018—8/2/2018. SP4: Staff.
- 19) Lindelow, Claire, Girls' Star Advisor for the Coatesville Area Senior High School. Posted: 3/13/2018. Salary: \$500. Effective: TBD. SP4: Staff.
- 20) Matijasich, Brian, Summer School Elementary Teacher for the Coatesville Area School District. Posted: 1/23/2018. Salary: \$33/hour. Effective: 6/25/2018—8/2/2018. SP4: Staff.

- 21) Nichols, Sean, ESY Teacher for the Coatesville Area School District. Posted: 1/22/2018. Salary: \$33/hour. Certifications: Special Education PK-12, Elementary K-6. Effective: 6/25/2018—8/2/2018. SP4: Staff.
- 22) Pitts, Linda, Girls' Star Advisor for Scott Middle School. Posted: 3/13/2018. Salary: \$500. Effective: TBD. SP4: Staff.
- 23) Pumo, Tracee, ESY Teacher for the Coatesville Area School District. Posted: 1/22/2018. Salary: \$33/hour. Certifications: Special Education PK-8, Elementary K-6. Effective: 6/25/2018—8/2/2018. SP4: Staff.
- 24) Rainer, Veronica, Summer School Elementary Teacher for the Coatesville Area School District. Posted: 1/23/2018. Salary: \$33/hour. Effective: 6/25/2018—8/2/2018. SP4: Staff.
- 25) Schwartz, Susan, Mentor for Elementary Teacher Abigail Kane for Reeceville Elementary School. Posted: 8/8/2017. Salary: \$500 (pro-rated). Effective: 4/2/2018.
- 26) Tabakelis, Margaret, Summer School Elementary Teacher for the Coatesville Area School District. Posted: 1/23/2018. Salary: \$33/hour. Effective: 6/25/2018—8/2/2018. SP4: Staff.
- 27) Warren, Jason, Homebound Instruction Tutor for the Coatesville Area School District. Posted: 11/28/2016. Salary: \$33/hour. Effective: 2017—2018 School Year. SP4: Staff.
- 28) Warren-Ward, Octavia, Homebound Instruction Tutor for the Coatesville Area School District. Posted: 11/28/2016. Salary: \$33/hour. Effective: 2017—2018 School Year. SP4: Staff.
- 29) Wise, Bryan, Summer School Elementary Teacher for the Coatesville Area School District. Posted: 1/23/2018. Salary: \$33/hour. Effective: 6/25/2018—8/2/2018. SP4: Staff.

b. VOLUNTEER

- 1) Kuehn, Robert, Volunteer Baseball Coach for North Brandywine Middle School. Effective: 3/28/2018. SP4: Approved. Pending 168 Forms.

3. Leave(s) of Absence/

**RECOMMENDED MOTION:** That the Board of School Directors approve the following Leave(s) of Absence as indicated:

a. CATA

- 1) Hackmeister, Elizabeth, Guidance Counselor for Caln Elementary School. Reason: Leave of Absence for Professional Development (Sabbatical Leave of Absence). Effective: 2018—2019 School Year.
- 2) Wesolowski, Paula, Teacher for South Brandywine Middle School. Effective: 2/12/2018—5/6/2018.
- 3) Ziff, Stephanie, Teacher for the Coatesville Area Senior High School. Effective: 3/12/2018—6/8/2018.

b. FEDERATION

- 1) Nicholson, Joseph, Custodian for Coatesville Area Senior High School. Effective: 2/23/2018—5/22/2018.

c. NON-CERT

- 1) Jackson, Karen, Recording Secretary for the Coatesville Area School District. Effective: 3/8/2018—5/14/2018.

**4. Leave(s) of Absence—Unpaid Personal**

**RECOMMENDED MOTION:** That the Board of School Directors approve the following Unpaid Personal Leave(s) of Absence as indicated:

a. CATA

- 1) Adams, Patricia, Teacher for Rainbow Elementary School. Effective: 3/29/2018.
- 2) Grune, Erin, Teacher for Reeceville Elementary School. Effective: 3/29/2018 Half Day.
- 3) Ramirez, Lisa, Teacher for Caln Elementary School. Effective: 3/29/2018; 4/2/2018—4/3/2018.
- 4) Scangarella, Craig, Teacher for Reeceville Elementary School. Effective: 4/6/2018.
- 5) Thompson, Jackie, Teacher for Rainbow Elementary School. Effective: 4/2/2018.
- 6) Yelcanin, Kelsey, Teacher for Rainbow Elementary School. Effective: 4/5/2018 Half Day.

b. CATSS

- 1) Bisignaro, Carol, Aide for Reeceville Elementary School. Effective: 3/15/2018—3/16/2018.
- 2) McLaughlin, Jena, 5.75 Hour Special Education One On One Aide for South Brandywine Middle School. Effective: 4/24/2018.

- 3) Sawyers, Stephanie, Aide for Reeceville Elementary School. Effective: 3/1/2018; 3/13/2018—3/15/2018; 3/19/2018—3/22/2018; 3/26/2018—3/28/2018.
- 4) Sweigart, Heather, Aide for Reeceville Elementary School. Effective: 3/27/2018—3/28/2018.

**Motion: Robert Fisher**

**Second: James Hills**

**Vote: 3-0**

**INFORMATIONAL ITEM(S)**

General Fund Budget Presentation – Director of Business Administration, Jeff Ammerman

**OLD BUSINESS**

**NEW BUSINESS**

**PUBLIC COMMENT**

**ADJOURNMENT**    This meeting adjourned at 9:15 pm

*Notice of this public meeting was advertised in the Daily Local News on January 1, 2018 and on the District website.  
Copies of the minutes will be maintained in the office of the Board Secretary.*

# Financial Statements



# Bills to be Approved

FOOD SERVICE FUND - From 04/21/2018 To 05/04/2018

Facksmc

Vendor Name	Description Of Purchase	Description Of Purchase	Check Amount
DUFF COMPANY	R&M EQUIPMENT.....		617.39
FEDERAL EXPRESS CORP	POSTAGE GENERAL.....		65.28
GAZZERROS TOWING INC	R&M EQUIPMENT.....		187.80
LINDEN COOKIES INC	FOOD.....		457.20
PAULA JONES	TRAVEL.....		21.58
PCS REVENUE CONTROL SYSTEMS	RENTALS EQUIPMENT.....		112.00
IN			
PENN JERSEY PAPER CO	GENERAL SUPPLIES.....		2,378.77
PHILA WAREHOUSE & COLD STORAGE	FOOD.....		1,156.68
QUILL CORPORATION	GENERAL SUPPLIES.....		454.60
Ricoh USA Inc.	LEASE/RENTL HARDWAR/TECH.....		64.00
SMART PARTNERS LLC	FOOD.....		8,477.70
TRIBLES INC	R&M EQUIPMENT.....		2,137.30
UNITED REFRIGERATION INC	R&M EQUIPMENT.....		7.21
US FOODSERVICE - ALLENTOWN	FOOD.....		28,315.86
US SUPPLY CO INC	R&M EQUIPMENT.....		76.60
WAWA INC	MLK.....		17,994.49

**51-FOOD SERVICE/CAFETERIA**

Grand Total Manual Checks :	0.00
Grand Total Regular Checks :	62,524.46
Grand Total Direct Deposits :	0.00
Grand Total Credit Card Payments:	0.00
Grand Total All Checks :	62,524.46

\* Denotes Non-Negotiable Transaction  
 p - Prenote      d - Direct Deposit

c - Credit Card Payment

# Bills to be Approved

FOOD SERVICE FUND - From 04/21/2018 To 05/04/2018

Facksmc

Vendor Name	Description Of Purchase	Description Of Purchase	Check Amount
DUFF COMPANY	R&M EQUIPMENT.....		617.39
FEDERAL EXPRESS CORP	POSTAGE GENERAL.....		65.28
GAZZERROS TOWING INC	R&M EQUIPMENT.....		187.80
LINDEN COOKIES INC	FOOD.....		457.20
PAULA JONES	TRAVEL.....		21.58
PCS REVENUE CONTROL SYSTEMS	RENTALS EQUIPMENT.....		112.00
IN			
PENN JERSEY PAPER CO	GENERAL SUPPLIES.....		2,378.77
PHILA WAREHOUSE & COLD	FOOD.....		1,156.68
STORAGE			
QUILL CORPORATION	GENERAL SUPPLIES.....		454.60
Ricoh USA Inc.	LEASE/RENTL HARDWAR/TECH.....		64.00
SMART PARTNERS LLC	FOOD.....		8,477.70
TRIBLES INC	R&M EQUIPMENT.....		2,137.30
UNITED REFRIGERATION INC	R&M EQUIPMENT.....		7.21
US FOODSERVICE - ALLENTOWN	FOOD.....		28,315.86
US SUPPLY CO INC	R&M EQUIPMENT.....		76.60
WAWA INC	MLK.....		17,994.49

**51-FOOD SERVICE/CAFETERIA**

Grand Total Manual Checks :	0.00
Grand Total Regular Checks :	62,524.46
Grand Total Direct Deposits:	0.00
Grand Total Credit Card Payments:	0.00
<b>Grand Total All Checks :</b>	<b>62,524.46</b>

\* Denotes Non-Negotiable Transaction  
 p - Prenote                      d - Direct Deposit                      c - Credit Card Payment

# Bills to be Approved

GENERAL FUND - From 04/21/2018 To 05/04/2018

facksmc

Vendor Name	Description Of Purchase	Description Of Purchase	Check Amount
A J BLOSENSKI INC	Disposal Svcs.....		154.51
AQUA PENNSYLVANIA INC	Water/Sewer.....		2,495.19
CITADEL CREDIT UNION	UNION DUES.....		1,085.23
COATESVILLE AREA TEACHER ASSOC	UNION DUES.....		22,072.83
DIVERSIFIED COLLECTION SERVICE	WAGE ATTACHMENT - OTHER.....		114.23
EAGLE DISPOSAL OF PA INC	Disposal Svcs.....		7,597.04
PA-AMERICAN WATER COMPANY	Water/Sewer.....		3,843.98
PIONEER CREDIT RECOVERY	WAGE ATTACHMENT - OTHER.....		159.96
PUBLIC SCHOOL EMPLOYEE RET SYS	RETIREMENT CONTRIB.....		11,840.33
SECURITY BENEFIT COMPANIES	FSA MEDICAL CARE W/H.....	DEPENDENT CARE W/H.....	3,948.94
SUBURBAN PROPANE	Bottled Gas.....		6.00
TEAMSTERS LOCAL 384	UNION DUES.....		5,300.68
TG COLLECTIONS	WAGE ATTACHMENT - OTHER.....		198.00
US DEPT OF EDUCATION	WAGE ATTACHMENT - OTHER.....		438.84
BEN I LAGARDE	4/24 BASEBALL 9TH GR DTOWN EAST...		70.00
DAVID BORTZ	04/18 SOFTBALL VAR DTOWN WEST.....		66.00
EDWARD TABBUT	4/20 SOFTBALL VAR RUSTIN.....		66.00
HUGH G WHINNERY	4/20 SOFTBALL MS SB CHESTER.....		60.00
JACK A KELLY	4/20 SOFTBALL VAR RUSTIN.....		66.00
JOSEPH L PICCERILLO JR	4/23 BASEBALL VAR WEST CHESTER EAS	4/18 SOFTBALL JV DTOWN WEST.....	128.00
LEWIS E FLINN JR	4/13 SOFTBALL MS SB PENNS GROVE...		60.00
NATHAN C HUANG	4/12 SOFTBALL MS SB FRED ENGLE....		60.00
PATRICIA REIDINGER	4/24 GIRLS LACROSSE V/JV DTOWN EAS	4/20 GIRLS LACROSSE PENN WOOD.....	201.00
RICHARD D PATTERSON	4/23 BASEBALL VAR WEST CHESTER EAS		72.00
ROBERT E MULL	4/26 BASEBALL VAR SUN VALLEY.....		72.00
VICTOR N BRUNO	4/18 SOFTBALL JV DTOWN WEST.....		56.00
WILEY STUART VAN SANT	4/26 SOFTBALL VAR SUN VALLEY.....		66.00
GREGORY G MATTOLOI	4/26 BASEBALL 9TH VAR DTOWN WEST S	4/12 BASEBALL MS SB FRED ENGLE....	206.00
MARY SUE CHRISTOPHER	4/20 GIRLS LACROSSE VAR PENNWOOD..		71.00
MIKE MCGARVEY	4/23 BASEBALL JV WEST CHESTER EAST		84.00
PATRICIA HUGHES	4/24 GIRLS LACROSSE V /JV DTOWN EA		130.00
BETH A CONLEY	4/16 GIRLS LACROSSE JV UPPER DARBY		59.00
LISA A KIZIUK	4/16 GIRLS LACROSE VAR UPPER DARBY		71.00
WILLIAM S BRIM	4/20 SOFTBALL JV RUSTIN.....		56.00
JOHN T RILEY	4/18 SOFTBALL VAR DTOWN WEST.....		66.00
DEBORAH I FOSTER	4/16 GIRLS LACROSSE VAR UPPER DARB	4/24 GIRLS LACROSSE VAR DTOWN EAST	142.00
KENNETH R COOPER JR	4/16 GIRLS LACROSSE V/JV UPPER DAR		130.00
JOHN C BARTON III	4/20 SOFTBALL JV RUSTIN.....		56.00
MICHAEL R DUNN	4/26 SOFTBALL VAR SUN VALLEY.....		66.00

\* Denotes Non-Negotiable Transaction

p - Prenote

d - Direct Deposit

c - Credit Card Payment

# Bills to be Approved

GENERAL FUND - From 04/21/2018 To 05/04/2018

facksmc

Vendor Name	Description Of Purchase	Description Of Purchase	Check Amount
AHOLD FINANCIAL SERVICES LLC	Security/Safety Services.....		1,017.56
ALL POINTS SECURITY CO INC	General Supplies - Administrat.....		732.00
ASCD			178.00
BARNES & NOBLE	Learning Support - Prof Svcs.....		2,605.54
BAYADA HOME HEALTHCARE INC	Repair & Maintenance - Equipme....		5,854.93
BEAR COMMUNICATIONS INC	TUITION APS.....		534.99
BUCKS COUNTY IU #22	Repair & Maintenance - Equipme....		7,076.17
C & R GLASS INC	TUITION APS.....		41.85
CAMPBELL SPECIAL SCHOOL INC	Instr - Cert Staff - Tuition.....		2,536.16
CARI JONES	Graduation Exp - Supplies.....		1,021.50
CASD - FOOD SERVICE	General Supplies.....		610.00
CRAWLEY ENVIRONMENTAL SERVICES INC / CES			4,798.05
CCTU #24 - GENERAL FUND	PROF-ED SVCS-IU.....		4,830,548.91
CGRES INC	Other Professional Svcs.....		2,076.25
CHEM AQUA INC	General Supplies.....		1,800.00
CHRISTOPHER G ROBERTS	Learning Support - Prof Svcs.....		2,890.00
CITY OF COATESVILLE	Other Professional Services.....		225.00
CITY OF PHILADELPHIA	LOCAL INCOME TAX.....		2,093.33
COLLEGE BOARD PUBLICATIONS	SAT Testing.....		512.00
COLONIAL ELEC SUPPLY COMPANY INC	General Supplies.....		746.97
COMMUNICATION SOLUTIONS GROUP	Printing & Binding.....		765.00
CONCERN	Title I - Part D - Prof Svcs.....		10,592.25
CONSTELLATION NEWENERGY GAS DIVISION LLC	Natural Gas (Heat & A/C).....		35,788.22
CRITICARE HOME HEALTH & NURSING SERVICES /	Learning Support - Prof Svcs.....		1,702.00
DELL MARKETING LP	Supplies/Fees-Technology.....		6,988.83
DENNEY ELECTRIC SUPPLY	Repair & Maintenance - Equipme....		246.60
DEVEREUX ADVANCED BEHAVIORAL HEALTH	TUITION APS.....		12,782.00
DICK BLICK HOLDINGS INC	General Supplies - Art.....		40.56
EAM SECURITY / E A WATJEN INC	Supplies/Fees-Technology.....		1,000.00
EBS HEALTHCARE	Learning Support - Prof Svcs.....		64,660.40
ECHELON PROTECTION & SURVEILLANCE	Security/Safety Services.....		9,893.00
ECONOMY GLASS	General Supplies.....		1,798.00
EDWIN JOHN & KRISTIN L	Real Estate Taxes.....		955.14

\* Denotes Non-Negotiable Transaction  
 p - Prenote      d - Direct Deposit      c - Credit Card Payment  
 Repair & Maintenance - Bulldin....

**Bills to be Approved**  
 GENERAL FUND - From 04/21/2018 To 05/04/2018

facksmc

Vendor Name	Description Of Purchase	Description Of Purchase	Check Amount
CARLIN EFAX CORPORATE / J2 CLOUD SERVICES INC	Communications / Postage.....		749.50
ELWYN ERIC G & GLYNIS L DEGRAND EUROFINS QC INC	TUITION APS..... Real Estate Taxes..... General Supplies.....		3,122.65 1,015.68 219.50
EVENT CENTRAL RENTAL & SALES / SCHUBBEO HOLDINGS FASTENAL COMPANY FISHER & SON & CO FREDERICK STRONG JR GAZZERROS TOWING INC GOPHER SPORT / THE PROPHET CORPORATION	Graduation Exp - Equip Rental..... General Supplies..... Repair & Maintenance - Equipme.... Learning Support - Prof Svcs..... Repairs & Maint - Vehicles..... General Supplies.....		1,500.00 124.00 221.25 8,240.00 3,011.89 342.90
GREG A VIETRI INC HANDI-CRAFTERS INC HICKMAN SANITATION SERVICE LLC INSIGHT WORKFORCE SOLUTIONS INC	Repair & Maintenance - Equipme.... Learning Support - Prof Svcs..... Rentals - Equipment.....		138.00 2,365.00 1,347.00
INC INTERSTATE TAX SERVICE INC JAMES HUGH CAMP III JAMES J MORRISON III JOHNSON CONTROLS INC JOHNSTONE SUPPLY KAREN M SHAFFER KELLYS SPORTS LTD KIDS PEACE NATIONAL CNTR KISTLER OBRLEN FIRE PROTECTION	Employer Unemployment Comp..... Interim Real Estate Taxes..... Repair & Maintenance - Equipme.... Repair & Maintenance - Equipme.... General Supplies..... Learning Support - Prof Svcs..... Repair & Maintenance - Equipme....		555.18 450.00 1,595.25 11,744.57 204.88 1,012.50 160.00 80.00 1,110.00
GEORGE KRAPF JR & SONS INC KRISTINE M ANDERSON LANCASTER-LEBANON TV LANGUAGE LINE SERVICES INC LESLES SWIMMING POOL SUPPLIES LORI VANDERBILT LLC Logic Choice Business Technologies, LLC MARGARET E REITZ MEGAN E COOPER	Instr - Cert Staff - Tuition..... PROF ED SVC-EE TRAINING..... Title III - Translation..... Repair & Maintenance - Equipme.... Learning Support - Prof Svcs..... Otr Tech Svcs - Tech Plan..... Interim Real Estate Taxes..... Instr - Cert Staff - Tuition.....	Dues & Fees.....	1,925,373.17 271.50 1,432.10 781.19 57.94 7,960.00 55,807.25 245.02 1,080.00

\* Denotes Non-Negotiable Transaction  
 P - Prenote      d - Direct Deposit      c - Credit Card Payment

# Bills to be Approved

GENERAL FUND - From 04/21/2018 To 05/04/2018

facksmc

Vendor Name	Description Of Purchase	Description Of Purchase	Check Amount
MEGAN L BATTEN	Instr - Cert Staff - Tuition.....		1,919.25
MICHAEL D DEHAUT	Parent Involvement - Travel.....		1,327.50
MIDWESTERN INTERMEDIATE UNIT			666.00
IV			
NATHANIEL M QUATTEBAUM	Dues & Fees.....		1,721.25
NATIONAL NOTARY ASSOCIATION	STEM Scholarship Grant.....		62.50
OFFICE DEPOT	Maint - Other purchased serve....	PROF ED SVC-EE TRAINING.....	161.55
OFFICE TEAM	Dues & Fees.....		3,026.64
PA ASSOC OF ELEMENTARY SCH			595.00
PRI			
PAXTON PATTERSON LLC	General Supplies.....		65.00
PDM SERVICE COMPANY INC	Repair & Maintenance - Equipme....		696.09
PLATINUM EPOXY LLC	Epoxy for Reeceville.....		5,277.00
QUILL CORPORATION		GENERAL SUPPLIES.....	3,148.33
R E MITCHEL COMPANY INC	Repair & Maintenance - Equipme....		165.56
READYREFRESH	General Supplies	Blanket PO F	47.39
RITA D PEREZ	Non Instr - Non Cert - Tuitt.....		2,292.00
ROBERT E LITTLE INC	General Supplies.....		326.41
ROBERTA L PRESSER			252.75
SADDLEBACK EDUCATIONAL INC	General Supplies.....		360.86
SCHOOL HEALTH CORPORATION	General Supplies.....		216.55
SCHOOL SPECIALTY INC	Repair & Maintenance - Buildin....		94.25
SERVICE WHOLESALE INC	Oil (Heat).....		47.95
SHELLER OIL CO INC	General Supplies.....		1,789.82
SHERWIN-WILLIAMS PAINT	General Supplies.....		799.08
SILVER SPRINGS MARTIN LUTHER	TUITION APS.....		179.55
S			
SPORTSMANS / GEORGE HEIDER	General Supplies.....		3,078.31
INC			
SUNESYS HIGH PERFORMANCE	General Supplies.....		1,285.20
COMM			
T FRANK MCCALLS INC	General Supplies.....		3,465.00
TEACHERS DISCOVERY	Books & Periodicals - Spanish.....		259.09
THE PITNEY BOWES RESERVE			3,180.00
ACCOUNT			
THE TIMOTHY SCHOOL	TUITION APS.....		3,289.50
THOMSON WEST	BOOKS & PERIODICALS.....		34.00
TOTAL RENTAL	Repair & Maintenance - Buildin....		1,108.04
TRUSTEES OF THE UNIVERSITY	Title II - Staff Dev Training.....		10,000.00
OF PENNSYLVANIA			
United Concordia	SELF-INSURANCE DENTAL.....		5,558.40

\* Denotes Non-Negotiable Transaction  
 P - Prenote      d - Direct Deposit      c - Credit Card Payment



# Bills to be Approved

AGENCY FUND - From 04/21/2018 To 05/04/2018

facksmc

Vendor Name	Description Of Purchase	Description Of Purchase	Check Amount
READYREFRESH	SB - SNAPPLE MONTHLY WATER BILL...		59.42
SHIRTS N MORE	SB - ORCHESTRA MUSIC IN PARK TSHIR		102.00
CASD - GENERAL FUND	SB -FIELD TRIPS 3/16 PEOPLE LIGHT	NB - MUSIC 12/8 EXTON MALL FIELD T	1,135.32
MUSIC AND ARTS CENTER	NB - MUSIC CLASSROOM SUPPLIES.....		1,045.22
FESTIVALS OF MUSIC	SB - ORCHESTRA MUSIC IN PARKS 4/18		992.00
SIX FLAGS GREAT ADVENTURE	SC - FIELD TRIP 8TH GR FIELD TRIP.		3,688.88
LLC			
FRANKLIN INSTITUTE	NB - MUSIC 5/23 FIELD TRIP TICKETS		809.00
<b>89-OTHER AGENCY FUND</b>			<b>7,831.84</b>
	Grand Total Manual Checks :		0.00
	Grand Total Regular Checks :		7,831.84
	Grand Total Direct Deposits:		0.00
	Grand Total Credit Card Payments:		0.00
	Grand Total All Checks :		7,831.84



# Bills to be Approved

STUDENT ACTIVITIES - From 04/21/2018 To 05/04/2018

facksmc

Vendor Name	Description Of Purchase	Description Of Purchase	Check Amount
HERSHEY PARK GROUP SALES	SC - STUDENT COUNCIL HERSHEY PARK		1,527.45
MUSIC THEATRE INTERNATIONAL	SC - DRAMA DISNEY LITTLE MERMAID..		1,233.25
ANDERSONS	NB - STUDENT COUNCIL FORMAL DECORA		702.08
CASD - GENERAL FUND	CASH - SPANISH 3/24 / 3/28 PUERTO		1,202.72
CHRISTINE ANN CLAYPOOLE	CASH - CLASS OF 2019 REIMBURSE JR		308.48
COATESVILLE COUNTRY CLUB	CASH - AFJROTC MILITARY BALL MEALS		3,749.40
JASON REMALLY	CASH - CLASS OF 2019 JR PROM DJ..		1,000.00
LONDON PHOTO BOOTHS	CASH - CLASS OF 2019 PHOTOBOOTH JR		550.00
KRISSY FORRES	SC - STUDENT COUNCIL FIELD TRIP RE		50.00
	<b>81-ACTIVITY FUND</b>		<b>10,323.38</b>
	Grand Total Manual Checks :		0.00
	Grand Total Regular Checks :		10,323.38
	Grand Total Direct Deposits:		0.00
	Grand Total Credit Card Payments:		0.00
	Grand Total All Checks :		10,323.38

\* Denotes Non-Negotiable Transaction  
 P - Prenote                      d - Direct Deposit

c - Credit Card Payment

# Austill's Rehabilitation Services Contract

*Confidential Student Contract*

# Insight Substitute Teacher Services Contract



## Insight Workforce Solutions

### SUBSTITUTE PLACEMENT AGREEMENT

This Agreement, is effective as of July 1, 2018, (“Effective Date”) by and between **Insight Workforce Solutions LLC**, a New Jersey limited liability company (the “**Company**”) located at 523 Hollywood Ave, Cherry Hill, New Jersey 08002, and the Coatesville Area School District located at 3030 CG Zinn Road, Thorndale, PA 19372.

Whereas, the District and the Company entered into an Agreement 2017-2018 school year (“Prior Agreement”), whereby Company is to provide substitute staffing to fill positions at the request of the District; and

Whereas, District and Company are desirous of entering into an Agreement for the 2018-2019 school year under substantially the same terms; amending the Agreement with the provisions set forth below;

Now, therefore, be it agreed between the parties, as follows:

1. All terms and conditions of the Prior Agreement are incorporated herein with the following modifications:
  - a) Section 7 is modified to reflect that the term of this Agreement shall be July 1, 2018, through June 20, 2019.
  - b) Section 6.3 is modified to reflect If, after the effective date of this Agreement, any law, regulation and/or policy is enacted that is applicable to either the Company or the District, and which requires the Company to provide increased and/or additional compensation and/or benefits to Substitute Staff, the Company may change the Pricing Plan for the current year contained on Addendum A. The Pricing Plan shall be adjusted to reflect the actual cost increase to the Company reasonably calculated on a direct or pro rata basis.
  - c) Section 9 is modified to add “Company acknowledges DISTRICT’s obligation to comply with the Open Public Records Act (N.J.S.A. 47:1A-1 et. seq.) and/or the Common Law right of access. Without limitation of the foregoing, DISTRICT agrees to provide prompt notice to Company of any public records request pertaining to this Agreement or Company’s services. To the extent permitted by applicable law, DISTRICT shall further allow Company a reasonable opportunity to request redaction to any applicable materials and/or challenge any such request prior to DISTRICT’s response to any such request.
  - d) The Detailed Per Diem Pricing Plan, attached as Addendum A to the Prior Agreement, shall be replaced with the Pricing Plan attached hereto as Exhibit B.
2. Except as specifically and explicitly set forth herein, all other terms of the Agreement shall remain in full force and effect.

**ADDENDUM B TO AGREEMENT**

**Detailed Per Diem Pricing Plan**

<b>Job Description</b>	<b>Pay Rate</b>	<b>Bill Rate</b>
Substitute Teacher – Full Day	\$100.00	\$133.83
Substitute Teacher – Half Day	\$ 50.00	\$ 66.91
Substitute Nurse	\$100.00	\$133.83
Building Perm Substitute Teacher <i>(After Day 20)</i>	\$130.00	\$173.97
All Mondays & Fridays in a Month Worked <i>(Pay Rate per Monday &amp; Friday)</i>	\$ 30.00	\$ 40.15

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first set forth above.

**Insight Workforce Solutions LLC.**

By \_\_\_\_\_  
Insight Workforce Solutions

**Coatesville Area School District**

By \_\_\_\_\_  
Signature

\_\_\_\_\_  
Name and Title

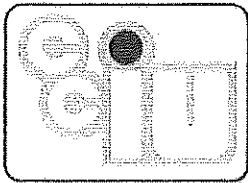
Date \_\_\_\_\_

# Bayridge Consortium Inc. Contract

*Confidential Enclosure*

# CCIU Agreement for Prom Parade





# Chester County Intermediate Unit

## SERVICE AGREEMENT

**Client** Coatesville Area School District

**Services to be Provided** Chester County Intermediate Unit, Innovative Educational Services will provide live stream services for the Coatesville Senior Prom Parade on June 1, 2018 being held at the High School

**Date(s) of Service** June 1, 2018

**Location of Service** Coatesville Area Senior High School, 1445 Lincoln Highway, Coatesville, PA 19320

**Fees/ Terms** The live stream service will be on June 1, 2018 from 6:30 p.m. until 8:30 p.m. and available to the viewing audience via [ccitv.cciu.org](http://ccitv.cciu.org).

The event will be re-aired in its entirety at [ccitv.cciu.org](http://ccitv.cciu.org) through the CCI TV video on demand video library at your request and at no charge.

Site visit: 2 IU staff members for 1 hour @ \$65 = \$130

Event: 3 IU staff members for a total of 5.5 hours @ \$65.00 per hour = \$1,072.50.

Total Fee = \$1,202.50.

The cost of this service includes all equipment, three staff and travel.

Signature below indicates that this agreement has been received, read, understood, and its provisions accepted.

Return one signed copy of this agreement to Cathy Lenhart, Innovative Educational Services, CCIU, 455 Boot Road, Downingtown PA 19335, or [CathyL@cciu.org](mailto:CathyL@cciu.org).

### Approvals

#### CCIU Contact

#### Client

*Niki Harvey* 4/9/18  
Signature Date

Signature Date

Niki Harvey, Ed.D.  
Director  
Educational Leadership Services  
484-237-5314  
[NikiH@cciu.org](mailto:NikiH@cciu.org)

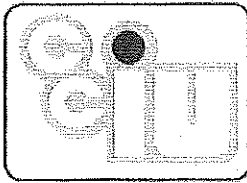
Michele Snyder, Principal  
Coatesville Area Senior H.S.  
1445 East Lincoln Highway  
Coatesville, PA 19320

Date Prepared 4/2/2018

Educational Service Center, 455 Boot Road, Downingtown, PA 19335

Phone: (484) 237-5362 • [DeafRelay@cciu.org](mailto:DeafRelay@cciu.org) • [www.cciu.org](http://www.cciu.org)

# CCIU Agreement for Senior Awards



# Chester County Intermediate Unit

## SERVICE AGREEMENT

**Client** Coatesville Area School District

**Services to be Provided** Chester County Intermediate Unit, Innovative Educational Services will provide live stream services for the Coatesville Senior Awards Ceremony on June 5, 2018 being held at the High School

**Date(s) of Service** June 5, 2018

**Location of Service** Coatesville Area Senior High School, 1445 Lincoln Highway, Coatesville, PA 19320

**Fees/ Terms** The live stream service will be on June 5, 2018 from 6:30 p.m. until 9:30 p.m. and available to the viewing audience via ccitv.cciu.org.

Site visit: 2 IU staff members for 1 hour @ \$65 = \$130

Event: 3 IU staff members for a total of 6.5 hours @ \$65.00 per hour = \$1,267.50.

Total Fee = \$1,397.50.

The cost of this service includes all equipment, three staff and travel.

Signature below indicates that this agreement has been received, read, understood, and its provisions accepted.

Return one signed copy of this agreement to Cathy Lenhart, Innovative Educational Services, CCIU, 455 Boot Road, Downingtown PA 19335, or Cathyl@cciu.org.

### Approvals

#### CCIU Contact

#### Client

*Niki Harvey* 4/9/18  
Signature Date

Signature Date

Niki Harvey, Ed.D.  
Director  
Educational Leadership Services  
484-237-5314  
NikiH@cciu.org

Michele Snyder, Principal  
Coatesville Area Senior H.S.  
1445 East Lincoln Highway  
Coatesville, PA 19320

Date Prepared 4/2/2018

# Donations



## COATESVILLE AREA INTERMEDIATE HIGH SCHOOL

1425 East Lincoln Highway, Coatesville, PA 19320  
Phone (610) 383-3735

*Brian M. Chenger, Principal*

*Joseph L. MacNamara Jr., Assistant Principal*  
*Eileen Rudisill, Assistant Principal*

*Richard A. Mitchell Jr., Assistant Principal*  
*Matthew McCain, Director of Activities, Athletics, and Compliance*

---

To: Jason Palaia, Director of Elementary and Secondary Education

From: Brian M. Chenger, Principal

Subject: Request for Board Approval to accept a donation per Policy 702

Date: April 30, 2018

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Please accept this as my formal request for board approval to accept a donation from Texas Roadhouse in Downingtown, PA for a faculty luncheon on May 11 for teacher appreciation week. The approximate value of the luncheon is \$825.00.

### **AN EQUAL OPPORTUNITY EMPLOYER**

*The Coatesville Area School District does not discriminate in employment, educational programs, or activities based on race, sex, handicap, or national origin. This policy of non-discrimination extends to all other legally protected classifications in accordance with state and federal laws including Title IX of the Education Amendments of 1972 and Section 503 and 504 of the Rehabilitation Act of 1973.*

# Independent Audit Report 16-17

**COATESVILLE AREA SCHOOL DISTRICT**

**ANNUAL FINANCIAL REPORT**

*Year Ended June 30, 2017*



*Certified Public Accountants and Business Consultants*

# **INTRODUCTORY SECTION**



**COATESVILLE AREA SCHOOL DISTRICT**  
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**YEAR ENDED JUNE 30, 2017**

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**YEAR ENDED JUNE 30, 2017**

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## **FINANCIAL SECTION**

## ***Independent Auditors' Report***

To the Board of School Directors  
Coatesville Area School District  
Coatesville, Pennsylvania

### ***Report on the Financial Statements***

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' 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 auditors' 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.

To the Board of School Directors  
Coatesville Area School District  
Coatesville, Pennsylvania

### ***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 Coatesville Area School District 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 6 through 12, budgetary comparison information on pages 50 and 51, schedule of the school district's proportionate share of the net pension liability on page 52, schedule of school district contributions on page 53 and postemployment benefits other than pension funding progress on page 54 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 Coatesville Area School District's basic financial statements. The schedule of expenditures of federal awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and is not a required part of the basic financial statements.

To the Board of School Directors  
Coatesville Area School District  
Coatesville, Pennsylvania

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates 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 schedule of expenditures of federal awards is 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 February 27, 2018, on our consideration of the Coatesville Area School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Coatesville Area School District's internal control over financial reporting and compliance.

*Maille LLP*

Oaks, Pennsylvania  
February 27, 2018

**COATESVILLE AREA SCHOOL DISTRICT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
YEAR ENDED JUNE 30, 2017

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The discussion and analysis of Coatesville Area School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review any notes to the financial statements to enhance their understanding of the School District's financial performance.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for 2016-17 are as follows:

The Net Change in the Fund Balance for all Governmental Funds decreased by \$10,034,418. The bulk of this will be discussed later, but was a result of charter school costs. Total Governmental Funds revenues and other financing sources were \$161,005,565 compared to expenditures and other financing uses in the amount of \$171,700,288.

General Fund revenues were \$160,977,674 with other funds having total revenues of \$27,891. There was a \$1 million transfer from the General Fund into the Capital Reserve Fund. General Fund revenues consist of 65.6% local revenue, 31.4% state revenue, 3.0% federal revenues including grant funds. Other revenue funds consist of the Food Service Fund with revenues of \$3,254,146 and expenditures of \$3,281,238 resulting in a decrease in net position of \$27,092.

The District's ending General Fund balance of \$2,809,382 did not meet the guidelines of Board Policy 623, which states the unassigned fund balance is not to be less than 5% of the General Fund budget expenditures nor more than 8%. If the unassigned portion of the fund balance falls below the threshold of five percent (5%), the Board will pursue variations of increasing revenues and decreasing expenditures, or a combination of both until five percent (5%) is attained. The District is considering multiple options as it begins to develop its 2018-19 General Fund Budget

**OTHER POST-EMPLOYMENT BENEFITS**

In accordance with the Governmental Accounting Standards Board Statement No. 45, the Coatesville Area School District employed an actuary to determine the district's liability for other post-employment benefits other than pension benefits. The District's post-employment liability as of June 30th is \$5,461,617 for the General Fund and \$82,910 for the Food Service Fund.

**USING THIS ANNUAL FINANCIAL REPORT**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Coatesville Area School District as a financial whole, an entire operating entity.

**COATESVILLE AREA SCHOOL DISTRICT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
YEAR ENDED JUNE 30, 2017

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The Statement of Net Assets and Statement of activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For Governmental Funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with other non-major funds. In the case of Coatesville Area School District, the General Fund is by far the most significant fund.

**REPORTING THE SCHOOL DISTRICT AS A WHOLE - GOVERNMENT WIDE**

While this document contains all of the funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and reviews how we did financially during 2016-2017 fiscal year. These statements include all assets and liabilities, revenue and expenses of the District using the full accrual method of accounting.

**REPORTING THE SCHOOL DISTRICT'S MOST SIGNIFICANT FUNDS**

**Fund Financial Statements**

The School District uses many funds to account for a multitude of financial transactions. The School District's major funds are the General Fund, Capital Reserve Fund and Capital Projects Funds.

**General Fund** - The General Fund accounts for all financial resources of the District except those that are specifically required by law to be accounted for in another fund. These funds are reported using an accounting method called modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted to cash. The General Fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. The General Fund information will help you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs.

**Capital Reserve Fund** - The Coatesville Area School District maintains a Capital Reserve Fund that is restricted to capital improvement expenditures.

**Capital Projects Fund** - Accounts for financial resources to acquire or construct major capital facilities. All fund proceeds for Capital Projects should be accounted for in this fund. The sale of general obligation bonds is the most common source of revenue.

**Proprietary Fund** - The Proprietary Fund uses the same basis of accounting as business-type activities. This fund accounts for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the expenses of providing the goods or services are recovered through fees and user charges rather than taxes. The District's Food Service Fund is considered a Proprietary Fund and should operate as self-funded with no support from local taxpayers.

**Fiduciary Funds** - Account for funds held by the District purely in a trustee capacity. The District also maintains several other scholarships funds and Student Activity Funds that are controlled by various student organizations and funded by student fundraisers.



**COATESVILLE AREA SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**YEAR ENDED JUNE 30, 2017**

**FINANCIAL STATEMENTS**

***Condensed Statements of Net Position***  
***June 30, 2016 and 2017***

	Governmental Activities		Business-Type Activities		Totals	
	2016	2017	2016	2017	2016	2017
<b>ASSETS AND DEFERRED OUTFLOWS</b>						
Current and other assets	\$ 44,867,303	\$ 31,795,194	\$ 835,347	\$ 481,739	\$ 45,702,650	\$ 32,276,933
Capital assets	175,988,241	170,660,046	58,064	22,045	176,046,305	170,682,091
Deferred outflows of resources	14,611,929	31,612,000	269,000	616,000	14,880,929	32,228,000
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>235,467,473</b>	<b>234,067,240</b>	<b>1,162,411</b>	<b>1,119,784</b>	<b>236,629,884</b>	<b>235,187,024</b>
<b>LIABILITIES AND DEFERRED INFLOWS</b>						
Current liabilities	32,253,988	29,362,187	590,971	90,954	32,844,959	29,453,141
Long-term liabilities	335,819,102	347,813,030	3,209,712	3,645,194	339,028,814	351,458,224
Deferred inflows of resources	978,000	4,147,102	21,000	70,000	999,000	4,217,102
<b>TOTAL LIABILITIES</b>	<b>369,051,090</b>	<b>381,322,319</b>	<b>3,821,683</b>	<b>3,806,148</b>	<b>372,872,773</b>	<b>385,128,467</b>
<b>NET POSITION</b>						
Net investment in capital assets	3,342,031	(261,986)	58,064	22,045	3,400,095	(239,941)
Unrestricted	(136,925,648)	(146,993,093)	(2,717,336)	(2,708,409)	(139,642,984)	(149,701,502)
<b>TOTAL NET POSITION</b>	<b>\$ (133,583,617)</b>	<b>\$ (147,255,079)</b>	<b>\$ (2,659,272)</b>	<b>\$ (2,686,364)</b>	<b>\$ (136,242,889)</b>	<b>\$ (149,941,443)</b>

**COATESVILLE AREA SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**YEAR ENDED JUNE 30, 2017**

**Statement of Activities**

The Statement of Activities shows the cost of programs services, charges for services and grants received offsetting those services. The table below reflects the cost of program services and the net cost of those services after taking into account the program revenues for government activities.

***Condensed Statements of Activities***  
***Years Ended June 30, 2016 and 2017***

	Governmental Activities		Business-Type Activities		Totals	
	2016	2017	2016	2017	2016	2017
<b>REVENUES</b>						
Program services						
Charges for services	\$ 618,386	\$ 556,065	\$ 612,662	\$ 568,189	\$ 1,231,048	\$ 1,124,254
Operating grants and contributions	29,109,339	25,410,250	2,439,622	2,675,718	31,548,961	28,085,968
General revenues						
Property taxes	92,334,780	94,691,373	-	-	92,334,780	94,691,373
Other taxes	8,118,542	8,500,623	-	-	8,118,542	8,500,623
Grants, subsidies and contributions not restricted	27,997,189	31,109,801	-	-	27,997,189	31,109,801
Investment earnings	132,236	211,303	2,646	10,239	134,882	221,542
Other revenues	531,806	530,082	-	-	531,806	530,082
<b>TOTAL REVENUES</b>	<b>158,842,278</b>	<b>161,009,497</b>	<b>3,054,930</b>	<b>3,254,146</b>	<b>161,897,208</b>	<b>164,263,643</b>
<b>EXPENSES</b>						
Instruction	108,943,542	120,122,881	-	-	108,943,542	120,122,881
Instructional student support	8,252,844	8,255,220	-	-	8,252,844	8,255,220
Administrative and financial support	11,730,609	12,884,104	-	-	11,730,609	12,884,104
Operation and maintenance of plant services	11,655,476	13,082,842	-	-	11,655,476	13,082,842
Pupil transportation	9,919,360	10,888,040	-	-	9,919,360	10,888,040
Student activities	1,138,730	1,253,545	-	-	1,138,730	1,253,545
Community service	7,770	25,063	-	-	7,770	25,063
Interest on long-term debt	7,193,190	8,169,264	-	-	7,193,190	8,169,264
Food services	-	-	3,035,821	3,281,238	3,035,821	3,281,238
<b>TOTAL EXPENSES</b>	<b>158,841,521</b>	<b>174,680,959</b>	<b>3,035,821</b>	<b>3,281,238</b>	<b>161,877,342</b>	<b>177,962,197</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 757</b>	<b>\$ (13,671,462)</b>	<b>\$ 19,109</b>	<b>\$ (27,092)</b>	<b>\$ 19,866</b>	<b>\$ (13,698,554)</b>

**GENERAL BUDGET INFORMATION**

The District has been greatly impacted by an increase in mandated costs. Pensions, Charter School Tuition, and Special Education Placements have grown significantly in recent years. The District did increase real estate tax rates as shown below, but even that was not enough to keep up with mandated cost growth. The District is looking at ways to contain costs in other areas going forward, but a tax increase must also be considered.

**COATESVILLE AREA SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**YEAR ENDED JUNE 30, 2017**

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The School District is dependent upon property taxes and is hampered by a lack of revenue growth and will regularly need to increase local taxes or eliminate staff and programs. Local taxes and revenues made up 65.6 percent of revenues for the Coatesville Area School District in fiscal year 2016-2017. Revenues are provided from the following sources:

	Amount	% of Total
Local Revenues	\$105,651,301	65.6%
State Revenues	50,567,327	31.4%
Federal Revenues	<u>4,759,046</u>	3.0%
<b>Total Revenues</b>	<b><u>\$160,977,674</u></b>	

Expenses consisted of the following:

	Amount	% of Total
Salaries	\$ 46,708,366	27.4%
Benefits	28,912,727	17.0%
Purchased Services	73,797,529	43.4%
Supplies and Equipment	3,749,731	2.2%
Debt Service and Other Uses	<u>16,992,200</u>	10.0%
<b>Total</b>	<b><u>\$170,160,553</u></b>	

The above expenditures were used to support the following:

Instructional Programs	\$113,753,046
Support Services	38,830,693
Non-Instructional Services	1,232,412
Debt Service and other Financing Uses	16,344,403

The dependence upon local tax revenue is apparent. State subsidies accounted for 31.4% of the District's total revenue for the 2016-2017 school year. The local tax base is by far the primary supporter for Coatesville Area School District students.

**THE SCHOOL DISTRICT'S FUNDS**

Information about the School District's major funds is stated within the Independent Auditors' Report. These funds are accounted for using the modified accrual basis of accounting. The most significant change was a significant decrease in Unassigned General Fund Balance, which changed from \$11,992,160 to \$2,809,382 due to both an increase in the number of students in charter schools and an increase in charter tuition rates, coupled with an increase in special education placements.

**COATESVILLE AREA SCHOOL DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)**  
**YEAR ENDED JUNE 30, 2017**

<b>Fiscal Year</b>	<b>Mills</b>	<b>% Increase</b>
2017-2018	34.9138	4.35%
2016-2017	33.4598	2.10%
2015-2016	32.7716	2.40%
2014-2015	32.0036	2.60%

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of fiscal 2017 the School District has \$170,660,046 invested in land, buildings and equipment, net of accumulated depreciation. Below is a summary of the capital assets.

	<u>2017</u>	<u>2016</u>
Land	\$ 2,812,500	\$ 2,812,500
Land improvements	7,425,060	7,425,060
Buildings and building improvements	232,864,251	231,136,835
Furniture and equipment	15,882,530	15,289,903
TOTAL CAPITAL ASSETS BEING DEPRECIATED	258,984,341	256,664,298
Accumulated depreciation	<u>(88,324,295)</u>	<u>(80,676,057)</u>
TOTAL CAPITAL ASSETS, net	<u>\$ 170,660,046</u>	<u>\$ 175,988,241</u>

**Debt**

As of June 30, 2017, the School District had a total debt of \$161,352,872 in bonds, net of any interest. Below is a summary of debt for the District's outstanding bond issues:

<u>Bonds/Notes Issued</u>	<u>Maturing Date</u>	<u>Outstanding Principal</u>
2009A	08/15/26	\$ 21,965,000
2010	08/15/31	53,390,000
2013	08/15/20	17,677,872
2014A	08/15/19	8,740,000
2014B	08/15/17	1,725,000
2017A	08/01/25	57,755,000
		<u>\$ 161,252,872</u>

**COATESVILLE AREA SCHOOL DISTRICT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
YEAR ENDED JUNE 30, 2017

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**FOR THE FUTURE**

Coatesville Area School District is currently facing financial challenges. The General Fund unassigned fund balance decreased by more than \$9 million for the period ended June 30, 2017. This was driven by a mix of increased charter school enrollment and increased charter tuition rates, especially in special education, as well as District special education costs, and increased costs for pensions. These challenges continue into the 2017-18 fiscal year, despite a real estate tax increase. The District is proactively developing a financial plan to address the challenges create by these mandated costs. Because of these financial challenges, the District will consider many cost savings ideas as it develops its 2018-19 budget. Additionally, another increase in the real estate tax rate will need to be seriously considered for 2018-19.

The pension rate, which was a major driver of costs for all school districts has begun to slow its rate of increase. The rate soared since 2010-11 from 5.64% of payroll to 32.57% of payroll in 2017-18. The rate will again increase in 2018-19 to 33.43% of payroll, but this is by far the smallest increase in the past seven years. Still, the District's share of pension costs will rise by approximately \$250,000 in 2018-19.

While facing the challenges mentioned above, the District also recognizes the need to address the overall conditions of its facilities. The Board adopted a long-term facilities plan during 2017 and is developing a financing plan for those needs going forward.

**CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizen's, taxpayers, investors, and creditors with a general overview of the School District's finances. If you have questions about this report or need additional financial information contact Jeff Ammerman, Business Administrator, Coatesville Area School District, 3030 C. G. Zinn Road, Thorndale, PA 19372 or via e-mail at [Ammermanj@casdschools.org](mailto:Ammermanj@casdschools.org).

**COATESVILLE AREA SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ 10,607,201	\$ 1,369,451	\$ 11,976,652
Investments	4,213,386	-	4,213,386
Pledged taxes receivable	6,235,817	-	6,235,817
Internal balances	1,056,358	(1,056,358)	-
Due from other governments	9,206,171	113,139	9,319,310
Other receivables	476,261	18,798	495,059
Inventories	-	36,709	36,709
Capital assets			
Land	2,812,500	-	2,812,500
Land improvements	7,425,060	-	7,425,060
Buildings and building improvements	232,864,251	-	232,864,251
Furniture and equipment	15,882,530	1,555,042	17,437,572
Accumulated depreciation	(88,324,295)	(1,532,997)	(89,857,292)
<b>TOTAL ASSETS</b>	<u>202,455,240</u>	<u>503,784</u>	<u>202,959,024</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources, pension activity	31,612,000	616,000	32,228,000
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	9,729,232	44,971	9,774,203
Accrued salaries and benefits	7,849,774	45,983	7,895,757
Accrued interest	2,778,254	-	2,778,254
Unearned revenues	397,432	-	397,432
Long-term liabilities			
Portion due or payable within one year			
Bonds payable, net	8,469,097	-	8,469,097
Compensated absences	138,398	-	138,398
Portion due or payable after one year			
Bonds payable, net	161,882,833	-	161,882,833
Net pension liability	179,223,000	3,493,000	182,716,000
Other postemployment benefits	5,461,617	82,910	5,544,527
Compensated absences	1,245,580	69,284	1,314,864
<b>TOTAL LIABILITIES</b>	<u>377,175,217</u>	<u>3,736,148</u>	<u>380,911,365</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred amounts on refunding	570,102	-	570,102
Deferred inflows of resources, pension activity	3,577,000	70,000	3,647,000
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>4,147,102</u>	<u>70,000</u>	<u>4,217,102</u>
<b>NET POSITION</b>			
Net investment in capital assets	(261,986)	22,045	(239,941)
Unrestricted	(146,993,093)	(2,708,409)	(149,701,502)
<b>TOTAL NET POSITION</b>	<u>\$ (147,255,079)</u>	<u>\$ (2,686,364)</u>	<u>\$ (149,941,443)</u>

See accompanying notes to the basic financial statements.

**COATESVILLE AREA SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2017**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>GOVERNMENTAL ACTIVITIES</b>				
Instruction	\$ 120,122,881	\$ 483,053	\$ 15,973,097	\$ -
Instructional student support	8,255,220	-	875,684	-
Administrative and financial support services	12,884,104	-	902,844	-
Operation and maintenance of plant services	13,082,842	-	644,576	-
Pupil transportation	10,888,040	-	6,198,272	-
Student activities	1,253,545	73,012	89,123	-
Community services	25,063	-	96	-
Interest on long-term debt	8,169,264	-	726,558	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u>174,680,959</u>	<u>556,065</u>	<u>25,410,250</u>	<u>-</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Food service	<u>3,281,238</u>	<u>568,189</u>	<u>2,675,718</u>	<u>-</u>
<b>TOTAL SCHOOL DISTRICT ACTIVITIES</b>	<u>\$ 177,962,197</u>	<u>\$ 1,124,254</u>	<u>\$ 28,085,968</u>	<u>\$ -</u>

**GENERAL REVENUES**

Property taxes, levied for general purposes  
Taxes levied for specific purposes  
Grants and entitlements not restricted to specific programs  
Investment earnings  
Miscellaneous

**TOTAL GENERAL REVENUES**

**CHANGE IN NET POSITION**

**NET POSITION AT BEGINNING OF YEAR**

**NET POSITION AT END OF YEAR**

*See accompanying notes to the basic financial statements.*

<u>Net (Expense) Revenue and Changes in Net Position</u>		
<u>Governmental</u>	<u>Business-Type</u>	<u>Totals</u>
<u>Activities</u>	<u>Activities</u>	
\$ (103,666,731)	\$ -	\$ (103,666,731)
(7,379,536)	-	(7,379,536)
(11,981,260)	-	(11,981,260)
(12,438,266)	-	(12,438,266)
(4,689,768)	-	(4,689,768)
(1,091,410)	-	(1,091,410)
(24,967)	-	(24,967)
<u>(7,442,706)</u>	<u>-</u>	<u>(7,442,706)</u>
<u>(148,714,644)</u>	<u>-</u>	<u>(148,714,644)</u>
-	(37,331)	(37,331)
<u>(148,714,644)</u>	<u>(37,331)</u>	<u>(148,751,975)</u>
94,691,373	-	94,691,373
8,500,623	-	8,500,623
31,109,801	-	31,109,801
211,303	10,239	221,542
530,082	-	530,082
<u>135,043,182</u>	<u>10,239</u>	<u>135,053,421</u>
(13,671,462)	(27,092)	(13,698,554)
<u>(133,583,617)</u>	<u>(2,659,272)</u>	<u>(136,242,889)</u>
<u>\$ (147,255,079)</u>	<u>\$ (2,686,364)</u>	<u>\$ (149,941,443)</u>



**COATESVILLE AREA SCHOOL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2017**

	General Fund	Capital Reserve Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,134,449	\$ 1,093,154	\$ 5,379,598	\$ 10,607,201
Investments	4,213,386	-	-	4,213,386
Taxes receivable	6,235,817	-	-	6,235,817
Due from other funds	1,056,358	-	-	1,056,358
Due from other governments	9,206,171	-	-	9,206,171
Other receivables	476,261	-	-	476,261
<b>TOTAL ASSETS</b>	<b>\$ 25,322,442</b>	<b>\$ 1,093,154</b>	<b>\$ 5,379,598</b>	<b>\$ 31,795,194</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 9,726,907	\$ -	\$ 2,325	\$ 9,729,232
Accrued salaries and benefits	7,849,774	-	-	7,849,774
<b>TOTAL LIABILITIES</b>	<b>17,576,681</b>	<b>-</b>	<b>2,325</b>	<b>17,579,006</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue				
Property taxes	4,936,379	-	-	4,936,379
<b>FUND BALANCES</b>				
Restricted, capital projects	-	1,093,154	5,377,273	6,470,427
Unassigned	2,809,382	-	-	2,809,382
<b>TOTAL FUND BALANCES</b>	<b>2,809,382</b>	<b>1,093,154</b>	<b>5,377,273</b>	<b>9,279,809</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 25,322,442</b>	<b>\$ 1,093,154</b>	<b>\$ 5,379,598</b>	<b>\$ 31,795,194</b>

*See accompanying notes to the basic financial statements.*

**COATESVILLE AREA SCHOOL DISTRICT**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUNDS BALANCES**  
**TO NET POSITION OF GOVERNMENTAL ACTIVITIES**  
**JUNE 30, 2017**

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TOTAL GOVERNMENTAL FUNDS BALANCES \$ 9,279,809

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. These assets consist of:

Land	2,812,500
Land improvements	7,425,060
Buildings and building improvements	232,864,251
Furniture and equipment	15,882,530
Accumulated depreciation	(88,324,295)

Deferred charges used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Deferred amounts on refunding	(570,102)
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Deferred inflows and outflows of resources related to pension activities are not financial resources and therefore are not reported in the governmental funds.

28,035,000

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Accrued interest	(2,778,254)
Bonds payable	(170,351,930)
Compensated absences	(1,383,978)
Net pension liability	(179,223,000)
Net OPEB obligation	(5,461,617)

Some of the School District's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.

4,538,947

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (147,255,079)

*See accompanying notes to the basic financial statements.*

**COATESVILLE AREA SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	General Fund	Capital Reserve Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local sources	\$ 105,651,301	\$ 2,813	\$ 25,078	\$ -	\$ 105,679,192
State sources	50,567,327	-	-	-	50,567,327
Federal sources	4,759,046	-	-	-	4,759,046
<b>TOTAL REVENUES</b>	<b>160,977,674</b>	<b>2,813</b>	<b>25,078</b>	<b>-</b>	<b>161,005,565</b>
<b>EXPENDITURES</b>					
Instruction	113,753,046	-	-	-	113,753,046
Support services	38,830,693	-	-	-	38,830,693
Operation of non-instructional services	1,232,412	-	-	-	1,232,412
Facilities acquisition, construction and improvement services	-	-	1,850,069	-	1,850,069
Refunds of prior year revenues	190,442	-	29,361	-	219,803
Debt issuance costs	-	-	-	660,305	660,305
Debt service	15,153,960	-	-	-	15,153,960
<b>TOTAL EXPENDITURES</b>	<b>169,160,553</b>	<b>-</b>	<b>1,879,430</b>	<b>660,305</b>	<b>171,700,288</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(8,182,879)</b>	<b>2,813</b>	<b>(1,854,352)</b>	<b>(660,305)</b>	<b>(10,694,723)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from refunding bonds	-	-	-	57,755,000	57,755,000
Premium from refunding bonds	-	-	-	7,876,050	7,876,050
Payment to refunded bond escrow agent	-	-	-	(64,970,745)	(64,970,745)
Transfers in	-	1,000,000	-	-	1,000,000
Transfers out	(1,000,000)	-	-	-	(1,000,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,000,000)</b>	<b>1,000,000</b>	<b>-</b>	<b>660,305</b>	<b>660,305</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(9,182,879)</b>	<b>1,002,813</b>	<b>(1,854,352)</b>	<b>-</b>	<b>(10,034,418)</b>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<b>11,992,261</b>	<b>90,341</b>	<b>7,231,625</b>	<b>-</b>	<b>19,314,227</b>
<b>FUND BALANCES AT END OF YEAR</b>	<b>\$ 2,809,382</b>	<b>\$ 1,093,154</b>	<b>\$ 5,377,273</b>	<b>\$ -</b>	<b>\$ 9,279,809</b>

See accompanying notes to the basic financial statements.

**COATESVILLE AREA SCHOOL DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2017**

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NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (10,034,418)

Capital outlays are reported in Governmental Funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlay in the current period. (5,324,302)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and donations) is to decrease net assets. (3,893)

Deferred charges are reported in Governmental Funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over the term lives of debt instruments as amortization expense. (1,405,031)

Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the statement of net position. 7,632,764

Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in Governmental Funds:  
 Accrued interest not reflected in Governmental Funds 96,658  
 Pension plan expense (4,746,000)

In the statement of activities, certain operating expenses--compensated absences (vacations and sick leave) and special termination benefits (early retirement)--are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). 222,486

The net change in the liability for the net OPEB obligation is reported in the government-wide statements but not in the Governmental Funds statements. (161,927)

Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the Governmental Funds. Deferred tax revenues decreased by this amount this year. 52,201

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (13,671,462)

*See accompanying notes to the basic financial statements.*

**COATESVILLE AREA SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**JUNE 30, 2017**

	Enterprise Fund Food Service Fund
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 1,369,451
Due from other governments	113,139
Other receivables	18,798
Inventories	<u>36,709</u>
TOTAL CURRENT ASSETS	<u>1,538,097</u>
<b>CAPITAL ASSETS</b>	
Furniture and equipment	1,555,042
Accumulated depreciation	<u>(1,532,997)</u>
TOTAL CAPITAL ASSETS	<u>22,045</u>
TOTAL ASSETS	<u>1,560,142</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows of resources, pension activity	<u>616,000</u>
<b>CURRENT LIABILITIES</b>	
Accounts payable and accrued liabilities	90,954
Due to other funds	<u>1,056,358</u>
TOTAL CURRENT LIABILITIES	<u>1,147,312</u>
<b>NONCURRENT LIABILITIES</b>	
Compensated absences	69,284
Other postemployment benefits	82,910
Net pension liability	<u>3,493,000</u>
TOTAL NONCURRENT LIABILITIES	<u>3,645,194</u>
TOTAL LIABILITIES	<u>4,792,506</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows of resource, pension activity	<u>70,000</u>
<b>NET POSITION</b>	
Net investment in captial assets	22,045
Unrestricted	<u>(2,708,409)</u>
TOTAL NET POSITION	<u>\$ (2,686,364)</u>

*See accompanying notes to the basic financial statements.*

**COATESVILLE AREA SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**YEAR ENDED JUNE 30, 2017**

	Enterprise Fund Food Service Fund
OPERATING REVENUES	
Charges for services	\$ 461,048
Miscellaneous	<u>107,141</u>
TOTAL OPERATING REVENUES	<u>568,189</u>
OPERATING EXPENSES	
Salaries	945,845
Employee benefits	702,129
Purchased professional and technical services	38,852
Purchased property services	29,146
Other purchased services	1,817
Supplies	1,526,902
Depreciation	36,019
Other operating expenses	528
TOTAL OPERATING EXPENSES	<u>3,281,238</u>
OPERATING LOSS	<u>(2,713,049)</u>
NONOPERATING REVENUES	
Earnings on investments	10,239
State sources	253,072
Federal sources	<u>2,422,646</u>
TOTAL NONOPERATING REVENUES	<u>2,685,957</u>
CHANGE IN NET POSITION	(27,092)
NET POSITION AT BEGINNING OF YEAR	<u>(2,659,272)</u>
NET POSITION AT END OF YEAR	<u>\$ (2,686,364)</u>

*See accompanying notes to the basic financial statements.*

**COATESVILLE AREA SCHOOL DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**YEAR ENDED JUNE 30, 2017**

	Enterprise Fund <u>Food Service Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 560,721
Payments to employees	(1,510,492)
Payments to suppliers	<u>(2,107,681)</u>
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<b><u>(3,057,452)</u></b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Due to other funds	(146,541)
Federal sources	2,378,825
State sources	<u>253,396</u>
<b>NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES</b>	<b><u>2,485,680</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Earnings on investments	<u>10,239</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(561,533)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b><u>1,930,984</u></b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 1,369,451</u></b>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>	
Operating loss	\$ (2,713,049)
Adjustments to reconcile operating loss to net cash used by operating activities	
Depreciation	36,019
Pension expense	91,000
Increase in	
Other receivables	(7,468)
Inventories	(10,419)
Increase (decrease) in	
Accounts payable and accrued liabilities	(500,017)
Compensated absences	49,266
Other postemployment benefits	<u>(2,784)</u>
<b>NET CASH USED BY OPERATING ACTIVITIES</b>	<b><u>\$ (3,057,452)</u></b>
<b>SUPPLEMENTAL DISCLOSURES</b>	
Noncash activities	
Donated commodities	\$ 188,508

*See accompanying notes to the basic financial statements.*

**COATESVILLE AREA SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2017**

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	<u>Private Purpose Trust Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ <u>128,237</u>	\$ <u>304,539</u>
<b>LIABILITIES AND NET POSITION</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 1,035	\$ <u>304,539</u>
<b>NET POSITION</b>		
Held in trust for benefits and other purposes	<u>127,202</u>	
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 128,237</u>	

*See accompanying notes to the basic financial statements.*



**COATESVILLE AREA SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	<u>Private Purpose Trust Fund</u>
ADDITIONS	
Contributions, local	\$ 10,000
Investment earnings	<u>695</u>
TOTAL ADDITIONS	10,695
DEDUCTIONS	
Scholarships	<u>81,715</u>
CHANGE IN NET POSITION	(71,020)
NET POSITION AT BEGINNING OF YEAR	<u>198,222</u>
NET POSITION AT END OF YEAR	<u><u>\$ 127,202</u></u>

*See accompanying notes to the basic financial statements.*

**COATESVILLE AREA SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Coatesville Area School District (the "District") operates six elementary schools, three middle schools and two senior high schools to provide education and related services to the residents of the City of Coatesville, two boroughs (South Coatesville and Modena) and six townships (Caln, East Fallowfield, Sadsbury, Valley, West Brandywine and West Caln). The District operates under current standards prescribed by the Pennsylvania Department of Education in accordance with the provisions of the School Laws of Pennsylvania as a school district of the second class. The District operates under a locally elected nine-member Board form of government.

The financial statements of the District have been prepared in accordance with generally accepted accounting principles ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the authoritative standard setting body for the establishment of governmental accounting and financial reporting principles. The more significant of these accounting policies are described below.

**Reporting Entity**

The accompanying basic financial statements comply with the provisions of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, in that the financial statements include all organizations, activities and functions for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of a component unit's board and either (1) the District's ability to impose its will over a component unit, or (2) the possibility that the component unit will provide a financial benefit or impose a financial burden on the District. In addition, component units can be other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading. This report presents the activities of Coatesville Area School District. The District is not a component unit of another reporting entity nor does it have any component units.

**Joint Ventures**

The District is a participating member of the Center for Arts and Technology (the "Vo-Tech"). The Vo-Tech is run by a joint board consisting of school directors from each member district. The Board of Directors from each member district must approve the Vo-Tech's annual budget. Each member pays an allocated share of the debt and operating costs of the Vo-Tech based on the number of students from each district. For fiscal year ended June 30, 2017, the District's share of operating costs was \$2,630,736. The Vo-Tech prepares financial statements which are available to the public. The financial statements of the Vo-Tech are available from the Chester County Intermediate Unit located at 455 Boot Road, Downingtown, PA 19335.

**COATESVILLE AREA SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation and Accounting**

***Government-Wide Financial Statements*** - The statement of net position and the statement of activities display information about the District as a whole. These statements distinguish between activities that are governmental and those that are considered business-type activities. These statements include the primary financial activities of the District, except for Fiduciary Funds.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting as further defined under Proprietary Funds below. This is the same approach used in the preparation of the Proprietary Fund financial statements but differs from the manner in which Governmental Funds financial statements are prepared. Therefore, Governmental Funds financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements of Governmental Funds.

The statement of activities presents a comparison between expenses and program revenues for each segment of the business-type activities of the District and for each governmental function. Expenses are those that are specifically associated with a service or program and are, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each function is self-financing or draws from the general revenues of the District.

Except for interfund activity and balances between the funds that underlie governmental activities and the funds that underlie business-type activities, which are reported as transfers and internal balances, the effect of interfund activity has been removed from these statements.

The government-wide financial statements report net position in one of three components. Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of borrowing attributable to acquiring, constructing, or improving those assets. Net position is reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Those restrictions affect net position arising from Special Revenue and Capital Projects Funds. Unrestricted net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted."

**COATESVILLE AREA SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Fund Financial Statements*** - During the school year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements report detailed information about the District. The focus of Governmental and Enterprise Fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Fiduciary Funds financial statements are presented by fund type.

**Governmental Funds** - All Governmental Funds are accounted for using the modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable. The District reports the following major Governmental Funds:

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

The *Capital Projects Fund* and the *Capital Reserve Fund* are used to account for the acquisition, construction and renovation of major capital facilities.

The *Debt Service Fund* is used to account for the incurrence and payment of debt obligations

***Revenue Recognition*** - In applying the "susceptible to accrual concept" under the modified accrual basis, revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers tax revenue to be available if collected within 60 days of the end of the fiscal period. Revenue from federal, state and other grants designated for payment of specific District expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are reported as unearned revenues until earned.

Other revenues, including certain other charges for services and miscellaneous revenues, are recorded as revenue when received in cash because they generally are not measurable until actually received.

***Expenditure Recognition*** - The measurement focus of Governmental Funds accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt which has not matured are recognized when payment is due. Liabilities for compensated absences and special termination benefits are recognized as fund liabilities to the extent they mature each period. Allocations of costs, such as depreciation and amortization, are not recognized in the Governmental Funds.

**COATESVILLE AREA SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Proprietary Fund** - The Proprietary Fund is accounted for using the accrual basis of accounting. This fund accounts for operations that are financed primarily by user charges. The economic resource measurement focus concerns determining costs as a means of maintaining the capital investment and management control. Revenues are recognized when they are earned and expenses are recognized when they are incurred.

This fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing end delivering goods in connection with the Proprietary Fund's principal ongoing operations. The principal operating revenues of the District's Proprietary Fund are food service charges. Operating expenses for the District's Enterprise Fund include payroll, supplies and administrative costs. All revenues or expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Fiduciary Funds** - Fiduciary Funds account for the assets held by the District as a trustee or agent for individuals, private organizations and/or governmental units and are, therefore, not available to support the District's own programs. The District accounts for these assets in a Private Purpose Trust and Agency Fund. The Private Purpose Trust Fund accounts for activities in various scholarship accounts, whose sole purpose is to provide annual scholarships to particular students as described by donor stipulations. The Agency Fund accounts for funds held on behalf of students of the District. The measurement focus and basis of accounting for the Private Purpose Trust is the same as for Proprietary Fund, while the Agency Fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

**Cash and Cash Equivalents**

The District'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 and no restrictions on withdrawal.

Under Act No. 72, enacted by the General Assembly of the Commonwealth of Pennsylvania, the funds deposited with the various banks are permitted to be secured on a pooled basis with all other public funds which the banking institution has on deposit. These may be bonds of the United States, any state of the United States, or bonds of any political subdivision of Pennsylvania or the general state authority or their authorities created by the General Assembly of the Commonwealth of Pennsylvania, or insured with the Federal Deposit Insurance Corporation. The market value of such bonds pledged must equal 120% of the funds deposited. The security pledged by the various depositories utilized during the year and at June 30, 2017, was in excess of the minimum requirements just described.

**Investments**

Statutes authorize the District to invest in U.S. Treasury bills, time or share accounts of institutions insured by the Federal Deposit Insurance Corporation, or in certificates of deposit when they are secured by proper bond or collateral, repurchase agreements, State Treasurer's investment pools, or mutual funds.

**COATESVILLE AREA SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The School District has adopted GASB Statements No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, No. 72, Fair Value Measurement and Application and No. 79, Certain External Investment Pools and Pool Participants. In accordance with these Statements, investments in marketable securities with readily determinable fair value and all investments in debt securities are reported at their fair values. Investments in qualifying external investment pools are reported at amortized cost basis.

**Receivables and Payables**

Activity between funds representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

**Pledged Taxes Receivable**

The District has entered into an agreement with the Harrisburg Municipal Authority (the "Authority") under which the District relinquishes to the Authority delinquent property tax revenues. The District receives from the Authority an annual lump-sum payment in exchange for the rights to receive and retain future delinquent property tax revenues. This agreement qualifies as a collateralized borrowing in accordance with GASB Statement No. 48. Taxes receivable are considered as pledged for financial statement purposes. Proceeds received by the District are reported as a liability in the statement of net position and as another financing source in the fund financial statements. Subsequent collections of the pledged receivables that are paid to the Authority reduce the liability on the District's statement of net position.

**Property Taxes**

Taxes are levied on July 1 and are payable in the following periods:

Discount period, 2% of gross levy .....	July 1 to August 31
Face period .....	September 1 to October 31
Penalty period, 10% of gross levy .....	November 1 to collection
Lien date .....	January 15

Assessed valuations of property are determined by the Chester County Board of Assessments. The District's taxes are billed and collected by a third-party administrator. The tax on real estate for public school purposes for fiscal 2016-2017 was 33.4598 mills (\$33.4598 for \$1,000 of assessed valuation) for the entire District.

**COATESVILLE AREA SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Prepaid Items and Inventories**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

All inventories are valued at the lower of cost (first-in, first-out method) or market.

**Capital Assets**

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide and Proprietary Fund financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed, inclusive of ancillary costs.

Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
School buildings and improvements	20-50
Site improvements	15-20
Equipment	5-10
Vehicles	8-15
Library books	5-7

**Compensated Absences**

District policies permit employees to accumulate earned but unused vacation, personal and sick days as stipulated in each bargaining unit's contract. The liability for these compensated absences is recorded as a long-term liability in the government-wide financial statements. The current portion of this liability is estimated based on historical trends. In the fund financial statements, Governmental Funds report only the compensated absence liability payable from expendable available financial resources.

**COATESVILLE AREA SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Long-Term Obligations**

In the government-wide financial statements and Proprietary Fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are netted against outstanding principal balances amortized over the life of the bonds. Bond issuance costs are expensed when incurred. Deferred amounts on refunding are recorded as a deferred inflow or outflow of resources and amortized over the life of the old debt or the life of the new debt, whichever is shorter. All amortized amounts are amortized using the straight-line method.

In the fund financial statements, Governmental Fund Types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received and discounts paid on debt issuances are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Deferred Inflows and Deferred Outflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School District has only one item that qualifies for reporting in this category. The deferred outflow related to pension activity, reported in the government-wide statement of net position and the proprietary fund statement of net position. The deferred outflow related to pension activity is the result of changes in the School District's proportionate share of the total plan from year to year, the difference between actual employer contributions and the School District's proportionate share of total contributions, changes in assumption, net difference between projected and actual investment earnings and actual contributions subsequent to the measurement date.

In addition to liabilities, the statement of financial position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The School District has three items that qualify for reporting in this category. The first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. The second item, deferred amounts on refunding, is reported in the government-wide statement of net position and results from the difference in the carrying value of refunded debt and its reacquisition prices. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The third item, deferred inflows related to pension activity, are reported in the government-wide statement of net position and the proprietary fund statement of net position. The deferred inflow related to the pension activity is the result of differences between expected and actual experience and changes in proportion. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.



**COATESVILLE AREA SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**GASB Statement No. 54**

As of June 30, 2011, the District has adopted GASB Statement No. 54, which redefined how fund balances of the Governmental Funds are presented in the financial statements. Fund balances are classified as follows:

- ***Nonspendable*** - Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.
- ***Restricted*** - Amounts that can be spent only for specific purposes because of state or federal laws or externally imposed conditions by grantors or creditors.
- ***Committed*** - Amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (resolution by the Board of School Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level of action to remove or change the constraint.
- ***Assigned*** - Amounts that are intended to be used for a specific purpose, as expressed by the Board of School Directors or by an official or body to which the Board of School Directors delegates the authority. The Board has not delegated the authority to assign amounts to be used for a specific purpose.
- ***Unassigned*** - All amounts not included in other spendable classifications.

**NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

The details of the fund balances are included in the Governmental Funds balance sheet (page 15). Restricted funds are used first as appropriate, followed by committed resources and then assigned resources, to the extent that expenditure authority has been budgeted by the Board of School Directors. The District does reserve the right to first reduce unassigned fund balance to defer the use of these other classified funds. In the event that unassigned fund balance becomes zero, then assigned and committed fund balances are used in that order.

**Budgetary Information**

An annual budget is adopted prior to the beginning of each year for the General Fund on the modified accrual basis of accounting. The General Fund is the only fund for which a budget is legally required, although project-length financial plans are adopted for all capital projects funds.

**COATESVILLE AREA SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

The District is required to publish notice by advertisement at least once in two newspapers of general circulation in the municipalities in which it is located, and within 20 days of final action, that the proposed budget has been prepared and is available for public inspection at the administrative offices of the District. Notice that public hearings that will be held on the proposed operating budget must be included in the advertisement; such hearings are required to be scheduled at least ten days prior to the date final action on adoption is taken by the Board.

Legal budgetary control is maintained at the sub-function/major object level. The Board may make transfers of funds appropriated to any particular item of expenditure by legislative action in accordance with the Pennsylvania School Code. Management may amend the budget at the sub-function/sub-object level without Board approval. Appropriations lapse at the end of the fiscal period. Budgetary information reflected in the financial statements is presented at or below the level of budgetary control and includes the effect of approved budget amendments.

**NOTE C - CASH AND INVESTMENTS**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned. At June 30, 2017, the carrying amount of the District's deposits was \$12,409,428 and the bank balance was \$14,522,491. Cash deposits in the amount of \$14,522,491 are uninsured and uncollateralized, and are 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 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. As of June 30, 2017, PSDLAF was rated as AAAM by a nationally recognized statistical rating agency.

**Investments**

As of June 30, 2017, the School District had the following investments and maturities:

Investment Type	Amortized Cost	Fair Value	Investment Maturities	
			Less Than One Year	One to Five Years
State investment pools	\$ 4,213,386	\$ -	\$ 4,213,386	\$ -

**COATESVILLE AREA SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE C - CASH AND INVESTMENTS (Continued)**

The School District's investments are in the PSDLAF program, which is a fund similar to mutual funds. GASB Statement No. 3, Paragraph 69, provides that certain types of cash and investments, such as cash investments in a State Treasurer's investment pool or mutual fund, cannot be assigned a credit risk category because the government does not own specific securities. Therefore, the PSDLAF cash investments included in these statements will not be assigned a credit risk category. The carrying amount of these investments at June 30, 2017, is \$4,213,386. These assets maintain a stable net asset value of \$1 per share. PSDALF is not SEC-registered. All investments are monitored weekly by Standard & Poor's and are subject to an independent audit on an annual basis.

Investments held with qualifying external state investment pools are valued at amortized cost in accordance with GASB Statement No. 79.

The School District had \$4,213,386 invested in PSDLAF CD program accounts at June 30, 2017. These investments generally must be held to maturity. CD programs are subject to withdrawal restrictions at the applicable banks.

**Interest Rate Risk**

The District's investment policy limits investment maturities to securities with maturity dates under one year as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2017, the District's investments in certificates of deposit had maturity dates of less than one year.

**Credit Risk**

The District limits its investment choices to those with the highest credit ratings by a nationally recognized statistical rating organization. As of June 30, 2017, PSDLAF was rated as AAAM by a nationally recognized statistical rating organization.

**COATESVILLE AREA SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE D - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2017, was as follows:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 2,812,500	\$ -	\$ -	\$ 2,812,500
Capital assets being depreciated				
Land improvements	7,425,060	-	-	7,425,060
Buildings and building improvements	231,136,835	1,727,416	-	232,864,251
Furniture and equipment	15,289,903	596,953	(4,326)	15,882,530
<b>TOTAL CAPITAL ASSETS BEING DEPRECIATED</b>	<b>253,851,798</b>	<b>2,324,369</b>	<b>(4,326)</b>	<b>256,171,841</b>
Accumulated depreciation				
Land improvements	(7,099,336)	(23,259)	-	(7,122,595)
Buildings and building improvements	(62,105,912)	(7,232,231)	-	(69,338,143)
Furniture and equipment	(11,470,809)	(393,181)	433	(11,863,557)
<b>TOTAL ACCUMULATED DEPRECIATION</b>	<b>(80,676,057)</b>	<b>(7,648,671)</b>	<b>433</b>	<b>(88,324,295)</b>
<b>TOTAL CAPITAL ASSETS BEING DEPRECIATED, net</b>	<b>173,175,741</b>	<b>(5,324,302)</b>	<b>(3,893)</b>	<b>167,847,546</b>
<b>GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, net</b>	<b>175,988,241</b>	<b>(5,324,302)</b>	<b>(3,893)</b>	<b>170,660,046</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets being depreciated				
Furniture and equipment	1,555,042	-	-	1,555,042
Accumulated depreciation	(1,496,978)	(36,019)	-	(1,532,997)
<b>BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, net</b>	<b>58,064</b>	<b>(36,019)</b>	<b>-</b>	<b>22,045</b>
<b>CAPITAL ASSETS, net</b>	<b>\$ 176,046,305</b>	<b>\$ (5,360,321)</b>	<b>\$ (3,893)</b>	<b>\$ 170,682,091</b>

Depreciation expense was charged to functions/programs of the District as follows:

<b>GOVERNMENTAL ACTIVITIES</b>	
Instruction	\$ 2,677,035
Operation and maintenance of plant service	152,973
Student transportation services	764,867
Central and other support services	152,974
Facilities and construction	<u>3,900,822</u>
<b>TOTAL DEPRECIATION EXPENSE, GOVERNMENTAL ACTIVITIES</b>	<b>\$ <u>7,648,671</u></b>
<b>BUSINESS-TYPE ACTIVITIES</b>	<b>\$ <u>36,019</u></b>

**COATESVILLE AREA SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE E - INTERNAL RECEIVABLES, PAYABLES AND TRANSFERS**

The composition of interfund balances as of June 30, 2017, is as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 1,056,358	\$ -
Food Service Fund	<u>-</u>	<u>1,056,358</u>
	<u>\$ 1,056,358</u>	<u>\$ 1,056,358</u>

Interfund balances between funds represent temporary loans recorded at year-end subsequent to a final allocation of expenses. The balances generally are paid shortly after year-end.

Interfund transfers for the period ending June 30, 2017, were as follows:

	<u>Interfund Transfers In</u>	<u>Interfund Transfers Out</u>
General Fund	\$ -	\$ 1,000,000
Capital Projects Fund	<u>1,000,000</u>	<u>-</u>
	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>

The Board approved a transfer from the General Fund to the Capital Projects Fund.

**COATESVILLE AREA SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE F - GENERAL LONG-TERM DEBT**

The following summarizes the changes in the long-term liabilities of governmental and business-type activities for the year ended June 30, 2017:

	<u>Balance July 1, 2016</u>	<u>Additions</u>
<b>GOVERNMENTAL ACTIVITIES</b>		
Bonds payable	\$ 177,984,694	\$ 65,631,050
Accumulated compensated absences	1,606,464	-
Net pension liability	159,241,000	19,982,000
Other postemployment benefits	<u>5,299,690</u>	<u>161,927</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 344,131,848</u></b>	<b><u>\$ 85,774,977</u></b>
<b>BUSINESS-TYPE ACTIVITIES</b>		
Accumulated compensated absences	\$ 20,018	\$ 49,266
Net pension liability	3,104,000	389,000
Other postemployment benefits	<u>85,694</u>	<u>-</u>
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b><u>\$ 3,209,712</u></b>	<b><u>\$ 438,266</u></b>

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<u>Reductions</u>	<u>Balance June 30, 2017</u>	<u>Due Within One Year</u>
\$ (73,263,814)	\$ 170,351,930	\$ 8,469,097
(222,486)	1,383,978	138,398
-	179,223,000	-
<u>-</u>	<u>5,461,617</u>	<u>-</u>
\$ <u>(73,486,300)</u>	\$ <u>356,420,525</u>	\$ <u>8,607,495</u>
\$ -	\$ 69,284	\$ -
-	3,493,000	-
<u>(2,784)</u>	<u>82,910</u>	<u>-</u>
\$ <u>(2,784)</u>	\$ <u>3,645,194</u>	\$ <u>-</u>

**COATESVILLE AREA SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE F - GENERAL LONG-TERM DEBT (Continued)**

Bonds payable, net, consists of the following:

Bonds payable, at face	\$ 161,252,872
Bond premiums/(discounts), net	<u>9,099,058</u>
TOTAL BONDS PAYABLE, net	<u>\$ 170,351,930</u>

Payments of long-term debt from bonds and notes payable are to be funded by the General Fund, while long-term debt from compensated absences is paid out of the fund from which the liability was incurred.

**General Obligation Bonds**

General Obligation Bonds are as follows:

Series A of 2009, maturing August 15, 2026, bearing interest ranging from 4.00% to 5.00%, interest payable semiannually on February 15 and August 15	\$ 21,965,000
Series of 2010, maturing August 2031, bearing interest ranging from 2.25% to 5.00%, interest payable semiannually on February 15 and August 15	53,390,000
Series of 2013, maturing August 2020, bearing interest ranging from 1.33% to 4.13%, interest payable semiannually on February 15 and August 15	17,677,872
Series A of 2014, maturing August 2019, bearing interest ranging from 1.00% to 4.00%, interest payable semiannually on February 15 and August 15	8,740,000
Series B of 2014, maturing August 2017, bearing interest ranging from 1.32% to 2.30%, interest payable semiannually on February 15 and August 15	1,725,000
Series A of 2017, maturing August 2025, bearing interest ranging from 2.00% to 5.00%, interest payable semiannually on February 1 and August 1	<u>57,755,000</u>
TOTAL GENERAL OBLIGATION BONDS	<u>\$ 161,252,872</u>



**COATESVILLE AREA SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE F - GENERAL LONG-TERM DEBT (Continued)**

Presented below is a summary of debt service requirements to maturity by years:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2018	\$ 7,432,064	\$ 6,934,125	\$ 14,366,189
2019	7,556,705	7,910,272	15,466,977
2020	8,855,989	6,719,815	15,575,804
2021	7,163,114	7,707,852	14,870,966
2022	9,935,000	5,961,359	15,896,359
2023 to 2027	58,245,000	21,634,226	79,879,226
2028 ro 2032	<u>62,065,000</u>	<u>5,976,128</u>	<u>68,041,128</u>
	<u>\$ 161,252,872</u>	<u>\$ 62,843,777</u>	<u>\$ 224,096,649</u>

**NOTE G - OPERATING LEASES**

The District currently is obligated under an operating lease agreement for office equipment. The following is a schedule by years of future minimum lease payments:

<u>Year Ending June 30,</u>	
2018	\$ <u>161,348</u>
	\$ <u>161,348</u>

Rental expense, including short-term rentals, for the year ended June 30, 2017, was \$647,433.

**COATESVILLE AREA SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE H - PENSION PLAN**

**Summary of Significant Accounting Policies**

**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.

**General Information About the Pension Plan**

**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](http://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 one year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two 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 three 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 on membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

Participants are eligible for disability retirement benefits after completion of five 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.

**COATESVILLE AREA SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE H - 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 three years of credited service for Class T-E and Class T-F members) or who has at least five years of credited service (ten years for Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

***Contributions***

**Members 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 services 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 the Membership Class T-F contribution rate to fluctuate between 10.3% and 12.3%.

**Employer Contributions**

The School District's contractually required contribution rate for the 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 plan from the School District were \$13,739,000 for the year ended June 30, 2017.

**COATESVILLE AREA SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE H - 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 District reported a liability of \$182,716,000 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 District's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2016, the School District's proportion was 0.3687% which was an increase of 0.0061% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the School District recognized pension expense of \$18,485,000. At June 30, 2017, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<b>GOVERNMENTAL ACTIVITIES</b>		
Difference between expected and actual experience	\$ -	\$ 1,493,000
Changes in assumptions	6,470,000	-
Net difference between projected and actual investment earnings	9,989,000	-
Changes in proportions	1,300,000	2,084,000
Difference between employer contributions and proportionate share of total contributions	377,000	-
Contributions subsequent to the measurement date	<u>13,476,000</u>	<u>-</u>
	<u>\$ 31,612,000</u>	<u>\$ 3,577,000</u>
<b>BUSINESS-TYPE ACTIVITIES</b>		
Difference between expected and actual experience	\$ -	\$ 29,000
Changes in assumptions	126,000	-
Net difference between projected and actual investment earnings	195,000	-
Changes in proportions	25,000	41,000
Difference between employer contributions and proportionate share of total contributions	7,000	-
Contributions subsequent to the measurement date	<u>263,000</u>	<u>-</u>
	<u>\$ 616,000</u>	<u>\$ 70,000</u>

**COATESVILLE AREA SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE H - PENSION PLAN (Continued)**

\$13,739,000 reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the new 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:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2018	\$ 2,949,000	\$ 57,000
2019	2,949,000	57,000
2020	5,372,000	105,000
2021	<u>3,289,000</u>	<u>64,000</u>
	<u>\$ 14,559,000</u>	<u>\$ 283,000</u>

**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 the 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

**COATESVILLE AREA SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**NOTE H - PENSION PLAN (Continued)**

- 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 disabled 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 Board at its June 10, 2016 Board meeting, and were effective beginning with the June 30, 2016 actuarial valuation. Mortality rates were based on the RP-2000 Combined Healthy Annuitant Table (male and female) with age set back three years for both males and females. For disabled annuitants, the RP-2000 Combined Disabled Tables (male and female) with age set back seven years for males and three years for females.

The long-term expected rate of return on 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 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.

The 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.

**COATESVILLE AREA SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE H - PENSION PLAN (Continued)**

<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/MLP's	5.0%	4.8%
Real estate	12.0%	4.0%
Alternative investments	15.0%	6.6%
Cash	3.0%	20.0%
Financing (LIBOR)	-14.0%	50.0%
	<u>100.0%</u>	

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 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 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 plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**COATESVILLE AREA SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE H - PENSION PLAN (Continued)**

***Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*** - The following presents the net pension liability, calculated using the discount rate of 7.25%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
School District's proportionate share of the net pension liability	\$ <u>223,511,000</u>	\$ <u>182,716,000</u>	\$ <u>148,436,000</u>

***Pension Plan Fiduciary Net Position*** - Detailed information about PSERS's fiduciary net position is available in the PSERS Comprehensive Annual Financial Report which can be found on the System's website at [www.psers.state.pa.us](http://www.psers.state.pa.us).

**NOTE I - SELF-INSURANCE**

The District administers a self-insurance program to provide for the medical care for eligible employees and their dependents. Benefit payments plus an administrative charge are made to a third-party administrator, who approves and processes all claims. The District has recorded a liability for claims incurred through June 30, 2017.

**Change in Aggregate Claims Liabilities**

Change in aggregate claims liabilities for the year ended June 30, 2017, consisted of the following:

CLAIMS LIABILITY, BEGINNING OF YEAR	\$ 2,153,938
Current year claims and changes in estimates	11,862,018
Claim payments by the District	<u>(11,990,929)</u>
CLAIMS LIABILITY, END OF YEAR	<u>\$ 2,025,027</u>

The liability is included in accrual salaries and benefits in the financial statements. Self-Insurance benefits also are offered to retired District employees according to the provisions set forth in each bargaining unit's ERIP agreement. Currently, 80 retirees are eligible for benefits, which are financed on a pay-as-you-go basis. The total amount of benefits paid was \$1,026,315 for the year ended June 30, 2017.



**COATESVILLE AREA SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE J - COMMITMENTS AND CONTINGENCIES**

**Government Grants and Awards**

The District participates in both state and federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for any expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

**Litigation**

Certain litigation claims are pending against the District. In the opinion of District management and legal counsel, the potential losses, if any, on such claims are not yet determinable.

**Tax Increment Financing Plan and Cooperation Agreement**

On July 18, 2005, the Board of School Directors of the District adopted a Resolution approving a Tax Increment Financing (TIF) Plan for the Hotel-Office Complex Project to construct a hotel and four office buildings at the intersection of Route 82 and the Route 30 Bypass in Coatesville, Pennsylvania. The TIF District is comprised of three tax parcels. A private developer, Oliver Tyrone Pulver Corporation, will construct a hotel and a 90,000 square foot office building. The Redevelopment Authority of the City of Coatesville (the "Authority") designed the TIF Plan to finance the project. The Tax Increment Financing Act (P.L. 465 July 11, 1990), as amended, grants this power to development authorities.

The TIF Plan calls for the developer to fund the project costs through a \$4,000,000 HUD loan, \$12,500,000 from governmental grants, \$3,800,000 from the proceeds of the TIF debt and \$12,689,000 from the developer's equity.

The District's election to participate in the Plan shall not, in any way, pledge or obligate the credit or taxing power of the District, nor shall the District be liable for the payment of principal of, or interest on, any obligations issued by the Authority.

In addition, the Board of School Directors of the District authorized the execution of a Cooperation Agreement among the Authority, the District, the County and the City of Coatesville, which sets forth and confirms the basic terms and conditions of the TIF Plan.

The Tax Increment District was created as of January 31, 2006. The Tax Increment District shall continue in existence until January 31, 2026. Commencing with the collection of the Tax Increment in calendar year 2006, the District will pay to the issuer an amount equal to 100% of the Tax Increment received by the District during the term of the Tax Increment District.

**COATESVILLE AREA SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE J - COMMITMENTS AND CONTINGENCIES (Continued)**

The tax assessor for the County has determined the full aggregate market value of the taxable property in the Tax Increment District to be \$38,427. This shall be considered the base assessed value of the taxable property in the Tax Increment District, and the real estate tax calculated at the current millage will be the amount earned by the District. The difference between the base assessed value of the TIF District parcel and the reassessed value is the Tax Assessment Increment. In accordance with the cooperation agreement, 100% of the Tax Increment has to be paid to the Authority when the owners of the TIF parcels pay the annual school real estate tax bill.

**NOTE K - RISK MANAGEMENT**

The District is exposed to various risks of loss related to tort; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs. There were no significant reductions of insurance coverages in the 2016-2017 year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

**NOTE L - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**Plan Description**

The District's postemployment healthcare plan is a single-employer defined benefit healthcare plan. The plan provides medical insurance benefits to eligible retirees and their spouses. The Board of School Directors assigns the authority to establish and amend benefit provisions. The plan does not issue any financial report and is not included in the report of any public employee retirement system or any other entity.

**Funding Policy**

The contribution requirements of plan members are established and may be amended by the Board of School Directors. The required contribution is based on projected pay-as-you-go financing requirements, with any additional amount to prefund as determined annually by the Board of School Directors. For fiscal year 2017, the District contributed \$1,004,725 to the plan for current premiums.

**COATESVILLE AREA SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE L - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

**Annual OPEB Cost and Net OPEB Obligation**

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The components of the District's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the District's net OPEB obligation to the plan are as follows:

Normal cost	\$ 2,542,881
Interest on net OPEB obligation	242,342
ANNUAL REQUIRED CONTRIBUTION (ARC)	<u>2,785,223</u>
Adjustment to ARC	(1,044,104)
ANNUAL OPEB EXPENSE	<u>1,741,119</u>
Net OPEB contributions during the year	<u>(1,581,976)</u>
INCREASE IN NET OPEB OBLIGATION	159,143
Net OPEB obligation at beginning of year	<u>5,385,384</u>
NET OPEB OBLIGATION AT END OF YEAR	<u>\$ 5,544,527</u>

<u>Year</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2015	\$ 2,744,355	92.6%	\$ 5,285,955
2016	1,755,922	94.3%	5,385,384
2017	1,741,119	90.9%	5,544,527

**Funded Status and Funding Progress**

As of June 30, 2015, the actuarial accrued liability for benefits was \$11,434,229 and the actuarial value of assets was \$0, all of which was unfunded.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**COATESVILLE AREA SCHOOL DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**NOTE L - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)**

The schedule of funding progress, presented as required supplementary information on page 54, will present multiyear trend information in the future about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the 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 employer and plan members to that point. The 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 June 30, 2015 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.50% investment rate of return and an annual healthcare cost trend rate of 6.00% in 2015, reduced by decrements of 0.5% per year to an ultimate rate of 5.50% in 2016. The UAAL is being amortized based on the level dollar, six year open period. The remaining amortization period at June 30, 2015, was seven years.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**COATESVILLE AREA SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual Amounts (GAAP Basis)	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local sources	\$ 102,989,496	\$ 102,989,496	\$ 105,651,301	\$ 2,661,805
State sources	47,367,638	47,367,638	50,567,327	3,199,689
Federal sources	2,830,388	2,830,388	4,759,046	1,928,658
<b>TOTAL REVENUES</b>	<b>153,187,522</b>	<b>153,187,522</b>	<b>160,977,674</b>	<b>7,790,152</b>
<b>EXPENDITURES</b>				
Instruction				
Regular programs	64,753,962	64,753,962	70,855,616	(6,101,654)
Special programs	28,627,520	28,627,520	38,765,814	(10,138,294)
Vocational programs	3,552,915	3,552,915	3,308,205	244,710
Other instructional programs	345,467	345,467	823,411	(477,944)
<b>TOTAL INSTRUCTION</b>	<b>97,279,864</b>	<b>97,279,864</b>	<b>113,753,046</b>	<b>(16,473,182)</b>
Support services				
Pupil personnel services	3,765,519	3,765,519	4,138,611	(373,092)
Instructional staff services	2,694,910	2,694,910	2,482,744	212,166
Administrative services	7,003,371	7,003,371	7,767,213	(763,842)
Pupil health	1,009,176	1,009,176	1,122,562	(113,386)
Business services	1,381,990	1,381,990	1,187,946	194,044
Operation and maintenance of plant services	9,865,262	9,865,262	9,286,239	579,023
Student transportation services	8,690,878	8,690,878	10,111,196	(1,420,318)
Central support services	1,622,659	1,622,659	2,623,076	(1,000,417)
Other support services	-	-	111,106	(111,106)
<b>TOTAL SUPPORT SERVICES</b>	<b>36,033,765</b>	<b>36,033,765</b>	<b>38,830,693</b>	<b>(2,796,928)</b>
Operation of non-instructional services				
Student activities	1,248,554	1,248,554	1,207,402	41,152
Community services	37,762	37,762	25,010	12,752
<b>TOTAL OPERATION OF NON-INSTRUCTIONAL SERVICES</b>	<b>1,286,316</b>	<b>1,286,316</b>	<b>1,232,412</b>	<b>53,904</b>
Debt service	15,333,960	15,333,960	15,153,960	180,000
Refund of prior year revenues	-	-	190,442	(190,442)
Budgetary reserve	2,253,617	2,253,617	-	2,253,617
<b>TOTAL EXPENDITURES</b>	<b>152,187,522</b>	<b>152,187,522</b>	<b>169,160,553</b>	<b>(16,973,031)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>(8,182,879)</b>	<b>(9,182,879)</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers out	(1,000,000)	(1,000,000)	(1,000,000)	-
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>(1,000,000)</b>	<b>(1,000,000)</b>	<b>(1,000,000)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(9,182,879)</b>	<b>\$ (9,182,879)</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>			<b>11,992,261</b>	
<b>FUND BALANCE AT END OF YEAR</b>			<b>\$ 2,809,382</b>	

See accompanying note to the budgetary comparison schedule.

**COATESVILLE AREA SCHOOL DISTRICT**  
**NOTE TO THE BUDGETARY COMPARISON SCHEDULE**  
**YEAR ENDED JUNE 30, 2017**

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**NOTE A - BUDGETARY INFORMATION**

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. An annual appropriated budget is adopted for the General Fund. All annual appropriations lapse at fiscal year-end. Project-length financial plans are adopted for the Capital Projects Fund.

The School District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to April 1, the Business Manager submits to the School Board a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the District offices to obtain taxpayer comments.
3. Prior to July 1, the budget is legally enacted through passage of an ordinance.
4. The Board may, by resolution, transfer unencumbered budgeted amounts between departments within any fund.
5. The operating budget is adopted on a basis prescribed by the Department of Education.

Controls over spending in the Capital Reserve Fund are achieved by the use of internal spending limits. Effective expenditure control is achieved in the Capital Reserve Fund through bond indenture provisions.

All budget amounts presented in the accompanying required supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions to the annual budgets during the year).

**COATESVILLE AREA SCHOOL DISTRICT**  
**SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE**  
**SHARE OF THE NET PENSION LIABILITY**  
**LAST THREE FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
SCHOOL DISTRICT'S PROPORTION OF THE NET PENSION LIABILITY (ASSET)	<u>0.3687%</u>	<u>0.3748%</u>	<u>0.2221%</u>
SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)	<u>\$ 182,716,000</u>	<u>\$ 162,345,000</u>	<u>\$ 87,909,000</u>
SCHOOL DISTRICT'S COVERED-EMPLOYEE PAYROLL	<u>\$ 47,754,301</u>	<u>\$ 48,219,963</u>	<u>\$ 28,336,379</u>
SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) AS A PERCENTAGE OF ITS COVERED-EMPLOYEE PAYROLL	<u>382.62%</u>	<u>336.68%</u>	<u>310.23%</u>
THE PLAN'S FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	<u>50.14%</u>	<u>45.64%</u>	<u>57.24%</u>



**COATESVILLE AREA SCHOOL DISTRICT**  
**SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS**  
**LAST THREE FISCAL YEARS**

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	<u>2017</u>	<u>2016</u>	<u>2015</u>
CONTRACTUALLY REQUIRED CONTRIBUTION	\$ 13,739,000	\$ 11,959,000	\$ 9,887,000
CONTRIBUTIONS IN RELATION TO THE CONTRACTUALLY REQUIRED CONTRIBUTION	<u>13,739,000</u>	<u>11,959,000</u>	<u>9,887,000</u>
CONTRIBUTION (EXCESS) DEFICIENCY	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>          -</u>
SCHOOL DISTRICT'S COVERED-EMPLOYEE PAYROLL	\$ <u>47,051,370</u>	\$ <u>47,754,301</u>	\$ <u>48,219,963</u>
CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	<u>29.20%</u>	<u>25.04%</u>	<u>20.50%</u>

**COATESVILLE AREA SCHOOL DISTRICT**  
**POSTEMPLOYMENT BENEFITS OTHER THAN**  
**PENSION FUNDING PROGRESS**  
**YEAR ENDED JUNE 30, 2017**

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**SCHEDULE OF FUNDING PROGRESS**

Valuation Date June 30,	(a) Actuarial Value of Assets	(b) Entry Age Actuarial Liability (AAL)	(c) Unfunded AAL (UAAL) (b)-(a)	(d) Funded Ratio (a)/(b)	(e) Covered Payroll	(f) UAAL as a Percentage of Covered Payroll (c)/(e)
2011	\$ -	\$ 18,357,465	\$ 18,357,465	0%	\$ 44,917,748	40.87%
2013	-	17,562,004	17,562,004	0%	41,911,328	41.90%
2015	-	11,434,229	11,434,229	0%	40,540,784	28.20%

***Independent Auditors' 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***

To the Board of School Directors  
Coatesville Area School District  
Coatesville, Pennsylvania

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Coatesville Area School District as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Coatesville Area School District's basic financial statements, and have issued our report thereon dated February 27, 2018.

***Internal Control Over Financial Reporting***

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

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

Our consideration of internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of School Directors  
Coatesville Area School District  
Coatesville, Pennsylvania

***Compliance and Other Matters***

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

***Purpose of this Report***

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

*Maullie LLP*

Oaks, Pennsylvania  
February 27, 2018

***Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards in Accordance With the Uniform Guidance***

To the Board of School Directors  
Coatesville Area School District  
Coatesville, Pennsylvania

***Report on Compliance for Each Major Federal Program***

We have audited the Coatesville Area School District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the Coatesville Area School District's major federal programs for the year ended June 30, 2017. The Coatesville Area School District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

***Auditors' Responsibility***

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Coatesville Area School District's compliance.

***Opinion on Each Major Federal Program***

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

To the Board of School Directors  
Coatesville Area School District  
Coatesville, Pennsylvania

***Report on Internal Control Over Compliance***

Management of the Coatesville Area School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Coatesville Area School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Coatesville Area School District's internal control over compliance.

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

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

***Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Coatesville Area School District as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Coatesville Area School District's basic financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the Uniform Guidance) and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

To the Board of School Directors  
Coatesville Area School District  
Coatesville, Pennsylvania

***Purpose of this Report***

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.

*Maillie LLP*

Oaks, Pennsylvania  
February 27, 2018

**SUPPLEMENTARY INFORMATION - MAJOR FEDERAL  
AWARD PROGRAMS AUDIT**



**COATESVILLE AREA SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2017**

Federal Grantor/Pass-Through Grantor/Program Title	Source Code	Federal CFDA Number	Federal Pass-Through Grantor's Number	Grant Period Beginning/ Ending Dates
<b>U.S. DEPARTMENT OF EDUCATION</b>				
<b>Passed through the Pennsylvania Department of Education</b>				
Title I Improving Basic Programs	I	84.010	013-14-0089	July 1, 2013 to September 30, 2014
Title I Improving Basic Programs	I	84.010	013-16-0089	July 1, 2015 to September 30, 2016
Title I Improving Basic Programs	I	84.010	013-17-0089	July 1, 2016 to September 30, 2017
Title I Improving Basic Programs - Delinquent	I	84.010	107-15-0089	July 1, 2014 to September 30, 2015
Title I Improving Basic Programs - Delinquent	I	84.010	107-16-0089	July 1, 2015 to September 30, 2016
Title I Improving Basic Programs - Delinquent	I	84.010	107-17-0089	July 1, 2016 to September 30, 2017
Title I Improving Basic Programs - Program Improvement	I	84.010	042-13-0089	April 10, 2013 to September 30, 2014
Striving Readers Comprehensive Literacy Grant	I	84.010	143-120-089	July 1, 2013 to September 30, 2014
TOTAL TITLE I				
Title II Improving Teacher Quality	I	84.367	020-14-0089	July 1, 2013 to September 30, 2014
Title II Improving Teacher Quality	I	84.367	020-15-0089	July 1, 2014 to September 30, 2015
Title II Improving Teacher Quality	I	84.367	020-16-0089	July 1, 2015 to September 30, 2016
Title II Improving Teacher Quality	I	84.367	020-17-0089	July 1, 2016 to September 30, 2017
TOTAL TITLE II				
Title III Language Instruction	I	84.365	010-15-0089	July 1, 2014 to September 30, 2015
Title III Language Instruction	I	84.365	010-16-0089	July 1, 2015 to September 30, 2016
Title III Language Instruction	I	84.365	010-17-0089	July 1, 2016 to September 30, 2017
TOTAL TITLE III				
21st Century Community Learning Centers	I	84.287	410-005-2385	July 1, 2014 to June 30, 2015
21st Century Community Learning Centers	I	84.287	410-006-2385	July 1, 2012 to September 30, 2013
21st Century Community Learning Centers	I	84.287	410-006-2385	July 1, 2013 to September 30, 2014
TOTAL 21st CENTURY COMMUNITY LEARNING CENTERS				
SUBTOTAL FORWARD				

<u>Program or Award Amount</u>	<u>Total Received for the Year</u>	<u>Accrued or (Deferred) Revenue at July 1, 2016</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>	<u>Accrued or (Deferred) Revenue at June 30, 2017</u>	<u>Passed Through to Sub-Recipients</u>
\$ 1,520,118	\$ (92,522)	\$ (92,522)	\$ -	\$ -	\$ -	\$ -
1,752,913	557,527	218,283	339,244	339,244	-	-
2,014,375	1,188,506	-	1,528,366	1,528,366	339,860	-
42,691	8,538	8,538	-	-	-	-
42,268	14,089	14,089	-	-	-	-
421	29,383	-	32,100	32,100	2,717	-
161,209	-	(10,098)	-	-	(10,098)	-
861,400	-	(20,387)	-	-	(20,387)	-
	<u>1,705,521</u>	<u>117,903</u>	<u>1,899,710</u>	<u>1,899,710</u>	<u>312,092</u>	<u>-</u>
455,752	(55,584)	(55,584)	-	-	-	-
455,199	242,667	242,667	-	-	-	-
454,793	150,803	145,974	4,829	4,829	-	-
448,643	<u>160,801</u>	<u>-</u>	<u>318,166</u>	<u>318,166</u>	<u>157,365</u>	<u>-</u>
	<u>498,687</u>	<u>333,057</u>	<u>322,995</u>	<u>322,995</u>	<u>157,365</u>	<u>-</u>
83,262	5,551	(2,105)	7,656	7,656	-	-
84,474	-	(56,108)	73,451	73,451	17,343	-
90,961	<u>25,989</u>	<u>-</u>	<u>648</u>	<u>648</u>	<u>(25,341)</u>	<u>-</u>
	31,540	(58,213)	81,755	81,755	(7,998)	-
252,793	-	151,694	-	-	151,694	-
252,793	-	63,198	-	-	63,198	-
252,793	-	(24,008)	-	-	(24,008)	-
	-	190,884	-	-	190,884	-
	<u>\$ 2,235,748</u>	<u>\$ 583,631</u>	<u>\$ 2,304,460</u>	<u>\$ 2,304,460</u>	<u>\$ 652,343</u>	<u>\$ -</u>

**COATESVILLE AREA SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**YEAR ENDED JUNE 30, 2017**

Federal Grantor/Pass-Through Grantor/Program Title	Source Code	Federal CFDA Number	Federal Pass-Through Grantor's Number	Grant Period Beginning/ Ending Dates
<b>U.S. DEPARTMENT OF EDUCATION</b>				
SUBTOTAL FORWARDED				
<b>Passed through Chester County Intermediate Unit</b>				
IDEA	I	84.027	062-15-0024	July 1, 2015 to September 30, 2016
IDEA	I	84.027	062-16-0024	July 1, 2016 to September 30, 2017
IDEA 619	I	84.027	131-150024B	July 1, 2015 to September 30, 2016
IDEA 619	I	84.027	131-160024B	July 1, 2016 to September 30, 2017
TOTAL SPECIAL EDUCATION CLUSTER				
TOTAL U.S. DEPARTMENT OF EDUCATION				
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
<b>Passed through the Substance Abuse and Mental Health Services Administration</b>				
Substance Abuse and Mental Health Services	I	93.243	N/A	September 30, 2014 to September 29, 2016
<b>Passed through Leader Services</b>				
Medical Assistance	I	93.778	N/A	July 1, 2014 to June 30, 2015
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
<b>Passed through the Pennsylvania Department of Education</b>				
National School Lunch Program	I	10.555	N/A	July 1, 2015 to June 30, 2016
National School Lunch Program	I	10.555	N/A	July 1, 2016 to June 30, 2017
National School Breakfast Program	I	10.553	N/A	July 1, 2015 to June 30, 2016
National School Breakfast Program	I	10.553	N/A	July 1, 2016 to June 30, 2017
<b>Passed through the Pennsylvania Department of Agriculture</b>				
Value of U.S.D.A. Donated Commodities	I	10.555	N/A	July 1, 2015 to June 30, 2016
Value of U.S.D.A. Donated Commodities	I	10.555	N/A	July 1, 2016 to June 30, 2017
TOTAL CHILD NUTRITION CLUSTER				
<b>Passed through the Pennsylvania Department of Education</b>				
Fresh Fruit and Vegetable Program	I	10.582	N/A	July 1, 2015 to June 30, 2016
Fresh Fruit and Vegetable Program	I	10.582	N/A	July 1, 2016 to June 30, 2017
TOTAL FRESH FRUIT AND VEGETABLE PROGRAM				
TOTAL U.S. DEPARTMENT OF AGRICULTURE				
TOTAL FEDERAL AWARDS				

**Footnotes:**

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

**Source Codes:**

I = Indirect funding

Program or Award Amount	Total Received for the Year	Accrued or (Deferred) Revenue at July 1, 2016	Revenue Recognized	Expenditures	Accrued or (Deferred) Revenue at June 30, 2017	Passed Through to Sub-Recipients
	\$ 2,235,748	\$ 583,631	\$ 2,304,460	\$ 2,304,460	\$ 652,343	\$ -
\$ 1,078,388	287,570	287,570	-	-	-	-
1,219,020	893,948	-	1,219,020	1,219,020	325,072	-
3,874	3,874	3,874	-	-	-	-
4,042	-	-	4,042	4,042	4,042	-
	1,185,392	291,444	1,223,062	1,223,062	329,114	-
	3,421,140	875,075	3,527,522	3,527,522	981,457	-
99,756	-	24,076	10,960	10,960	35,036	-
58,665	45,092	35,627	-	-	(9,465)	-
	45,092	59,703	10,960	10,960	25,571	-
N/A	47,930	47,930	-	-	-	-
N/A	1,558,072	-	1,600,847	1,600,847	42,775	-
N/A	15,503	15,503	-	-	-	-
N/A	492,486	-	508,941	508,941	16,455	-
N/A	- (A)	(18,373) (B)	18,373	18,373 (C)	-	-
N/A	188,508 (A)	-	170,134	170,134 (C)	(18,374) (D)	-
	2,302,499	45,060	2,298,295	2,298,295	40,856	-
N/A	3,511	3,511	-	-	-	-
N/A	73,356	-	124,350	124,350	50,994	-
	76,867	3,511	124,350	124,350	50,994	-
	2,379,366	48,571	2,422,645	2,422,645	91,850	-
	\$ 5,845,598	\$ 983,349	\$ 5,961,127	\$ 5,961,127	\$ 1,098,878	\$ -

**COATESVILLE AREA SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULE OF EXPENDITURES**  
**OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2017**

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**NOTE A - SCOPE OF THIS SCHEDULE**

The schedule of expenditures of federal awards reflects the federal expenditures for all individual grants which were active during the fiscal year.

**NOTE B - BASIS OF ACCOUNTING**

The District uses the modified accrual method of recording transactions except as noted for the accounting of donated commodities in Note C. Revenues are recorded when measurable and available. Expenditures are recorded when incurred.

**NOTE C - NONMONETARY FEDERAL AWARDS - DONATED FOOD**

The Commonwealth of Pennsylvania distributes federal surplus food to institutions (schools, hospitals and prisons) and to the needy. Expenditures reported in the schedule of expenditures of federal awards under CFDA #10.555 Value of U.S.D.A. Donated Commodities represent surplus food consumed by the District during the 2017 fiscal year.

**NOTE D - INDIRECT COST RATES**

The School District has not elected to use the 10% de minimis indirect cost rate as allowed in the Uniform Guidance, Section 414.

**COATESVILLE AREA SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2017**

---

**A. SUMMARY OF AUDITORS' RESULTS**

1. The auditors' report expresses an unmodified opinion on the financial statements of the Coatesville Area School District.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the Independent Auditors' 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 the Coatesville Area School District were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards in Accordance with the Uniform Guidance.
5. The auditors' report on compliance for the major award programs for the Coatesville Area School District expresses an unmodified opinion.
6. There were no audit findings that are required to be reported in accordance with the Uniform Grant Guidance.
7. The programs tested as major programs include:

Program	CFDA
Title I	84.010
Title II	84.367
Special Education Cluster - Grants to States	84.027

8. The threshold used for distinguishing Types A and B programs was \$750,000.
9. Coatesville Area School District was determined not to be a low-risk auditee.

**COATESVILLE AREA SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2017**

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**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

None

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

None

**COATESVILLE AREA SCHOOL DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**YEAR ENDED JUNE 30, 2017**

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**2016-02 - Title I Grants to Local Educational Agencies: Reporting**

**Federal Grantor: U.S. Department of Education**  
**Federal CFDA #84.010**  
**Pass-Through Grantor: Pennsylvania Department of Education**

***Description of Finding:*** The District did not properly report its expenditures.

***Current Status:*** This finding is no longer applicable. The District has implemented policies and procedures to properly report expenditures.

**2016-03 - Title II Improving Teacher Quality State Grants: Reporting**

**Federal Grantor: U.S. Department of Education**  
**Federal CFDA #84.367**  
**Pass-Through Grantor: Pennsylvania Department of Education**

***Description of Finding:*** The District did not properly report its expenditures.

***Current Status:*** This finding is no longer applicable. The District has implemented policies and procedures to properly report expenditures.



**Administrative  
Services Agreement  
with QCC Insurance  
Company**

*Coatesville Area School District  
Education Committee*



Members

Bashera Grove, Chair  
Robert Fisher  
Thomas Keech

May 07, 2018

# Education Committee Agenda

Coatesville Area Senior High School Auditorium

**May 7, 2018 - 6:00 PM**

*(1st Committee Meeting of the Evening)*

**CHAIRPERSON:** Bashera Grove  
**BOARD MEMBERS:** Robert Fisher and Thomas Keech  
**ADMINISTRATION:** Dr. Cathy Taschner and Karen Hall  
**CALL TO ORDER:** \_\_\_\_\_

## APPROVAL of MINUTES

Approval of the April 10, 2018 Education Committee meeting minutes. (*Enclosure*)

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

## AGENDA ITEMS

### **A. Confidential Release and Settlement Agreement – Student 10005391**

**RECOMMENDED MOTION:** That the Board of School Directors approve the Release and Settlement Agreement for student 10005391 as presented. (*Confidential Enclosure*)

### **B. Request for Public Performance- Gospel Choir**

**RECOMMENDED MOTION:** That the Board of School Directors approve the request for public performance as presented. (*Confidential Enclosure*)

### **C. Request for Public Performance- Bel Canto Choir**

**RECOMMENDED MOTION:** That the Board of School Directors approve the request for public performance as presented. (*Confidential Enclosure*)

### **D. Out of State Field Trip Requests for AFJROTC**

**RECOMMENDED MOTION:** That the Board of School Directors approve the out of state field trip requests for the AFJROTC as presented. (*Confidential Enclosure*)

### **E. Non-Curricular Trip Requests for AFJROTC**

**RECOMMENDED MOTION:** That the Board of School Directors approve the non-curricular field trip requests for the AFJROTC as presented. (*Confidential Enclosure*)

### **F. Out of State Field Trip Request for Spanish Club**

**RECOMMENDED MOTION:** That the Board of School Directors approve the out of state field trip request from the Spanish Club as presented. (*Confidential Enclosure*)

### **G. CPM Teacher Leader Contract**

**RECOMMENDED MOTION:** That the Board of School Directors approves the teacher leader contracts with CPM to allow the following CASD teachers to become teacher leaders and offer professional development at workshops, site visits and conferences: (*Confidential Enclosure*)

- Matthew Smiley
- Kelly Colgan

H. **Student Adjudication**

**RECOMMENDED MOTION:** That the Board of School Directors approve the adjudication for student 10006296 as presented. (*Confidential Enclosure*)

I. **Student Code of Conduct**

**RECOMMENDED MOTION:** That the Board of School Directors approve the Student Code of Conduct for the 18-19 school year. (*Confidential Enclosure*)

**INFORMATIONAL ITEM(S)**

Charter School Update- Mr. Palaia

Coatesville Area Senior High School Graduation Cohort Update- Mr. Fierras

**OLD BUSINESS**

**NEW BUSINESS**

**PUBLIC COMMENT**

**ADJOURNMENT** \_\_\_\_\_



*Education Committee*

*Minutes to Approve*

# Education Committee Minutes

Coatesville Area Senior High School Auditorium

April 10, 2018 - 6:00 PM

(2<sup>nd</sup> Committee Meeting of the Evening)

**CHAIRPERSON:** Bashera Grove  
**BOARD MEMBERS:** Robert Fisher and Thomas Keech  
**ADMINISTRATION:** Dr. Cathy Taschner and Karen Hall  
**CALL TO ORDER:** 6:04 pm

## APPROVAL of MINUTES

Approval of the March 13, 2018 Education Committee meeting minutes. (*Enclosure*)

**Motion:** Robert Fisher      **Second:** Ann Wuertz      **Vote:** 3-0

## AGENDA ITEMS

### **A. University of Pennsylvania Penn Literacy Network Professional Development Contract**

**RECOMMENDED MOTION:** That the Board of School Directors approves the professional development contract with the University of Pennsylvania Graduate Penn Literacy Network in the amount of \$50,000 as presented. (*Confidential Enclosure*)

**Motion:** Robert Fisher      **Second:** Ann Wuertz      **Vote:** 3-0

### **B. CPM Teacher Leader Contract**

**RECOMMENDED MOTION:** That the Board of School Directors approves the teacher leader contracts with CPM to allow the following CASD teachers to become teacher leaders and offer professional development at workshops, site visits and conferences: (*Confidential Enclosure*)

- Jillian Abgarian
- Michelle Amicone
- Patricia Ashe
- Melissa McIlhenny

**Motion:** Ann Wuertz      **Second:** Robert Fisher      **Vote:** 3-0

### **C. Lifetouch Underclass Portrait Dates for 2018-2019**

**RECOMMENDED MOTION:** That the Board of School Directors approves the Lifetouch Underclass Portrait dates and contracts for 2018-2019 of, as outlined below: (*Enclosure*)

<u>School</u>	<u>Spring Dates</u>	<u>Fall Dates</u>	<u>Make-up Dates</u>
Scott Middle School	04-16-2019	09-18-2018	10-24-2018

**Motion:** Ann Wuertz      **Second:** Robert Fisher      **Vote:** 3-0

### **D. School Calendar 2018-2019 Final**

**RECOMMENDED MOTION:** That the Board of School Directors approves the calendar for the 2018-2019 school year as presented. (*Enclosure*)

Motion: Ann Wuertz                      Second: Robert Fisher                      Vote: 3-0

**E. Out of State Field Trip Request AFJROTC**

**RECOMMENDED MOTION:** That the Board of School Directors approves the out of state AFJROTC field trip request as presented. (*Confidential Enclosure*)

Motion: Ann Wuertz                      Second: Robert Fisher                      Vote: 3-0

**F. Out of State Field Trip Request Chamber Orchestra**

**RECOMMENDED MOTION:** That the Board of School Directors approves the out of state field trip request, and public performance for adjudication, as presented. (*Confidential Enclosure*)

Motion: Ann Wuertz                      Second: Robert Fisher                      Vote: 3-0

**G. Student Discipline Code of Conduct**

**RECOMMENDED MOTION:** That the Board of School Directors approves the student discipline code of conduct for the 2018-2019 school year.

Motion: Ann Wuertz                      Second: Robert Fisher                      Vote: 3-0

**H. Student Adjudications**

**RECOMMENDED MOTION:** That the Board of School Directors approves the student adjudications for the following students: 58710661, 90001168

Motion: Ann Wuertz                      Second: Robert Fisher                      Vote: 3-0

**I. Photo Booth**

**RECOMMENDED MOTION:** That the Board of School Directors approves the contract with Lenny Rogers photography for a photo booth to be used at the North Brandywine Middle School Dance in May. (*Confidential Enclosure*)

Motion: Ann Wuertz                      Second: Robert Fisher                      Vote: 3-0

**J. Homebound Instruction Request**

**RECOMMENDED MOTION:** That the Board of School Directors approves the homebound instruction for the following students: 10002825, 10015591, 10001792 (*Confidential Enclosure*).

Motion: Ann Wuertz                      Second: Robert Fisher                      Vote: 3-0

**K. NASA Research Challenge**

**RECOMMENDED MOTION:** That the Board of School Directors approves the field trip to the Goddard Space Flight Center (*Confidential Enclosure*).

Motion: Ann Wuertz                      Second: Robert Fisher                      Vote: 3-0

**INFORMATIONAL ITEM(S)**

- Charter School Presentation – Mr. Palaia
- Student Discipline Code of Conduct Full Presentation Outlining Changes from the 2017-2018 Code of Conduct- Mr. Palaia



- Senior Graduation Rate Report Status- Mrs. Snyder
- Middle School Academic Reports-
  - SBMS- Mr. Colf
  - NBMS- Dr. Jahnke
  - Scott- Ms. Taylor, Dr. Roberts
- Friendship Transition Report- Dr. Taschner, Mrs. Sturdivant, Mr. Lefever, Mr. Wallace, Mr. Bentman
- ALS Research Course: University of Pittsburgh Live Like Lou Center & Brain Institute Update- Dr. Taschner

**OLD BUSINESS**

**NEW BUSINESS**

**PUBLIC COMMENT**

**ADJOURNMENT**    This meeting adjourned at 8:22 pm

*Notice of this public meeting was advertised in the Daily Local News on January 1, 2018 and on the District website.  
Copies of the minutes will be maintained in the office of the Board Secretary.*

*Coatesville Area School District  
Policy Committee*



Members

Thomas Siedenbuehl, Chair  
Brandon Rhone  
Ann Wuertz

May 07, 2018

**Policy Committee Agenda**  
*Coatesville Area Senior High School Auditorium*  
**May 7, 2018 - 6:00 PM**  
*(4<sup>th</sup> Committee Meeting of the Evening)*

**CHAIRPERSON:** Thomas Siedenbuehl  
**BOARD MEMBERS:** Brandon Rhone and Ann Wuertz  
**ADMINISTRATION:** Dr. Cathy Taschner and Karen Hall  
**CALL TO ORDER:** \_\_\_\_\_

**APPROVAL of MINUTES**

Approval of the April 10, 2018 Policy Committee meeting minutes. (*Enclosure*)

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

**AGENDA ITEMS**

**Consent Agenda**

**RECOMMENDED MOTION:** That the Board of School Directors approves the Consent Agenda items:

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

**A. Notice of Adoption of CCIU Polices and Procedures 34 CFR PART 300<sup>1</sup>:**

**RECOMMENDED MOTION:** That the Board of School Directors give notice of the adoption of CCIU's policies and procedures under the federal requirements of 34 CFR Part 300<sup>1</sup>. (The IU-adopted policies and procedure are implemented to fulfill the requirements of 22 PA Code Chapter 14 and the regulatory requirements under the Individuals with Disabilities Education Act- Part B.  
(*Enclosure*)

**INFORMATIONAL ITEM(S)**

**OLD BUSINESS**

**NEW BUSINESS**

**PUBLIC COMMENT**

**ADJOURNMENT** \_\_\_\_\_

*Notice of this public meeting was advertised in the Daily Local News on January 1, 2018 and on the District website.  
Copies of the minutes will be maintained in the office of the Board Secretary.*

# *Minutes to Approve*

**Policy Committee Minutes**  
*Coatesville Area Senior High School Auditorium*  
**April 10, 2018 - 6:00 PM**  
*(1<sup>st</sup> Committee Meeting of the Evening)*

**CHAIRPERSON:** Thomas Siedenbuehl  
**BOARD MEMBERS:** Brandon Rhone and Ann Wuertz  
**ADMINISTRATION:** Dr. Cathy Taschner and Karen Hall  
**CALL TO ORDER:** 6:03 pm

**APPROVAL of MINUTES**

Approval of the March 13, 2018 Policy Committee meeting minutes. (*Enclosure*)

**Motion:** Brandon Rhone      **Second:** Ann Wuertz      **Vote:** 3-0

**AGENDA ITEMS**

**Consent Agenda**

**RECOMMENDED MOTION:** That the Board of School Directors approves the Consent Agenda items:

**Motion:** Brandon Rhone      **Second:** Ann Wuertz      **Vote:** 3-0

**A. Policy-012 Diversity Policy: Second Reading**

**RECOMMENDED MOTION:** That the Board of School Directors approve the first reading of policy 012.

**B. Insertion of Named Designee**

**RECOMMENDED MOTION:** That the Board of School Directors approves the insertion of the named designees as presented in policies 600,700, 800, 900. For purposes of clarity, these insertions do not change the substance or content of the policies but will allow the general public to know whom they may directly contact.

**INFORMATIONAL ITEM(S)**

**OLD BUSINESS**

**NEW BUSINESS**

**PUBLIC COMMENT**

**ADJOURNMENT**      This meeting adjourned at 6:04 pm

*Notice of this public meeting was advertised in the Daily Local News on January 1, 2018 and on the District website.  
Copies of the minutes will be maintained in the office of the Board Secretary.*

*Notice of Adoption of CCIU  
Policies and Procedures 34  
CFR PART 300<sup>1</sup>*

**(ATTACHMENT A)  
NOTICE OF ADOPTION OF  
POLICIES, PROCEDURES AND USE OF FUNDS  
BY SCHOOL DISTRICT**

The Coatesville Area School District hereby gives notice of its adoption of the Chester County Intermediate Unit's policies and procedures under the federal requirements of 34 CFR PART 300<sup>1</sup>. A copy of the policies and procedures are maintained for review in the administrative offices. The IU-adopted policies and procedures are implemented to fulfill the requirements of 22 PA Code Chapter 14 and the regulatory requirements under the Individuals with Disabilities Education Act – Part B. The Subgrantee has in effect policies and procedures whereby the SEA may, through corrective action for failure to comply with Part B of the act, exercise its general supervisory authority to withhold all direct or indirect subsidies for special education and related services provided by the SEA to public agencies with the responsibility to offer a free appropriate public education to eligible children. (20 U.S.C. Section 1412 (11), 34 C.F.R. Section 300.151, and 34 C.F.R. Section 300.608).

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Signature of Superintendent of the School District

Date

<sup>1</sup>Federal requirements including, but not limited to:

- §300.101-§300.123 FAPE Requirements, LRE, Additional Eligibility Requirements
- §300.145-§300.148 Children with Disabilities in Private Schools Placed or Referred by Public Agencies
- §300.154 Parental Consent to Access Public Benefits or Insurance
- §300.200-§300.226 Local Educational Agency Eligibility
- §300.229 Disciplinary information
- §300.300-§300.536 Evaluations, Eligibility Determinations, IEP and Educational Placements, Procedural Safeguards, and Discipline Procedures
- §300.610-§300.624 Confidentiality of Information

# Operations Committee Agenda

Coatesville Area Senior High School Auditorium

May 7, 2018 - 6:00 PM

(3rd Committee Meeting of the Evening)

**CHAIRPERSON:** James Hills  
**BOARD MEMBERS:** Robert Marshall, Jr. and Ann Wuertz  
**ADMINISTRATION:** Dr. Cathy Taschner and Karen Hall  
**CALL TO ORDER:** \_\_\_\_\_

## APPROVAL of MINUTES

Approval of the April 10, 2018 Operations Committee meeting minutes. (*Enclosure*)

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

## AGENDA ITEMS

- A. Use of Facility Request & Request to Waive Fees- Chester County Voter Services**  
**RECOMMENDED MOTION:** That the Board of School Directors approve the request from Chester County Voter Services to waive fees for the use of Rainbow Elementary School Gymnasium for the May 15 Primary Election. (*Enclosure*)
- B. Use of Facility Request & Request to Waive Fees- Out of the Box Robotics Team**  
**RECOMMENDED MOTION:** That the Board of School Directors approve the request to waive fees in the amount of \$21,900 for use by the Out of the Box Robotics Team to use one classroom at CASH for the robotics team. (*Enclosure*)
- C. Closure of Friendship Elementary School**  
**RECOMMENDED MOTION:** That the Board of School Directors approve the resolution to close Friendship Elementary School as presented. (*Enclosure*)

## INFORMATIONAL ITEM(S)

## OLD BUSINESS

## NEW BUSINESS

## PUBLIC COMMENT

## ADJOURNMENT

Notice of this public meeting was advertised in the Daily Local News on January 1, 2018 and on the District website.  
Copies of the minutes will be maintained in the office of the Board Secretary.



*Operations Committee*

*Minutes to Approve*

# Operations Committee Agenda

Coatesville Area Senior High School Auditorium

**May 7, 2018 - 6:00 PM**

(3rd Committee Meeting of the Evening)

**CHAIRPERSON:** James Hills  
**BOARD MEMBERS:** Robert Marshall, Jr. and Ann Wuertz  
**ADMINISTRATION:** Dr. Cathy Taschner and Karen Hall  
**CALL TO ORDER:** \_\_\_\_\_

## APPROVAL of MINUTES

Approval of the April 10, 2018 Operations Committee meeting minutes. (*Enclosure*)

Motion: \_\_\_\_\_ Second: \_\_\_\_\_ Vote: \_\_\_\_\_

## AGENDA ITEMS

### **A. Use of Facility Request & Request to Waive Fees- Out of the Box Robotics Team**

**RECOMMENDED MOTION:** That the Board of School Directors approve the request to waive fees in the amount of \$21,900 for use by the Out of the Box Robotics Team to use one classroom at CASH for the robotics team. (*Enclosure*)

### **B. Approval for Posting and Sale of Equipment through Municipal Bid**

**RECOMMENDED MOTION:** That the Board of School Directors approve the posting and sale of facilities equipment and Rainbow washer and dryer to the municipal bid list. (*Enclosure*)

### **C. Approval of Auction for Surplus School Items**

**RECOMMENDED MOTION:** That the Board of School Directors authorize the Director of Business Management to engage with an auctioneer to hold an auction at Friendship Elementary School for surplus school items.

### **D. Closure of Friendship Elementary School**

**RECOMMENDED MOTION:** That the Board of School Directors approve the resolution to close Friendship Elementary School as presented. (*Enclosure*)

**INFORMATIONAL ITEM(S)**

**OLD BUSINESS**

**NEW BUSINESS**

**PUBLIC COMMENT**

**ADJOURNMENT** \_\_\_\_\_

*Notice of this public meeting was advertised in the Daily Local News on January 1, 2018 and on the District website.  
Copies of the minutes will be maintained in the office of the Board Secretary.*



# Operations Committee Minutes

Coatesville Area Senior High School Auditorium

**April 10, 2018 - 6:00 PM**

(4<sup>th</sup> Committee Meeting of the Evening)

**CHAIRPERSON:** James Hills  
**BOARD MEMBERS:** Robert Marshall, Jr. and Ann Wuertz  
**ADMINISTRATION:** Dr. Cathy Taschner and Karen Hall  
**CALL TO ORDER:** 9:15 pm

## APPROVAL of MINUTES

Approval of the March 13, 2018 Operations Committee meeting minutes. (*Enclosure*)

**Motion:** Ann Wuertz                      **Second:** Robert Marshall                      **Vote:** 3-0

## AGENDA ITEMS

### **A. Request to Waive Fees – Red Raider Football Kid Camp– C.A.S.H.S.**

**RECOMMENDED MOTION:** That the Board of School Directors approves the request to waive fees in the amount of \$10,350 for use of the turf football field, stadium and bathrooms to host the Red Raider Football Kid Camp. (*Confidential Enclosure*)

**Motion:** Ann Wuertz                      **Second:** Robert Marshall                      **Vote:** 3-0

### **B. Request to Waive Fees – Caln National Night Out- Caln Elementary School Field.**

**RECOMMENDED MOTION:** That the Board of School Directors approves the request to waive fees in the amount of \$10.00 for the use of Caln Elementary School field for the National Night Out fireworks. (*Enclosure*)

**Motion:** Robert Marshall                      **Second:** Ann Wuertz                      **Vote:** 3-0

### **C. Request to Waive Fees – YMWIC– Rainbow Elementary School.**

**RECOMMENDED MOTION:** That the Board of School Directors approves the request to waive fees in the amount of \$13,775 for use of the 3 classrooms, cafeteria and the library to hold math and science summer camp. (*Confidential Enclosure*)

**Motion:** Ann Wuertz                      **Second:** Robert Marshall                      **Vote:** 3-0

### **D. Request to Waive Fees – Coatesville Youth Lacrosse– NBMS, SBMS, Multi-Purpose Field.**

**RECOMMENDED MOTION:** That the Board of School Directors approves the request to waive fees in the amount of \$24,700 for use of the multi-purpose field at CASH, NBMS and SBMS fields to host the Coatesville Youth Lacrosse Programs. (*Confidential Enclosure*)

**Motion:** Ann Wuertz                      **Second:** Robert Marshall                      **Vote:** 3-0

*Operations Committee*

*A*

**CONFIDENTIAL**

*Request to Waive Fees*

*Chester County Voter Services*

*Operations Committee*  
*B*

**CONFIDENTIAL**

Request to Waive Fees  
Out of the Box Robotics