ERIE COUNTY TECHNICAL SCHOOL

Erie, Pennsylvania

Financial Statements

For the Year Ended June 30, 2019

Buseck, Barger, Bleil & Co., Inc

ERIE COUNTY TECHNICAL SCHOOL
ERIE, PENNSYLVANIA

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Buseck · Barger · Bleil & Co. Inc.

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Joint Operating Committee
Erie County Technical School
Erie, PA

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Erie County Technical School, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the 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.

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Erie County Technical School, as of June 30, 2019, 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 and budgetary comparison information on pages 3-10 and 41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statement, 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 Erie County Technical School's basic financial statements. The schedule of revenue, expenditures, and changes in fund balance – budget and actual is presented for purposes of additional analysis and are not a required part of the basic financial statements

The schedule of revenue, expenditures, and changes in fund balance – budget and actual is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of 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 revenue, expenditures, and changes in fund balance – budget and actual 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 August 15, 2019, on our consideration of the Erie County Technical School'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 Erie County Technical School's internal control over financial reporting and compliance.

Buseck, Barger, Bleil & Co. Inc.
Certified Public Accountants
Erie, Pennsylvania

August 15, 2019

ERIE COUNTY TECHNICAL SCHOOL
ERIE, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2019

The discussion and analysis of Erie County Technical School's financial performance provides an overall review of the School's financial activities for the fiscal year ended June 30, 2019 with comparative information for the previous year. The intent of this discussion and analysis is to look at the School's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School's financial performance.

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

Erie County Technical School is organized as a joint venture of eleven public school districts in Erie County, Pennsylvania, organized under the Public School Code of Pennsylvania. The School provides vocational and technical training for high school students who are residents of the participating school districts and out of school youths and adults. Each district is responsible for a share of the operating budget based on student enrollment using a rolling-average formula. The participating school districts include: Fairview School District, Fort LeBoeuf School District, General McLane School District, Girard School District, Harbor Creek School District, Iroquois School District, Millcreek Township School District, North East School District, Northwestern School District, Union City Area School District, and Wattsburg Area School District.

OVERVIEW OF FINANCIAL STATEMENTS

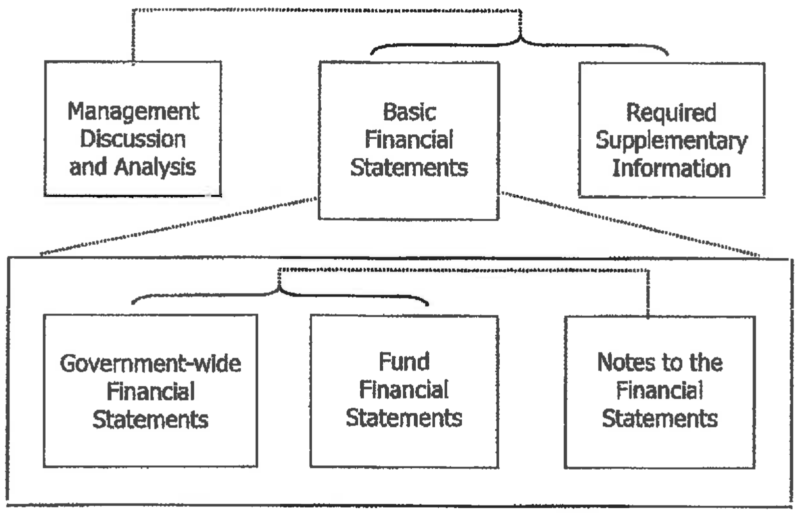
The first two statements are government-wide financial statements – the Statement of Net Position and the Statement of Activities. These provide both long-term and short-term information about the School's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the School's operations in more detail than the government-wide statements. The governmental funds statements tell how general School services were financed in the short term as well as what remains for future spending. Proprietary fund statements offer short- and long-term financial information about the activities that the School operates like a business. Fiduciary fund statements provide information about financial relationships where the School acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

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

Figure A-1 below shows how the required parts of the Financial Section are arranged and relate to one another:

Figure A-1
Required components of
Erie County Technical School's
Financial Report



Government-wide Statements

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

The two government-wide statements report the School's net assets and how they have changed. Net assets, the difference between the School's assets and liabilities, are one way to measure the School's financial health or position. Over time, increases or decreases in the School's net position are an indication of whether its financial health is improving or deteriorating, respectively. To assess the overall health of the School, additional non-financial factors must be considered, such as changes in the student demographics within the school districts which we serve throughout Erie County.

The government-wide financial statements of the District are reflective of only Governmental activities. As of June 30, 2018 the School ceased food service operations.which comprised its only Business type activity within a Proprietary fund. The Governmental activities are described below:

- Governmental activities – All of the School's basic services are included here, such as instruction, administration and community services. State and federal subsidies and tuition payments from our member school districts and adult training programs most of these activities.

Fund Financial Statements

The School's fund financial statements, which begin on Page 13, provide detailed information about the most significant funds – not the School as a whole. Some funds are required by state law or other reporting requirements.

Governmental funds – Most of the School's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the School's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary funds – These funds no longer exist within the School's activities due to the closure of the Food Service program which had been the School's only Proprietary fund operation. At June 30, 2018, the School ceased food service activities due to lack of participation by the sending districts.

Fiduciary funds - The School is the trustee, or fiduciary, for its related Foundation and student activity funds. All of the School's fiduciary activities are report in separate Statements of Fiduciary Net Position on Page 20. These activities were excluded from the School's other financial statement because the School cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF ERIE COUNTY TECHNICAL SCHOOL AS A WHOLE

The School's total net assets as a whole were $(4,246,987) at June 30, 2019. During 2015, the School implemented the provisions of GASB No. 68 which required a restatement of the School's net position to record the net pension liability. In this year's audit, the School also implemented the provisions of GASB No. 75 which required a restatement of the School's beginning net position to record the net other postemployment benefits. The table below shows the School's June 30, 2019 Assets, Liabilities, and Net Position in comparison with the June 30, 2018 balances.

Table A-1
Fiscal Year ended June 30, 2019
With Comparative Totals for June 30, 2018
Assets, Liabilities, and Net Position – Governmental Activities

	June 30, 2019 Total	**June 30,2018 Total**
Current and other assets	$2,548,184	$2,261,017
Capital assets	3,562,069	3,801,967
Deferred Outflows	2,748,820	2,366,420
Total Assets and Deferred Outflows	8,859,073	8,429,404
Current and other liabilities	729,975	676,919
Long-term Liabilities	10,890,230	10,227,052
Deferred Inflows	1,485,855	1,198,200
Total Liabilities	13,106,060	12,102,171
Net Position		
Invested in capital assets	3,562,069	3,801,967
Restricted	782,179	445,585
Unrestricted	(8,591,235)	(7,920,319)
Total Net Position	$(4,246,987)	$(3,672,767)

Most of the School's net position is invested in capital assets (buildings, land, and equipment). The remaining net assets are either restricted for capital projects, special projects and programs, or unrestricted.

The results of this year's operations as a whole are reported in the Statement of Activities on Page 12. All expenses are reported in the first column. Specific charges, grants, revenues and subsidies that directly relate to specific expense categories are represented to determine the final amount of the School's activities that are supported by other general revenues. The two largest general revenues are the subsidies provided by the State of Pennsylvania, and the receipts from member districts.

Table A-2 takes the information from that Statement, rearranges it slightly, to present total revenues for the year. This table also shows a $429,893 increase in revenues and a $1,026,624 increase in expenditures over the prior year.

Table A-2
Fiscal Year ended June 30, 2019
With Comparative Totals for the Year ended June 30, 2018
Changes in Net Assets – Governmental Activities

	Year Ending June 30, 2019 Total	Year Ending June 30, 2018 Total
Revenues		
Program revenues		
Charges for services	$ 559,871	$ 453,910
Operating grants and contributions	1,684,818	1,556,135
Capital grants and contributions	30,411	29,792
Grants, subsidies and contributions	4,980,095	4,785,465
Total revenues	$7,255,195	$6,825,302
Expenses		
Instruction	$4,394,854	$4,016,861
Pupil personnel	491,873	433,983
Instructional student support	357,298	292,204
Administrative and financial support	738,920	715,929
Operation and maintenance of plant	1,316,555	864,023
Technology	497,873	444,114
Student Activities	7,916	11,550
Total expenses	$7,805,289	$6,778,664
Increase (decrease) in net position	**$ (550,094)**	**$46,638**

The following table, Table A-3, shows the Schools total costs reflected by function as well as each function's net cost (total cost less revenues generated by the activities). This table also shows the net costs offset by the other unrestricted grants, subsides and contributions to show the remaining financial needs supported by local sources and other miscellaneous revenues.

Table A-3
Fiscal Year ended June 30, 2019
Governmental Activities

Functions/Programs	Total Cost of Services	Net Cost of Services
Instruction	$4,394,854	$2,295,935
Pupil Personnel	491,873	445,681
Instructional student support	357,298	336,768
Administrative and financial support	738,920	656,800
Operation and Maintenance of plant	1,316,555	1,289,216
Technology	497,873	497,873
Student Activities	7,916	7,916
Total governmental activities	**$7,805,289**	**$5,530,189**
Less:		
Unrestricted grants, subsidies		--
Total needs from local sources and other revenues		**$5,530,189**

THE SCHOOL'S FUNDS

At June 30, 2019, the School's governmental funds reported a combined fund balance of $(4,246,987). Net changes from current year activities and restatement adjustments of fund balance showed a decrease in net assets of $574,220.

GENERAL FUND BUDGET

For the 2018-19 fiscal year the Joint Operating Committee Board budgeted for an increase of 2.39% in contributions from the participating member school districts. Anticipated additional retirement costs, personnel contract changes and decreasing revenue from other contracts necessitated this increase.

Table A-4 summarizes the general fund revenues and expenditures comparing the original budget to actual results.

Table A-4
Fiscal Year ended June 30, 2019
General Fund Budget Summary

	Budget	Actual	Variance	Percent
Revenues				
Local sources	$574,021	$654,447	$80,426	14.0%
State sources	1,390,783	1,401,952	11,169	.8%
Federal sources	313,277	313,277	--	-%
Other Financing Sources	7,500	1,375	(6,125)	(81.7%)
Support – Local Districts	4,726,975	4,887,481	160,506	3.4%
Total Revenues	**7,012,556**	**7,258,532**	**245,975**	**3.5%**
Expenditures				
Salaries & Benefits	4,898,127	4,823,185	(74,942)	(1.5%)
Professional & Technical Services	769,800	990,687	220,887	28.7%
Equipment & Supplies	616,559	705,479	88,920	14.4%
Utilities and Other Services	422,350	425,527	3,177	.08%
Fund Transfers	405,900	405,900	--	--%
Other	12,400	24,385	11,985	96.6%
Total Expenditures	**7,125,136**	**7,375,163**	**250,027**	**3.5%**
Fund Balance Change	**$ (112,580)**	**$(116,631)**	**$ (4,052)**	

Table A-5 provides an explanation for major revenue and expenditure budget variances.

Table A-5
Fiscal Year ended June 30, 2019
Major Budgetary Variances

Revenues	
Greater than anticipated investment earnings	$ 23,239
Greater than anticipated tuition from adult training	31,946
Greater than anticipated rental and other fees	3,839
Greater than anticipated special program revenues	160,505
Greater than anticipated other local revenues	46,331
Less than anticipated retiree insurance reimbursements	(24,929)
Less than anticipated sales of assets	(6,124)
Greater than anticipated state subsidies and federal grants	75,217
Less than anticipated state benefit subsidies due to unfilled positions	(64,048)
	$ 245,976
Expenditures	
Less than anticipated salaries and benefits due to staff changes	$ (74,943)
Greater than anticipated contracted services and professional fees	220,887
Greater than anticipated other contracted services costs and repairs	3,177
Greater than anticipated equipment costs	25,417
Greater than anticipated supplies costs	63,503
Greater than anticipated change in textbook inventory	12,421
Less than anticipated staff dues and memberships	(435)
	$ 250,027
Total Major Budget Variances	$ (4,051)

CAPITAL ASSET AND LONG-TERM LIABILITIES

CAPITAL ASSETS

At June 30, 2019, the District had $3,562,069 invested in a broad range of capital assets, including land, buildings and furniture and equipment. This amount represents a net decrease (including additions, deletions and depreciation) of $214,068 or 5.6% from last year.

Table A-6
Governmental and Business Type Activities
Capital assets - net of depreciation

	2019	2018
Land	$ 272,111	$ 272,111
Buildings & Improvements	2,631,585	2,811,199
Machinery & Equipment	648,269	678,059
Vehicles	10,104	14,768

LONG-TERM LIABILITIES

As of June 30, 2019, the School's long-term obligations were accrued vacation pay and sick leave for specific employees of the School, and recognition of net pension and other post-retirement employee benefit liabilities due to the adoption of GASB No. 68 and GASB No 75. More detailed information about these long-term liabilities is included in Note 7 to the financial statements.

FINANCIAL HIGHLIGHTS AND NEXT YEAR'S BUDGET

2019-2020 BUDGET OVERVIEW

For the 2019-2020 school year Erie County Technical School adopted a general fund budget that projects a balanced budget for its secondary and adult educational programs in anticipation of revenues and expenditures of approximately $7.1million. This budget includes costs to educate approximately 750 high school students from the member school districts, as well as adult vocational training programs. The budget includes a 2.38% increase in school district contributions from our partnering school districts, which amounts to $97,458, over the previous year's funding. The 2019-2020 budget includes $50,000 and $20,000 in budgetary reserve for the secondary programs and adult education programs, respectively, to allow for salary increases and unanticipated or opportunity expenditures.

The gross average cost per pupil in the coming year's budget is $6,427, with the net average per pupil cost being budgeted at $5,606. For 2018-2019, the gross and net per pupil costs were budgeted at $6.213 and $5,417, respectively.

On the expenditure side, the School will continue to face challenges similar to those found in our partnering school districts with managing its employee benefit and pension costs, as well as maintaining aging facilities. During 2018-2019 the School's share of retirement costs was 33.43% and this percentage is projected to increase to 34.29% during 2019-2020. These costs, along with other employee benefits, are driven by current economic conditions and are facing numerous schools, businesses and governmental entities across the nation.

As our instructional facilities continue to age, unanticipated maintenance and repair costs continue to be of utmost concern. With repair parts for the current systems becoming increasingly obsolete, additional planning and increased costs are often required to restore operational levels in the event of a break-down or system failure. Controlling these unexpected repair and maintenance costs will continue to remain a major challenge for the School in the coming year.

Notable expenditures included in next year's budget are for the following:

1) $49,931 in Affordable Care Act costs for five staff members
2) $66,000 for projected 403(b) payments for anticipated retirements
3) $39,000 for building safety enhancements
4) $10,000 toward an increased transfer to the Capital Reserve Fund

FINANCIAL HIGHLIGHTS

Major Sources of Revenue

The School's largest source of revenue comes from the participating school districts to support the secondary education program and is based on a prior three-year rolling average formula. Individual district contributions do change from year to year due to enrollment fluctuations at the technical school. Total district contributions for the secondary program were $4,092,605 in 2018-2019 and $3,996,901 in 2017-2018.

Additional revenue from school districts is received as tuition payments for students enrolled in the Career and Alternative Education Program for Disruptive Youth. Annual district tuition payments for this program were $598,584 in 2018-2019 and $536,844 in 2017-2018.

Nine participating districts also make operating and rental payments to the School under a lease agreement for Special Education Transition Center services. The operating costs and rental fees paid by the participating districts in 2018-2019 were $196,921 and $195,470 in 2017-2018.

Total contributions from participating school districts for all high school programs as a percentage of secondary operating revenue were approximately 67% in 2018-2019 and 70% in 2017-2018.

Expenditures

Instructional and pupil service costs during 2018-2019 utilized 56% of net costs of service. Administrative and financial support and Facilities Operations and Technology utilized 12% and 32% of total net costs of service, respectively.

CONTACTING THE SCHOOL'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, parents, students, member school districts, investors, and creditors with a general overview of the District's finances and to show the Joint Operating Committee's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, please contact Terri L. Birchard, CPA, Business Manager at Erie County Technical School, 8500 Oliver Road, Erie PA 16509 (814) 464-8600.

ERIE COUNTY TECHNICAL SCHOOL
STATEMENT OF NET POSITION
AS OF JUNE 30, 2019

		Governmental Activities
Assets		
Cash and Cash Equivalents	$	876,614
Investments		1,240,650
Receivable, Net		310,758
Inventories		120,162
Land		272,111
Capital assets - Net		3,289,958
Total Assets		6,110,253
Deferred Outflows of Resources		
Deferred Outflows related to Pensions		2,674,624
Deferred Outflows related to OPEB - Retirees Health Plan		22,819
Deferred Outflows related to OPEB - PSERS		51,377
Total Deferred Outflows of Resources		2,748,820
Total Assets and Deferred Outflows	$	8,859,073
Liabilities		
Accounts Payable	$	97,885
Accrued Salaries and Benefits		617,623
Current Portion of Compensated Absences		14,467
Noncurrent liabilities:		
Portion due or payable after one year:		
Post employment benefits		582,571
Long-Term Portion of Compensated Absences		226,659
Net pension liability		10,081,000
Total Liabilities		11,620,205
Deferred Inflow of Resources		
Deferred Inflows related to Pensions		1,450,400
Deferred Inflows related to OPEB - PSERS		35,455
Total Deferred Inflows of Resources		1,485,855
Net Position		
Net investment in Capital Assets		3,562,069
Restricted		782,179
Unrestricted		(8,591,235)
Total Net Position		(4,246,987)
Total Liabilities, Deferred Inflows and Net Position	$	8,859,073

The accompanying notes are an integral part of these financial statements.

ERIE COUNTY TECHNICAL SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

		Program Revenues	
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**
Governmental Activities:			
Instruction	$ 4,394,854	$ 532,532	$ 1,535,976
Pupil personnel	491,873		46,192
Instructional Staff	357,298		20,530
Admin & Financial Support Services	738,920		82,120
Op & Maintenance of Plant Services	1,316,555	27,339	
Technology	497,873		
Student Activities & Community Services	7,916		
Total Governmental Activities	7,805,289	559,871	1,684,818
Total Primary Government	$ 7,805,289	$ 559,871	$ 1,684,818

General Revenues:

Receipts from Member Districts
Investment Earnings
Miscellaneous Income
Inventory change
Total general revenues, special items, extraordinary items and transfers

Change in Net Position
Net Position - Beginning , as restated

Net Position - Ending

ERIE COUNTY TECHNICAL SCHOOL
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	Net (Expense) Revenue and Changes in Net Assets		
Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
$ 30,411	$ (2,295,935)	$ -	$ (2,295,935)
	(445,681)		(445,681)
	(336,768)		(336,768)
	(656,800)		(656,800)
	(1,289,216)		(1,289,216)
	(497,873)		(497,873)
	(7,916)		(7,916)
30,411	(5,530,189)	-	(5,530,189)
$ 30,411	(5,530,189)	-	(5,530,189)
	4,887,481		4,887,481
	37,822		37,822
	67,213		67,213
	(12,421)	-	(12,421)
	4,980,095	-	4,980,095
	(550,094)	-	(550,094)
	(3,696,893)	-	(3,696,893)
	$ (4,246,987)	$ -	$ (4,246,987)

ERIE COUNTY TECHNICAL SCHOOL
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General	Capital Projects	Total Governmental Funds
Assets			
Cash & Cash Equivalents	$ 799,103	$ 77,511	$ 876,614
Investments	535,982	704,668	1,240,650
Intergovernmental receivables	306,050	-	306,050
Other receivables	4,708	-	4,708
Inventories	120,162	-	120,162
Total Assets	$ 1,766,005	$ 782,179	$ 2,548,184
Liabilities and Fund Balances			
Liabilities			
Accounts payable	$ 97,885	$ -	$ 97,885
Accrued salaries and benefits	617,623	-	617,623
Total Liabilities	715,508	-	715,508
Fund Balances			
Nonspendable - Inventory	120,162	-	120,162
Restricted - Capital Projects	-	782,179	782,179
Assigned:			
Future PSERS rate increases	318,800	-	318,800
New program	250,000	-	250,000
Regional Career and Technical Center	222,904	-	222,904
Unassigned	138,631	-	138,631
Total Fund Balances	1,050,497	782,179	1,832,676
Total Liabilities, Deferred Inflows and Fund Balances	$ 1,766,005	$ 782,179	$ 2,548,184

The accompanying notes are an integral part of these financial statements.

ERIE COUNTY TECHNICAL SCHOOL
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Total Fund Balances - Governmental Funds		$ 1,832,676
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is $14,427,954 and the accumulated depreciation is $10,865,885.		3,562,069
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions and OPEB	$ 2,748,820	
Deferred inflows of resources related to pensions and OPEB	(1,485,855)	1,262,965
Long-term liabilities, including post employment benefits, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Net pension liability	(10,081,000)	
Post employment benefits	(582,571)	
Compensated absences (sick pay and vacations)	(241,126)	(10,904,697)
Total Net Position - Governmental Activities		$ (4,246,987)

The accompanying notes are an integral part of these financial statements.

ERIE COUNTY TECHNICAL SCHOOL
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	General	Capital Projects	Total Governmental Funds
Revenues			
Local Sources	$ 654,447	$ 9,083	$ 663,530
State Sources	1,401,952	-	1,401,952
Federal Sources	313,277	-	313,277
Support - local districts	4,887,481	-	4,887,481
Total Revenues	7,257,157	9,083	7,266,240
Expenditures			
Instruction	4,053,767	-	4,053,767
Support Services	2,834,356	68,406	2,902,762
Noninstructional services	7,917	-	7,917
Facilities Acquisition and Construction	60,802	-	60,802
Total Expenditures	6,956,842	68,406	7,025,248
Excess (Deficiency) of Revenues Over (Under) Expenditures	300,315	(59,323)	240,992
Other Financing Sources (Uses)			
Interfund Transfers	(405,900)	405,900	-
Sale of Fixed Assets	1,375	-	1,375
Change in inventory	(12,421)	-	(12,421)
Total Other Financing Sources (Uses)	(416,946)	405,900	(11,046)
Net Change in Fund Balances	(116,631)	346,577	229,946
Fund Balance - July 1, 2018	1,167,128	435,602	1,602,730
Fund Balance - June 30, 2019	$ 1,050,497	$ 782,179	$ 1,832,676

The accompanying notes are an integral part of these financial statements.

ERIE COUNTY TECHNICAL SCHOOL
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Net Change in Fund Balance - Governmental Funds		$ 229,946
Amounts reported for governmental activities in the statement of net position are different because:		
Governmental funds report capital outlays 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 exceeded capital outlay in the current period.		
Depreciation Expense	$ (309,189)	
Capital Outlays	83,427	(225,762)
In the statement of activities, certain operating expenses-compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This amount represented the difference between the amount earned versus the amount used.		45,090
Other post-employment benefits are reflected on the statement of net assets, but are not considered a current expenditure for the financial statements.		(439,686)
Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
District pension contributions	$ 926,495	
Cost of benefits earned net of employee contributions	(1,086,177)	(159,682)
Change in Net Position of Governmental Activities		$ (550,094)