THE SCHOOL DISTRICT OF
THE CITY OF ERIE, PENNSYLVANIA
ERIE, PENNSYLVANIA

FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA
YEAR ENDED JUNE 30, 2024

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Zelenkofske Axelrod LLC
CERTIFIED PUBLIC ACCOUNTANTS
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Independent Auditor's Report

Members of the Board
The School District of the City of Erie, Pennsylvania
Erie, Pennsylvania

Report on the Financial Statements

Opinions

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 SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA's basic financial statements as listed in the table of contents.

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 District, as of June 30, 2024, and the respective changes in financial position, and, where applicable, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate where there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibility for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue and auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from

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fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, of the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an option on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by managements, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate to those charged with governance regarding, amount other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we have identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of District's OPEB contributions, schedules of changes in the OPEB liability, budgetary comparison, schedule of district's proportionate share of the OPEB liability - PSERS plan, schedule of the district's proportionate share of the net pension liability- last 10 years, and schedule of district's contributions- last 10 years as listed in the table of contents as required supplementary information 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 SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA's basic financial statements. The Combining Non-Major Funds financial statements as listed in the table of contents as other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2025, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Zelenkofske Axelrod LLC

ZELENKOFSKE AXELROD LLC

Pittsburgh, Pennsylvania
March 31, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA, hereafter referred to as the "SCHOOL DISTRICT", is pleased to present its financial statements developed in compliance with Statement of Governmental Accounting Standard No. 34, entitled "Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments (hereafter "GASB 34"), and related standards. GASB 34 enhances information provided to the users of its financial statements. This section of the financial reporting package presents our discussion and analysis of the SCHOOL DISTRICT's financial performance during the year that ended on June 30, 2024. Please read this Management Discussion and Analysis in conjunction with the SCHOOL DISTRICT's financial statements that follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

This report consists of the following three parts:

- Management's discussion and analysis (this section)
- Basic financial statements (including notes)
- Required supplementary information
- Other supplementary information

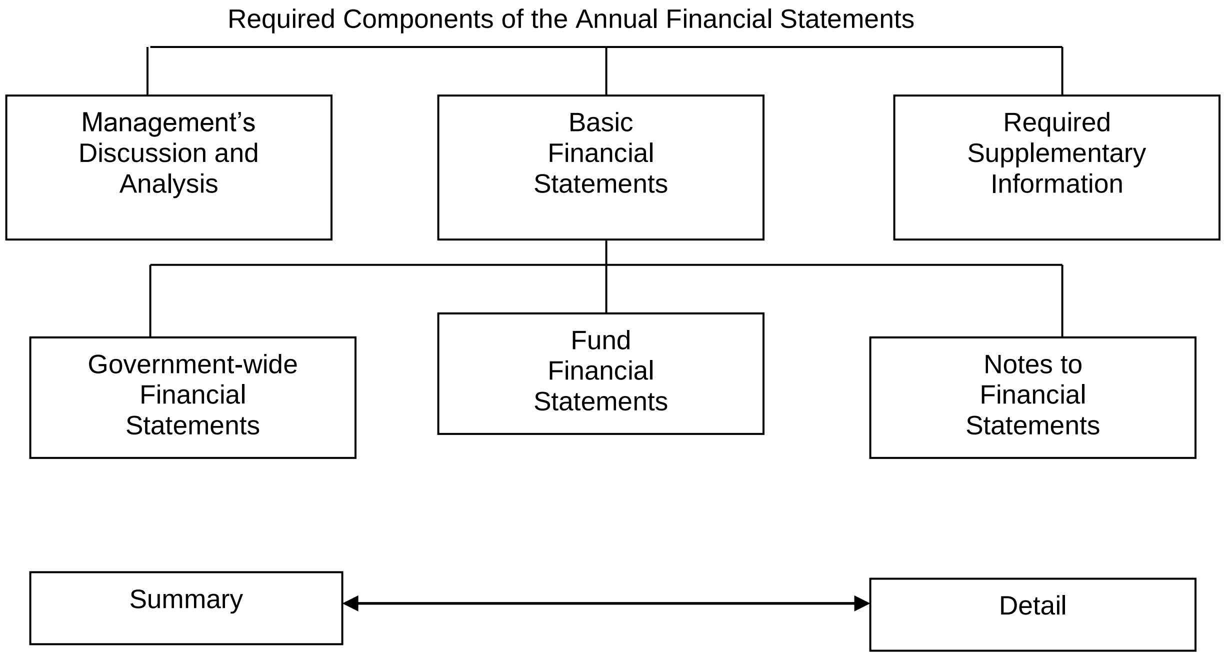
Management's discussion and analysis is a guide to reading the financial statements and provides related information to help the reader to better understand the SCHOOL DISTRICT's government. The basic financial statements include notes that provide additional information essential to a full understanding of the financial data provided in the government-wide and fund financial statements. Required supplementary information is provided on the SCHOOL DISTRICT's budget to actual figures for the general fund as well as certain pension and other postretirement benefit schedules. Other supplementary information consists of combining non-major financial statements.

The basic financial statements present two different views of the SCHOOL DISTRICT.

- *Government-wide financial statements*, the first two statements, provide information about the SCHOOL DISTRICT's overall financial status.
- *Fund financial statements,* the remaining statements, focus on individual parts of the SCHOOL DISTRICT's government. They provide more detail on operations than the government-wide statements. There are three types of fund financial statements:
    - *Governmental funds statements* show how services such as instruction, support services, and non-instructional services are financed in the short term, as well as what remains for future spending.
    - *Proprietary fund statements* offer short-term and long-term financial information about the activities the SCHOOL DISTRICT operates like a business, like the Food Service Fund.

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

Table A-1: Organization of the School District's annual financial report



MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

Table A-2 summarizes the major features of the SCHOOL DISTRICT's financial statements, including the area of the SCHOOL DISTRICT's activities they cover and the types of information they contain.

Table A-2: Major features of the government-wide and fund financial statements

		Fund Financial Statements	
	Government-wide Statements	**Governmental**	**Proprietary**
Scope	Entire entity (except fiduciary funds)	The day-to-day operating activities of the SCHOOL DISTRICT, such as instruction and support services.	The activities of the SCHOOL DISTRICT, such as the Food Service Fund
Required Financial Statements	-Statement of Net Position -Statement of activities	-Balance Sheet -Statement of revenues, expenditures and changes in fund balances	-Statement of Net Position -Statement of revenues, expenses and changes in Net Position -Statement of cash flows
Accounting basis and measurement focus	Accrual	Modified Accrual	Accrual accounting and economic resources focus
Type of asset and liability information	All assets and liabilities, short-term and long-term	Current assets and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, short-term and long-term
Type of inflow and outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenue for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during year, regardless of when cash is received or paid

The remainder of the overview explains the structure and contents of the government-wide and fund financial statements.

Government-wide financial statements

Government-wide financial statements report information about the SCHOOL DISTRICT as a whole using accounting methods similar to those used by private-sector companies.

- The Statement of Net Position includes all the SCHOOL DISTRICT's assets and liabilities, with the difference between the two reported as Net Position. This statement serves a purpose similar to that of the balance sheet of a private-sector business.

- The Statement of Activities focuses on how the SCHOOL DISTRICT's Net Position changed during the year. Because it separates program revenue (revenue generated by specific programs through charges for services, grants and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each program has to rely on local taxes for funding.

All changes to Net Position are reported using the economic resources measurement focus and the accrual basis of accounting, which requires that revenues be reported when they are earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow.

Net Position is one way to measure the SCHOOL DISTRICT's financial position. Over time, increases or decreases in the SCHOOL DISTRICT's Net Position are one indicator of whether the SCHOOL DISTRICT's financial position is improving or deteriorating. However, other non-financial factors such as changes in the SCHOOL DISTRICT's property tax base and general economic conditions must be considered to assess the overall position of the SCHOOL DISTRICT.

There are two categories of activities for the primary government:

- *Governmental activities* include the SCHOOL DISTRICT's basic services such as instruction, support services, and non-instructional services.

- *Business-type activities* such as the Food Service Fund charge a fee to customers to help cover the costs of services.

Net Position of the governmental activities differ from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets in the fund level statements are reported as expenditures when financial resources (money) are expended to purchase or build assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. The principal and interest payments are both considered revenue when they are received. The principal and interest payments are both considered expenditures when paid. Depreciation is not calculated as it does not provide or reduce current financial resources. Finally, capital assets and long-term debt do not affect fund balances.

Government wide statements are reported on the accrual basis of accounting that involves the following steps to format the Statement of Net Position:

- Capitalize current outlays for capital assets

- Report long-term debt as a liability

- Depreciate capital assets and allocate the depreciation to the proper program/activities

- Allocate net position balances as follows:

    - Net Investment in Capital Assets

    - Restricted Net Position are those with constraints placed on the use by external sources (creditors, grantors, contributors, or laws or regulations of governments) or imposed by law through constitutional provisions or enabling legislation

    - Unrestricted Net Position is Net Position that does not meet any of the above restrictions

Fund Financial Statements

Fund financial statements provide more detailed information on the SCHOOL DISTRICT's most significant funds, not the SCHOOL DISTRICT as a whole. Funds are accounting devices, i.e., a group of related accounts, the SCHOOL DISTRICT uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law. Other funds are established to control and manage resources designated for specific purposes. Fund financial statements are reported using the modified accrual basis of accounting.

The SCHOOL DISTRICT has three kinds of funds:

- *Governmental funds* include most of the SCHOOL DISTRICT's basic services and focus on: (1) the flow in and out of cash and other financial assets that can readily be converted into cash, and: (2) the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting.

  The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that follows the governmental fund financial statements.

  The SCHOOL DISTRICT adopts an annual budget for the general fund, as required by state law. A budgetary comparison of the SCHOOL DISTRICT's general fund is presented as required supplementary information.

- *Proprietary Funds* report business-type programs and activities that charge fees designed to recover the cost of providing services. The proprietary funds report using the accrual basis of accounting.

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Net Position

The SCHOOL DISTRICT's total assets were $425,161,295 at June 30, 2024. Of this amount, $240,193,580 was capital assets.

GASB No. 34 required that all capital assets, including infrastructure, be valued and reported within the governmental activity's column of the government-wide financial statements, but allowed infrastructure to be added over several years. The SCHOOL DISTRICT adopted the provisions of GASB 34 related to infrastructure on the retroactive basis.

Condensed Statement of Net Position – 2024/2023

	2024 Governmental Activities	2024 Business-Type Activities	2024 Total	2023 Total
Current and other assets	$ 182,175,560	$ 2,792,155	$ 184,967,715	$ 170,818,143
Capital assets	236,042,646	4,150,935	240,193,581	207,631,027
Total Assets	$ 418,218,206	$ 6,943,090	$ 425,161,296	$ 378,449,170
Deferred Outflows of Resources	$ 51,031,174	$ -	$ 51,031,174	$ 56,501,427
Current and other liabilities	$ 53,879,154	$ 412,693	$ 54,291,847	$ 56,313,082
Long-term liabilities	419,094,841	-	419,094,841	411,064,783
Total liabilities	472,973,995	412,693	473,386,688	467,377,865
Deferred Inflows of Resources	$ 33,562,892	$ -	$ 33,562,892	$ 40,394,580
Net Position:				
Net Investment in Capital Assets	119,102,529	4,150,935	123,253,464	88,106,284
Restricted	85,813,329	-	85,813,329	82,021,564
Unrestricted	(242,203,365)	2,379,462	(239,823,903)	(242,949,696)
Total Net Position	$ (37,287,507)	$ 6,530,397	$ (30,757,110)	$ (72,821,848)

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

Change in Net Position

The following Statement of Activities represents the Change in Net Position for the years ended June 30, 2024 and 2023. It shows revenues by source and expenses by function for governmental activities, business-type activities and the government as a whole.

Condensed Statement of Activities

	2024 Governmental Activities	2024 Business-type Activities	2024 Total	2023 Total
Program Revenues:				
Charges for Services	$ 15,135,595	$ 210,388	$ 15,345,983	$ 3,412,783
Grants and Contributions	200,872,166	11,316,073	212,188,239	222,340,631
General Revenues:				
Property Taxes	52,580,259	-	52,580,259	51,162,001
Earned Income and LST	9,139,674	-	9,139,674	8,766,662
Transfer Tax	1,048,282	-	1,048,282	1,579,944
Public Utility Realty	1,509,030	-	1,509,030	1,886,509
Investment Earnings	6,391,598	-	6,391,598	4,005,695
Miscellaneous	278,401	-	278,401	27,017
Insurance Recoveries	-	-	-	5,708
Total Revenues	$ 286,955,005	$ 11,526,461	$ 298,481,466	$ 293,186,950
Expenses:				
Instruction	$ 167,200,410	$ -	$ 167,200,410	$ 149,760,267
Support Services	59,884,020	-	59,884,020	50,578,532
Noninstructional Services	2,239,315	-	2,239,315	2,478,864
Facilities, Acquisition, Construction and Improvement	4,683,355	-	4,683,355	1,481,039
Food service	-	11,369,865	11,369,865	11,125,768
Stadium Commission	-	96,536	96,536	231,625
Interest on Long-Term Debt	10,943,228	-	10,943,228	6,032,306
Total Expenses	244,950,328	11,466,401	256,416,729	221,688,401
Change in Net Position	42,004,677	60,060	42,064,737	71,498,549
Net Position - July 1	(79,292,184)	6,470,337	(72,821,847)	(144,320,397)
Net Position - June 30	$ (37,287,507)	$ 6,530,397	$ (30,757,110)	$ (72,821,848)

MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2024

Net Program Expenses

Net program expenses indicate the amount of support required from taxes and other general revenues for a program of the government. In 2024, taxes brought in $64,277,246.

Net Cost of Governmental and Business-type Activities

	2024 Total Cost of Services	2023 Total Cost of Services	2024 Net Cost of Services	2023 Net Cost of Services
Program:				
Instructional	$ 167,200,410	$ 149,760,267	$ 37,319,831	$ 52,781,324
Support Services	59,884,020	50,578,532	(57,260,175)	(47,052,025)
Noninstructional Services	2,239,315	2,478,864	5,543,841	5,161,868
Facilities, Acquisition, Construction and Improvement	4,683,355	1,481,039	(4,683,355)	(1,481,039)
Interest on Long-Term Debt	10,943,228	6,032,306	(9,862,709)	(4,083,845)
Food Service	11,369,865	11,125,768	128,476	(1,198,509)
Stadium Commission	96,536	231,625	(68,416)	(62,761)
Change in Net Position	$ 256,416,729	$ 221,688,401	$ (28,882,507)	$ 4,065,013

The SCHOOL DISTRICT used 11% of property taxes and other general revenues to fund its governmental and business-type activities in 2024.

MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2024

Capital Assets

The SCHOOL DISTRICT's investment in capital assets in its Governmental Activities at June 30, 2024, net of accumulated depreciation, was $236,042,646. Capital assets consist primarily of land, buildings, equipment, and books. The following is a summary of capital assets at June 30, 2024:

Capital Assets

GOVERNMENTAL ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	$ 7,651,057	$ -	$ -	$ 7,651,057
Construction in Progress	94,547,139	37,825,068	(69,865,125)	62,507,082
Total Capital Assets, Not Being Depreciated	102,198,196	37,825,068	(69,865,125)	70,158,139
Capital Assets, Being Depreciated:				
Building/Land Held for Resale	8,672,561	-	-	8,672,561
Buildings and Improvements	219,977,240	70,042,082	-	290,019,322
Furniture and Equipment	57,306,829	1,279,740	-	58,586,569
Vehicles	3,666,123	276,238	(79,152)	3,863,209
Total Capital Assets, Being Depreciated	289,622,753	71,598,060	(79,152)	361,141,661
Less Accumulated Depreciation For:				
Building/Land Held for Resale	(6,108,772)	(142,512)	-	(6,251,284)
Buildings and Improvements	(133,505,129)	(4,778,865)	-	(138,283,994)
Furniture and Equipment	(46,225,718)	(1,597,549)	-	(47,823,267)
Vehicles	(2,825,908)	(151,853)	79,152	(2,898,609)
Total Accumulated Depreciation	(188,665,527)	(6,670,779)	79,152	(195,257,154)
Total Capital Assets, Being Depreciated, Net	100,957,226	64,927,281	-	165,884,507
Governmental Activities Capital Assets, Net	$ 203,155,422	$ 102,752,349	$ (69,865,125)	$ 236,042,646

BUSINESS TYPE ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Being Depreciated:				
Building	$ 7,832,725	$ -	$ -	$ 7,832,725
Equipment	1,663,478	25,641	-	1,689,119
Vehicles	273,953	68,882	-	342,835
Total Capital Assets, Being Depreciated	9,770,156	94,523	-	9,864,679
Less Accumulated Depreciation	(5,294,549)	(419,195)	-	(5,713,744)
Business Type Activities Capital Assets, Net	$ 4,475,607	$ (324,672)	$ -	$ 4,150,935

Detailed information about the SCHOOL DISTRICT's capital assets can be found in Note 4, Notes to the Financial Statements.

Debt Administration

At June 30, 2024, the SCHOOL DISTRICT had $122,642,238 of long-term liabilities outstanding in its Governmental Activities. Long-term liabilities decreased 2.6% from the previous year. The following is a summary of long-term liabilities for the 2024 year:

Governmental Activities:	Beginning Balance	Additions	Bond Accretions	Reductions	Ending Balance	Amounts Due Within One Year
General obligation bonds	$ 112,625,965	$ -	$ 6,988,881	$ (9,269,000)	$ 110,345,846	$ 9,460,000
Bond premium	7,452,480	-	-	(956,596)	6,495,884	-
Bond discount	(46,335)	-	-	2,896	(43,439)	-
Compensated absences	6,975,470	-	-	(688,849)	6,286,621	222,720
Deferred loss on refunding	(436,109)	-	-	54,513	(381,596)	-
Deferred loss on sale leaseback	(71,258)	-	-	10,180	(61,078)	-
Total Long-Term Liabilities	$ 126,500,213	$ -	$ 6,988,881	$ (10,846,856)	$ 122,642,238	$ 9,682,720

Detailed information on the SCHOOL DISTRICT's debt can be found in Note 5, Notes to the financial statements.

GOVERNMENTAL FUNDS

The SCHOOL DISTRICT uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of governmental funds is to provide information on inflows, outflows, and balances of spendable resources. Such information is useful in assessing the SCHOOL DISTRICT's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the SCHOOL DISTRICT's net resources available for spending at the end of the year.

The SCHOOL DISTRICT's governmental funds include the general fund. The general fund is the chief operating fund for the SCHOOL DISTRICT.

GOVERNMENTAL FUND REVENUES

Governmental fund revenues by source at June 30, 2024 and 2023 were as follows:

	2024	2023
Revenues:		
Local Sources	$ 74,965,412	$ 73,184,351
State Sources	173,885,226	164,502,291
Federal Sources	37,735,335	45,013,675
	$ 286,585,973	$ 282,700,317

Revenues increased from 2023 to 2024 driven by an increase in revenue from state and local sources.

MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2024

GOVERNMENTAL FUND EXPENDITURES

Governmental fund expenditures by function at June 30, 2024 and 2023 were as follows:

	2024	2023
Expenditures:		
Instruction	$ 156,585,574	$ 154,446,883
Support Services	64,063,336	62,111,216
Noninstructional Services	2,175,259	2,654,776
Facilities Acquisition, Construction and Improvements	37,508,423	45,762,338
Debt Service	13,268,846	12,992,693
	$ 273,601,438	$ 277,967,906

Total expenditures for the year decreased $4,366,468 or 1.60%. Instruction expenditures increased $2,138,691 or 1.37%. This increase was largely due to salary increases as well as increased pension costs and other employee benefits. Support services increased $1,952,120 or 3.05%. The increase in support services was caused by increased salaries, as well as additional programs. Non-instructional expenditures decreased $479,517 or 22.04%. Facilities acquisition, construction, and improvements decreased $8,253,915 or 22.01%. The increase was due to large capital projects wrapping up. Debt Service increased $276,153 or 2.08%. See Note 5 Long Term Liabilities for further information on the Debt Service requirements.

GOVERNMENTAL FUND BALANCES AND PROPRIETARY FUND NET POSITION

Ending fund balances for governmental funds and net position for proprietary funds at June 30, 2024 and 2023 were as follows:

	2024 Governmental Funds	2023 Governmental Funds	2024 Proprietary Funds	2023 Proprietary Funds
Fund:				
General Fund	$ 52,017,635	$ 42,539,633	$ -	$ -
Capital Projects	69,427,366	65,640,358	-	-
Student Activities	207,615	202,858	-	-
Food Service	-	-	4,255,523	4,127,047
Internal Service Fund	-	-	13,093,736	11,534,604
Non-major Funds	-	-	2,274,874	2,343,290
	$ 121,652,616	$ 108,382,849	$ 19,624,133	$ 18,004,941

The reasons for the changes in governmental fund balances are explained above in the governmental funds revenues and expenditures sections.

BUDGETARY HIGHLIGHTS

The SCHOOL DISTRICT adopts an annual appropriated budget for its general fund. Detailed information about the SCHOOL DISTRICT's 2024 general fund budget can be found in Required Supplemental Information. Overall, the SCHOOL DISTRICT had a positive variance of $36,965,686 for actual results in comparison to budget. Numerous factors went in to these results. Revenue had a positive variance of $2,367,520 which resulted from higher than expected local tax collections and state revenue. Expenditures had a positive variance of $34,598,166 for actual results in comparison to budget, largely resulting from budgeted positions that could not be filled, and construction expenses not being as far along as anticipated. The SCHOOL DISTRICT also made a budgeted transfer to its Capital Projects Fund of $31,450,863.

ECONOMIC CONDITIONS AND LONG-TERM OUTLOOK

The SCHOOL DISTRICT has continued to maintain financial stability and operational improvements through FY23-24, following several years of disciplined fiscal management and strategic planning. Since its removal from Financial Watch Status in September 2022, the District has prioritized sustaining the progress achieved under the Financial Improvement Plan, originally adopted in 2019.

Key elements of the plan have remained in effect, supporting continued investments in staff, facilities, and student programs. This has included:

- Standardizing and replacing outdated curriculum across all grade levels and subject areas
- Hiring interventionist staff to support students scoring below grade level on tests in English Language Arts and Mathematics
- Hiring teachers for art, music, and physical education classes in buildings where these programs had been reduced in previous years
- Using bond proceeds and General Fund revenues to support $80.8 million in capital projects for the first phase of the District's facilities improvement plan

Throughout FY23-24, the District has pursued initiatives to diversify revenue streams and control expenditures, ensuring that annual tax increases remain below the maximum allowable limit under Act 1. The District has consistently adopted fiscally responsible budgets that emphasize operational efficiency and long-term sustainability.

CAPITAL INVESTMENTS AND SUSTAINABILITY INITIATIVES

The District has also continued its focus on facilities modernization, addressing aging infrastructure and ensuring learning environments remain conducive to student success. Capital improvements have been funded through a combination of bond proceeds, grant allocations, and General Fund transfers.

ENROLLMENT AND DEMOGRAPHIC TRENDS

Enrollment trends during FY23-24 have remained stable, with slight fluctuations reflective of broader demographic patterns within the region. The District continues to analyze student population data to anticipate future needs for staffing, facilities, and instructional resources.

FIVE-YEAR FINANCIAL OUTLOOK

The District's long-term financial outlook remains positive. Projections through FY28-29 indicate a balanced budget, with modest fund balance growth projected, in alignment with prudent fiscal practices. The District's five-year planning model includes provisions for potential changes in state funding formulas and the phase-out of temporary federal ESSER (Elementary and Secondary School Emergency Relief) funds.

As of FY23-24, the District is preparing for the final utilization of ESSER funds, ensuring that one-time investments in facilities, technology, and learning resources have long-term benefits without creating structural deficits.

COMMUNITY ENGAGEMENT AND PARTNERSHIPS

The District continues to work closely with community partners, including the United Way, to support student needs beyond the classroom. United Way initiatives have focused on the community school model.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the SCHOOL DISTRICT's finances and to demonstrate the SCHOOL DISTRICT's accountability. Questions concerning this financial information or requests for additional information should be directed to:

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA
Brian Cheese
CFO
148 West 21st Street
Erie, PA 16502
Phone: 814-874-6040

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA
STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and Cash Equivalents	$ 45,976,187	$ 3,461,851	$ 49,438,038
Investments	95,013,594	-	95,013,594
Taxes Receivable	7,924,097	-	7,924,097
Due From Other Governments	30,922,741	-	30,922,741
Other Receivables	1,565,087	-	1,565,087
Internal Balances	664,120	(797,163)	(133,043)
Prepaid and Other Assets	60,795	-	60,795
Inventory	48,939	127,467	176,406
Capital Assets:			
Non-depreciable	70,158,139	-	70,158,139
Depreciable (Net)	165,884,507	4,150,935	170,035,442
Total Assets	418,218,206	6,943,090	425,161,296
Deferred Outflows of Resources			
Pension	37,812,827	-	37,812,827
OPEB - Single Employer	10,785,541	-	10,785,541
OPEB - PSERS	1,990,132	-	1,990,132
Deferred Loss on Refunding	381,596	-	381,596
Unamortized Loss on Sale and Leaseback	61,078	-	61,078
Total Deferred Outflows of Resources	51,031,174	-	51,031,174
Liabilities			
Current Liabilities:			
Accounts Payable	15,083,089	412,693	15,495,782
Accrued Wages and Benefits	27,134,655	-	27,134,655
Accrued Interest Payable on Debt	1,978,690	-	1,978,690
Current Portions of Long-Term Liabilities:			
Bonds and Notes Payable	9,460,000	-	9,460,000
Compensated Absences	222,720	-	222,720
Non-Current Portions of Long-Term Liabilities:			
Bonds and Notes Payable	107,922,791	-	107,922,791
Other Post Employment Benefits	66,705,640	-	66,705,640
Compensated Absences	6,063,900	-	6,063,900
Net Pension Liability	238,402,510	-	238,402,510
Total Liabilities	472,973,995	412,693	473,386,688
Deferred Inflows of Resources			
Swaption	294,576	-	294,576
Pension	4,323,156	-	4,323,156
OPEB - Single Employer	26,766,554	-	26,766,554
OPEB - PSERS	2,178,606	-	2,178,606
Total deferred inflows of resources	33,562,892	-	33,562,892
Net Position			
Net Investment in Capital Assets	119,102,529	4,150,935	123,253,464
Restricted	85,813,329	-	85,813,329
Unrestricted	(242,203,365)	2,379,462	(239,823,903)
Total Net Position	$ (37,287,507)	$ 6,530,397	$ (30,757,110)

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

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

		Program Revenues		Net (Expense) Revenue and Changes in Net Position — Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:						
Governmental Activities:						
Instruction	$ 167,200,410	$ 14,139,582	$ 190,380,659	$ 37,319,831	$ -	$ 37,319,831
Support Services	59,884,020	684,633	1,939,212	(57,260,175)	-	(57,260,175)
Noninstructional Services	2,239,315	311,380	7,471,776	5,543,841	-	5,543,841
Facilities Acquisition, Construction and Improvement	4,683,355	-	-	(4,683,355)	-	(4,683,355)
Interest on Long-Term Debt	10,943,228	-	1,080,519	(9,862,709)	-	(9,862,709)
Total Governmental Activities	244,950,328	15,135,595	200,872,166	(28,942,567)	-	(28,942,567)
Business-Type Activities:						
Food Service	11,369,865	182,268	11,316,073	-	128,476	128,476
Stadium Commission	96,536	28,120	-	-	(68,416)	(68,416)
Total Business-Type Activities	11,466,401	210,388	11,316,073	-	60,060	60,060
Total Primary Government	$ 256,416,729	$ 15,345,983	$ 212,188,239	$ (28,942,567)	$ 60,060	$ (28,882,507)
General Revenues:						
Taxes:						
Property				52,580,259	-	52,580,259
Other taxes levied				9,139,674	-	9,139,674
Transfer Tax				1,048,282	-	1,048,282
Public Utility Realty Tax				1,509,030	-	1,509,030
Investment Earnings				6,391,598	-	6,391,598
Miscellaneous				278,401	-	278,401
Total General Revenues				70,947,244	-	70,947,244
Change in Net Position				42,004,677	60,060	42,064,737
Net Position (Deficit) - Beginning				(79,292,184)	6,470,337	(72,821,847)
Net Position (Deficit) - Ending				$ (37,287,507)	$ 6,530,397	$ (30,757,110)

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

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Capital Projects Fund	Student Activities Fund	Total Governmental Funds
Assets				
Cash and cash equivalents	37,331,729	$ -	$ 207,615	$ 37,539,344
Investments	12,980,808	81,397,562	-	94,378,370
Receivables:				
Taxes	7,924,097	-	-	7,924,097
Intergovernmental Receivables	30,922,741	-	-	30,922,741
Other Receivables	375,073	-	-	375,073
Interfund Receivables	1,575,633	-	-	1,575,633
Other current assets	60,795	-	-	60,795
Inventories	48,939	-	-	48,939
Total assets	$ 91,219,815	$ 81,397,562	$ 207,615	$ 172,824,992
Liabilities				
Accounts Payable	$ 6,856,061	$ 4,627,005	$ -	$ 11,483,066
Accrued Salaries and Benefits	27,134,655	-	-	27,134,655
Due to Other Funds	-	7,343,191	-	7,343,191
Total liabilities	33,990,716	11,970,196	-	45,960,912
Deferred Inflows of Resources				
Unavailable Revenue - Property Taxes	5,211,464	-	-	5,211,464
Total Deferred Inflows of Resources	5,211,464	-	-	5,211,464
Fund Balances				
Non-spendable	109,734	-	-	109,734
Restricted	16,178,348	69,427,366	207,615	85,813,329
Assigned	3,867,960	-	-	3,867,960
Unassigned	31,861,593	-	-	31,861,593
Total fund balances	52,017,635	69,427,366	207,615	121,652,616
Total liabilities, deferred inflows of resources and fund balances	$ 91,219,815	$ 81,397,562	$ 207,615	$ 172,824,992

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

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances of governmental funds		$ 121,652,616
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is $431,299,800 and the accumulated depreciation is $195,257,154.		236,042,646
Property taxes receivable will be collected, but are not available soon enough to pay for current year's expenditures, and therefore are deferred in the Governmental Funds.		5,211,464
Internal service funds are used by management to charge the costs of workers' compensation and dental and health insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		13,093,736
Long-term liabilities and related deferrals such as Debt, Accrued Interest, and Compensated Absences are not due and payable in the current period and accordingly are not reported as fund liabilities. Both current and long-term liabilities are reported in the Statement of Net Position.		
Long-term Bonds and Notes Payable	$ (117,382,791)	
Unamortized Loss on Sale Leaseback	61,078	
Deferred Loss on Refunding	381,596	
Swaption	(294,576)	
Accrued Interest	(1,978,690)	
Other Post Employment Benefits	(66,705,640)	
Deferred Outflow of Resources - Pension	37,812,827	
Deferred Inflow of Resources - Pension	(4,323,156)	
Deferred Outflow of Resources - OPEB	12,775,673	
Deferred Inflow of Resources - OPEB	(28,945,160)	
Net Pension Liability	(238,402,510)	
Compensated Absences	(6,286,620)	(413,287,969)
Total net position of governmental activities		$ (37,287,507)

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

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Capital Projects Fund	Student Activities Fund	Total Governmental Funds
Revenues				
Local Revenue Sources	$ 71,617,910	$ 3,072,768	$ 274,734	$ 74,965,412
State Revenue Sources	173,885,226	-	-	173,885,226
Federal Revenue Sources	37,735,335	-	-	37,735,335
Total Revenues	283,238,471	3,072,768	274,734	286,585,973
Expenditures				
Current operating:				
Instruction	156,585,574	-	-	156,585,574
Support Services	64,021,711	41,625	-	64,063,336
Noninstructional Services	1,905,282	-	269,977	2,175,259
Facilities Acquisition, Construction and Improvements	6,813,425	30,694,998	-	37,508,423
Debt service				
Principal	9,290,000	-	-	9,290,000
Interest	3,978,846	-	-	3,978,846
Total Expenditures	242,594,838	30,736,623	269,977	273,601,438
Excess (deficiency) of revenues over expenditures	40,643,633	(27,663,855)	4,757	12,984,535
Other financing sources (uses)				
Bond premium	-	-	-	-
Sale of Building	285,232	-	-	285,232
Transfers In	-	31,450,863	-	31,450,863
Transfers Out	(31,450,863)	-	-	(31,450,863)
Total other financing sources (uses)	(31,165,631)	31,450,863	-	285,232
Net change in fund balance	9,478,002	3,787,008	4,757	13,269,767
Fund balance, beginning of year	42,539,633	65,640,358	202,858	108,382,849
Fund balance, end of year	$ 52,017,635	$ 69,427,366	$ 207,615	$ 121,652,616

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

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in fund balances - total governmental funds		$ 13,269,767
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Capital Outlays	39,558,003	
Depreciation Expense	(6,670,779)	
		32,887,224
Payments of long-term debt and certain expenditures of debt issuance are expensed when paid in the Governmental Funds, but are amortized or recorded as a reduction of long term liabilities in the Statement of Net Position		
Debt Principal Repayments	9,290,000	
Amortization of Sale-Leaseback	(10,180)	
Amortization of Bond Discounts	(2,896)	
Amortizations of Bond Premium	956,596	
Change in Accrued Interest	(259,008)	
Amortization of Deferred Loss on Refunding	(54,513)	
Change in Compensated Absences	688,849	10,608,848
Certain activities reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the Governmental Funds		
Change in accreted value of bonds	(7,594,381)	
Change in swaption value	261,894	(7,332,487)
Internal service funds are used by management to charge the costs of workers' compensation and dental and health insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		1,559,132
Governmental funds do not report the changes in the Other Post Employment Benefit liability:		2,194,661
Governmental funds do not report the changes in the Pension Liability and related Deferred Inflows and Outflows		(11,004,374)
Real estate taxes reported in the funds include receipt of prior year delinquent taxes and do not include revenue attributable to the current year's delinquent tax receivable. This amount is the net effect of these differences.		
Current year	5,211,464	
Prior year	(5,389,558)	(178,094)
Changes in net position of governmental activities		$ 42,004,677

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Business-Type Activities - Enterprise Fund Food Service	Business-Type Activities - Enterprise Fund Non-Major Funds	Business-Type Activities - Enterprise Fund Total	Governmental Activities - Internal Service Fund
Assets				
Current Assets:				
Cash and cash equivalents	$ 3,376,134	$ 85,717	$ 3,461,851	$ 8,436,843
Investments	-	-	-	635,224
Other receivables	-	-	-	1,056,971
Due from other funds	-	-	-	6,646,142
Inventories	127,467	-	127,467	-
Total Current Assets	3,503,601	85,717	3,589,318	16,775,180
Non-current Assets:				
Capital Assets (net of accumulated depreciation)	1,961,778	2,189,157	4,150,935	-
Total Non-current Assets	1,961,778	2,189,157	4,150,935	-
Total Assets	$ 5,465,379	$ 2,274,874	$ 7,740,253	$ 16,775,180
Liabilities				
Current liabilities:				
Accounts payable	$ 412,693	$ -	$ 412,693	$ 3,600,023
Due to other funds	797,163	-	797,163	81,421
Total current liabilities	1,209,856	-	1,209,856	3,681,444
Total liabilities	1,209,856	-	1,209,856	3,681,444
Net Position				
Net Investment in Capital Assets	1,961,778	2,189,157	4,150,935	-
Unrestricted	2,293,745	85,717	2,379,462	13,093,736
Total net position	4,255,523	2,274,874	6,530,397	13,093,736
Total Liabilities and Net Position	$ 5,465,379	$ 2,274,874	$ 7,740,253	$ 16,775,180

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

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Enterprise Fund Food Service	Business-Type Activities - Enterprise Fund Non-Major Funds	Business-Type Activities - Enterprise Fund Total	Governmental Activities - Internal Service Fund
Operating Revenues				
Receipts from Providing Services	$ 182,268	$ 28,120	$ 210,388	$ -
Charges for Services	-	-	-	28,907,422
Total Operating Revenues	182,268	28,120	210,388	28,907,422
Operating Expenses				
Service Costs	11,045,191	2,015	11,047,206	1,046,251
Depreciation	324,674	94,521	419,195	-
Other Operating Expense	-	-	-	1,780,438
Claims Expense	-	-	-	24,834,254
Total Operating Expenses	11,369,865	96,536	11,466,401	27,660,943
Operating Income/(Loss)	(11,187,597)	(68,416)	(11,256,013)	1,246,479
Nonoperating Revenues (Expenses)				
Interest	-	-	-	312,653
Grants	11,316,073	-	11,316,073	-
Total Nonoperating Revenues (Expenses)	11,316,073	-	11,316,073	312,653
Change in Net Position	128,476	(68,416)	60,060	1,559,132
Net Position - Beginning of Year	4,127,047	2,343,290	6,470,337	11,534,604
Net Position - End of Year	$ 4,255,523	$ 2,274,874	$ 6,530,397	$ 13,093,736

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

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Enterprise Fund Food Service	Business-Type Activities - Enterprise Fund Non-Major	Business-Type Activities - Enterprise Fund Total	Governmental Activities - Internal Service Fund
Cash flows from operating activities				
Cash received from customers	$ 184,471	$ 28,120	$ 212,591	$ 27,858,448
Cash paid to employees	(706,245)	-	(706,245)	-
Cash paid to suppliers	(9,751,272)	(2,015)	(9,753,287)	(27,338,792)
Net cash provided by (used in) operating activities	(10,273,046)	26,105	(10,246,941)	519,656
Cash flows from investing activities				
Interest income	-	-	-	286,876
Net cash used in investing activities	-	-	-	286,876
Cash flows from non-capital financing activities				
Grant payments received	10,552,177	-	10,552,177	-
Net cash provided by non-capital financing activities	10,552,177	-	10,552,177	-
Cash flows from capital and related financing activities				
Purchase of capital assets	(94,523)	-	(94,523)	-
Net cash used in capital and related financing activities	(94,523)	-	(94,523)	-
Net increase in cash and cash equivalents	184,608	26,105	210,713	806,532
Beginning cash and cash equivalents	3,191,526	59,612	3,251,138	7,630,311
Ending cash and cash equivalents	$ 3,376,134	$ 85,717	3,461,851	$ 8,436,843
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	$ (11,187,597)	$ (68,416)	$ (11,256,013)	$ 1,246,479
Adjustments to reconcile operating loss to net cash used in operating activities				
Depreciation	324,674	94,521	419,195	-
Donated commodities	763,894	-	763,894	-
(Increase) decrease in assets				
Accounts Receivable	2,203	-	2,203	5,597,168
Inventories	(66,654)	-	(66,654)	-
Due from Other Funds	-	-	-	(6,564,721)
Increase (decrease) in liabilities				
Accounts Payable	21,108	-	21,108	240,730
Due to Other Funds	(130,674)	-	(130,674)	-
Net cash provided by (used in) operating activities	$ (10,273,046)	$ 26,105	$ (10,246,941)	$ 519,656

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA (the "District") is located in Erie County, Pennsylvania. The District's tax base consists of the City of Erie.

The District is governed by a board of nine school board members who are residents of the District and who are elected every two years, on a staggered basis, for a four-year term.

The Board of Directors (the "Board") has the power and duty to establish, equip, furnish and maintain a sufficient number of elementary, secondary and other schools necessary to educate every person residing in such district between the ages of six and twenty-one years, who may attend.

In order to establish, enlarge, equip, furnish, operate and maintain any school herein provided, or to pay any school indebtedness, which the District is required to pay, or to pay an indebtedness that may at any time hereafter be created by the District. The Board is vested with all the necessary authority and power annually to levy and collect the necessary taxes required and granted by the legislature, in addition to the annual State appropriation, and are vested with all necessary power and authority to comply with and carry out any or all of the provisions of the Public School Code of 1949.

The financial statements of the District have been prepared in accordance with generally accepted accounting principles 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.

A.) Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

B.) Reporting Entity:

The District is the basic level of government, which has financial accountability and control over all activities related to the public school education in the District. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the District, is not included in any other governmental "reporting entity" as defined by the GASB pronouncements, since Board members are elected from the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, its component unit, the Erie School District Foundation, is reported as a component unit as defined as defined in GASB Statement No. 61. The Foundation is reported in the General Fund in the financial statements. The Foundation does not issue its own financial statements.

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C.) Jointly Governed Organizations:

The District is a participating member of the Northwest Tri-County Intermediate Unit and Midwestern Intermediate Unit IV ("IU's"). Operations of the IU's are directed by a board of directors consisting of members from each participating district and other institutions. No participating district or other institution appoints a majority of the board of directors. The board of directors of each participating district or other institution must approve IU's annual operating budget.

The IU's are self-sustaining organizations that provide services for fees to participating districts and other institutions. As such, the District has no ongoing financial interest or responsibility in the IU's. The IU's contract with participating districts and other institutions to supply special education services, computer services and to act as a conduit for certain federal programs.

D.) Fund Accounting:

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts, which are comprised of each fund's assets, liabilities, fund balance, revenues and expenditures or expenses as appropriate. Resources are allocated to and accounted for in the individual funds based on the purpose for which they are to be spent. The District uses the following funds:

GOVERNMENTAL FUNDS – These funds are used to account for most of the District's finances. The measurement focus is on determination of the financial position and changes in financial position (current financial resources) rather than on income determination. The district reports the following major funds:

1. General Fund – This is the general operating fund of the District. All activities of the District are accounted for through this major fund except for those required to be accounted for in another fund.

2. Capital Projects Fund - This fund is used to account for financial resources to be used in acquisition, construction, or improvement of capital facilities other than those financed by proprietary funds.

3. Student Activity Funds - These funds are set up in accordance with Section 511 of the PA School Code for student sponsored school organizations and publications which do not meet the criteria to be reported as custodial funds per GASB Statement No. 84.

PROPRIETARY FUNDS – These funds account for District activities that are similar to business operations in the private sector or where the reporting focus is on determining net income, financial position and changes in financial position (economic resources measurement focus). The district reports the following major proprietary fund:

1. Food Service Fund – This major fund is used to account for the District's food service operations that are financed and operated in a manner similar to private business enterprises. The Fund accounts for all revenues, food purchases, costs and expenses for the Food Service Program.

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D.) Fund Accounting (Continued)

Additionally, the District reports the following fund type:

INTERNAL SERVICE FUNDS – These funds account for workers' compensation and dental and health insurance charged to other departments of the government on a cost reimbursement basis.

E.) Basis of Presentation:

Government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the District. As a general rule, the effect of interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely, to a significant extent, on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or segment. Program revenues include charges to customers who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment. In addition, program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements are also provided in the report for all of the governmental funds and proprietary funds of the District. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Proprietary Fund's principal ongoing operations. The principal operating revenues of the District's Enterprise Funds are food service charges and stadium revenues. Operating expenses for the District's Enterprise Funds include food production costs, supplies, stadium expenses, administrative costs and depreciation on capital assets. All revenues or expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F.) Measurement Focus and Basis of Accounting:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as is the Proprietary Fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net Position (total assets and deferred outflows less total liabilities and deferred inflows) is used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased Net Position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the Statement of Net Position.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. 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 sixty days of the end of the fiscal period. Revenue from federal, state, and other grants designated for payment of specific school district expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

G.) Budgetary Data:

An annual budget is adopted for the general fund. The budget is adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year-end. Project length financial plans are adopted for the capital projects funds. The District follows the procedures outlined below in establishing the budgetary data reflected in the basic financial statements:

1. Prior to May 31, the Board submits a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them for the General Fund.

2. A public hearing is conducted to obtain taxpayer comments.

3. Prior to June 30, the budget is legally enacted through passage of a resolution.

4. Form budgetary integration is employed as a management control device during the year for the General Fund. Formal budgetary integration is not employed by other funds because effective budgetary control is alternatively achieved through direct authorization by the School Board or the expenditures are all fixed in nature.

5. The budget for the General Fund is adopted on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G.) Budgetary Data (Continued):

6. The budget of the District is the approved spending plan of the District for the year and the Board is prohibited from obligating funds in excess of these amounts. The Board may, during any fiscal year, amend the budget by making additional appropriations or increase existing appropriations to meet emergencies. The funds shall be provided from unexpended balances in existing appropriations, from unappropriated revenues or from temporary loans. Legal budgetary control is maintained by the Board at the department level. Transfers between departments, whether between funds or within a fund or revisions that alters the total revenues and expenditures of any fund, must be approved by the Board. Budget information in the Budgetary Comparison Schedule is presented at or below the legal level of budgetary control. Several functions had expenditures that exceeded the budgeted amount; however, these overages were absorbed by surpluses in revenues, other functions and fund balance.

7. There were supplemental budgetary appropriations or amendments proposed or approved during the year.

The Controller is authorized to transfer budgeted amounts within a specific budget object. Any other transfers or revisions between funds or within a fund or revisions that alter the total revenues and expenditures of any fund must be approved by the District Board. Budget information in the Budgetary Comparison Schedule for the General Fund is presented at or below the legal level of budgetary control. Non-Instruction and Facilities, Acquisition, Construction and Improvements expenditures exceeded the budgeted amount; however, these overages were absorbed by surpluses in other functions, revenues and fund balance.

Included in the General Fund budget are program budgets as prescribed by the state and federal agencies funding the program. These budgets are approved on a program basis by the state or federal funding agency.

I.) Cash and Cash Equivalents:

Cash and cash equivalents in the basic financial statements include all highly liquid investments with an original maturity of three months or less.

J.) Investments:

Investments are carried at market value based on quoted market prices.

K.) Receivables/Payables:

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as “interfund receivables/payables.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

L.) Accounts Receivable:

Accounts receivable are recorded at the invoiced amount. The District determines the allowance for doubtful accounts based on historical write-off experience. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M.) Inventories and Prepaid Items:

Inventories of the General Fund consisting of instruction, operation and maintenance and transportation supplies are carried at cost, using the first-in, first-out method. The inventories on hand at June 30, 2024 totaled $127,467.

Inventories of the Food Service Fund consisting of food and paper supplies are carried at cost, using the first-in, first-out method. Federal donated commodities are valued at their fair market value as determined by the U.S. Department of Agriculture at the date of donation. The inventories on hand at June 30, 2024 consist of the following:

Donated Commodities	$127,467
Total Inventory	$127,467

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

N.) 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 financial statements. The School maintains a $1,500 threshold for additions to equipment. Buildings and improvements are capitalized when the value is $25,000 or greater. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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 assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All reported capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and Improvements	30 - 50
Equipment	7 - 10
Vehicles	5 - 7

O.) Long-Term Obligations:

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of Net Position. Bond premiums are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium.

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O.) Long-Term Obligations: (Continued)

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, while discounts on debt issuances are reported as other financial uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

P.) Net Position/Fund Balance:

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- *Net Investment in Capital Assets* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

- *Unrestricted Net Position* – This category represents net position of the District, not restricted for any project or other purpose.

Fund Balance Classification: The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- *Non-spendable*: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The School District has $109,734 in non-spendable fund balance in the General Fund as of June 30, 2024.

- *Restricted*: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The School District had $85,813,329 of restricted fund balance as of June 30, 2024. Of this amount, $85,605,714 was restricted for capital improvements, and $207,615 was restricted for student activities.

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P.) Fund Balance: (Continued)

- *Committed*: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School District did not have any committed resources as of June 30, 2024.

- *Assigned*: This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Directors or through the Board of Directors delegating this responsibility to the School District's management. The School District had $3,867,960 of assigned resources as of June 30, 2024.

- *Unassigned*: This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts. The School District had $31,861,593 unassigned fund balance as of June 30, 2024.

The School District uses restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Q.) Deferred Outflows /Inflows of Resources

The Statement of Net Position report separate sections for deferred outflows and deferred inflows of resources. These separate financial statement elements represent a consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow or inflow of resources (expense/revenue) until then. The District has six items that qualify for reporting in these categories: deferred outflows on unamortized loss on sale leaseback, deferred outflows and inflows related to OPEB, deferred outflows and inflows related to pensions, swaption, deferred loss on refunding and unavailable tax revenue.

In accordance with applicable guidance, the loss on the sale portion of the sale leaseback transaction is recorded as a deferred outflow of resources on the statement of net position and amortized as a component of interest expense over the remaining economic life of the property.

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q.) Deferred Outflows /Inflows of Resources (Continued)

Deferred outflows of resources and deferred inflows of resources related to OPEB is described further in Note 6. Deferred outflows of resources and deferred inflows of resources should be recognized in OPEB expense, beginning in the current reporting period, using a systematic and rational method over a closed period equal to the average of the expected remaining services lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees) determined as of the beginning of the measurement period. The recognition period for the OPEB Plan's difference between expected and actual experience and change in assumption is 12 years.

Deferred outflows and inflows of resources related to pensions are described further in Note 7. Annual changes to the net pension liability resulting from differences between expected and actual experience with regard to economic and demographic factors and from changes of assumptions about future economic or demographic factors or other inputs are deferred and amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits determined for the period during which the changes occurred. Differences between projected and actual earnings on pension plan investments are amortized over a closed five-year period.

In the governmental funds balance sheet, the District only has one type of item, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable tax revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

R.) PSERS Net OPEB Liability:

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about fiduciary net position of the Public School Employees' Retirement System (PSERS) and additions to/deductions from PSERS' 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.

S.) Adoption of Governmental Accounting Standards Board Statements

The District adopted the requirements of GASB Statement No. 99, "Omnibus 2022". The adoption of this statement had no effect on the district's financial statement.

The District adopted the requirements of GASB Statement No. 100, "Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62". The adoption of this statement had no effect on the district's financial statement.

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T.) Pending Changes in Accounting Principles

In June of 2022, the GASB issued Statement No. 101, “Compensated Absences”. The District is required to adopt Statement No. 101 for its fiscal year 2025 financial statements.

In December 2023, the GASB issued Statement No. 102 “Certain Risk Disclosures.” The District is required to adopt it for fiscal year 2025 financial statements.

In September 2024, the GASB issued Statement No. 104 “Disclosure of Certain Capital Assets”. The District is required to adopt Statement No. 104 for its 2026 financial statements.

The District has not yet completed the various analysis required to estimate the financial statement impact of these new pronouncements.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

Under Section 440.1 of the Public School Code of 1949, as amended, the District is permitted to invest funds in the following types of investments:

Obligations of (a) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or (c) any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision and (d) shares of an investment company registered under the Investment Company Act of 1940, provided that the instruments are those types of investments listed above, and the investment company is managed so as to maintain its shares at a constant net asset value and the investment company is rated in the highest category by a nationally recognized rating agency. Pursuant to Act 72 of the Pennsylvania State Legislature, a depository must pledge assets to secure state and municipal deposits. The pledged assets must at least be equal to the amount of such assets required to secure all of the public deposits at the depository and may be on a pooled basis. Additionally, all such pledged assets must be delivered to a legal custodian.

Act 10 of 2016 broadened the scope of investment options for the District with safeguard measures to protect those investments. The Act added high quality money market instruments including repurchase agreements, commercial paper, negotiable certificates of deposit and bankers’ acceptances to the authorized list of investments.

The deposit and investment policy of the District adheres to State statutes and prudent business practice. There were no deposits or investment transactions during the year that were in violation of either the State statutes or the policy of the District.

A portion of the District’s cash and investments are in the Pennsylvania Local Government Investment Trust Fund (“PLGIT”), which is a fund very similar to mutual funds. PLGIT operates in accordance with appropriate State laws and regulations and under State oversight. The reported value of the pool is the same as the fair value of the pool shares.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

In accordance with the Government Accounting Standards Board, investments in PLGIT are valued at amortized cost, which approximates market value. The amortized cost method involves valuing a security at its cost on the date of purchase and recording a constant amortization or accretion to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of the investment. The net asset value per share for the purpose of calculating the price at which shares are issued and redeemed is determined by the Administrator each banking day. Such determination is made by subtracting the liabilities from the value of the assets and dividing the remainder by the number of shares outstanding.

As of June 30, 2024, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

Interest Rate Risk − The School District does not have a formal investment policy for the that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk − The School District has no formal investment policy for its operating and Fiduciary funds that addresses credit risk. As of June 30, 2024, the School District's operating investments were all maintained in Money Market funds with the Pennsylvania School District Liquid Asset Fund (PSDLAF), PLGIT and PNC Bank.

Custodial Credit Risk − For deposits and investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the School District will be able to recover the value of its investment or collateral securities that are in the possession of an outside party. As of June 30, 2024, the School District's cash balances for its governmental activities and business-type activities were $37,331,729 and its bank balances were $48,791,644. Of these bank balances, $48,541,644 was collateralized with securities held by the pledging financial institutions, or by their trust departments or agents, but not in the School District's name, and therefore was subject to custodial credit risk.

Concentration of Credit Risk − The School District has no formal investment policy for operating investments pertaining to the concentration of credit risk. All of the School District's investments were in the PSDLAF, PLGIT and PNC Bank.

NOTE 3: REAL ESTATE TAXES RECEIVABLE

The District has independently elected tax collectors who are responsible for the collection of taxes. Assessed values are established by the Erie County Board of Assessment. The District tax rate for the year ended June 30, 2024 was 18.9628 mills ($18.9628) per $1,000 of assessed valuation) as levied by the Board of School Directors.

The schedule for real estate taxes levied for each fiscal year is as follows:

July 1	Levy Date
July 1 – September 30	2% Discount period
October 1 – November 30	Face Payment period
December 1 – December 31	10% Penalty period
January 1	Turnover to delinquent collector

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

NOTE 3: REAL ESTATE TAXES RECEIVABLE (CONTINUED)

Taxpayers can make installment payments at face beginning November 15 to February 15.

The District, in accordance with U.S. generally accepted accounting principles, recognizes the delinquent and unpaid taxes receivable, reduced by an allowance for uncollectible taxes, as determined by management. A portion of the net amount estimated to be collectible, which was measurable and available within sixty days, was recognized as revenue and the balance deferred in the fund financial statements.

The District also collects earned income tax and local services tax from its residents. The tax rate for the current fiscal year is ½% earned income tax and $5 local services tax.

The Balances at June 30, 2024 are as follows:

	Gross Tax Receivable	Allowance for Uncollectible Taxes	Net	Tax Revenue Recognized	Unavailable Real Estate Taxes
Real Estate Tax	6,432,291	$ (480,000)	$ 5,952,291	$ 740,827	5,211,464
Earned Income Tax	1,889,829	-	1,889,829	1,889,829	-
Transfer Tax	81,977	-	81,977	81,977	-
Total	$ 8,404,097	$ (480,000)	$ 7,924,097	$ 2,712,633	$ 5,211,464

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

GOVERNMENTAL ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	$ 7,651,057	$ -	$ -	$ 7,651,057
Construction in Progress	94,547,139	37,825,068	(69,865,125)	62,507,082
Total Capital Assets, Not Being Depreciated	102,198,196	37,825,068	(69,865,125)	70,158,139
Capital Assets, Being Depreciated:				
Building/Land Held for Resale	8,672,561	-	-	8,672,561
Buildings and Improvements	219,977,240	70,042,082	-	290,019,322
Furniture and Equipment	57,306,829	1,279,740	-	58,586,569
Vehicles	3,666,123	276,238	(79,152)	3,863,209
Total Capital Assets, Being Depreciated	289,622,753	71,598,060	(79,152)	361,141,661
Less Accumulated Depreciation For:				
Building/Land Held for Resale	(6,108,772)	(142,512)	-	(6,251,284)
Buildings and Improvements	(133,505,129)	(4,778,865)	-	(138,283,994)
Furniture and Equipment	(46,225,718)	(1,597,549)	-	(47,823,267)
Vehicles	(2,825,908)	(151,853)	79,152	(2,898,609)
Total Accumulated Depreciation	(188,665,527)	(6,670,779)	79,152	(195,257,154)
Total Capital Assets, Being Depreciated, Net	100,957,226	64,927,281	-	165,884,507
Governmental Activities Capital Assets, Net	$ 203,155,422	$ 102,752,349	$ (69,865,125)	$ 236,042,646

BUSINESS TYPE ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Being Depreciated:				
Building	$ 7,832,725	$ -	$ -	$ 7,832,725
Equipment	1,663,478	25,641	-	1,689,119
Vehicles	273,953	68,882	-	342,835
Total Capital Assets, Being Depreciated	9,770,156	94,523	-	9,864,679
Less Accumulated Depreciation	(5,294,549)	(419,195)	-	(5,713,744)
Business Type Activities Capital Assets, Net	$ 4,475,607	$ (324,672)	$ -	$ 4,150,935

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

Governmental Activities:	
Instruction	$ 6,003,701
Support Services	667,078
Total Depreciation Expense - Governmental Activities	$ 6,670,779
Business Type Activities:	
Food Service	$ 324,674
Stadium Commission	94,521
Total Depreciation Expense - Business Type Activities	$ 419,195

NOTE 5: LONG-TERM LIABILITIES OBLIGATIONS

Bonds Payable:

The government issues general obligation bonds/notes to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct general obligations of the School District. Principal and interest payments are backed by the full faith, credit, and taxing authority of the School District.

Governmental Activities

General Obligation Bonds, Series of 1998, in the original principal amount of $48,635,752. These capital appreciation bonds mature in varying amounts from September 1, 1998 through 2025. The bonds bear interest ranging from 4.5% to 6.167%. The bonds maturing September 1, 2000 through 2003 were determined to be taxable, the remaining bonds are tax-exempt.

General Obligation Bonds, Series of 2000, in the original principal amount of $37,137,023. The bonds bear interest ranging from 5.09% to 6.23%. The bonds require interest payments semi-annually on September 1 and March 1 commencing on September 1, 2001. The bonds mature beginning September 1, 2001 and ending September 1, 2030. The current interest bonds maturing September 1, 2001 through September 1, 2029 were defeased by the funds provided by the 2001 Series General Obligation Bonds. The remaining bonds are capital appreciation bonds for which interest is being accrued.

On March 1, 2012, the School District borrowed $13,407,000 from the State Public School Building Authority of the Commonwealth of Pennsylvania. The purpose of the bonds was to provide funds for various building renovation projects of the District. The loan requires semi-annual interest payments on March 15 and September 15 of each year which began March 15, 2012 with interest at rates ranging from 5.088% to 5.138% with maturity scheduled for April 1, 2031. On December 13, 2019, the District refunded the outstanding balance on advance basis. The refinancing transaction resulted in an estimated cash flow present value loss of $253,746 and estimated economic loss of $335,906. As a result of the advance refunding, the District recognized a loss of $654,161 that is being amortized on over the term of the refunded bonds, which were scheduled to mature on April 1, 2031. The balance of the deferred loss at June 30, 2024 is $381,596.

In May of 2019, the School District issued $45,400,000 aggregate principal amount General Obligation Bonds Series A of 2020. The purpose of the bonds was to provide financing for various capital projects of the District as well as to pay for issuance costs. The 2020 bonds mature on October 1 of each year beginning in 2020. The bonds require semi-annual interest payments on April 1 and October 1 of each year, beginning October 1, 2020. Interest rates on the bonds range from 3.0% to 5.0% with maturity scheduled for April 1, 2034.

In May of 2019, the District issued $9,560,000 aggregate principal amount General Obligation Bonds Series B of 2020. The purpose of the bonds was to currently refund the 2009 Series General Obligation Bonds, finance a termination payment associated with the 2011 Swap as well as pay for issuance costs. The 2020 bonds mature on October 1 of each year beginning in 2020. The bonds require semi-annual interest payments on April 1 and October 1 of each year, beginning October 1, 2020. Interest rates on the bonds are 5.0% with maturity scheduled for April 1, 2026. The refunding resulted in a difference between the cash flow required to service the old debt and that required to service the new debt of $147,633. The refunding also resulted in a net economic loss.

NOTE 5: LONG-TERM LIABILITIES OBLIGATIONS (CONTINUED)

(difference between the present value of the debt service payments on the old and new debt) of $61,078.

In May of 2019, the District issued $30,990,000 aggregate principal amount General Obligation Bonds Series C of 2020. The purpose of the bonds was to currently refund the 2011 Series Butler County General Authority Variable Rate Demand Bonds (School District of the City of Erie Project) as well as pay for issuance costs. The 2020 bonds mature on October 1 of each year beginning in 2020. The bonds require semi-annual interest payments on April 1 and October 1 of each year, beginning October 1, 2020. Interest rates on the bonds are 5.0% with maturity scheduled for April 1, 2030. The refunding resulted in a difference between the cash flow required to service the old debt and that required to service the new debt of $227,542. The refunding also resulted in a net economic loss (difference between the present value of the debt service payments on the old and new debt) of $146,098.

In the prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in these financial statements.

The following summarizes the maturities and interest payments for general obligation bonds payable as of June 30, 2024:

Year Ended June 30:	Principal Requirements	Interest Requirements	Total Debt Service Requirements
2025	$ 9,460,000	$ 4,169,648	$ 13,629,648
2026	9,900,000	4,036,898	13,936,898
2027	10,440,000	3,882,148	14,322,148
2028	10,990,000	3,419,898	14,409,898
2029	11,560,000	2,927,898	14,487,898
2030-2034	58,137,000	6,198,024	64,335,024
Less Discounted Interest	(141,154)	-	(141,154)
Total	$ 110,345,846	$ 24,634,514	$ 134,980,360

Governmental Activities

Retirement Incentive:

The District has incurred a liability for special termination benefits, which include various early retirement incentive programs. Under such programs, retirees are eligible for monthly or annual payments until age sixty-two. The long-term liability for future benefits has been discounted using an 8% factor.

Compensated Absences:

Compensated absences are comprised of accumulated unused sick days and vacation days. The aggregate liability is $6,286,620 as of June 30, 2024.

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2024

NOTE 5: LONG-TERM LIABILITIES OBLIGATIONS (CONTINUED)

Under the current plan, the following is a summary of the items covered:

Superintendent and Chief Financial Officer – Rate paid equals $100 per day.
Administrators – Rate paid equals $100 per day.
Teachers and Non-Professionals – Rate paid equals $80 per day.

A summary of changes in long-term debt obligations for 2024 is as follows:

Governmental Activities:	Beginning Balance	Additions	Bond Accretions	Reductions	Ending Balance	Amounts Due Within One Year
General obligation bonds	$ 112,625,965	$ -	$ 6,988,881	$ (9,269,000)	$ 110,345,846	$ 9,460,000
Bond premium	7,452,480	-	-	(956,596)	6,495,884	-
Bond discount	(46,335)	-	-	2,896	(43,439)	-
Compensated absences	6,975,470	-	-	(688,849)	6,286,621	222,720
Deferred loss on refunding	(436,109)	-	-	54,513	(381,596)	-
Deferred loss on sale leaseback	(71,258)	-	-	10,180	(61,078)	-
Total Long-Term Liabilities	$ 126,500,213	$ -	$ 6,988,881	$ (10,846,856)	$ 122,642,238	$ 9,682,720

Payments on bonds are by the General Fund. The compensated absence and retirement incentive liabilities will be liquidated by the General Fund. Total interest paid during the year ended June 30, 2024 was $4,169,648.

NOTE 6: OTHER POST-EMPLOYMENT BENEFITS

Plan Description:

The District administers a single employer defined benefit healthcare plan (the "Retiree Health Plan"). The plan provides healthcare, prescription drug, dental and/or vision insurance, at various costs to the member and the District, for the life of the member or until the member is eligible for Medicare, depending on the terms of the contract when they retire, for eligible retirees and their spouses through the District's health insurance plan. The Retiree Health Plan covers both active and retired members. Benefit provisions are established and may be amended through negotiation with the District and the unions representing the District's employees. The Retiree Health Plan does not issue a publicly available financial report.

Employees covered by benefit terms. At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	196
Inactive employees entitled to but not yet receiving benefit payments	1,242
Active employees	1,324
Total	2,762

Funding Policy. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75. The benefits are expensed when incurred and are financed on a pay-as-you-go basis. Retirees currently pay a portion of the monthly premium. The School District covers the balance of the premium not paid by the retiree. Retiree and dependent coverage, group plans, and costs to the retiree are subject to change. A spouse may be covered as a dependent until the death of the retiree; thereafter, they are eligible to continue coverage by paying 100% of the monthly insurance premium.

Total OPEB Liability. The District's total OPEB liability of $56,950,293 was measured as of July 1, 2023, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:
The discount rate was based on the S & P Municipal Bond 20 Year High Grade Rate Index at July 1, 2023.

Inflation	2.50%
Discount Rate	4.13%
Healthcare cost trend rates	7% in 2023 with 0.5% decrease per year until 5.5% in 2026. Rates gradually decreased from 5.4% in 2027 to 4.1% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.
Salary Increases	Composed of a 1.5% real wage growth and merit increases for certain classes of employees which vary by age from 2.50-2.00%

NOTE 6: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Separate mortality rates are assumed preretirement and postretirement using the rates assumed in the PSERS defined benefit pension plan actuarial valuation. Incorporated into the table are rates projected generationally by the Buck Modified 2016 projection scale to reflect mortality improvement. A recent actuarial experience study was not performed.

Changes in the total OPEB Liability.

The District's total OPEB liability has been measured as of June 30, 2024. The total OPEB liability was determined by an actuarial valuation as of July 1, 2023. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end. The net OPEB liability is $56,950,293 all of which is unfunded. As of June 30, 2024, the total OPEB liability is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position.

The District's change in its total OPEB liability for the year ended June 30, 2024 was as follows:

	Governmental Activities
Service cost	$ 1,795,142
Interest	2,313,802
Changes of benefit terms	-
Differences between expected and actual experience	(1,310,998)
Changes of assumptions or other inputs	787,805
Benefit payments	(3,994,153)
Net change in total OPEB liability	(408,402)
Total OPEB liability - Beginning	$ 57,358,695
Total OPEB liability - Ending	$ 56,950,293

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the year ended June 30, 2024, the District recognized OPEB expense of $1,860,425. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected actual experience	$ -	$ 11,147,903
Changes of assumptions	6,691,934	15,618,651
Contribution subsequent to measurement date	4,093,607	-
	$ 10,785,541	$ 26,766,554

NOTE 6: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

$4,093,607 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2024. The amount reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2025	$ 2,248,519
2026	2,248,519
2027	2,248,519
2028	2,248,519
2029	2,248,523
Thereafter	8,832,021
Total	$ 20,074,620

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.13 percent) or 1 percentage point higher (5.13 percent) than the current discount rate:

	1% Decrease 3.13%	**Current Discount Rate 4.13%**	**1% Increase 5.13%**
District's total OPEB liability	$ 61,022,122	$ 56,950,293	$ 53,121,655

Sensitivity of the total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following shows presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare trend rates that are 1 percentage point higher or 1 percentage point lower than the current healthcare cost trend rates:

	1% Decrease 5.00%	**Healthcare Cost Trend Rate 6.00%**	**1% Increase 7.00%**
District's total OPEB liability	$ 51,884,305	$ 56,950,293	$ 62,803,036

Health Insurance Premium Assistance Plan

In addition, the Pennsylvania Public School Employees' Retirement System ("PSERS") provides a Health Insurance Premium Assistance Plan ("PSERS Plan"). The PSERS Plan is a governmental cost-sharing, multi-employer other postretirement benefit plan that provides for premium assistance to eligible public school employees of the Commonwealth of Pennsylvania. Under the PSERS Plan, employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of premium assistance benefits for each succeeding year.

NOTE 6: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The administrative staff of PSERS administers the PSERS Plan. The control and management of PSERS, including the investment of its assets, is vested in the 15 member Board of Trustees (Board). The Commonwealth General Assembly has the authority to amend the benefit terms of the PSERS Plan by passing a bill in the Senate and House of Representatives and sending the bills to the Governor for approval. PSERS issues a publicly available financial report that can be obtained at www.psers.state.pa.us.

Premium Assistance Eligibility Criteria

Retirees of the System can participate in the PSERS Plan if they satisfy the following criteria:

- Have 24 ½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of services and retired after reaching superannuation age

For Class DC members to become eligible for premium assistance, they must satisfy the following criteria:

- Attain Medicare eligibility with 24 ½ or more eligibility points, or
- Have 15 or more eligibility points and terminated after age 67, and
- Have received all or part of their distributions.

Benefits Provided

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of $100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2023 there were no assumed future benefit increases to participating eligible retirees.

Employer Contributions. The school districts' contractually required contribution rate for fiscal year ended June 30, 2024 was 0.75% of covered payroll, an actuarially determined 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 PSERS Plan from the District were $617,000 for the year ended June 30, 2024.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows or Resources Related to OPEB:

At June 30, 2024, the District reported a liability of $9,755,347 or its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2022 to June 30, 2023. The District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll of all School Districts in the PSERS Plan. At June 30, 2024, the District's proportion was 0.5392 percent, which was an increase of 0.0242 from its proportion measured as of June 30, 2023.

NOTE 6: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

For the year ended June 30, 2024, the District recognized OPEB expense of $2,173,351. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	$ 401,369	$ -
Changes of assumptions	842,986	1,846,050
Difference between actual and expected experience	63,857	96,700
Net difference between projected and actual investment earnings	21,920	-
Changes in proportion	660,000	235,856
Total	$ 1,990,132	$ 2,178,606

$401,369 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2024	(190,468)
2025	(156,874)
2026	(185,239)
2027	(218,073)
2028	101,526
Thereafter	59,285
Total	$ (589,843)

Actuarial Assumptions. The total OPEB liability as of June 30, 2023 was determined by rolling forward the System's total OPEB liability as of the June 30, 2022 actuarial valuation to June 30, 2023 measurement date using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – Entry Age Normal – level % of pay.
- Investment return – 4.13% - S&P 20 Year Municipal Bond Rate.
- Salary growth – Effective average of 4.50%, comprised of inflation of 2.5% and 1.5% for real wage growth and for merit and seniority increases.
- Premium assistance reimbursement capped at $1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than $1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP- 2020 Improvement Scale.
- Participation rate:
  - Eligible retirees will elect to participate pre age 65 at 50%.
  - Eligible retirees will elect to participate post age 65 at 70%.

NOTE 6: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2022, determined the employer contribution rate for fiscal year 2023.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: 63% of eligible retirees are assumed to elect premium assistance.
- Mortality Tables for males and females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

Investments consist primarily of short term assets designed to protect the principal of the plan assets. The expected rate of return on OPEB plan investments was determined using the OPEB asset allocation policy and best estimates of geometric real rates of return for each asset class.

The OPEB plan's policy in regard to the allocation of invested plan assets is established and may be amended by the Board. Under the Program, as defined in the retirement code employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. 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, 2023 were:

OPEB - Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	100.0%	1.20%
	100.0%	

Discount rate. The discount rate used to measure the total OPEB liability was 4.09%. Under the plan's funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 4.13% which represents the S&P 20 year Municipal Bond Rate at June 30, 2023, was applied to all projected benefit payments to measure the total OPEB liability.

<u>Sensitivity of the District's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates.</u>

Healthcare cost trends were applied to retirees receiving less than $1,200 in annual Premium Assistance. As of June 30, 2023, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of $1,200. As of June 30, 2023, 92,677 retirees were receiving the maximum amount allowed of $1,200 per year. As of June 30, 2023, 522 members were receiving less than the maximum amount allowed of $1,200 per year. The actual number of retirees receiving less than the $1,200.

NOTE 6: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

per year cap is a small percentage of the total population and has a minimal impact on Healthcare Cost Trends as depicted below.

The following presents the District's Proportionate Share of the net OPEB liability as well as what the District's Proportionate Share of the net OPEB liability would be if it was calculated using health cost trends that are 1-percentage point lower or 1-percentage higher than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
District's Proportionate share of the net OPEB liability	$ 11,029,562	$ 9,755,347	$ 8,688,744

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

The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or higher than the current discount rate:

	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
District's proportionate share of the net OPEB liability	$ 9,754,430	$ 9,755,347	$ 9,756,085

OPEB plan fiduciary net position.

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

NOTE 7: EMPLOYEE RETIREMENT PLAN

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public School Employees' Retirement System (PSERS) and additions to/deductions from PSERS' 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.

NOTE 7: EMPLOYEE RETIREMENT PLAN (CONTINUED)

General Information about the Pension Plan

Plan description

PSERS is a governmental cost-sharing multiple-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.pa.gov.

Benefits provided

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 year of credited service; (b) age 60 with 30 or more years of credited service; or (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 new membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service.

Act 5 of 2017 (Act 5) introduced a hybrid benefit with two membership classes and a separate defined contribution plan for individuals who become new members on or after July 1, 2019. Act 5 created two new hybrid membership classes, Membership Class T-G (Class T-G) and Membership Class T-H (Class T-H) and the separate defined retirement, Class T-G and Class T-H members must work until age 67 with a minimum of 3 years of credited service. Class T-G may also qualify for normal retirement by attaining a total combination of age and service that is equal to or greater than 97 with a minimum of 35 years of credited service. Benefits are generally between 1% to 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits 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. 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.

NOTE 7: EMPLOYEE RETIREMENT PLAN (CONTINUED)

Contributions

Member Contributions:

Membership Class	Continuous Employment Since	Defined Benefit (DB) Contribution Rate	DC Contribution Rate	Total Contribution Rate
T-C	Prior to July 22, 1983	5.25%	N/A	5.25% 6.25%
T-C	On or after July 22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
T-D	On or after July 22, 1983	7.50%	N/A	7.50%
T-E	On or after July 1, 2011	7.50% base rate with shared risk provision	N/A	Prior to 7/1/21: 7.50% After 7/1/21: 8.00%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	Prior to 7/1/21: 10.30% After 7/1/21: 10.8%
T-G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	Prior to 7/1/21: 8.25% After 7/1/21: 9.00%
T-H				Prior to 7/1/21: 7.50% After 7/1/21: 8.25%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

Shared Risk Program Summary				
Membership Class	**Defined Benefit (DB) Base Rate**	**Shared Risk Increment**	**Minimum**	**Maximum**
T-E	7.50%	+/-0.50%	5.50%	9.50%
T-F	10.30%	+/-0.50%	8.30%	12.30%
T-G	5.50%	+/-0.75%	2.50%	8.50%
T-H	4.50%	+/-0.75%	1.50%	7.50%

Employer Contributions:

The school districts' contractually required contribution rate for the fiscal year ended June 30, 2024, was 34.31% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the District were $14,511,553 for the year ended June 30, 2024.

NOTE 7: EMPLOYEE RETIREMENT PLAN (CONTINUED)

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

At June 30, 2024, the District reported a liability of $238,402,510 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2022 to June 30, 2023. The 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, 2023, the District's proportion was 0.5392 percent, which was an increase of 0.0224 from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized pension expense of $11,004,374. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Net difference between projected and actual investment earnings	$ 6,745,984	$ -
Changes in Assumptions	3,557,277	-
Changes in proportion	12,944,000	1,059,000
Differences between expected and actual experience	54,013	3,264,156
Contributions subsequent to the measurement date	14,511,553	-
Total	$ 37,812,827	$ 4,323,156

$14,511,553 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Ended June 30	
2024	$ 6,542,349
2025	544,886
2026	9,640,096
2027	2,250,787
2028	-
Total	$ 18,978,118

NOTE 7: EMPLOYEE RETIREMENT PLAN (CONTINUED)

Actuarial Assumptions. The total pension liability as of June 30, 2023 was determined by rolling forward the System's total pension liability as of the June 30, 2022 actuarial valuation to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal – level % of pay
Salary increases	4.50 percent, average, including inflation of 2.50 percent, and real wage growth and merit or seniority increases of 2.00%
Investment rate of return	7.00 percent, net of pension plan investment expense, includes inflation of 2.50%

Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

The actuarial assumptions used in the June 30, 2023 valuation were based on the experience study that was performed for the five-year period ending June 30, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

NOTE 7: EMPLOYEE RETIREMENT PLAN (CONTINUED)

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Global public equity	30.0%	5.2%
Private Equity	12.0%	7.9%
Fixed income	33.0%	3.2%
Commodities	7.5%	2.7%
Infrastructure/MLPs	10.0%	5.4%
Real estate	11.0%	5.7%
Absolute return	4.0%	4.1%
Cash	3.0%	1.2%
Leverage	-11%	1.2%
Total	100.0%	

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, 2023.

Discount rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined.
Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	Amounts X $1,000		
	1% Decrease 6.00%	**Current Rate 7.00%**	**1% Increase 8.00%**
District's proportionate share of the net pension liability	$ 309,035	$ 238,403	$ 178,810

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

NOTE 7: EMPLOYEE RETIREMENT PLAN (CONTINUED)

Act 5 of 2017. On June 12, 2017, the Commonwealth of Pennsylvania Act 5 of 2017 was signed into law. This legislation established a new hybrid defined benefit/defined contribution retirement benefit plan applicable to all school employees who become new members of PSERS on July 1, 2019, and thereafter. The three new plan options under Act 5 include two hybrid plans consisting of defined benefit and defined contribution components and a stand-alone defined contribution plan. The current stand-alone defined benefit plan is no longer available to new members after June 30, 2019.

NOTE 8: SELF-INSURANCE

The District maintains self-insurance programs for health insurance, workers' compensation coverage and a dental plan, which are being accounted for as internal service funds. The funds charge premiums to the general fund based on an amount determined by the administering insurance company. The insurance company serves as claims administrator and reviews and processes claims. The premiums are based on anticipated claims and estimated costs of administering and satisfying claims. The District maintains an insurance policy that limits the maximum workers' compensation liability per occurrence to $450,000. No such policy is maintained for the dental plan. Through an insurance policy, the District's health insurance liability is limited to $125,000 per individual and claims are reimbursed from $125,000 - $300,000. Claims expenditures and liabilities are reported when it is probable that a loss can be reasonably estimated.

At June 30, 2024, the workers' compensation fund had a liability of $605,715, which represented the estimated amount required to satisfy existing claims and those incurred but not reported. Workers' compensation claim expenses totaled $453,155 for the year ended June 30, 2024.

Health insurance claim expenses totaled $23,567,353 for the year ended June 30, 2024 and a liability of $2,994,308 at June 30, 2024 was owed to Highmark. Dental plan claim expenses totaled $813,746 for the year ended June 30, 2024.

At June 30, 2024, the workers' compensation, health insurance and dental plan had a net position balances of $537,794, $11,979,307, and 576,635, respectively.

Changes in the balances of claims liabilities during the years ended June 30, 2023 through 2024 are as follows:

	Workers' Comp.	Dental Plan	Health Insurance	Total
Unpaid Claims, July 1, 2022	$ 636,509	$ -	$ 2,334,956	$ 2,971,465
Incurred Claims	246,988	772,712	25,729,251	26,748,951
Claim Payments	(338,245)	(772,712)	(25,250,166)	(26,361,123)
Unpaid Claims, July 1, 2023	545,252	-	2,814,041	3,359,293
Incurred Claims	453,155	813,746	23,567,353	24,834,254
Claim Payments	(392,692)	(813,746)	(23,387,086)	(24,593,524)
Unpaid Claims, June 30, 2024	$ 605,715	$ -	$ 2,994,308	$ 3,600,023

NOTE 8: SELF-INSURANCE (CONTINUED)

The amount, if any, of future liability that may arise as a result of self-insurance is not readily determinable and cannot be reasonably estimated. Accordingly, the financial statements do not reflect a liability for any unasserted claims related to the current or prior period.

NOTE 9: DERIVATIVE INSTRUMENTS

On July 29, 2003, the School District approved an interest rate swap agreement (the “2003 Swaption”).

Due to Federal tax law restrictions, the School District was not permitted to advance refund its 2001 Bonds at a time when interest savings could have otherwise been available. In an effort to reduce its debt service costs, the District used a synthetic fixed rate refunding structure (which was accomplished using the 2003 Swaption) that was designed to provide the District with some of the benefit of reduced interest rates. The 2003 Swaption was structured with all savings taken up front, as opposed to over time.

The School District entered into the 2003 Swaption with JP Morgan and in return, JP Morgan provided the District an upfront payment of $785,000. The 2003 Swaption granted JP Morgan, as counterparty, the option to require the District to enter into a fixed payor interest rate swap at a future date. If the option is exercised, the District would then expect to issue variable rate refunding bonds which would be swapped to a synthetic fixed rate upon the effective date of the Swaption.

The Trade Date for the 2003 Swaption was September 4, 2003. The $785,000 payment was based on a notional amount of $37,310,000. The Counterparty has the option to exercise the agreement on September 1, 2011, or any March 1, or September 1, thereafter. The 2001 bond issue’s first call date is September 1, 2011. The fixed swap rate (approximately 4.77%) was set at a rate that will approximate the average coupon rate of the 2001 bonds to be refunded. The 2003 Swaption’s variable rate payment would be 67% of the one-month London Interbank Offered Rate (LIBOR).

Swaption Restructuring

In 2006, the District restructured its 2003 Swaption. The District restructured its 2003 Swaption by entering into a new Swaption with PNC Bank. The new Swaption was structured initially so that PNC would pay the Bond Market Association Municipal Swap Index (now referred to as SIFMA); however, the District and PNC immediately entered into a basis swap whereby the District agreed to pay SIFMA in return for 67% of one month LIBOR. As part of the restructuring, the District received an additional upfront payment of $732,000 and the new counterparty paid the prior counterparty $2,938,000 in order to terminate the 2003 Swaption on July 5, 2006.

The payments referred to above were based on a notional amount of $38,115,000 on the basis swap. The new counterparty (PNC) has exercised on November 1, 2011, the Basis Interest Rate Swap. The District has issued variable rate bonds for the purpose of currently refunding the 2001 Bond issue. The swap is scheduled to terminate as of September 1, 2029.

NOTE 9: DERIVATIVE INSTRUMENTS (CONTINUED)

Fair Value. Because interest rates have declined from rates that were in effect on the date the swap was entered into, the swap has had a negative fair value since June 30, 2020. The fair values of the swap were developed by an independent pricing consultant to the District that does not have a financial interest in the swaps, using a market accepted method similar to the zero coupon method example described in GASB 53 of calculating fair value. The methodology used consists of calculating the future net settlement payments required by the swap agreement, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero coupon bonds due on the date of each future net settlement date of the swap. As of June 30, 2024, the swap had a fair value of negative $294,576 which is a increase in value of $384,460 recorded in the statement of net position and statement of activities, respectively.

Credit Risk. As of June 30, 2024, the District was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the value of the swap becomes positive, the District would be exposed to credit risk in the amount equal to the swap's fair value. PNC Bank, N.A., the counterparty to the swap, is rated A by Standard and Poor's and A2 by Moody's Investors Service and A+ by Fitch. The Counterparty has entered into a Credit Support Annex that could enable it to avoid termination upon downgrade by posting certain specified collateral.

Interest Rate Risk. The School District is exposed to interest rate risk on its fixed interest rate swap. As the LIBOR increases, the School District's payment on the swap increases.

Basis Risk. The risk that there is a mismatch between a floating rate paid by the District and a floating rate received by the District.

During May of 2024, the District entered into an amendment to this agreement in order to incorporate the terms of the LIBOR fallback protocol. The protocol stipulate that after an index cessation effective date occurs, USD-SOFR replaces all LIBOR language in the Swaption document.

Termination Risk. The swap agreements provide for certain events that could cause the counterparties or the District to terminate the swap. The swap may be terminated by the counterparties or the District if the other party fails to perform under the terms of the swap agreement. If the swap is terminated, the District would no longer have synthetic fixed rate obligations. Also, if at the time of termination, the swap has a negative fair value, the District would be liable to the counterparty for a payment equal to the swap's fair value.

NOTE 10: INTERFUND RECEIVABLES AND PAYABLES

The following is a summary of Interfund Receivables and Payables at June 30, 2024:

	Due from	Due to
Governmental Fund Types		
General Fund	$ 1,575,633	$ -
Capital Projects Fund	-	7,343,191
Total Governmental Fund Type	1,575,633	7,343,191
Enterprise Fund		
Food Service	-	797,163
Total Enterprise Fund	-	797,163
Internal Service Fund		
Dental Plan	6,646,142	81,421
Total Internal Service Fund	6,646,142	81,421
Total Interfund Receivables and Payables	$ 8,221,775	$ 8,221,775

The proceeding interfund receivables and payables are the result of short-term borrowings or unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 11: TRANSFERS

Interfund transfers are executed as a result of the requirements for certain funds to fund a portion of the expenditures or expenses of other funds. Interfund operating transfers were as follows for the year ended June 30, 2024:

	Transfers In	Transfers Out
Governmental Fund Types		
General Fund	$ -	$ (31,450,863)
Capital Projects Fund	31,450,863	-
Total Governmental Fund Type	31,450,863	(31,450,863)

NOTE 12: CONTRACTS/COMMITMENTS

The School District has entered into labor agreements with bargaining units and contracts expire as follows:

Bargaining Unit	Contract Expires
The Erie Education Association	June 30, 2026
The International Union of Operating Engineers	June 30, 2028
The Erie Educational Secretaries Association	June 30, 2025
The Erie County Civil Service Employees of Painters and Allied Trades, AFL-CIO	June 30, 2026
Administrative Personnel	June 30, 2028

NOTE 13: COMMITMENTS AND CONTINGENCIES

The School District is a defendant in various lawsuits. Management does not believe the settlement of these matters will have a material effect upon the District's financial condition.

The District receives a number of state and federal grants. The grants may be subject to audit by the granting agency to determine if activities undertaken by the District comply with the conditions of the grant. Management believes no material liability would arise from any such audit.

The District has entered into a contracted transportation service agreement with an external party who provides busing service students. This agreement does not meet the criteria of a lease under GASB 87 as the terms and conditions for payment specify a rate of reimbursement per mile calculated by the Commonwealth. Since the payments are variable based on the usage of the underlying asset, the District has not recorded a liability in the financial statements for this agreement in accordance with GASB 87.

NOTE 14: SUBSEQUENT EVENTS

The District had evaluated all subsequent events through the report issue date of March 31, 2025. No events have taken place that effect the financial statements or require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
Revenues				
Local Revenue Sources	$ 65,571,179	$ 65,571,179	$ 71,617,910	$ 6,046,731
State Revenue Sources	167,275,512	167,275,512	173,885,226	6,609,714
Federal Revenue Sources	48,024,260	48,024,260	37,735,335	(10,288,925)
Total Revenues	280,870,951	280,870,951	283,238,471	2,367,520
Expenditures				
Current operating:				
Instruction	168,159,194	168,159,194	156,585,574	11,573,620
Support Services	62,995,170	62,995,170	64,021,711	(1,026,541)
Noninstructional Services	2,593,944	2,593,944	1,905,282	688,662
Facilities Acquisition, Construction and Improvements	16,603,827	16,603,827	6,813,425	9,790,402
Debt Service	13,613,648	13,613,648	13,268,846	344,802
Total Expenditures	263,965,783	263,965,783	242,594,838	21,370,945
Excess (deficiency) of revenues over expenditures	16,905,168	16,905,168	40,643,633	23,738,465
Other financing sources (uses)				
Sale of Building	-	-	285,232	285,232
Transfers out	(14,792,168)	(14,792,168)	(31,450,863)	(16,658,695)
Budgetary reserve	(1,000,000)	(1,000,000)	-	1,000,000
Refund of Prior Year Revenues	-	-	-	-
Total other financing sources (uses)	(15,792,168)	(15,792,168)	(31,165,631)	(15,373,463)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ 1,113,000	$ 1,113,000	$ 9,478,002	$ 8,365,002

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS - RETIREE'S HEALTH PLAN
FOR THE YEAR ENDED JUNE 30, 2024

	2018	2019	2020	2021	2022	2023	2024
Total OPEB liability							
Service cost	$ 3,274,094	$ 3,068,986	$ 3,276,704	$ 2,927,956	$ 4,125,817	$ 2,861,949	$ 1,795,142
Interest	1,944,933	2,395,512	2,323,522	2,505,461	1,594,167	1,657,805	2,313,802
Changes of benefit terms	550,157	-	-	-	-	-	-
Differences between expected and actual experience	(3,037,276)	-	(2,091,524)	-	(10,367,214)	-	(1,310,998)
Changes of assumptions or other inputs	494,820	225,664	(2,061,818)	8,879,782	(2,730,833)	(15,009,558)	787,805
Benefit payments	(4,979,301)	(4,274,383)	(4,619,374)	(4,401,540)	(4,344,134)	(4,364,617)	(3,994,153)
Net change in total OPEB liability	(1,752,573)	1,415,779	(3,172,490)	9,911,659	(11,722,197)	(14,854,421)	(408,402)
Total OPEB liability - beginning	77,532,938	75,780,365	77,196,144	74,023,654	83,935,313	72,213,116	57,358,695
Total OPEB liability - ending	$ 75,780,365	$ 77,196,144	$ 74,023,654	$ 83,935,313	$ 72,213,116	$ 57,358,695	$ 56,950,293
Covered payroll	$ 61,417,654	$ 61,417,654	$ 65,611,035	$ 65,611,035	$ 66,132,872	$ 66,132,872	$ 75,412,113
County's total OPEB liability as a percentage of covered payroll	123.39%	125.69%	112.82%	127.93%	109.19%	86.73%	75.52%

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively.
This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - PSERS PLAN
FOR THE YEAR ENDED JUNE 30, 2024

	2017	2018	2019	2020	2021	2022	2023
District's proportion of the net OPEB liability	0.5323%	0.5071%	0.5022%	0.4896%	0.4909%	0.5150%	0.5392%
District's proportionate share of the net OPEB liability	$ 10,845,144	$ 10,572,776	$ 10,681,001	$ 10,805,646	$ 11,634,717	$ 9,479,971	$ 9,755,347
District's covered payroll	$ 68,295,272	$ 69,259,391	$ 69,498,759	$ 73,765,928	$ 69,589,093	$ 73,765,928	$ 75,733,449
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	16%	15%	15%	15%	17%	13%	13%
Plan fiduciary net position as a percentage of the total OPEB liability	6%	6%	6%	6%	5%	5%	6%

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively.
This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA
SCHEDULE OF DISTRICT'S OPEB CONTRIBUTIONS - PSERS PLAN
FOR THE YEAR ENDED JUNE 30, 2024

	2017	2018	2019	2020	2021	2022	2023
Contractually determined contribution	$ 566,851	$ 597,716	$ 571,491	$ 583,790	$ 571,236	$ 694,591	$ 764,783
Contributions in relation to the actuarially determined contribution	566,851	597,716	571,491	583,790	571,236	694,591	764,783
Contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 68,295,272	$ 69,259,391	$ 69,498,759	$ 73,765,928	$ 69,589,093	$ 73,765,928	$ 73,765,928
Contributions as a percentage of covered payroll	0.83%	0.86%	0.87%	0.79%	0.82%	0.94%	1.04%

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively.
This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA
Schedules of Required Supplementary Information
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY
Teachers Pension Plan
Last 10 Fiscal Years*
(Dollar amounts in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Districts proportion of the net pension liability	0.6017%	0.5594%	0.5750%	0.5323%	0.5071%	0.5022%	0.4984%	0.4896%	0.5135%	0.5359%
District's proportionate share of the net pension liability	$ 238,158	$ 242,306	$ 284,952	$ 262,894	$ 243,433	$ 234,942	$ 245,407	$ 201,014	$ 228,296	$ 238,403
District's covered-employee payroll	$ 76,776	$ 71,976	$ 74,473	$ 70,831	$ 68,295	$ 69,259	$ 70,197	$ 68,563	$ 75,506	$ 82,612
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	310%	337%	383%	371%	356%	339%	350%	293%	302%	289%
Plan fiduciary net position as a percentage of the total pension liability	57%	54%	50%	52%	52%	56%	54%	64%	64%	65%

* The amounts presented for each fiscal year were determined as of 06/30

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA
Schedules of Required Supplementary Information
SCHEDULE OF DISTRICT CONTRIBUTIONS
Teachers Pension Plan
Last 10 Fiscal Years*
June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 14,511,553	$ 27,620,739	$ 24,851,741	$ 23,271,700	$ 23,247,335	$ 22,446,508	$ 22,857,247	$ 20,682,736	$ 18,218,629	$ 15,718,095
Contributions in relation to the contractually required contribution	14,511,553	27,620,739	24,851,741	23,271,700	23,247,335	22,446,508	22,857,247	20,682,736	18,218,629	15,718,095
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 75,412,113	$ 73,773,341	$ 73,765,928	$ 68,562,903	$ 70,197,269	$ 69,498,759	$ 69,259,391	$ 68,295,272	$ 74,472,653	$ 71,975,741
Contributions as a percentage of covered-employee payroll	19.24%	37.44%	33.69%	33.94%	33.12%	32.30%	33.00%	30.28%	24.46%	21.84%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available

OTHER SUPPLEMENTARY INFORMATION

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA
COMBINING STATEMENT OF NET POSITION
NON-MAJOR PROPRIETARY FUNDS
JUNE 30, 2024

	Stadium Commission	Play Erie	Total Non-Major Proprietary Funds
Assets			
Current Assets:			
Cash	$ 83,656	$ 2,061	$ 85,717
Total Current Assets	83,656	2,061	85,717
Non-current Assets:			
Buildings and Building Improvements	3,146,471	-	3,146,471
Machinery and Equipment	211,367	-	211,367
Accumulated Depreciation	(1,168,681)	-	(1,168,681)
Total Non-current Assets	2,189,157	-	2,189,157
Total Assets	$ 2,272,813	$ 2,061	$ 2,274,874
Net Position			
Net Investment in Capital Assets	$ 2,189,157	$ -	$ 2,189,157
Unrestricted	83,656	2,061	85,717
Total Net Position	2,272,813	2,061	2,274,874
Total Liabilities and Net Position	$ 2,272,813	$ 2,061	$ 2,274,874

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NON-MAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Stadium Commission	Play Erie	Total Non-Major Proprietary Funds
Operating Revenues			
Receipts from Providing Services	$ 28,120	$ -	$ 28,120
Total Operating Revenues	28,120	-	28,120
Operating Expenses			
Service Costs	2,015	-	2,015
Depreciation	94,521	-	94,521
Total Operating Expenses	96,536	-	96,536
Operating Loss	(68,416)	-	(68,416)
Change in Net Position	(68,416)	-	(68,416)
Net Position - Beginning of Year	2,341,229	2,061	2,343,290
Net Position - End of Year	$ 2,272,813	$ 2,061	$ 2,274,874

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2024

	Stadium Commission	Play Erie	Total
Cash flows from operating activities			
Cash received from customers	$ 28,120	$ -	$ 28,120
Cash paid to suppliers	(2,015)	-	(2,015)
Net cash provided by/(used in) operating activities	26,105	-	26,105
Net increase/(decrease) in cash and cash equivalents	26,105	-	26,105
Beginning cash and cash equivalents	57,551	2,061	59,612
Ending cash and cash equivalents	$ 83,656	$ 2,061	$ 85,717

RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	Stadium Commission	Play Erie	Total
Operating loss	$ (68,416)	$ -	$ (68,416)
Adjustments to reconcile operating loss to net cash provided by operating activities			
Depreciation	94,521	-	94,521
Net cash provided by operating activities	$ 26,105	$ -	$ 26,105

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2024

	Workers' Comp.	Health Insurance Plan	Dental Plan	Total
Assets				
Current Assets:				
Cash	$ 508,285	$ 7,928,558	$ -	$ 8,436,843
Investments	635,224	-	-	635,224
Due From Other Funds	-	6,646,142	-	6,646,142
Other Receivables	-	398,915	658,056	1,056,971
Total Current Assets	1,143,509	14,973,615	658,056	16,775,180
Total Assets	$ 1,143,509	$ 14,973,615	$ 658,056	$ 16,775,180
Liabilities				
Current Liabilities				
Due To Other Funds	$ -	$ -	$ 81,421	$ 81,421
Accounts Payable	605,715	2,994,308	-	3,600,023
Total Current Liabilities	605,715	2,994,308	81,421	3,681,444
Total Liabilities	605,715	2,994,308	81,421	3,681,444
Net Position				
Unrestricted	537,794	11,979,307	576,635	13,093,736
Total Net Position	537,794	11,979,307	576,635	13,093,736
Total Liabilities and Net Position	$ 1,143,509	$ 14,973,615	$ 658,056	$ 16,775,180

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Workers' Comp.	Health Insurance	Dental Plan	Total
Operating Revenues				
Charges for Services	$ 575,991	$ 27,304,272	$ 1,027,159	$ 28,907,422
Total Operating Revenues	575,991	27,304,272	1,027,159	28,907,422
Operating Expenses				
Administrative Expenses	-	989,569	56,682	1,046,251
Claims Expense	453,155	23,567,353	813,746	24,834,254
Other Operating Expense	-	1,780,438	-	1,780,438
Total Operating Expenses	453,155	26,337,360	870,428	27,660,943
Operating Income	122,836	966,912	156,731	1,246,479
Nonoperating Revenues (Expenses)				
Earnings (Loss) on Investments	29,632	283,021	-	312,653
Total Nonoperating Revenues (Expenses)	29,632	283,021	-	312,653
Change in Net Position	152,468	1,249,933	156,731	1,559,132
Net Position - Beginning of Year	385,326	10,729,374	419,904	11,534,604
Net Position - End of Year	$ 537,794	$ 11,979,307	$ 576,635	$ 13,093,736

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Workers' Comp.	Health Insurance	Dental Plan	Total
Cash flows from operating activities				
Cash received from customers	$ 575,991	$ 26,493,450	$ 789,007	$ 27,858,448
Cash paid to suppliers	(392,692)	(26,157,093)	(789,007)	(27,338,792)
Net cash provided by (used in) operating activities	183,299	336,357	-	519,656
Cash flows from investing activities				
Earnings/(Loss) on Investments	3,855	283,021	-	286,876
Net cash provided by (used in) investing activities	3,855	283,021	-	286,876
Net increase/(decrease) in cash and cash equivalents	187,154	619,378	-	806,532
Beginning cash and cash equivalents	321,131	7,309,180	-	7,630,311
Ending cash and cash equivalents	$ 508,285	$ 7,928,558	$ -	$ 8,436,843

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	Workers' Comp.	Health Insurance	Dental Plan	Total
Operating income/(loss)	$ 122,836	$ 966,912	$ 156,731	$ 1,246,479
Other Receivables	-	5,835,320	(238,152)	5,597,168
Due from Other Funds	-	(6,646,142)	81,421	(6,564,721)
Increase (decrease) in liabilities				
Accounts Payable	60,463	180,267	-	240,730
Net cash provided by (used in) operating activities	$ 183,299	$ 336,357	$ -	$ 519,656

THE SCHOOL DISTRICT
OF THE CITY OF ERIE, PENNSYLVANIA

SINGLE AUDIT REPORT

YEAR ENDED JUNE 30, 2024

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2024

CONTENTS

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*

Independent Auditor's Report

To the Members of the Board
The School District of the City of Erie, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA's basic financial statements, and have issued our report thereon dated March 31, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA'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 SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA's internal control. Accordingly, we do not express an opinion on the effectiveness of THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA'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.

Zelenkofske Axelrod LLC

ZELENKOFSKE AXELROD LLC

Pittsburgh, Pennsylvania
March 31, 2025

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

To the Members of the Board
The School District of the City of Erie, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA'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 SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA's major federal programs for the year ended June 30, 2024. THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, THE SCHOOL DISTRICT OF THE CITY OF ERIE complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards 41 issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA, as of and for the year ended June 30, 2024, and have issued our report thereon dated March 31, 2025, which contained unmodified opinions on those 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 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.

Zelenkofske Axelrod LLC

ZELENKOSFKE AXELROD LLC

Pittsburgh, Pennsylvania
March 31, 2025

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass Through Grantor/Program Title	Source Code	Federal AL Number	Pass Through Grantor Number	Grant Period Beginning	Grant Period Ending	Accrued/ (Deferred) Revenue at July 1, 2023	Total Received for the Year	Revenue Recognized	Expenditures	Accrued/ (Deferred) Revenue at June 30, 2024	Subrecipient Expenditures
U.S. Department of Agriculture											
Passed through Pennsylvania Dept. of Agriculture											
Child Nutrition Cluster											
National School Lunch Program - U.S. Donated Commodities	I	10.555	2-01-25-100	7/1/2023	6/30/2024 *	$ 60,809	$ 763,894	$ 830,548	$ 830,548	127,463	$ -
Passed through Pennsylvania Dept. of Education											
Fresh Fruits & Vegetables	I	10.582	353	7/1/2023	6/30/2024 *	-	305,309	305,309	305,309	-	-
Supply Chain Assistance	I	10.555	356	7/1/2023	6/30/2024 *	-	261,016	261,016	261,016	-	-
Lunch HI/Low	I	10.555	362	7/1/2023	6/30/2024 *	-	6,389,611	6,389,611	6,389,611	-	-
Reg/Ndy Breakfast	I	10.553	365	7/1/2023	6/30/2024 *	-	3,178,700	3,178,700	3,178,700	-	-
Total Child Nutrition Cluster						60,809	10,898,530	10,965,184	10,965,184	127,463	-
Child Care	I	10.558	164	7/1/2023	6/30/2024	-	91,422	91,422	91,422	-	-
P-EBT Local Admin Funds	I	10.649	358	7/1/2023	6/30/2024	-	6,180	6,180	6,180	-	-
Total U.S. Dept. of Agriculture						60,809	10,996,132	11,062,786	11,062,786	127,463	-
U.S. Department of Education											
Passed through Pennsylvania Dept. of Education											
Title I Improving Basic Programs	I	84.010	013-230139	7/1/2022	6/30/2024 *	645,131	645,131	10,748,395	10,748,395	10,748,395	-
Subtotal						645,131	645,131	10,748,395	10,748,395	10,748,395	-
School Improvement Grant	I	84.377	142-180139	7/1/2022	6/30/2023	525,277	525,277	-	-	-	-
Subtotal						525,277	525,277	-	-	-	-
Title II Improving Teacher Quality	I	84.367	020-230139	7/1/2022	6/30/2024	104,851	104,851	858,375	858,375	858,375	-
Subtotal						104,851	104,851	858,375	858,375	858,375	-
Title III Language Ins LEP Immigrant Students	I	84.365	010-230139	7/1/2022	6/30/2024	31,210	31,210	194,024	194,024	194,024	-
Subtotal						31,210	31,210	194,024	194,024	194,024	-
Secondary Allocations	I	84.048	380-220084	7/1/2022	6/30/2023	(33,251)	-	33,251	33,251	-	-
Secondary Allocations	I	84.048	380-240034	7/1/2023	6/30/2024	-	415,527	415,527	415,527	-	-
Subtotal						(33,251)	415,527	448,778	448,778	-	-
American Rescue Plan - IDEA 611 Component 1 **- Covid-19	I	84.027	232-210031	7/1/2022	6/30/2024	(6,831)	(6,831)	-	-	-	-
ARP ESSER - Covid-19	I	84.425U	223-210139	7/1/2023	6/30/2024	-	20,996,892	20,996,892	20,996,892	-	-
ARP ESSER Homeless Children and Youth - Covid-19	I	84.425U	224-210139	7/1/2023	6/30/2024	-	563,154	563,154	563,154	-	-
ARP ESSER 7% - Covid-19	I	84.425U	225-210139	7/1/2022	6/30/2024	444,676	944,803	1,278,712	1,278,712	778,585	-
ARP ESSER Homeless Children and Youth - Covid-19	I	84.425W	181-212138	7/1/2023	6/30/2024	-	4,870	4,870	4,870	-	-
Subtotal						$ 437,845	$ 22,502,888	$ 22,843,628	$ 22,843,628	$ 778,585	$ -

*Denotes tested as a major program
** Denotes IDEA Cluster

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass Through Grantor/Program Title	Source Code	Federal AL Number	Pass Thorugh Grantor Number	Grant Period Beginning	Grant Period Ending	Accrued/ (Deferred) Revenue at July 1, 2023	Total Received for the Year	Revenue Recognized	Expenditures	Accrued/ (Deferred) Revenue at June 30, 2024	Subrecipient Expenditures
Emergency Connectivity Fund	I	32.009	N/A	7/1/2023	6/30/2024	$ -	$ -	$ 215,328	$ 215,328	$ 215,328	$ -
Passed through Northwest Tri- County IU											
Special Education Cluster											
School Age - Pass Through **	I	84.027	062-02-0-005	7/1/2022	6/30/2024	2,782,570	2,782,570	3,207,392	3,207,392	3,207,392	-
EI Section 619 **	I	84.027	062-02-0-005	7/1/2022	6/30/2024	31,320	31,320	24,048	24,048	24,048	-
EI - Pass Through **	I	84.027	062-02-0-005	7/1/2022	6/30/2024	165,340	165,340	153,370	153,370	153,370	-
Subtotal						2,979,230	2,979,230	3,384,810	3,384,810	3,384,810	-
Total Special Education Cluster						2,979,230	2,979,230	3,384,810	3,384,810	3,384,810	-
Title IV - Student Support and Academic Enrichment	I	84.424	144-230139	7/1/2022	6/30/2024	285,088	171,053	762,312	762,312	876,347	-
Subtotal						285,088	171,053	762,312	762,312	876,347	-
Elect Parenting 21st Century Community Learning Ctr.	I	84.287	N/A	10/1/2022	9/30/2024	-	605,427	605,427	605,427	-	-
Subtotal						-	605,427	605,427	605,427	-	-
Ukrainian Refugee School Impact Grant	I	93.566	228-230016	7/1/2023	6/30/2024	-	41,742	41,742	41,742	-	-
Total U.S. Department of Education						4,975,381	28,022,336	40,102,819	40,102,819	17,055,864	-
U.S. Department of Health and Human Services											
Passed through Pennsylvania Dept. of Human Services											
State Access Direct - Early Intervention	I	93.778	131-230031	7/1/2023	6/30/2024	-	29,395	29,395	29,395	-	-
Total U.S. Dept. of Health & Human Services						-	29,395	29,395	29,395	-	-
Total Federal Assistance						$ 5,036,190	$ 39,047,863	$ 51,195,000	$ 51,195,000	$ 17,183,327	$ -

*Denotes tested as a major program
** Denotes IDEA Cluster

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

NOTE 1: REPORTING ENTITY

The SCHOOL DISTRICT OF THE CITY OF ERIE (the "School District") is the reporting entity for financial reporting purposes as defined in Note 1 to the School District's financial statements.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards has been prepared on the basis of accounting practices prescribed or permitted by the Manual of Accounting and Related Financial Procedures for Pennsylvania School Systems, issued by the Pennsylvania Department of Education. These practices, as they apply to the School District, are in conformity with U.S. generally accepted accounting principles. The District did not use the 10% de minimis indirect cost rate.

NOTE 3: EXPENDITURES ERRONEOUSLY NOT REPORTED IN PRIOR YEARS

AL Number	**Grant Number**	**2021 Amount**	**2022 Amount**
84.425D	35032	$326,905	-
84.425D	35032	-	$14,485

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

Section I - Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:
Material weakness(es) identified? __ yes _X_ no

Significant deficiencie(s) identified not considered to be material weaknesses?
____ yes _X_ none reported

Noncompliance material to financial statements noted? ___ yes _X_ no

Federal Awards

Internal control over major programs:
Material weakness(es) identified? ____ yes _X_ no

Significant deficiencie(s) identified not considered to be material weaknesses?
____ yes _X_ none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with
2 CFR 200.516(a) ___ yes _X_ no

Identification of major programs:

AL Number(s)	Name of Program or Cluster
84.010	Title I
10.553/10.555/10.582	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs: $1,433,053.

Auditee qualified as low-risk auditee? _X_ yes ___ no

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2024

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Awards Findings

No matters were noted.

THE SCHOOL DISTRICT OF THE CITY OF ERIE, PENNSYLVANIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2024

Status of Prior Audit Findings

No matters to report.