LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

FINANCIAL REPORT

JUNE 30, 2024

CONTENTS

CONTENTS (Continued)

INDEPENDENT AUDITOR'S REPORT

Joint Operating Committee
Lancaster County Career and Technology Center
Lancaster, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Lancaster County Career and Technology Center (Center), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the Contents.

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

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 (*Government Auditing Standards*). 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 Center and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe 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

Management is responsible for the preparation and fair presentation of the 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 whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment 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 judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement 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.
- obtain 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 opinion on the effectiveness of the Center'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 management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Center's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the required supplementary information as listed in the Contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Center's basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2025, on our consideration of the Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 the Center's 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 Center's internal control over financial reporting and compliance.

Boyer & Ritter

Camp Hill, Pennsylvania
March 11, 2025

LANCASTER COUNTY CAREER AND TECHNICAL CENTER

MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2024

The management of the Lancaster County Career & Technology Center (the Center) is pleased to present the following discussion and analysis of the Center's financial activities for the fiscal year ended June 30, 2024. The purpose of this discussion is to provide a narrative summary of the financial position and activities of the Center in order to enhance the reader's understanding of the Center's basic financial statements.

The Management's Discussion and Analysis (MD&A) of the Center provides an introduction to the activities affecting the operations of the Center and an overview of the financial performance and statements for the fiscal year ended June 30, 2024. The information contained in the MD&A should be read in conjunction with the Center's basic financial statements and related notes to the financial statements. As discussed further in Note 1, the statements include the Lancaster County Career & Technology Center Authority, a component unit of the Center.

The Center is required to present comparative financial information between the current year and the prior year in its MD&A as mandated by the Governmental Accounting Standards Board (GASB) Statement No. 34 Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments issued in June 1999. Certain comparative information between current year and prior year is required to be presented in the MD&A to show the Center's financial performance as a whole.

OVERVIEW OF THE CENTER

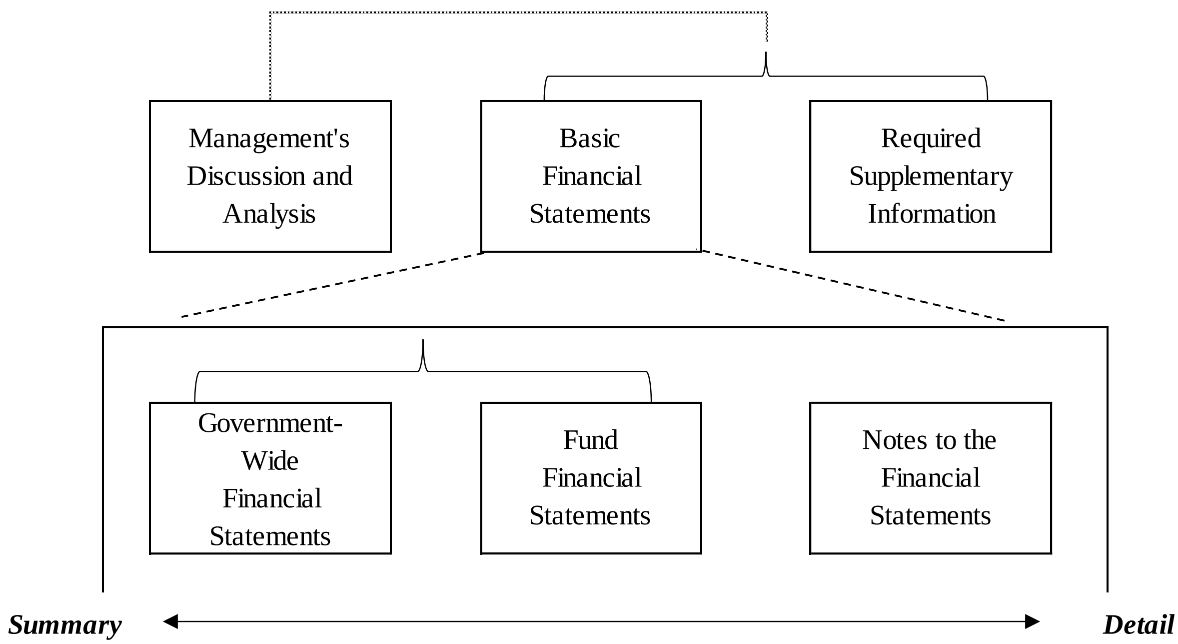
The Center is a joint venture operated in accordance with established Articles of Agreement by the sixteen-member school districts located in Lancaster County, Pennsylvania. Career and technical education/training is provided to secondary students of its member school districts. In addition, the Center provides training to post-secondary students in both day and evening classes. The Center provides workforce and industrial training to many industries in Lancaster County and surrounding areas. Member school districts provide a majority of the Center's funding, but local, state and federal sources also provide substantial support. A Joint Operating Committee (JOC) comprised of sixteen members representing the sixteen Lancaster County public school districts governs the Center. Each school district has one member on the JOC with all schools receiving equal representation.

USING THIS REPORT

The Center's basic financial statements consist of a Statement of Net Position and a Statement of Activities which are prepared on an accrual basis of accounting in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). These statements are presented so that the reader can understand the Center as a whole. The fund statements focus on individual parts of the Center's operations in more detail than the government- wide statements. The governmental funds statements demonstrate how general Center services were financed in the short term as well as what remains for future spending. Proprietary fund statements offer short and long-term financial information about the activities that the Center operates like a business. For the Center, this is our Food Service Fund. Fiduciary fund statements provide information about financial relationships where the Center acts solely as a trustee or agent for the benefit of others to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. Figure A-1 shows how the required parts of the Financial Section are arranged and relate to one another:

Figure A-1
Required Components of
Lancaster County Career and Technical Center's
Financial Report



Financial Statements (Continued)

Figure A-2 summarizes the major features of the Center's financial statements, including the portion of the Center they cover and the types of information they contain. The remainder of this overview section of the management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-2
Major Features of Lancaster County Career and Technical Center's
Government-Wide and Fund Financial Statements

	Government-Wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Center (except fiduciary funds).	The activities of the Center that are not proprietary or fiduciary, such as education, administration and community services.	Activities the Center operates similar to private business - food services.	Instances in which the Center is the trustee or custodian to someone else's resources - scholarship funds.
Required financial statements	Statement of Net Position; Statement of Activities.	Balance Sheet; Statement of Revenues, Expenditures and Changes in Fund Balance.	Statement of Net Position; Statement of Revenues, Expenses and Changes in Net Position, Statement of Cash Flows.	Statement of Fiduciary Net Position; Statement of Changes in Fiduciary Net Position.
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus.
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term.	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included.	All assets and liabilities, both financial and capital, and short-term and long-term.	All assets and liabilities, both short-term and long-term.
Type of inflow-outflow information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during year, regardless of when cash is received or paid.	All revenues and expenses during year, regardless of when cash is received or paid.

OVERVIEW OF FINANCIAL STATEMENTS

Government-Wide Statements

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

The two government-wide statements report the Center's net position and how they have changed. Net position, the difference between the Center's assets and deferred outflows of resources and liabilities and deferred inflows of resources, is one way to measure the Center's financial health or position.

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

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

The government-wide financial statements of the Center are divided into two categories:

- *Governmental Activities* - All of the Center's basic services are included here, such as instruction, administration and community services. Participating school district contributions, state and federal subsidies and grants finance most of these activities.
- *Business-Type Activities* - The Center operates a food service operation and charges fees to staff, students and visitors to help it cover the costs of the food service operation.

Fund Financial Statements

The Center's fund financial statements, provide detailed information about the most significant funds - not the Center as a whole. Some funds are required by state law and by bond obligations.

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

- Proprietary funds - These funds are used to account for the Center activities that are similar to business operations in the private sector; or where the reporting emphasis is on determining net income, financial position, changes in financial position, and a significant portion of funding through user charges. When the Center charges customers for services it provides – whether to outside customers or to other units in the Center – these services are generally reported in proprietary funds.

Fund Financial Statements (Continued)

- The Food Service Fund is the Center's proprietary fund and is the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information, such as cash flows. Also included under the Proprietary Funds is the Center's Internal Service Funds. These funds were established for health insurance and unemployment compensation benefits. Both funds operate independently, but the amounts in the financial report represent the total of these funds.

Financial Analysis of the Center as a Whole

During the year ended June 30, 2015, the Center implemented GASB 68, *Accounting and Reporting for Pensions* and GASB No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As a result, the financial statements now include the Center's net pension liability, which was $31,407,000 at June 30, 2024, which represents an increase of $419,000 from last year.

Table A-1
Fiscal Years Ended June 30, 2024 and June 30, 2023
Net Position

	Governmental Activities		Business-Type Activities		Center Total	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023	6/30/2024	6/30/2023
Assets/Outflows						
Current and other assets	$ 14,673,714	$ 12,670,625	$ (46,865)	$ 67,577	$ 14,626,849	$ 12,738,202
Net capital and right-to-use assets	40,483,592	39,480,614	161,897	19,352	40,645,489	39,499,966
Deferred outflows	6,192,660	5,901,513	109,000	101,000	6,301,660	6,002,513
Total assets/outflows	$ 61,349,966	$ 58,052,752	$ 224,032	$ 187,929	$ 61,573,998	$ 58,240,681
Liabilities/Inflows						
Current and other liabilities	$ 7,424,334	$ 6,579,413	$ 89,174	$ 60,050	$ 7,513,508	$ 6,639,463
Long-term liabilities	47,228,268	47,516,926	628,000	620,000	47,856,268	48,136,926
Deferred inflows	2,593,475	3,779,462	35,000	60,000	2,628,475	3,839,462
Total liabilities/inflows	$ 57,246,077	$ 57,875,801	$ 752,174	$ 740,050	$ 57,998,251	$ 58,615,851
Net Position (Deficit)						
Net investment in capital assets	$ 25,577,506	$ 24,028,973	$ 161,897	$ 19,352	$ 25,739,403	$ 24,048,325
Restricted	1,493,894	2,122,318	-	-	1,493,894	2,122,318
Unrestricted (deficit)	(22,967,511)	(25,974,340)	(690,039)	(571,473)	(23,657,550)	(26,545,813)
Total net position (deficit)	$ 4,103,889	$ 176,951	$ (528,142)	$ (552,121)	$ 3,575,747	$ (375,170)

Most of the Center's net position is invested in capital assets (buildings, land and equipment).

Financial Analysis of the Center as a Whole (Continued)

The results of this year's operations as a whole are reported in the Statement of Activities. All expenses are reported in the first column. Specific charges, grants, revenues and subsidies that directly relate to specific expense categories are presented to determine the final amount of the Center's activities that are supported by other general revenues. The largest general revenues are the district contributions. Table A-2 takes the information from the Statement of Activities, and rearranges it slightly, so the reader can see our total revenues for the year.

The Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities provides additional detail on how the change in net position includes expenses related to the various GASB statements.

Table A-2
Fiscal Years Ended June 30, 2024 and June 30, 2023
Changes in Net Position

	Governmental Activities		Business-Type Activities		Center Total	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023	6/30/2024	6/30/2023
Revenues						
Program revenues:						
Charges for services	$ 3,807,052	$ 3,134,389	$ 338,079	$ 358,727	$ 4,145,131	$ 3,493,116
Operating grants and contributions	9,729,090	8,656,499	598,517	439,516	10,327,607	9,096,015
Capital grants and contributions	599,361	208,400	-	-	599,361	208,400
General revenues:						
Receipts from member school districts	17,804,455	16,989,787	-	-	17,804,455	16,989,787
Investment earnings	338,985	285,013	19,459	4,483	358,444	289,496
Gain on sale of assets	29,942	87,620	-	-	29,942	87,620
Miscellaneous income	3,809	35,304	-	-	3,809	35,304
Interfund transfers	-	-	-		-	-
Total revenues	32,312,694	29,397,012	956,055	802,726	33,268,749	30,199,738
Expenses						
Regular instruction	239,411	178,976	-	-	239,411	178,976
Vocational education	8,731,650	8,860,721	-	-	8,731,650	8,860,721
Adult education	5,862,547	5,875,280	-	-	5,862,547	5,875,280
Higher education for secondary students	18,069	-	-	-	18,069	-
Student services	1,549,399	1,426,605	-	-	1,549,399	1,426,605
Instructional staff	987,472	896,290	-	-	987,472	896,290
Administration	2,297,604	2,125,807	-	-	2,297,604	2,125,807
Pupil health	194,547	196,293	-	-	194,547	196,293
Business services	657,942	659,130	-	-	657,942	659,130
Operation of plant and maintenance services	4,466,847	3,570,027	-	-	4,466,847	3,570,027
Student transportation services	1,385,759	1,338,328	-	-	1,385,759	1,338,328
Central services	1,137,298	1,344,094	-	-	1,137,298	1,344,094
Student activities	380,300	365,127	-	-	380,300	365,127
Community services	5,285	4,006	-	-	5,285	4,006
Interest on long-term debt	471,626	484,356	-	-	471,626	484,356
Food service	-	-	932,076	791,999	932,076	791,999
Total expenses	28,385,756	27,325,040	932,076	791,999	29,317,832	28,117,039
Change in net position	**3,926,938**	**2,071,972**	**23,979**	**10,727**	**3,950,917**	**2,082,699**

Financial Analysis of the Center as a Whole (Continued)

The tables below present the expenses of both the Governmental Activities and the Business–Type Activities of the Center.

Table A-3 shows the Center's eight largest functions – instructional programs, instructional student support, administrative, operation and maintenance of plant, pupil transportation, student activities, community services, and interest on long-term debt as well as each program's net cost (total cost less revenues generated by the activities). This table also shows the net costs offset by the other unrestricted grants, subsidies and contributions to show the remaining financial needs supported by member districts and other miscellaneous revenue.

Table A-3
Fiscal Years Ended June 30, 2024 and June 30, 2023
Governmental Activities

	2024		2023	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Functions/Programs				
Regular instruction	$ 239,411	$ 212,856	$ 178,976	$ 154,075
Vocational education	8,731,650	3,181,387	8,860,721	4,679,219
Adult education	5,862,547	(684,778)	5,875,280	7,843
Higher education for secondary students	18,069	18,069	-	-
Student services	1,549,399	1,098,597	1,426,605	796,401
Instructional staff	987,472	904,419	896,290	816,965
Administration	2,297,604	2,067,731	2,125,807	1,909,381
Pupil health	194,547	174,758	196,293	179,488
Business services	657,942	591,496	659,130	585,121
Operation of plant and maintenance services	4,466,847	4,030,415	3,570,027	3,247,583
Student transportation services	1,385,759	1,385,759	1,338,328	1,338,328
Central services	1,137,298	779,596	1,344,094	1,202,570
Student activities	380,300	13,037	365,127	(79,584)
Community services	5,285	5,285	4,006	4,006
Interest on long-term debt	471,626	471,626	484,356	484,356
Total Governmental Activities	$ 28,385,756	14,250,253	$ 27,325,040	15,325,752
Less: Unrestricted Grants, Subsidies and Contributions		-		-
Total Needs from Member School Districts and Other Revenues		$ 14,250,253		$ 15,325,752

Table A-4 reflects the activities of the Food Service program, the only Business-Type activity of the Center.

Table A-4
Fiscal Years Ended June 30, 2024 and June 30, 2023
Business-Type Activities

	2024		2023	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Functions/Programs				
Food Service	$ 932,076	$ (4,520)	$ 791,999	$ (6,244)
Less:				
Investment Earnings and Transfers		(19,459)		(4,483)
Total Business-Type Activities	$ 932,076	$ (23,979)	$ 791,999	$ (10,727)

The Statement of Revenues, Expenses and Changes in Net Position for this proprietary fund will further detail the actual results of operations.

The Center Funds

At June 30, 2024, the Center's governmental funds reported a combined fund balance of $6,033,907 which represents an increase of $964,879 from June 30, 2023. The primary reason for this increase is the increase in vocational education subsidies from the State. Also, with a plan to conduct a facilities feasibility study soon and multiple levels of leadership transition, a few projects that had been planned have been delayed temporarily until things stabilize and we have both a short-term and long-term plan.

General Fund Budget

During the fiscal year, the JOC authorizes revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the Center. All adjustments are again confirmed at the time the annual audit is accepted, which is after the end of the fiscal year, which is not prohibited by state law. A schedule showing the Center's original and final budget amounts compared with amounts actually paid and received is provided in the required supplementary information section of the report.

The Center applies for federal, state, and local grants and these grants cannot always be anticipated in the budgeting process. Budgeted revenues increased as a result of additional approved grants.

Budgeted expenditures and other financing uses also increased this same amount to compensate for the additional approved grants. Transfers between specific categories of expenditures/financing uses occur during the year.

Capital Assets

Table A-5 reflects the capital assets of both the Governmental Activities and the Business-Type Activities of the Center.

Table A-5
Fiscal Years Ended June 30, 2024 and June 30, 2023
Capital and Right-to-use Assets (net of depreciation/amortization)

	2024	2023	Change
Governmental Activities			
Land	$ 1,096,243	$ 1,096,243	$ -
Construction-in-progress	-	2,584,838	(2,584,838)
Construction-in-progress - house projects	1,184,357	731,242	453,115
Land improvements	1,028,561	997,914	30,647
Buildings	31,423,529	29,717,865	1,705,664
Equipment	5,553,427	3,953,475	1,599,952
Right-to-use building	-	37,531	(37,531)
Right-to-use leased equipment	133,641	228,922	(95,281)
Right-to-use subscription assets	63,834	132,584	(68,750)
Business-Type Activities			
Equipment	161,897	19,352	142,545
Total Capital Assets	$ 40,645,489	$ 39,499,966	$ 1,145,523

The Center had an increase of $1,145,523 in capital assets. More detailed information about our capital assets is included in the notes to the financial statements.

Financial Highlights – 2023-2024

- District contributions of $17,804,455 accounted for 55.93% of the total General Fund revenues of $31,831,022. District contributions comprised a lower percentage of revenue due to increased governmental funding.
- The total revenues exceeding expenses for the General Fund secondary operations is $1,545,938. The JOC voted to return $100,000 back to the member districts plus $100,000 in prior year refunds to districts. The Center assigned $1,173,839 and transferred the remaining $172,099 to the 2018 Capital Reserve Fund, for the purpose of future facilities improvements.
- Adult education programming netted a profit of $673,733 for the year, $50,000 of which were allocated to planning and development of future adult education projects with the remainder of $623,733 transferred to the 2001 Capital Reserve Fund for future facilities and equipment projects.

General Fund Budget:

Table A-6
Budget Comparison
General Fund Only - Original Budget

	Budgeted Revenue	
	2023/24	2024/25
Local	79.08%	78.16%
State	16.88%	18.03%
Federal/Other	4.04%	3.81%

	Budgeted Expenditures	
	2023/24	2024/25
Instruction	41.96%	41.67%
Support services	49.79%	50.43%
Non-instruction / community	0.32%	0.41%
Fund transfer / debt service	7.93%	7.49%

The economic climate for Lancaster County schools continues in the same vein as has been the case for the last ten years and the 2024-2025 LCCTC General Fund Budget reflects this reality. The overall district contribution is proposed to increase by 5.3%, which is under the Base Act 1 Index. Most of this increase is due to the PSERS employer contribution rate increase and escalating personnel costs.

The 2024-2025 General Fund Budget is based on a student-focused approach. Highlights of the proposed budget are below.

- Continuously foster, promote, and evaluate high-quality programs that maximize opportunities for students while minimizing the financial impact to those students
- Develop and grow postsecondary programming to benefit our students as well
- provide a positive revenue stream to the LCCTC
- Continue fully-funding textbooks, tools, and primary program certifications for all students
- Provide additional funding to instructional programs for the increased prices for consumable materials
- Utilize federal, state, and local grants to allow for the purchase of needed instructional equipment and personnel needs

Economic Factors in 2024-2025 Budget:

The passage of Act 1, The Tax Payer Relief Act of 2009 has had a profound effect on Pennsylvania's public school entities. Also, a County-wide reassessment took place that went into effect beginning the 2018/19 tax year. Although Lancaster County Career & Technology Center is not directly affected by this Act nor the reassessment, there are indirect effects that were reflected in LCCTC's 2023-2024 General Fund Budget and continue through the proposed 2024-2025 budget. In this economic climate, LCCTC proposed a 4.92% increase in District Contributions for 2023-2024 and a 5.30% increase for 2024-2025.

The Joint Operating Committee (JOC) and participating school districts allowed LCCTC to budget for all positions in 2024-2025 based on previous class offerings. LCCTC monitors enrollment annually and makes adjustments to class offerings in concert with district input as needed. LCCTC operates on a zero-based budget. In December 2022, LCCTC's JOC ratified a new Collective Bargaining Agreement (CBA) with its instructional staff for the period July 1, 2022 through June 30, 2026. The new agreement follows two years of rollover MOUs.

The Public School Employees' Retirement System employer contribution rate has seemingly leveled off, at least temporarily, after many years of significant increases (12.36% for 2012/13, 16.93% for 2013/14, 21.40% for 2014/15, 25.84% for 2015/16, 30.03 for 2016/17, 32.57% for 2017/18, 33.43% for 2018/19, 34.29% for 2019/20, 34.51% for 2020/21, 34.94% for 2021/22, 35.26% for 2022/23, and 34.00% for 2023/24). The employer contribution rate for 2024-25 is 33.90%.

LCCTC faces the same challenges as other public and private employers providing group medical and dental insurance benefits to its employees and their dependents. The cost of providing family coverage for the current school year now exceeds $27,000 with 9.75% of this expense being offset by the employee contribution. Implementation of a spousal rule in spring 2013 and changes to deductibles, prescription copays and employee contributions in the new CBA have laid the groundwork for stemming some of the increased costs for 2022-2023 and beyond. Another factor in mitigating insurance costs is the implementation of a qualified high-deductible plan in 2020-2021. With reasonable participation over time, the qualified high-deductible plan could start to yield some savings.

Two bond issues of $9,995,000 each were completed in June 2012 and September 2013. The final bond issue of $3,900,000 was completed in July 2014 for the balance of funds needed to complete the renovation projects. Renovation work at all campuses was completed in January 2016. LCCTC refinanced the 2013 bonds and 2012 bonds in February 2017 and November 2017, respectively. Plan Con subsidy has been critical to the success of school construction and renovation projects. This funding remains uncertain from year-to-year. Refunding of the 2013 and 2017 bonds took place in June of 2020, totaling $10,080,000, saving the Center and the 16 school districts over $500,000 over the next 17 years.

Lancaster County Career & Technology Foundation (LCCTF)

The LCCTF has been in operation for over 20 years and currently operates under permanent status as granted by the Commonwealth of Pennsylvania.

LCCTF provides the following services:

- Student assistance for uniforms, tools for cooperative education opportunities, and materials
- Postsecondary education scholarships
- Funds for equipment, technology and innovations at the LCCTC
- Tuition assistance

LCCTF also worked in partnership with the LCCTC JOC to build a 9,000 square-foot Early Childhood Education Center. This Center has a capacity for 124 preschool children and began its nineteenth year of operation in 2024.

Lancaster County Career & Technology Center Authority

The Lancaster County Vocational-Technical School Authority was established in 1966 to purchase land and construct three campuses to operate as the Lancaster County Area Vocational-Technical School. The Authority is comprised of five members from the following school districts: Elizabethtown Area School District, Lampeter-Strasburg School District, Manheim Central School District, Penn Manor School District and Pequea Valley School District. The Authority continues today as the Lancaster County Career & Technology Center Authority and was approved by the Pennsylvania Department of State through 2060.

The Authority oversees all matters relating to LCCTC facilities and student-built house projects. All borrowing of funds for LCCTC is facilitated through the Authority. The LCCTC Authority is an integral part of the LCCTC system in providing Career and Technical Education to Lancaster County's secondary and postsecondary students. Complete financial statements of the Authority can be obtained at the business office of the LCCTC.

Contacting the Center's Financial Management

This financial report is designed to provide detailed information on the Center's operations to all those with an interest in the Center's financial affairs. Questions concerning any of the information provided in this report or any request for information should be addressed to Jeremy Wiker, Chief Financial Officer, at the Lancaster County Career & Technology Center, Willow Street Campus. Telephone: (717) 464-7050 or email: jwiker@lancasterctc.edu.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

STATEMENT OF NET POSITION
June 30, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets			
Cash and cash equivalents	$ 10,353,164	$ 715,798	$ 11,068,962
Due from other governments	3,021,294	24,106	3,045,400
Internal balances	815,053	(815,053)	-
Other receivables	1,308	15,478	16,786
Inventories	449,175	12,806	461,981
Prepaid expenses	33,720	-	33,720
Total current assets	14,673,714	(46,865)	14,626,849
Capital and right-to-use assets, net			
Land	1,096,243	-	1,096,243
Construction - house projects	1,184,357	-	1,184,357
Land improvements	1,028,561	-	1,028,561
Buildings	31,423,529	-	31,423,529
Equipment	5,553,427	161,897	5,715,324
Right-to-use leased assets	133,641	-	133,641
Right-to-use subscription assets	63,834	-	63,834
Total capital and right-to-use assets, net	40,483,592	161,897	40,645,489
Total assets	$ 55,157,306	$ 115,032	$ 55,272,338
Deferred Outflows of Resources			
Deferred amounts on refinancing of bonds, net of amortization	$ 504,606	$ -	$ 504,606
Deferred amounts on pension liability	5,331,000	109,000	5,440,000
Deferred amounts on OPEB liabilities	357,054	-	357,054
Total deferred outflows of resources	$ 6,192,660	$ 109,000	$ 6,301,660
Liabilities			
Current liabilities			
Due to other governments	$ 494,215	$ -	$ 494,215
Accounts payable	2,351,328	73,488	2,424,816
Current portion of bonds/notes payable	950,000	-	950,000
Current portion of leases payable	37,831	-	37,831
Current portion of subscription liabilities	49,641	-	49,641
Current portion of financed purchase agreements	110,321	-	110,321
Current portion of accumulated compensated absences	54,573	-	54,573
Accrued salaries and benefits	2,912,011	-	2,912,011
Payroll deductions and withholdings	346,757	-	346,757
Unearned revenues	117,657	15,686	133,343
Total current liabilities	7,424,334	89,174	7,513,508
Long-term liabilities			
Bonds/notes payable, net of unamortized premium	13,660,018	-	13,660,018
Leases payable	97,328	-	97,328
Financed purchased agreements payable	505,553	-	505,553
Long-term portion of accumulated compensated absences	359,656	-	359,656
Net pension liability	30,779,000	628,000	31,407,000
Other post-employment benefits (OPEB) liabilities	1,826,713	-	1,826,713
Total long-term liabilities	47,228,268	628,000	47,856,268
Total liabilities	$ 54,652,602	$ 717,174	$ 55,369,776
Deferred Inflows of Resources			
Deferred amounts on pension liability	$ 1,717,000	$ 35,000	$ 1,752,000
Deferred amounts on OPEB liabilities	876,475	-	876,475
Total deferred inflows of resources	$ 2,593,475	$ 35,000	$ 2,628,475
Net Position (Deficit)			
Net investment in capital assets	$ 25,577,506	$ 161,897	$ 25,739,403
Restricted for capital projects	1,493,894	-	1,493,894
Unrestricted (deficit)	(22,967,511)	(690,039)	(23,657,550)
Total net position (deficit)	$ 4,103,889	$ (528,142)	$ 3,575,747

See Notes to Financial Statements.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

		Program Revenues			Net (Expense) Revenues and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Regular instruction	$ 239,411	$ -	$ 26,555	$ -	$ (212,856)	$ -	$ (212,856)
Vocational education	8,731,650	215,907	4,734,995	599,361	(3,181,387)	-	(3,181,387)
Adult education	5,862,547	2,669,405	3,877,920	-	684,778	-	684,778
Higher education for secondary students	18,069	-	-	-	(18,069)	-	(18,069)
Student services	1,549,399	-	450,802	-	(1,098,597)	-	(1,098,597)
Instructional staff	987,472	-	83,053	-	(904,419)	-	(904,419)
Administration	2,297,604	-	229,873	-	(2,067,731)	-	(2,067,731)
Pupil health	194,547	-	19,789	-	(174,758)	-	(174,758)
Business services	657,942	-	66,446	-	(591,496)	-	(591,496)
Operation of plant and maintenance services	4,466,847	291,288	145,144	-	(4,030,415)	-	(4,030,415)
Student transportation services	1,385,759	-	-	-	(1,385,759)	-	(1,385,759)
Central services	1,137,298	263,189	94,513	-	(779,596)	-	(779,596)
Student activities	380,300	367,263	-	-	(13,037)	-	(13,037)
Community services	5,285	-	-	-	(5,285)	-	(5,285)
Interest on long-term debt	471,626	-	-	-	(471,626)	-	(471,626)
Total governmental activities	28,385,756	3,807,052	9,729,090	599,361	(14,250,253)	-	(14,250,253)
Business-Type Activities:							
Food service	932,076	338,079	598,517	-	-	4,520	4,520
Total primary government	$ 29,317,832	$ 4,145,131	$ 10,327,607	$ 599,361	$ (14,250,253)	$ 4,520	$ (14,245,733)
General Revenues:							
Receipts from member school districts					$ 17,804,455	$ -	$ 17,804,455
Investment earnings					338,985	19,459	358,444
Gain on sale of assets					29,942	-	29,942
Miscellaneous					3,809	-	3,809
Total general revenues					18,177,191	19,459	18,196,650
Change in net position					3,926,938	23,979	3,950,917
Net Position (Deficit) - July 1, 2023					176,951	(552,121)	(375,170)
Net Position (Deficit) - June 30, 2024					$ 4,103,889	$ (528,142)	$ 3,575,747

See Notes to Financial Statements.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2024

	Major Funds		Non-major	
	General Fund	Capital Projects Fund	Student Activity/ Production Fund	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 8,661,378	$ 1,489,410	$ 202,376	$ 10,353,164
Due from other funds	3,597,541	446,640	67,913	4,112,094
Due from other governments	3,021,294	-	-	3,021,294
Other receivables	1,308	-	-	1,308
Inventories	449,175	-	-	449,175
Prepaid expenses	-	12,244	-	12,244
Total assets	$ 15,730,696	$ 1,948,294	$ 270,289	$ 17,949,279
Liabilities				
Due to other funds	$ 5,782,850	$ -	$ 48,546	$ 5,831,396
Due to other governments	494,215	-	-	494,215
Accounts payable	805,155	1,407,992	189	2,213,336
Accrued salaries and benefits	2,912,011	-	-	2,912,011
Payroll deductions and withholdings	346,757	-	-	346,757
Unearned revenues	117,657	-	-	117,657
Total liabilities	10,458,645	1,407,992	48,735	11,915,372
Fund Balances				
Nonspendable	449,175	12,244	-	461,419
Restricted	-	1,493,894	-	1,493,894
Committed	207,272	-	-	207,272
Assigned	2,047,572	-	221,554	2,269,126
Unassigned (deficit)	2,568,032	(965,836)	-	1,602,196
Total fund balances	5,272,051	540,302	221,554	6,033,907
Total liabilities and fund balances	$ 15,730,696	$ 1,948,294	$ 270,289	$ 17,949,279

See Notes to Financial Statements.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2024

Total fund balances - governmental funds		$	6,033,907
Amounts reported for governmental activities in the Statement of Net Position are different because:			
Capital and right-to-use assets used in governmental activities are not financial resources, and therefore, they are not reported as assets in governmental funds. The cost of assets is $73,008,078 and the accumulated depreciation/amortization is $32,524,486.			40,483,592
Internal service funds are used to account for unemployment compensation and health/dental insurance claims and premiums. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.			2,396,363
The difference between the re-acquisition price and the net carrying amount of the refunded debt is a deferred outflow of resources, which is not reported in the funds.			504,606
Deferred inflows and outflows of resources related to pensions are applicable to future periods, and therefore, are not reported within the funds. Deferred inflows and outflows related to pensions are as follows (see footnotes for detail):			
Deferred outflows			5,331,000
Deferred inflows			(1,717,000)
Deferred inflows and outflows of resources related to OPEB are applicable to future periods, and therefore, are not reported within the funds. Deferred inflows and outflows related to OPEB are as follows (see footnotes for detail):			
Deferred outflows			357,054
Deferred inflows			(876,475)
Long-term liabilities; including bonds payable, leases payable, subscription liabilities, compensated absences, net pension liabilities, and other post-employment benefits; are not due and payable in the current period, and therefore, they are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:			
Bonds payable, net of related premium and prepaid insurance costs	(14,588,542)		
Leases payable	(135,159)		
Subscription liabilities	(49,641)		
Financed purchase agreements payable	(615,874)		
Net pension liability	(30,779,000)		
OPEB liabilities	(1,826,713)		
Accumulated compensated absences	(414,229)		(48,409,158)
Total net position - governmental activities		$	4,103,889

See Notes to Financial Statements.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	Major Funds		Non-major	
	General Fund	Capital Projects Fund	Student Activity/ Production Fund	Totals Governmental Funds
Revenues				
Local sources:				
Receipts from member school districts	$ 17,804,455	$ -	$ -	$ 17,804,455
Rentals	113,654	-	-	113,654
Investment earnings	258,813	80,169	-	338,982
Contributions	177,634	-	-	177,634
Tuition	2,481,175	-	-	2,481,175
Revenue from Center activities	376,637	-	-	376,637
Revenue from student activities and production	-	-	367,263	367,263
Other revenue	290,691	-	-	290,691
Total local sources	21,503,059	80,169	367,263	21,950,491
State sources	6,066,229	-	-	6,066,229
Federal sources	4,261,734	-	-	4,261,734
Total revenues	31,831,022	80,169	367,263	32,278,454
Expenditures				
Current:				
Instruction	15,519,491	61,237	-	15,580,728
Support services	13,086,572	171,105	-	13,257,677
Operation of non-instructional services	61,481	-	377,661	439,142
Total current	28,667,544	232,342	377,661	29,277,547
Capital outlay				
Facilities acquisition, construction and improvement services	-	1,079,978	-	1,079,978
Debt services				
Principal	1,174,860	5,666	-	1,180,526
Interest and fiscal charges	449,965	6,577	-	456,542
Total debt services	1,624,825	12,243	-	1,637,068
Total expenditures	30,292,369	1,324,563	377,661	31,994,593
Excess (deficiency) of revenues over expenditures	1,538,653	(1,244,394)	(10,398)	283,861
Other Financing Sources (Uses)				
Transfers in (out)	(172,099)	172,099	-	-
Proceeds from financed purchase agreements	621,540	-	-	621,540
Proceeds from sale of capital assets	55,184	-	-	55,184
Insurance recoveries	4,294	-	-	4,294
Total other financing sources (uses)	508,919	172,099	-	681,018
Net change in fund balances	2,047,572	(1,072,295)	(10,398)	964,879
Fund Balances - July 1, 2023	3,224,479	1,612,597	231,952	5,069,028
Fund Balances - June 30, 2024	$ 5,272,051	$ 540,302	$ 221,554	$ 6,033,907

See Notes to Financial Statements.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

Net changes in fund balances - governmental funds		$ 964,879
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their useful lives as depreciation expense. This is the amount by which capital outlays exceed depreciation/amortization of capital or right-to-use assets and the net book value of disposed assets.		
Capital outlays	3,397,517	
Less net book value of disposed assets	(25,242)	
Less depreciation/amortization expense	(2,369,297)	1,002,978
Internal service funds are used to account for unemployment compensation and health/dental insurance claims and premiums. The net revenue of certain activities of the internal service funds are reported with governmental activities.		170,456
Governmental funds report Center pension and OPEB contributions as expenditures. However in the Statement of Activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as a pension and OPEB expense.		
Center pension and OPEB contributions (PSERS)		3,795,000
Cost of benefits earned net of employee contributions (PSERS)		(2,531,400)
Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.		
Change in compensated absences		(19,601)
Change in other post-employment benefits (Center's Plan)		723
The issuance of long-term obligations (e.g., bonds, leases, loans, subscription liabilities) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of insurance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The net effect of these differences in the treatment of long-term obligations and related items is as follows:		
Issuance of financed purchase agreements payable	(621,540)	
Repayment of long-term debt	920,000	
Repayment of leases payable	179,920	
Repayment of subscription liabilities	74,940	
Repayment of financed purchase agreements	5,666	
Amortization of bond insurance costs	(1,652)	
Amortization of charges for bond refunding	(38,817)	
Amortization of bond premium	25,386	543,903
Change in net position - governmental activities		$ 3,926,938

See Notes to Financial Statements.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2024

	Business-Type Activities	Governmental Activities
	Food Service Fund	Internal Service Fund
Assets		
Current assets		
Cash and cash equivalents	$ 715,798	$ -
Due from other funds	-	2,534,355
Receivables		
State sources	881	-
Federal sources	23,225	-
Other	15,478	-
Inventories	12,806	-
Total current assets	768,188	2,534,355
Noncurrent assets		
Machinery and equipment, net of accumulated depreciation	161,897	-
Total assets	$ 930,085	$ 2,534,355
Deferred Outflows of Resources		
Deferred amounts on pension liability	$ 109,000	$ -
Liabilities		
Current liabilities		
Due to other funds	$ 815,053	$ -
Accounts payable	73,488	137,992
Unearned revenues	15,686	-
Total current liabilities	904,227	137,992
Noncurrent liabilities		
Net pension liability	628,000	-
Total liabilities	$ 1,532,227	$ 137,992
Deferred Inflows of Resources		
Deferred amounts on pension liability	$ 35,000	$ -
Net Position (Deficit)		
Net investment in capital assets	$ 161,897	$ -
Unrestricted (deficit)	(690,039)	2,396,363
Total net position (deficit)	$ (528,142)	$ 2,396,363

See Notes to Financial Statements.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - FOOD SERVICE
Year Ended June 30, 2024

	Business-Type Activities Enterprise Fund Food Service Fund	Governmental Activities Internal Service Fund
Operating Revenues		
Lunch sales	$ 213,767	$ -
Contracted service revenue	124,312	-
Charges for services	-	2,840,676
Total operating revenues	338,079	2,840,676
Operating Expenses		
Salaries	158,037	-
Employee benefits	82,282	2,260,666
Purchased professional and technical services	142,226	18,047
Purchased property services	9,387	-
Other purchased services	4,590	391,507
Supplies	524,456	-
Depreciation	11,098	-
Total operating expenses	932,076	2,670,220
Operating income (loss)	(593,997)	170,456
Nonoperating Revenues		
State sources	44,877	-
Federal sources	553,640	-
Investment earnings	19,459	-
Total nonoperating revenues	617,976	-
Change in net position	23,979	170,456
Net Position (Deficit) - July 1, 2023	(552,121)	2,225,907
Net Position (Deficit) - June 30, 2024	$ (528,142)	$ 2,396,363

See Notes to Financial Statements.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

STATEMENT OF CASH FLOWS - FOOD SERVICE
Year Ended June 30, 2024

	Business-Type Activities	Governmental Activities
	Food Service Fund	Internal Service Fund
Cash Flows From Operating Activities		
Cash received from users	$ 303,791	$ -
Cash received from assessments made to other funds	-	2,670,220
Cash payments to employees for services	(269,175)	-
Cash payments to suppliers for goods and services	(191,162)	(2,670,220)
Net cash used in operating activities	(156,546)	-
Cash Flows From Noncapital Financing Activities		
State sources	44,772	-
Federal sources	493,746	-
Net cash provided by noncapital financing activities	538,518	-
Cash Flows From Capital and Related Financing Activities		
Purchases of capital assets	(153,643)	-
Cash Flows From Investing Activities		
Investment earnings	19,459	-
Net change in cash and cash equivalents	247,788	-
Cash and Cash Equivalents:		
July 1, 2023	468,010	-
June 30, 2024	$ 715,798	$ -
Reconciliation of Operating Income (Loss) to Net Cash Used in Operating Activities		
Operating income (loss)	$ (593,997)	$ 170,456
Adjustments to reconcile operating income (loss) to net cash used in operating activities		
Depreciation	11,098	-
Donated commodities	59,799	-
Decrease (increase) in:		
Due from other funds	-	(170,995)
Other receivables	(8,297)	-
Inventories	13,914	-
Deferred outflows of resources	(8,000)	-
(Decrease) increase in:		
Due to other funds	356,815	-
Accounts payable	58,969	539
Accrued salaries and benefits	(3,856)	-
Unearned revenues	(25,991)	-
Net pension liability	8,000	-
Deferred inflows of resources	(25,000)	-
Net cash used in operating activities	$ (156,546)	$ -
Supplemental Disclosure		
Noncash noncapital financing activity:		
USDA donated commodities	$ 59,799	$ -

See Notes to Financial Statements.

Note 1. Summary of Significant Accounting Policies

The Lancaster County Career and Technology Center (the Center) was created by the sixteen public school districts of Lancaster County to provide career and technical education to secondary students. The Center operates campuses in Brownstown, Mount Joy and Willow Street. Additionally, LCCTC training takes place at businesses throughout south central Pennsylvania. The Joint Operating Committee (JOC) is the governing body which consists of one board member from each of the member school districts.

The financial statements of Lancaster County Career and Technology Center (the Center) have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the authoritative standard- setting body for the establishment of governmental accounting and financial reporting principles. The more significant of these accounting policies are as follows:

A. Reporting Entity

In evaluating the Center as a reporting entity, management has addressed all potential component units, which may or may not fall within the Center's financial accountability. The criteria used to evaluate component units for possible inclusion as part of the Center's reporting entity are financial accountability and the nature and significance of the relationship.

Based on the above criteria, the following is a component unit of the Center.

> Lancaster County Career and Technology Center Authority -The Authority was formed on September 15, 1968 under the Municipal Authorities Act of 1945 to finance and construct the buildings and obtain equipment for the Lancaster County Career and Technology Center. Lease rental agreements were signed with the sixteen member districts on behalf of the Lancaster County Career and Technology Center. The Authority leases the buildings and some equipment to the Center to cover the cost of debt service on the outstanding bonds and notes. During the year ended June 30, 2024, the Center received $1,361,913 of lease rental payments from the member districts, which is included in the general fund receipts from member districts. Future annual payments from the sixteen member school districts will follow the debt payment schedule. In addition, the Authority has undertaken educational house-building projects in conjunction with the Center. The Authority's financial statements are blended in the capital projects fund and the debt service fund of the Lancaster County Career and Technology Center. Debt principal and interest is paid by the general fund. The financial statements are blended due to the significant relationship with the Center and debt related to the Center's buildings. Complete financial statements of the Authority can be obtained at the business office of the Lancaster County Career and Technology Center.

Based on the above criteria, the following related entity is not a component unit of the Center.

> Lancaster County Career and Technology Foundation -The Lancaster County Career and Technology Foundation established in March 2003 to promote, enhance and endow enriched educational, vocational- technical learning opportunities. Lancaster County Career and Technology Foundation is funded through gifts from individuals, area businesses, community civic and service organizations, school professional and support staff, school vendors, planned giving, alumni groups, and state, federal and private grants. Complete financial statements of the Foundation can be obtained at the business office of the Lancaster County Career and Technology Center.

Note 1. Summary of Significant Accounting Policies (Continued)

B. Fund Accounting

The accounts of the Center are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent.

C. Basis of Presentation

Government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the governmental funds and internal service fund, while the business-type activities include the enterprise fund of the Center. Fiduciary funds are excluded from the government-wide financial statements. interfund accounts receivable, accounts payable and transfers are eliminated in the government-wide financial statements. Governmental activities, which normally are supported by receipts from member districts and intergovernmental revenues, are reported separately in the government-wide financial statements from business- type activities which rely, to a significant extent, on fees and charges for support.

The Statement of Activities presents a comparison between direct expenses and program revenues for business-type activities and for each function of the Center's governmental activities. 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. Receipts from member districts 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, proprietary funds, and the fiduciary funds of the Center. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 Center's enterprise fund are food service charges. Operating expenses for the Center's enterprise fund include food production costs, supplies, 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. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

The Center reported the following major governmental funds:

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

Capital Projects Fund - The capital projects fund accounts for transfers from other funds and related investment earnings for capital outlays not accounted for in another fund. This fund includes the 2001 capital reserve fund, the capital projects fund, and 2018 capital reserve fund to handle the PlanCon contributions from member districts, and the results from blending of the Authority.

The Center operates one enterprise fund, the food service fund. This fund accounts for the activities of the Center's food service program.

The internal service fund accounts for unemployment and health/dental insurance premiums and claims of the Center.

Additionally, the Center reports the following nonmajor governmental funds:

Student Activity/Production Fund- The student activity/production funds account for funds generated by individual shops and labs of the Center for individual projects and all costs of the shop projects, as well as for various student activities.

D. Measurement Focus and Basis of Accounting

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Debt service is recognized when paid. Net position (total assets and deferred outflows of resources less total liabilities and deferred inflows of resources) are 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 an 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. Revenue from federal, state and other grants designated for payment of specific center expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as unearned 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.

When both restricted and unrestricted resources are available for use, it is the Center's policy to use restricted resources first, then unrestricted resources as they are needed.

Note 1. Summary of Significant Accounting Policies (Continued)

E. Budgets and Budgetary Accounting

An operating budget is adopted prior to the beginning of each year for the general fund on a modified accrual basis of accounting. The general fund is the only fund for which a budget is legally required.

The Pennsylvania School Code dictates specific procedures relative to adoption of the Center's budget and reporting of its financial statements, specifically:

> The Center is required to publish notice by advertisement, at least once in two newspapers of general circulation in the municipality in which it is located, and within fifteen days of final action, that the proposed budget has been prepared and is available for public inspection at the administrative office of the Center.
>
> Notice that public hearings will be held on the proposed operating budget must be included in the advertisement; such hearings are required to be scheduled at least ten days prior to when final action on adoption is taken by the Committee. The Center advertises budget being available for public inspection thirty days before date of proposed adoption.

In addition, the Articles of Agreement requires approval of two-thirds of the sixteen member Districts, and a majority approval of the board members of the member districts.

Legal budgetary control is maintained at the sub-function/major object level. The Joint Operating Committee may make transfers of funds appropriated to any particular item of expenditure by legislative action in accordance with the Pennsylvania School Code. Management may amend the budget at the sub-function/sub-object level without Committee approval. Appropriations lapse at the end of the fiscal period. Budgetary information reflected in the financial statements is presented at or below the level of budgetary control and includes the effect of approved budget amendments. The Joint Operating Committee made several supplemental budgetary appropriations throughout the year which resulted in an increase in the general fund budget in the amount of $5,739,214. The entire supplemental budgetary appropriation was a result of program budgets prescribed by federal, state and local agencies.

In order to preserve a portion of an appropriation for which an expenditure has been committed by a purchase order, contract or other form of commitment, an encumbrance is recorded. Encumbrances outstanding at year end are reported in the fund financial statements as assigned of fund balance.

Included in the general fund budget are program budgets as prescribed by the federal and state agencies funding the program. These budgets are approved on a program-by-program basis by the federal and state funding agencies.

Note 1. Summary of Significant Accounting Policies (Continued)

F. Encumbrances

Encumbrances at year end are reported in the fund financial statements as assigned fund balance since they do not constitute expenditures or liabilities but serve as authorization for expenditures in the subsequent year.

G. Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources

Cash and Cash Equivalents: Cash and cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and include investments with original maturities of three months or less.

All investments are stated at cost including accrued interest which approximates fair value.

Receivables and Payables: Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Inventory: On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis, and are expensed when used. Inventory in the general fund consists of consumable supplies.

A physical inventory of the food service fund food and supplies was taken as of June 30, 2024. The inventory consisted of purchased commodities and supplies valued at cost using the first-in, first-out (FIFO) method.

Prepaid Expenses: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid expenses are recorded as expenses when consumed on the government-wide financial statements. Prepaid expenditures are recorded as expenditures on the fund financial statements if they will be consumed within three years. All other long-term prepaid expenditures are recorded as expenditures when purchased.

Note 1. Summary of Significant Accounting Policies (Continued)

G. Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources (Continued)

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Center as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. 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 asset 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.

Construction - House Projects is the construction costs of the education house building projects and lot development cost, which are held for resale. These are the result of blending of the Authority.

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

Assets	Years
Land improvements	15 to 50
Buildings	10 to 50
Equipment	5 to 20

Deferred Outflows of Resources - Deferred Amounts on Refinancing of Bonds: The Center recognizes the difference between the re-acquisition price and the net carrying amount of the old debt as a deferred outflow and recognizes it as a component of interest expense over the remaining life of the old or new debt, whichever is shorter.

Deferred Outflows of Resources - Pensions and Other Post-Employment Benefits: The Center recognizes deferred outflows of resources, which represent a consumption of net assets that is applicable to a future reporting period and so will not be recognized as an outflow of resources (expense) until that time. The Center has identified these items in subsequent notes to the financial statements.

Note 1. Summary of Significant Accounting Policies (Continued)

G. Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources (Continued)

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 or business-type activity columns in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds and notes payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond and note issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Discounts on debt issuances are reported as other financing uses. Debt issuance costs, whether or not withheld from the actual debt proceeds received, is reported as administrative expenditures.

Lease and Subscription Based Information Technology Arrangement (SBITA) Liabilities: The Center enters into non-cancellable arrangements for the leasing of building space and equipment and for subscription-based information technology. A liability and an intangible right-to-use asset is recognized in the government-wide financial statements. Lease and SBITA that are significant, either individually or in the aggregate, are recognized.

At the commencement of a lease or SBITA, the Center initially measures the liability at the present value of payments expected to be made during the agreement term. Subsequently, the liability is reduced by the principal portion of payments made. The right-to-use asset is initially measured as the initial amount of the liability, adjusted for payments made at or before the contract commencement date. Subsequently, the right-to-use asset is amortized on a straight-line basis over its useful life and the useful life is consistent with the term of the agreement.

Key estimates and judgments include how the Center determines (1) the discount rate it uses to discount the expected payments to present value, (2) contract term, and (3) contract payments. The Center uses the interest rate charged by the lessor as the discount rate for lease and SBITA liabilities, if provided. When the interest rate charged is not provided, the Center generally uses its estimated incremental borrowing rate as the discount rate for lease and SBITA liabilities.

The term includes the non-cancellable period of the lease or SBITA. Payments included in the measurement of the liability are composed of fixed payments and the purchase option price that the Center is reasonably certain to exercise. The Center monitors changes in circumstances that would require a remeasurement of its arrangements and will remeasure the related asset and liability if certain changes occur that are expected to significantly affect the amount of the liability.

Right-to-use assets are reported with other capital assets and lease and SBITA liabilities are reported with long-term debt on the Statement of Net Position.

Note 1. Summary of Significant Accounting Policies (Continued)

G. Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources (Continued)

Compensated Absences:

Retirement Bonus: The Center allows fulltime employees to accumulate an unlimited number of unused sick leave. Professional employees will be paid $50 per unused sick day upon retirement. Professional staff will also receive a retirement bonus equal to $250 per year of service to the Center. A professional employee must have 15 years of service to the Center and be age 55 or older to receive the benefit. Administrative employees will receive $50 per unused sick day.

Administrative employees also receive a bonus of $250 per year of service to the Center and 7.5% of his/her final year annual salary, up to a maximum of $10,000. To be eligible for the benefit, an administrative employee must have 10 years of PSERS service and be age 55 or older.

The Center's fulltime support staff employees are considered for retirement bonus based on qualifying for the majority of the participating school districts' retirement plans for the same classifications of employees. Participating school districts' retirement bonus plans generally incorporate unused sick days, salary, and years of service into their calculation. The Center calculates the retirement bonus for the Center's employees based on a separate calculation for each school district's plan. Upon qualifying for the majority of the plans, the Center employee receives a retirement bonus based on the average of the participating districts' plans for which he/she qualified.

Vacation: The Center's truck driving and support staff employees may carryover up to five (5) unused vacation days. Administrative employees may carryover up to five (5) days of vacation per year and up to an additional seven (7) unused vacation days will be deposited into the administrative employee's 403(b) at their current per diem rate. These days are payable regardless of how their employment with the Center is terminated.

Pensions: Substantially all full-time and qualifying part-time employees of the Center participate in a cost-sharing multiple employer defined benefit pension plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public School Employees' Retirement System (PSERS) and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 1. Summary of Significant Accounting Policies (Continued)

G. Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources (Continued)

Other Post-Employment Benefits (OPEB): In the government-wide financial statements, the Center recognizes the costs and liabilities associated with post-employment benefits other than pension compensation. The Center participates in two plans, the first is a single employer plan administered by the Center. The Plan provides retiree health, vision, dental care and prescription drug benefits for eligible, retired employees and their qualified spouses/beneficiaries. The Center estimates the cost of providing these benefits through an actuarial valuation.

The Center also participates in a governmental cost sharing, multiple-employer other post-employment benefit plan (OPEB) with PSERS for all eligible retirees who qualify and elect to participate. 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 the fiduciary net position of the Public School Employees' Retirement System (PSERS) and additions to/deductions from PSERS's fiduciary net position have been determined on the same basis as they are reported by PSERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The balance of the Center's OPEB liabilities and related deferred outflows/inflows of resources at June 30, 2024, are as follows:

	Governmental Activities	Business-Type Activities	Total
OPEB Liabilities			
Center's Single Employer Plan	$ 545,713	$ -	$ 545,713
PSERS Cost-Sharing Plan	1,281,000	-	1,281,000
Total	$ 1,826,713	$ -	$ 1,826,713
Deferred Outflows of Resources			
Center's Single Employer Plan	$ 118,054	$ -	$ 118,054
PSERS Cost-Sharing Plan	239,000	-	239,000
Total	$ 357,054	$ -	$ 357,054
Deferred Inflows of Resources			
Center's Single Employer Plan	$ 506,475	$ -	$ 506,475
PSERS Cost-Sharing Plan	370,000	-	370,000
Total	$ 876,475	$ -	$ 876,475

Additional disclosures related to other post-employment benefits of the Center's Single Employer PSERS Cost-Sharing Plan can be found in subsequent notes to the financial statements.

Note 1. Summary of Significant Accounting Policies (Continued)

G. Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources (Continued)

Deferred Inflows of Resources - Pensions and Other Post-Employment Benefits: The Center recognizes deferred inflows of resources, which represent an acquisition of net assets that is applicable to a future reporting period and so will not be recognized as an inflow of resources (revenue) until that time. The Center has identified these items in subsequent notes to the financial statements.

Interfund Activity: Advances between funds that are not expected to be repaid are accounted for as transfers. In cases when repayment is expected, the advances are accounted for through the various due from and due to accounts. Transactions and balances between governmental activities have been eliminated in the government-wide financial statements. Residual amounts due between governmental and business-type activities are indicated on the Statement of Net Position as internal balances.

Fund Balance: The Center's fund balance classifications are defined and described as follows:

Non-spendable: Amounts that cannot be spent, either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted: Amounts that can be spent only for a specific purpose because of constitutional provisions, enabling legislation, or because of constraints that are imposed by external parties, such as creditors, grantors, or other governments.

Committed: Amounts that can be used only for the specific purposes determined by a resolution of the Joint Operating Committee (the Center's highest level of decision-making authority). The Committee is required to adopt a resolution to modify or rescind the commitment.

Assigned: Amounts intended to be used by the Center for specific purposes that are neither restricted nor committed. Assignments can be made by the governing body itself or by its designee.

Unassigned: Residual classification for the Center's general fund and includes all spendable amounts not contained in the other classifications. Negative unassigned fund balance may be reported in other governmental funds if expenditures incurred for specific purposes exceeded the amounts, restricted, committed or assigned to those purposes. In accordance with the Articles of Agreement, the Center will not maintain an unassigned fund balance.

Assigned Fund Balance Policy: The Center's assigned fund balances are amounts the Center intends to use for a specific purpose as expressed by the business administrator The Center adopted Policy Number 620, Fund Balance authorizing the D business administrator or designee to assign fund balance.

Order of Fund Balance Spending Policy: The Center's policy is to first apply restricted fund balance, then committed, assigned, and unassigned, respectively when an expenditure is incurred for purposes for which amounts in any of these classifications could be used.

Net Position Flow Assumption: Sometimes the Center will fund outlays for a particular purpose from both restricted and unrestricted resources. It is the Center's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Note 1. Summary of Significant Accounting Policies (Continued)

H. New Accounting Pronouncements

The following list reflects only those pronouncements initially effective in the current or upcoming reporting periods which based on our review, may be applicable to the Center's reporting requirements.

Following is a description of a significant pronouncements that were considered or initially selected during the year ended June 30, 2024:

GASB Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 6*, will be effective for the Center beginning with its year ending June 30, 2024 (fiscal years beginning after June 15, 2023). This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections in previously issued financial statements.

The following are descriptions of accounting pronouncements which will be considered for implementation during subsequent fiscal years, with modified effective dates as established by GASB Statement No. 95:

GASB Statement No. 101, *Compensated Absences*, will be effective for the Center beginning with its year ending June 30, 2025, (fiscal years beginning after December 15, 2023). This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements.

GASB Statement No. 102, *Certain Risk Disclosures*, will be effective for the Center beginning with its year ending June 30, 2025 (fiscal year beginning after June 15, 2024). This Statement establishes financial reporting requirements to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints.

GASB Statement No. 103, *Financial Reporting Model Improvements*, will be effective for the Center beginning with its year ending June 30, 2026 (fiscal years beginning after June 15, 2025). This Statement improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement addresses requirements relating to management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position, major component unit information and budgetary comparison information.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, will be effective for the Center beginning with its year ending June 30, 2026 (fiscal years beginning after June 15, 2025). This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures. Lease assets, subscription assets, intangible right-to-use assets and intangible assets should be disclosed separately by major class of underlying asset within the note disclosures. This Statement also requires additional disclosures for capital assets held for sale.

The effects of implementation of these standards have not yet been determined.

Note 1. Summary of Significant Accounting Policies (Continued)

I. Other

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 expenditures or expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events: In preparing these financial statements, the Center has evaluated events and transactions for potential recognition or disclosure through March 11, 2025, the date the financial statements were available to be issued.

Note 2. Cash and Cash Equivalents

In accordance with Section 440.1 of the Public-School Code of 1949, as amended, the Center is permitted to invest its monies as follows:

- 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.
- Certain other high-quality bank and corporate instruments.
- Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation to the extent that such accounts are so insured, and for any amounts above the insured maximum, provided that approved collateral as provided by law is pledged by the depository.
- The deposit and investment policy of the Center adheres to state statutes. There were no deposits or investment transactions during the year that were in violation of either the state statutes or the policy of the Center.

Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and include investments with original maturities of three months or less. Cash and cash equivalents consist of demand deposits at various financial institutions, a money market mutual fund with a local bank, and cash on hand of $725. The fair values of deposits are equal to the cost of the deposits. The investments of the Center consist of a money market mutual fund investment in Pennsylvania Local Government Investment Trust (PLGIT) and deposits with the Pennsylvania School District Liquid Asset Fund (PSDLAF). Investments are stated at cost including accrued interest which approximates fair value.

Cash and Cash Equivalents - Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Center's deposits may not be returned. The Center's policy for custodial credit risk requires depository institutions to provide collateral in accordance with Act 72. As of June 30, 2024, $9,800,244 of the Center's bank balance of $10,275,967was exposed to custodial credit risk as.

Note 2. Cash and Cash Equivalents (Continued)

Reconciliation of Cash and Cash Equivalents to the Financial Statements:

	Amount
Uninsured amount	$ 9,800,244
Insured amount	475,722
Bank balance	10,275,966
Outstanding checks	(697,140)
Deposits in transit	-
Carrying amount - bank balances	9,578,826
Petty cash	725
PLGIT - pooled cash equivalent	966,895
PSDLAF - pooled cash equivalent	522,516
Total cash and cash equivalents per the financial statements	$ 11,068,962

Concentration of Credit Risk

The Center holds deposit and investment accounts at various financial institutions. The total deposits and investments of $11,765,376 as of June 30, 2024, were held in the various financial institutions as follows:

Financial Institution	Deposit and Investment Amount	Concentration Percentage
Fulton Bank	$ 10,050,244	85.4%
PA Local Government Investment Trust (PLGIT)	966,895	8.2%
PA School District Liquid Asset Fund (PSDLAF)	522,516	4.4%
PNC Bank	155,792	1.3%
Northwest Bank	69,930	0.6%
	$ 11,765,377	100.0%

Interest Rate Risk

The Center does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Management does monitor rates of returns for investments on a monthly basis.

Credit Risk

The Center's investment policy requires investments authorized under the school code and set forth in Appendix A and B of Policy 606. Certain investment pools may be utilized after review by the Center's legal counsel. As of June 30, 2024, the Center's investments in both the PA Local Government Investment Trust and the Pennsylvania School District Liquid Asset Fund received AAAm ratings by Standard & Poor's.

Note 3. Due from Other Governments

Amounts due from other governments represent receivables for revenues earned by the Center. At June 30, 2024, the following amounts are due from other governmental units:

	General Fund	Food Service Fund
Federal	$ 508,013	$ 23,225
State	774,232	881
Local	1,739,049	-
	$ 3,021,294	$ 24,106

Note 4. Interfund Balances and Interfund Transfers

Individual fund receivable and payable balances at June 30, 2024, are as follows:

Fund	Interfund Receivables	Interfund Payables
Governmental Funds		
General	$ 3,597,541	$ 5,782,850
Capital projects	446,640	-
Student Activity/Production	67,913	48,546
Proprietary Funds		
Food service	-	815,053
Internal service	2,534,355	-
	$ 6,646,449	$ 6,646,449

All interfund receivable/payable balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made. All balances are expected to be repaid within the following year.

Interfund transfers for the year ended June 30, 2024, are as follows:

Fund	Transfers In	Transfers Out
Governmental Funds		
General	$ -	$ 172,099
Capital projects	172,099	-
	$ 172,099	$ 172,099

A transfer to the capital projects fund was made to fund future capital projects and was approved by the JOC.

Note 5. Capital and Right-to-use Assets

Capital and right-to-use asset activity for governmental and business-type activities for the year ended June 30, 2024, is as follows:

	July 1, 2023	Additions	Deletions	June 30, 2024
Governmental Activities:				
Capital assets not being depreciated				
Land	$ 1,096,243	$ -	$ -	$ 1,096,243
Construction-in-progress	2,584,838	-	(2,584,838)	-
Construction-in-progress - house projects	731,242	453,115	-	1,184,357
Total capital assets not being depreciated	4,412,323	453,115	(2,584,838)	2,280,600
Capital and right-to-use assets being depreciated/amortized				
Land improvements	2,126,096	152,829	-	2,278,925
Buildings	50,510,599	2,812,167	-	53,322,766
Equipment	12,440,507	2,564,244	(216,445)	14,788,306
Right-to-use leased building	112,593	-	(112,593)	-
Right-to-use leased equipment	489,276	-	(300,741)	188,535
Right-to-use subscription assets	201,334	-	(52,388)	148,946
Total capital and right-to-use assets being depreciated/amortized	65,880,405	5,529,240	(682,167)	70,727,478
Less accumulated depreciation/amortization				
Land improvements	1,128,182	122,182	-	1,250,364
Buildings	20,792,734	1,106,503	-	21,899,237
Equipment	8,487,032	939,050	(191,203)	9,234,879
Right-to-use leased building	75,062	37,531	(112,593)	-
Right-to-use leased equipment	260,354	95,281	(300,741)	54,894
Right-to-use subscription assets	68,750	68,750	(52,388)	85,112
Total accumulated depreciation/amortization	30,812,114	2,369,297	(656,925)	32,524,486
Total capital and right-to-use assets being depreciated/amortized, net	35,068,291	3,159,943	(25,242)	38,202,992
Total Governmental Activities, capital and right-to-use assets - net	$ 39,480,614	$ 3,613,058	$ (2,610,080)	$ 40,483,592
Business-Type Activities:				
Equipment	$ 77,001	$ 153,644	$ -	$ 230,645
Less accumulated depreciation				
Equipment	57,649	11,099	-	68,748
Total Business-Type Activities, capital assets - net	$ 19,352	$ 142,545	$ -	$ 161,897

Note 5. Capital and Right-to-use Assets (Continued)

Depreciation expenses were charged to functions/programs of the primary government as follows:

	Amount
Governmental Activities	
Instruction	
Regular instruction	$ 27,062
Vocational instruction	923,902
Adult education	606,594
Support services	
Student services	155,033
Instructional staff	84,642
Administration	234,270
Pupil health	20,167
Business services	67,717
Operation of plant and maintenance services	153,586
Central services	96,324
	$ 2,369,297
Business-type activities:	
Food service	$ 11,099

Note 6. Long-Term Obligations

During the fiscal year ended June 30, 2024, long-term obligations changed as follows:

	July 1, 2023	Increases	Decreases	June 30, 2024	Due within One Year
Governmental Activities					
Lease revenue bonds	$ 15,200,000	$ -	$ 920,000	$ 14,280,000	$ 950,000
Bond premium	355,404	-	25,386	330,018	-
Compensated absences	394,628	19,601	-	414,229	54,573
Leases payable	315,079	-	179,920	135,159	37,831
Subscription liabilities	124,581	-	74,940	49,641	49,641
Financed purchase agreement	-	621,540	5,666	615,874	110,321
	$ 16,389,692	$ 641,141	$ 1,205,912	$ 15,824,921	$ 1,202,366

Debt service expenditures and payments for compensated absences will be paid by the general fund.

Lease Revenue Bonds Payable

On June 30, 2020, the Authority, on behalf of the Center, issued $11,145,000, Lease Revenue Bonds, Series of 2020 for the purpose of refunding the Lease Revenue Bonds, Series of 2014 and the Lease Revenue Note, Series of 2017 and to pay the costs of issuing and insuring the bonds. The bonds bear interest rates ranging from 1% to 4% and mature in February 2037. This current refunding resulted in an economic gain of $548,459. The outstanding balance as of June 30, 2024, was $8,910,000

Note 6. Long-Term Obligations (Continued)

Lease Revenue Notes Payable

On November 28, 2017, the Authority, on behalf of the Center, issued $7,930,000 of Lease Revenue Notes, Series of 2017A for the purpose of refunding the Lease Revenue Bonds, Series of 2012 and to pay costs of issuing the notes. The notes bear interest rates ranging from 2.70% to 5% and matures in February 2037. This current refunding resulted in an economic gain of $521,128. The balance outstanding as of June 30, 2024, was $5,370,000.

The future annual payments required to amortize all outstanding bonds and notes as of June 30, 2024, are as follows:

Year ending June 30:	Principal	Interest	Total
2025	$ 950,000	$ 415,470	$ 1,365,470
2026	990,000	382,605	1,372,605
2027	1,015,000	348,270	1,363,270
2028	1,030,000	325,100	1,355,100
2029	1,065,000	290,360	1,355,360
2030-2034	5,485,000	1,225,165	6,710,165
2035-2037	3,745,000	260,500	4,005,500
	$ 14,280,000	$ 3,247,470	$ 17,527,470

Compensated Absences

The balance of compensated absences at June 30, 2024, is as follows:

	Amount
Accrued retirement bonuses	$ 267,309
Accumulated vacation time	146,920
	$ 414,229

Leases Payable

The Center leases buildings and equipment for certain Center activities and use throughout its buildings and offices. The lease terms range from one to five years. The Center's building and equipment leases contain scheduled annual or monthly payments with expiration dates extending through 2028. Leases payables are fully funded by the general fund.

The following is a schedule of future minimum lease payments for leases with initial or remaining terms in excess of one year as of June 30, 2024:

Year ending June 30:	Principal	Interest	Total
2025	$ 37,831	$ 2,358	$ 40,189
2026	35,443	1,615	37,058
2027	35,097	917	36,014
2028	26,788	224	27,012
	$ 135,159	$ 5,114	$ 140,273

Note 6. Long-Term Obligations (Continued)

Subscription Based Information Technology Arrangements (SBITA) Liabilities

The Center enters into various arrangements for administrative and educational software and other information technology. Many of the software and information technology arrangements are for a term of one year or less. However, the Center also enters into arrangements that are for greater than one year which require accounting for and reporting of a right-to-use subscription asset and liability. These terms range from two to three years in length.

The Center's subscription-based information technology arrangements contain scheduled annual payments with expiration dates extending through 2025. Payments of the subscription liability are primarily funded by the general fund.

The following is a schedule of future minimum subscription liability payments for agreements with initial or remaining terms in excess of one year as of June 30, 2024:

Year ending June 30:	Principal	Interest	Total
2025	$ 49,641	$ 1,058	$ 50,699
	$ 49,641	$ 1,058	$ 50,699

Financed Purchase Agreements Payable

The Center finances computers, vehicles and other technology equipment which are located throughout the Center. The related financed purchase agreements are recorded at the present values of related future, minimum payments as of the inception date. All financed purchase agreements are funded by the General Fund.

The assets acquired through financed purchase agreements are as follows:

	Amount
Assets	
Equipment	$ 621,540
Less: accumulated depreciation	(5,666)
Total equipment	$ 615,874

The following is a schedule of the future, minimum payments due under the financed purchase agreements as of June 30, 2024:

Year ending June 30:	Principal	Interest	Total
2025	$ 110,321	$ 35,832	$ 146,153
2026	117,439	28,644	146,083
2027	125,096	20,988	146,084
2028	133,252	12,832	146,084
2029	129,766	4,145	133,911
	$ 615,874	$ 102,441	$ 718,315

Note 7. Bond Refinancing Charges

In the event that advance refunding of debt results in a defeasance, full accrual basis of accounting requires that the amounts deposited in escrow in excess of the net carrying amount of the refunded debt are to be amortized over the life of the old debt or the life of the new debt, whichever is shorter. The amortization of this charge will be recognized as a component of interest expense. The Center is amortizing the bond refinancing charges, utilizing the straight-line method, with the amortization period through 2037. As of June 30, 2024, the bond refinancing charges were calculated as follows:

		Amount
Beginning balance	$	543,423
Less: current year amortization		(38,817)
Ending balance	$	504,606

Note 8. Self-Insurance

Health and Dental Benefits: The Center has elected to self-insure its health/dental insurance. The Center reimbursed Aetna and CoreSource, the third party administrators, for actual health and dental claims. The Center was limited in liability for health insurance claims to $100,000 per individual with the next $300,000 insured through Lancaster-Lebanon Intermediate Unit No. 13 consortium to a total of $400,000, and $2,661,823 in total per year by purchasing specific and aggregate stop-loss insurance coverage.

Change in Aggregate Claims Liabilities - Health and Dental Benefits

		2024		2023
Claim Liabilities - Beginning of Year	$	137,453	$	261,398
Current Year Claims		1,840,555		2,248,207
Claim Payments and Changes in Estimates		(1,840,016)		(2,372,152)
Claim Liability - End of Year	$	137,992	$	137,453

Unemployment Compensation: The Center has elected to self-insure its unemployment compensation plan and create a reserve for future claims. Unemployment claims against the Center are paid by the Commonwealth of Pennsylvania, which is subsequently reimbursed by the Center for actual claims paid. The Center paid $7,284 of unemployment compensation claims for the year ended June 30, 2024. The Center charged unemployment compensation expenditures of $8,397 for the year. The balance of the reserve for future claims is $64,675.

Note 9. Defined-Benefit Pension Plan

Plan Description

PSERS (Pennsylvania Public School Employee's Retirement System or the System) 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 one year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two 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 three years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service.

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 contribution membership class, Membership Class DC (Class DC). To qualify for normal 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% and 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 9. Defined-Benefit Pension Plan (Continued)

Contributions

Member Contributions:

The contribution rates based on qualified member compensation for virtually all members are presented below:

Member Contribution Rates				
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	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	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 Center's contractually required contribution rate for fiscal year ended June 30, 2024 was 33.36% 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. Included in the Center's contractually required contribution rate is the Act 5 contribution rate totaling an estimated .27 percent.

The Center is required to pay the entire contribution and will be reimbursed by the Commonwealth in an amount equal to the Commonwealth's share as determined by the income aid ratio (as defined in Act 29 of 1994), which is at least one-half of the total Center's rate. The Center's contributions to the Plan, relating to pension benefits, for the year ended June 30, 2024, was $3,775,529, and is equal to the required contribution for the year. For the year ended June 30, 2024, the Center recognized gross retirement subsidy revenue from the Commonwealth in the amount of $1,934,767.

Note 9. Defined-Benefit Pension Plan (Continued)

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

At June 30, 2024, the Center reported a liability of $31,407,000 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 Center'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, 2024, the Center's proportion was .0706 percent, which was an increase of .0009 percent from its proportion reported as of June 30, 2023.

For the year ended June 30, 2024, the Center recognized pension expense of $2,554,000. At June 30, 2024, the Center 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
Difference between expected and actual experience	$ 7,000	$ 430,000
Changes in assumptions	469,000	-
Net difference between projected and actual investment earnings	889,000	-
Changes in proportion	299,000	1,322,000
Contributions subsequent to the measurement date	3,776,000	-
	$ 5,440,000	$ 1,752,000

$3,776,000 reported as deferred outflows of resources related to pensions resulting from Center contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	Amount
2025	$ (484,000)
2026	(945,000)
2027	1,043,000
2028	298,000
	$ (88,000)

Note 9. Defined-Benefit Pension 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 June 30, 2022 to June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation Date - June 30, 2022
- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 7.00%, includes inflation at 2.50%.
- Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- 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 discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2022 and as of June 30, 2023.
- Demographic and economic assumptions approved by the Board for use effective with the June 30, 2021, actuarial valuation:
    - Salary growth rate - decreased from 5.00% to 4.50%.
    - Real wage growth and merit or seniority increases (components for salary growth) - decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively.
    - Mortality rates - Previously based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021, actuarial valuation, mortality rates are 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 results of an actuarial experience study that was performed for the five-year period ended June 30, 2020.

Investments

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.

For the year ended June 30, 2023, the annual money weighted rate of return on pension plan investments, net of pension plan investment expense, was 3.54%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 9. Defined-Benefit Pension Plan (Continued)

Investments (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	(10.5)%	1.2%
	100.0%	

The above table 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 School'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:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Center's proportionate share of the net pension liability	$ 40,713,000	$ 31,407,000	$ 23,557,000

Pension Plan Fiduciary Net Position

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

Plan Payables

At June 30, 2024, the Center reported a payable to PSERS of $2,232,009, which represents the employer contributions owed to the pension plan.

Note 10. Other Post-Employment Benefits – Center's Single Employer Plan

Plan Description, Benefit Terms and Funding Policy

The Center provides retiree health, vision and dental care benefits, including prescription-drug coverage, to eligible, retired employees and qualified spouses/beneficiaries. This is a single-employer, defined-benefit plan administered by the Center. The Center funds OPEB on a pay-as-you go basis, and there is no obligation to make contributions in advance of when insurance premiums or claims are due for payment. The Center does not maintain or accumulate any assets within a trust in accordance with paragraph 4 of GASB Statement No. 75. The plan description and benefit terms provided by the Plan are summarized in the chart below:

GROUP	ELIGIBILITY	COVERAGE AND PREMIUM SHARING	DURATION
I. ADMINISTRATORS	25 years of PSERS service or upon PSERS superannuation	**Coverage:** Medical, Prescription Drug, and Life Insurance **Premium Sharing:** LCCTC will contribute half of the single premium for medical and prescription drug coverage for the member. The spouse may elect coverage by paying the full premium. The member may also elect life insurance by paying the full premium at the group rate. The face amount is the lesser of 2x the member's salary or $200,000. **Dependents:** Spouse included	Member coverage ceases upon Medicare age. Spouse coverage ceases upon the earlier of Medicare age or member Medicare age.
II. TEACHERS	Same as I	**Coverage**: Medical and Prescription Drug **Premium Sharing**: The member and spouse may elect medical and prescription drug coverage by paying the full premium **Dependents**: Spouse included	Same as I
III. SUPPORT STAFF	Same as I	Same as II	Same as I
Notes:	PSERS Superannuation Retirement: 1) Pension Class T-C or T-D: An employee is eligible for PSERS superannuation retirement upon reaching age 60 with 30 years of PSERS service, age 62 with 1 year of PSERS service or 35 years of PSERS service regardless of age. In general, these pension classes apply to individuals who were members of PSERS prior to July 1, 2011. 2) Pension Class T-E or T-F: An employee is eligible for PSERS superannuation upon reaching age 65 with 3 years of PSERS service or upon attainment of a total combination of age plus service equal to or greater than 92 with a minimum of 35 years of PSERS service. In general, these pension classes apply to individuals who became members of PSERS on or after July 1, 2011 and prior to July 1, 2019. 3) Pension Class T-G: An employee is eligible for PSERS superannuation retirement upon reaching age 67 with 3 years of PSERS service or upon attainment of a total combination of age plus service equal to or greater than 97 with a minimum of 35 years of PSERS service. In general, these pension classes apply to individuals who became members of PSERS on or after July 1, 2019. 4) Pension Class T-H: An employee is eligible for PSERS superannuation retirement upon reaching age 67 with 3 years of PSERS. In general, this pension class applies to individuals who became members of PSERS on or after July 1, 2019.		

Plan Description, Benefit Terms and Funding Policy

As of July 1, 2023 actuarial valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	5
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	154
	159

Note 10. Other Post-Employment Benefits - Center's Single Employer Plan (Continued)

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

At June 30, 2024, the Center reported a liability of $545,713 for the total OPEB liability. The total OPEB liability was measured as of July 1, 2023, and was determined by an actuarial valuation as of July 1, 2023. The OPEB liability is composed of the following:

	Amount
Total OPEB Liability, beginning	$ 699,085
Changes for the year	
Service cost	68,479
Interest	30,158
Differences between expected and actual experience	(214,302)
Changes in assumptions	7,995
Benefit payments	(45,702)
Net Changes	(153,372)
Total OPEB Liability, ending	$ 545,713

For the year ended June 30, 2024, the Center recognized OPEB expense of $44,661. At June 30, 2024, the Center 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 and actual experience	$ 25,521	$ 276,575
Changes in assumptions	47,149	229,900
Benefit payments subsequent to the measurement date	45,384	-
	$ 118,054	$ 506,475

Of the total amount reported as deferred outflows of resources related to OPEB, $45,384 resulting from Center benefit payments subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Center's OPEB expense as follows:

Year ending June 30:	Amount
2025	$ (53,976)
2026	(53,976)
2027	(53,976)
2028	(53,979)
2029	(43,053)
Thereafter	(174,845)
	$ (433,805)

Note 10. Other Post-Employment Benefits – Center's Single Employer Plan (Continued)

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

- Inflation - 2.5%.
- Salary Increases - 2.5% cost of living adjustment, 1.5% real wage growth and for teachers and administrators a merit increase which varies by age from 2.75 to 0%.
- Discount Rate – 4.13%. Based on S&P Municipal Bond 20 Year High Grade Rate Index at July 1, 2023.
- Actuarial Cost Method: Entry Age Normal, Level Percent of Pay
- Health Care Cost Trend Rate – 7.0% in 2023 with 0.5% decrease per year until 5.5% in 2026. Rates gradually decrease from 5.4% in 2027 to 4.1% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model.
- Retirees' Share of Benefit-Related Costs - Retiree contributions are assumed to increase at the same rate as the Health Care Cost Trend Rate.
- Mortality rates are separate and assumed preretirement and postretirement using the rates assumed in the PSERS defined benefit pension plan actuarial valuation. PubT-2010 headcount-weighted mortality table including rates for contingent survivors for teachers. PubG-2010 headcount-weighted mortality table including rates for contingent survivors for all other employees. Incorporated into the tables are rates projected generationally using Scale MP-2021 to reflect mortality improvement.

Sensitivity of the Center's Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Center calculated using the discount rate of 4.06%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (3.06%) or one percentage higher (5.06%) than the current discount rate:

	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
Total OPEB liability	$ 576,568	$ 545,713	$ 516,588

Changes in Actuarial Assumptions

The discount rate used to measure the total OPEB liability increased from 4.06 % as of July 1, 2022, to 4.13% as of July 1, 2023.

Sensitivity of the Center's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Center calculated using the health care cost trend rates of (7.0% decreasing to 4.1%), as well as what the total OPEB liability would be if it were calculated using a health care cost trend rates that are one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	$ 505,322	$ 545,713	$ 592,170

Note 11. Other Post-Employment Benefits – PSERS Cost Sharing Plan

Plan Description

PSERS administers a defined benefit pension plan, and two post-employment healthcare programs, the Health Insurance Premium Assistance Program (Premium Assistance) and the Health Options Program (HOP) for its retirees. The HOP is a PSERS sponsored voluntary health insurance program for the sole benefit of PSERS retirees, spouses of retirees, and survivor annuitants and their dependents who participate in HOP. The HOP is funded exclusively by the premiums paid by its participants for the benefit coverage they elect.

The System provides Premium Assistance which, is a governmental cost sharing, multiple-employer other post-employment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. 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. Effective January 1, 2002, under the provisions of Act 9 of 2001, 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, 2022, there were no assumed future benefit increases to participating eligible retirees.

Retirees of the System can participate in Premium Assistance 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 service and retired after reaching superannuation age, and

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.

Employer Contributions

The Center' contractually required contribution rate for the fiscal year ended June 30, 2024, was 0.64% 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 OPEB plan from the Center were $72,432 for the year ended June 30, 2024.

Note 11. Other Post-Employment Benefits – PSERS Cost Sharing Plan (Continued)

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

At June 30, 2024, the Center reported a liability of $1,281,000 for 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 Center'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. At June 30, 2024, the Center's reported proportion was .0708%, which was an increase of .0009% from its proportion reported as of June 30, 2023.

For the year ended June 30, 2024, the Center recognized OPEB expense of $6,400. At June 30, 2023, the Center 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 and actual experience	$ 8,000	$ 13,000
Changes in assumptions	111,000	242,000
Net difference between projected and actual investment earnings	3,000	-
Changes in proportion	45,000	115,000
Contributions subsequent to the measurement date	72,000	-
	$ 239,000	$ 370,000

$72,000 reported as deferred outflows of resources related to OPEB resulting from Center contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025. 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 ending June 30:	Amount
2025	$ (45,000)
2026	(48,000)
2027	(48,000)
2028	(63,000)
2029	1,000
	$ (203,000)

Note 11. Other Post-Employment Benefits – PSERS Cost Sharing Plan (Continued)

Actuarial Assumptions

The Total OPEB Liability as of June 30, 2023, was determined by rolling forward the System's Total OPEB Liability as of June 30, 2022 to June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation Date - June 30, 2022
- 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 4.5%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is 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%
- The discount rate used to measure the total OPEB liability increased from 4.09% as of June 30, 2022, to 4.13%, as of June 30, 2023.

The actuarial assumptions used in the June 30, 2022 valuation, were based on the results of an actuarial experience study that was performed for the five-year period ending June 30, 2020.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2021, 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: The actual data for retirees benefiting under the Plan as of June 30, 2021, was used in lieu of the 63% utilization assumption for eligible retirees.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

Note 11. Other Post-Employment Benefits – PSERS Cost Sharing Plan (Continued)

Investments

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.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	100.0%	1.2%
	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 of June 30, 2023.

Discount Rate

The discount rate used to measure the Total OPEB Liability was 4.13%. 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.

Note 11. Other Post-Employment Benefits – PSERS Cost Sharing Plan (Continued)

Sensitivity of the Center's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Center's proportionate share of the net OPEB liability, calculated using the discount rate of 4.13%, as well as what the Center's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13%) or one percentage point higher (5.13%) than the current discount rate:

	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
Center's proportionate share of the net OPEB liability	$ 1,448,000	$ 1,281,000	$ 1,141,000

Sensitivity of the Center's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the Center's proportionate share of the net OPEB liability, as well as what the Center's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates (between 5% to 7%) that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Center's proportionate share of the net OPEB liability	$ 1,281,000	$ 1,281,000	$ 1,281,000

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.

Plan Payables

At June 30, 2024, the Center reported a payable to PSERS of $42,820, which represents the employer contributions owed to the OPEB plan.

Note 12. Contingent Liabilities

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

Note 13. Risk Management

The Center is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Center has purchased various insurance policies to safeguard its assets from risks of loss. Insurance coverage appears to be consistent with previous years. During the year ended June 30, 2024 and the two previous fiscal years, no settlements exceeded insurance coverage.

Note 14. Fund Balance

Non-spendable Fund Balance

The Center's non-spendable fund balance consists of consumable inventories of $461,419.

Restricted Fund Balance

As of June 30, 2024, the Center’s restricted fund balance was $1,493,894, which consisted of amounts restricted in the 2001 and 2018 capital reserve funds.

Committed Fund Balance

As of June 30, 2024, the Center's committed fund balance of $207,272 consists of amounts for planning and development of future adult education projects.

Assigned Fund Balance

As of June 30, 2024, the Center's assigned fund balance of $2,269,126 consists of $2,047,572 in the general fund with $200,000 assigned for member districts, $50,000 assigned for planning and development of adult programs and $1,173,839 assigned for capital projects; and $221,554 in the student activities/production fund.

Unassigned Fund Balance

As of June 30, 2024, the Center's unassigned fund balance of $1,602,196 consisted of $2,568,032 for the general fund and $(965,836) for the capital projects fund.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2024

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local sources				
Receipts from member school districts	$ 18,045,792	$ 17,800,792	$ 17,804,455	$ 3,663
Rentals	85,000	85,000	113,654	28,654
Investment earnings	70,000	70,000	258,813	188,813
Revenues from intermediate sources - Federal	5,000	5,000	-	(5,000)
Contributions	150,000	150,000	177,634	27,634
Tuition	50,000	5,573,645	2,481,175	(3,092,470)
Revenue from Center activities	126,137	281,489	376,637	95,148
Other revenue	50,000	50,000	290,691	240,691
Total local sources	18,581,929	24,015,926	21,503,059	(2,512,867)
State sources	3,972,875	4,248,625	6,066,229	1,817,604
Federal sources	949,986	949,986	4,261,734	3,311,748
Total revenues	23,504,790	29,214,537	31,831,022	2,616,485
Expenditures				
Instructional				
Regular programs	240,668	240,668	234,149	6,519
Vocational programs	9,635,040	9,635,040	9,166,661	468,379
Adult education	-	5,739,214	6,100,612	(361,398)
Higher education for secondary students	-	-	18,069	(18,069)
Support services				
Student services	1,429,134	1,429,134	1,631,272	(202,138)
Instructional support staff services	984,507	984,507	1,032,438	(47,931)
Administrative services	2,592,871	2,592,871	2,420,334	172,537
Pupil health	247,240	247,240	204,805	42,435
Business services	681,799	681,799	692,695	(10,896)
Operation and maintenance of plant services	3,161,279	3,161,279	4,361,446	(1,200,167)
Student transportation services	1,338,215	1,338,215	1,385,759	(47,544)
Central services	1,279,317	1,279,317	1,357,823	(78,506)
Operation of noninstructional services				
Student activities	74,805	74,805	56,196	18,609
Community service	-	-	5,285	(5,285)
Debt service				
Principal	920,000	920,000	1,174,860	(254,860)
Interest and fiscal charges	441,915	441,915	449,965	(8,050)
Refund of prior year receipts	-	-	-	-
Total expenditures	23,026,790	28,766,004	30,292,369	(1,526,365)
Excess of revenues over expenditures	478,000	448,533	1,538,653	1,090,120
Other Financing Sources (Uses)				
Budgetary reserve	(50,000)	-	-	-
Transfer out	(453,000)	(473,533)	(172,099)	301,434
Proceeds from sale of capital assets	25,000	25,000	55,184	30,184
Proceeds from financed purchase agreements	-	-	621,540	621,540
Insurance recoveries	-	-	4,294	4,294
Total other financing sources (uses)	(478,000)	(448,533)	508,919	957,452
Net changes in fund balance	$ -	$ -	2,047,572	$ 2,047,572
Fund Balance - July 1, 2023			3,224,479	
Fund Balance - June 30, 2024			$ 5,272,051	

See Note to Required Supplementary Information.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULES OF CENTER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -
PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

For the Fiscal Year Ended June 30	Center's Proportion of the Net Pension Liability	Center's Proportionate Share of the Net Pension Liability	Center's Covered Payroll	Center's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2024	0.0706%	$ 31,407,000	$ 10,843,556	289.64%	61.85%
2023	0.0697%	$ 30,988,000	$ 10,279,641	301.45%	61.34%
2022	0.0734%	$ 30,136,330	$ 10,332,000	291.68%	63.67%
2021	0.0773%	$ 38,062,450	$ 10,440,422	364.57%	54.32%
2020	0.0743%	$ 34,760,169	$ 10,837,436	320.74%	55.66%
2019	0.0764%	$ 36,676,485	$ 10,281,030	356.74%	54.00%
2018	0.0772%	$ 38,128,542	$ 10,281,151	370.86%	51.84%
2017	0.0809%	$ 40,091,321	$ 10,478,912	382.59%	50.14%
2016	0.0789%	$ 34,175,627	$ 10,156,818	336.48%	54.36%
2015	0.0785%	$ 31,070,712	$ 10,015,262	310.23%	57.24%

The amounts presented for each fiscal year were determined as of the measurement date, which is one year prior to the fiscal year-end.

The schedule is presented to illustrate the requirement to show information for 10 years.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

REQUIRED SUPPLEMENTARY INFORMATION - SCHEDULES OF CENTER'S PENSION CONTRIBUTIONS - PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

For the Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Center's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	$ 3,775,529	$ (3,775,529)	$ -	$ 11,319,469	33.35%
2023	$ 3,637,429	$ (3,637,429)	$ -	$ 10,656,636	34.13%
2022	$ 3,527,345	$ (3,527,345)	$ -	$ 10,332,000	34.14%
2021	$ 3,517,378	$ (3,517,378)	$ -	$ 10,440,422	33.69%
2020	$ 3,625,122	$ (3,625,122)	$ -	$ 10,837,436	33.45%
2019	$ 3,335,873	$ (3,335,873)	$ -	$ 10,232,739	32.60%
2018	$ 3,241,891	$ (3,241,891)	$ -	$ 10,284,030	31.52%
2017	$ 2,981,763	$ (2,981,763)	$ -	$ 10,281,151	29.00%
2016	$ 2,586,071	$ (2,586,071)	$ -	$ 10,478,912	24.68%
2015	$ 2,082,148	$ (2,082,148)	$ -	$ 10,156,818	20.50%

The schedule is presented to illustrate the requirement to show information for 10 years.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULES OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS -
CENTER'S SINGLE EMPLOYER PLAN
For the Fiscal Year Ended June 30,

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	$ 68,479	$ 99,537	$ 89,536	$ 70,611	$ 76,042	$ 71,243	$ 89,770
Interest	30,158	20,317	14,805	22,165	22,975	22,128	18,954
Differences between expected and actual experience	(214,302)	-	34,029	-	(149,885)	-	-
Changes in assumptions	7,995	(197,284)	(19,581)	61,207	(13,046)	2,046	(120,156)
Benefit payments	(45,702)	(32,819)	(34,692)	(38,887)	(45,577)	(25,104)	(23,294)
Net change in total OPEB liability	(153,372)	(110,249)	84,097	115,096	(109,491)	70,313	(34,726)
Total OPEB Liability - beginning	699,085	809,334	725,237	610,141	719,632	649,319	684,045
Total OPEB Liability - ending	$ 545,713	$ 699,085	$ 809,334	$ 725,237	$ 610,141	$ 719,632	$ 649,319
Covered payroll	$ 11,112,193	$ 9,535,622	$ 9,535,622	$ 9,314,011	$ 9,314,011	$ 9,653,803	$ 9,653,803
Net OPEB liability as a percentage of covered payroll	4.91%	7.33%	8.49%	7.79%	6.55%	7.45%	6.73%

Notes to Schedule:

For the fiscal year ended June 30, 2024:

Changes in assumptions: The discount rate changed from 4.06% to 4.13%. The trend assumption was updated. Assumptions for salary, mortality, withdrawal and retirement were updated based on new PSERS experience study.

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is shown.

REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULES OF CENTER'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY -
PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM COST-SHARING PLAN

For the Fiscal Year Ended June 30	Center's Proportion of the Net OPEB Liability	Center's Proportionate Share of the Net OPEB Liability	Center's Covered Payroll	Center's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2024	0.0708%	$ 1,281,000	$ 10,843,556	11.81%	7.22%
2023	0.0699%	$ 1,287,000	$ 10,279,641	12.52%	6.86%
2022	0.0736%	$ 1,744,383	$ 10,332,000	16.88%	5.30%
2021	0.0776%	$ 1,676,703	$ 10,440,422	16.06%	5.69%
2020	0.0743%	$ 1,580,246	$ 10,837,436	14.58%	5.56%
2019	0.0764%	$ 1,592,903	$ 10,284,030	15.49%	5.56%
2018	0.0772%	$ 1,572,885	$ 10,281,151	15.30%	5.73%

The amounts presented for each fiscal year were determined as of the measurement date, which is one year prior to the fiscal year-end.

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is shown.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

REQUIRED SUPPLEMENTARY INFORMATION -
SCHEDULES OF CENTER'S OPEB CONTRIBUTIONS -
PENNSYLVANIA PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM COST-SHARING PLAN

For the Fiscal Year Ended June 30	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Center's Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	$ 72,432	$ (72,432)	$ -	$ 11,319,469	0.64%
2023	$ 79,052	$ (79,052)	$ -	$ 10,898,719	0.73%
2022	$ 82,656	$ (82,656)	$ -	$ 10,332,000	0.80%
2021	$ 85,611	$ (85,611)	$ -	$ 10,440,422	0.82%
2020	$ 91,034	$ (91,034)	$ -	$ 10,837,436	0.84%
2019	$ 84,932	$ (84,932)	$ -	$ 10,232,739	0.83%
2018	$ 84,775	$ (84,775)	$ -	$ 10,284,030	0.82%

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, only information for those years for which information is available is shown.

SUPPLEMENTARY INFORMATION

COMBINING BALANCE SHEET - CAPITAL PROJECTS FUND
June 30, 2024

	Capital Projects Fund	2001 Capital Reserve Fund	2018 Capital Reserve Fund	Total
Assets				
Cash and cash equivalents	$ -	$ 966,895	$ 522,515	$ 1,489,410
Due from other funds	-	155,468	291,172	446,640
Prepaid expenses	-	-	12,244	12,244
Total assets	$ -	$ 1,122,363	$ 825,931	$ 1,948,294
Liabilities				
Accounts payable	$ 965,836	$ 384,974	$ 57,182	$ 1,407,992
Total liabilities	965,836	384,974	57,182	1,407,992
Fund Balances				
Nonspendable	-	-	12,244	12,244
Restricted	-	737,389	756,505	1,493,894
Unassigned	(965,836)	-	-	(965,836)
Total fund balances	(965,836)	737,389	768,749	540,302
Total liabilities and fund balances	$ -	$ 1,122,363	$ 825,931	$ 1,948,294

See accompanying independent auditor's report.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - CAPITAL PROJECTS FUND
Year Ended June 30, 2024

	Capital Projects Fund	2001 Capital Reserve Fund	2018 Capital Reserve Fund	Total
Revenues				
Investment earnings	$ -	$ 54,513	$ 25,656	$ 80,169
Total revenues	-	54,513	25,656	80,169
Expenditures				
Current				
Instruction	-	-	61,237	61,237
Support services	3,000	84,286	83,819	171,105
Total current	3,000	84,286	145,056	232,342
Capital Outlay				
Facilities acquisition, construction and improvement services	453,115	502,434	124,429	$ 1,079,978
Total capital outlay	453,115	502,434	124,429	1,079,978
Debt Services				
Principal retirement	-	-	5,666	5,666
Interest expense and fiscal charges	-	-	6,577	6,577
Total debt services	-	-	12,243	12,243
Total expenditures	456,115	586,720	281,728	1,324,563
Deficiency of revenues over expenditures	(456,115)	(532,207)	(256,072)	(1,244,394)
Other Financing Sources (Uses)				
Transfer in	-	-	172,099	172,099
Total other financing sources	-	-	172,099	172,099
Net change in fund balances	(456,115)	(532,207)	(83,973)	(1,072,295)
Fund Balances - July 1, 2023	(509,721)	1,269,596	852,722	1,612,597
Fund Balances - June 30, 2024	$ (965,836)	$ 737,389	$ 768,749	$ 540,302

See accompanying independent auditor's report.

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS -
STUDENT ACTIVTY/PRODUCTION FUNDS
June 30, 2024

	Student Activity/Production Funds			
	Brownstown	Mount Joy	Willow Street	Total
Assets				
Cash and cash equivalents	$ 48,103	$ 68,714	$ 85,559	$ 202,376
Due from other funds	-	-	67,913	67,913
Total assets	$ 48,103	$ 68,714	$ 153,472	$ 270,289
Liabilities				
Due to other funds	$ 134	$ 86	$ 48,326	$ 48,546
Accounts payable	-	-	189	189
Total liabilities	134	86	48,515	48,735
Fund Balances				
Assigned	47,969	68,628	104,957	221,554
Total fund balance	47,969	68,628	104,957	221,554
Total liabilities and fund balances	$ 48,103	$ 68,714	$ 153,472	$ 270,289

See accompanying independent auditor's report.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS STUDENT ACTIVTY/PRODUCTION FUNDS
Year Ended June 30, 2024

	Student Activity/Production Funds			
	Brownstown	Mount Joy	Willow Street	Total
Revenues				
Revenue from student activities and production	$ 58,629	$ 182,295	$ 126,339	$ 367,263
Total revenues	58,629	182,295	126,339	367,263
Expenditures				
Current				
Operation of non-instructional services	57,775	153,887	165,999	377,661
Total expenditures	57,775	153,887	165,999	377,661
Net change in fund balances	854	28,408	(39,660)	(10,398)
Fund Balances - July 1, 2023	47,115	40,220	144,617	231,952
Fund Balances - June 30, 2024	$ 47,969	$ 68,628	$ 104,957	$ 221,554

See accompanying independent auditor's report.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS
June 30, 2024

	Health/Dental Fund	Unemployment Compensation Fund	Total Internal Service Funds
Assets			
Due from other funds	$ 2,469,677	$ 64,678	$ 2,534,355
Total assets	$ 2,469,677	$ 64,678	$ 2,534,355
Liabilities			
Accounts payable	$ 137,992	$ -	$ 137,992
Total liabilities	$ 137,992	$ -	$ 137,992
Net Position			
Unrestricted	$ 2,331,685	$ 64,678	$ 2,396,363
Total net position	$ 2,331,685	$ 64,678	$ 2,396,363

See accompanying independent auditor's report.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS
Year Ended June 30, 2024

	Health/Dental Fund	Unemployment Compensation Fund	Total Internal Service Funds
Operating Revenues			
Charges for services	$ 2,837,609	$ 3,067	$ 2,840,676
Operating Expenses			
Employee benefits	2,253,382	7,284	2,260,666
Purchased professional and technical services	16,934	1,113	18,047
Other purchased services	391,507	-	391,507
Total operating expenses	2,661,823	8,397	2,670,220
Change in net position	175,786	(5,330)	170,456
Net Position - July 1, 2023	2,155,899	70,008	2,225,907
Net Position - June 30, 2024	$ 2,331,685	$ 64,678	$ 2,396,363

See accompanying independent auditor's report.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

FINANCIAL SUMMARY - POST-SECONDARY EDUCATION
Year Ended June 30, 2024

	Secondary	Post-Secondary	Total
Revenues			
Local Sources			
Receipts from member districts			
Direct payments	$ 15,985,877	$ -	$ 15,985,877
Bond & plan con payments	1,818,578	-	1,818,578
Other revenues	1,688,427	2,691,195	4,379,622
State Sources			
Vocational education subsidy	2,635,025	330,814	2,965,839
Reimbursement - FICA	303,849	107,029	410,878
Reimbursement - Retirement	1,457,228	450,672	1,907,900
State financial aid	-	451,142	451,142
Other revenue	670,664	-	670,664
Financial aid student refunds	-	(340,194)	(340,194)
Federal Sources			
Federal financial aid	-	3,363,957	3,363,957
Perkins	879,370	157,162	1,036,532
ESSER	298,678	-	298,678
Financial aid student refunds	-	(437,433)	(437,433)
Total revenues	25,737,696	6,774,344	32,512,040
Expenditures			
100 - Salaries	8,565,110	2,948,494	11,513,604
200 - Benefits	5,911,069	1,727,911	7,638,980
300 - Professional & technical services	1,226,314	387,103	1,613,417
400 - Property service	1,713,431	209,339	1,922,770
500 - Other purchased service	1,886,611	251,534	2,138,145
600 - Supplies	1,964,235	430,193	2,394,428
700 - Equipment	1,171,353	93,582	1,264,935
800 - Dues & fees	578,775	52,455	631,230
900 - Bond & other uses	1,174,860	-	1,174,860
Total expenditures	24,191,758	6,100,611	30,292,369
Revenues over expenditures	$ 1,545,938	$ 673,733	$ 2,219,671
Assigned for member districts	(200,000)	-	(200,000)
Assigned for planning & development of adult programs	-	(50,000)	(50,000)
Assigned for capital projects	(1,173,839)	(623,733)	(1,797,572)
Transfer to 2018 Capital Reserve	(172,099)	-	(172,099)

See accompanying independent auditor's report.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

POST-SECONDARY EDUCATION PROGRAM SUMMARY
Year Ended June 30, 2024

	Practical Nursing	Higher Education	Financial Aid	Perkins	Total
Revenues					
Local Sources					
Other revenues	$ 461,598	$ 2,041,367	$ 188,230	$ -	$ 2,691,195
State Sources					
Vocational education subsidy	242,736	88,078	-	-	330,814
Reimbursement - FICA	37,770	61,767	7,492	-	107,029
Reimbursement - Retirement	157,254	254,985	38,433	-	450,672
State financial aid	311,818	139,324	-	-	451,142
Financial aid student refunds	(277,252)	(62,942)	-	-	(340,194)
Federal Sources					
Federal financial aid - Pell	911,966	245,010	-	-	1,156,976
Federal financial aid - Direct	1,582,981	624,000	-		2,206,981
Perkins	-	-	-	157,162	157,162
Financial aid student refunds	(306,670)	(130,763)	-	-	(437,433)
Total revenues	3,122,201	3,260,826	234,155	157,162	6,774,344
Expenditures					
100 - Salaries	999,770	1,705,335	209,285	34,104	2,948,494
200 - Benefits	549,988	1,011,527	140,717	25,679	1,727,911
300 - Professional & technical services	313,029	54,942	420	18,712	387,103
400 - Property services	118,995	90,344	-	-	209,339
500 - Other purchased service	6,577	239,883	241	4,833	251,534
600 - Supplies	97,291	258,823	245	73,834	430,193
700 - Equipment	46,161	47,421	-	-	93,582
800 - Dues and fees	14,734	37,721	-	-	52,455
Total expenditures	2,146,545	3,445,996	350,908	157,162	6,100,611
Financial aid allocation	(55,458)	(61,295)	116,753		-
Net revenues over expenditures	$ 920,198	$ (246,465)	$ -	$ -	$ 673,733

See accompanying independent auditor's report.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Joint Operating Committee
Lancaster County Career and Technology Center
Lancaster, 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 Lancaster County Career and Technology Center (Center), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements and have issued our report thereon dated March 11, 2025.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Center'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

Lancaster County Career and Technology Center's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Center's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The Center's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Center'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 Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Boyer & Ritter

Camp Hill, Pennsylvania
March 11, 2025

Boyer & Ritter LLC
Certified Public Accountants and Consultants

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

Joint Operating Committee
Lancaster County Career and Technology Center
Lancaster, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Lancaster County Career and Technology Center's (Center) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Center's major federal programs for the year ended June 30, 2024. The Center'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 Center 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,* 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 Center and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe 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 Center'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 Center'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 Center'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 Center'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 Center '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 Center'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 Center'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.

Boyer & Ritter

Camp Hill, Pennsylvania
March 11, 2025

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 deficiency(ies) identified that are not considered to be a material weakness (es)? _X_ Yes ____ 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 deficiency(ies) identified that are not considered to be a material weakness (es)? ____ Yes _X_ No

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

- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? __ Yes _X_ No

Identification of the major programs:

Assistance Listing Number	Name of Federal Programs/Cluster
	Student Financial Assistance Cluster
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans

Dollar threshold used to distinguish between Type A and Type B programs $750,000

Auditee qualified as low-risk auditee? ____ Yes _X_ No

Section II -- Financial Statement Findings

A. Significant Deficiency in Internal Control

2024-001 - Closing Adjustments

Criteria: The Center should have procedures in place to identify any significant adjustments necessary to their financial statements, including the posting of all adjustments necessary to present financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).

Condition: During our audit, adjustments were made to the Center's records based on the result of our procedures. There were both auditor identified adjusting entries and management identified adjusting entries posted subsequent to receiving trial balances to begin the audit. Management does approve all adjustments and reviews and accepts the financial statements prior to their final issuance.

Cause and Effect: When the financial close process does not properly include all year-end accruals and adjusting journal entries, the accounting records do not provide the proper basis for preparation of financial statements. By not performing timely reconciliations, the risk that material errors, irregularities, or fraud could go undetected increases.

Identification of Repeat Finding: Yes, 2023-001

Recommendation: The Center should review and revise, where necessary, its year-end closing procedures to proactively address these adjustments in the future. Closing procedures should include a review of revenue, expenditure and balance sheet accounts for completeness and accuracy. Any necessary reconciliations should be maintained as part of the Center's accounting records. The closing adjustments should be posted to the Center's accounts prior to the start of audit fieldwork.

Management Response: The Center recognizes this significant deficiency, due to multiple transitions in leadership in the Business Office. One Business Manager worked for part of the fiscal year and an interim helped out on some tasks after that person left employment. For multiple months, there was not even an interim in place. Starting in September 2024, a new CFO / Business Manager and a part-time consultant worked on catching things up after a year and a half of undone tasks and entries. Some things were completed, and it was an improvement over the 2022-23 audit, but we have a long way to go and are committed to making every effort to complete appropriate year-end closing entries in a timely manner for the 2024-25 fiscal year.

B. Compliance Findings

There were no compliance findings relating to the financial statement audit required to be reported.

Section III -- Federal Award Findings and Questioned Costs

A. Compliance Findings

There were no findings relating to the Federal awards as required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance.

B. Significant Deficiency(ies) in Internal Control

There were no findings relating to the Federal awards as required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024

Grantor Program Title	Assistance Listing Number	Pass-Through Grantor's Number	Grant Period	Program or Annual Award	Total Received (Refunded) for the Year	Accrued or (Deferred) Revenue at July 1, 2023	Revenue Recognized	Expenditures Recognized	Accrued or (Deferred) Revenue at June 30, 2024	Provided to Subrecipients
U.S. Department of Education										
Student Financial Assistance Cluster										
Federal Pell Grant Program	84.063	N/A	24-25	N/A	$ 10,709	$ -	$ 10,709	$ 10,709	$ -	$ -
Federal Pell Grant Program	84.063	N/A	23-24	N/A	1,073,965	5,882	1,068,083	1,068,083	-	-
Federal Pell Grant Program	84.063	N/A	22-23	N/A	15,984	(62,200)	78,184	78,184	-	-
					1,100,658	(56,318)	1,156,976	1,156,976	-	-
Federal Direct Student Loans	84.268	N/A	24-25	N/A	-	-	-	-	-	-
Federal Direct Student Loans	84.268	N/A	23-24	N/A	1,965,504	(11,760)	1,977,264	1,977,264	-	-
Federal Direct Student Loans	84.268	N/A	22-23	N/A	43,864	(185,853)	229,717	229,717	-	-
					2,009,368	(197,613)	2,206,981	2,206,981	-	-
Total Student Financial Assistance Cluster					3,110,026	(253,931)	3,363,957	3,363,957	-	-
Passed through the Pennsylvania Department of Education										
Career and Technical Education - Basic Grants to States (Perkins V)	84.048	380-24-0053	23-24	$ 920,768	767,307	-	879,371	879,371	112,064	-
Career and Technical Education - Basic Grants to States (Perkins V)	84.048	380-23-0039	22-23	$ 949,986	(1,000)	46,432	-	-	47,432	-
Career and Technical Education - Basic Grants to States (Perkins V)	84.048	381-24-0018	23-24	$ 225,917	169,438	-	157,162	157,162	(12,276)	-
Career and Technical Education - Basic Grants to States (Perkins V)	84.048	381-23-0014	22-23	$ 269,728	12,182	12,182	-	-	-	-
					947,927	58,614	1,036,533	1,036,533	147,220	-
COVID-19 - American Rescue Plan - Elementary & Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	224-21-1161	20-25	$ 1,349,258	147,192	72,864	422,844	422,844	348,516	-
Total passed through the Pennsylvania Department of Education					1,095,119	131,478	1,459,377	1,459,377	495,736	-
Total U.S. Department of Education					4,205,145	(122,453)	4,823,334	4,823,334	495,736	-
U.S. Department of Agriculture										
Passed through the Pennsylvania Department of Education										
National School Lunch Program	10.555	N/A	23-24	N/A	282,124	-	305,349	305,349	23,225	-
National School Lunch Program	10.555	N/A	22-23	N/A	23,131	23,131	-	-	-	-
COVID-19 - National School Lunch Program - Supply Chain Assistance	10.555	N/A	23-24	N/A	37,809	-	22,646	22,646	(15,163)	-
COVID-19 - National School Lunch Program - Supply Chain Assistance	10.555	N/A	22-23	N/A	-	(41,026)	41,026	41,026	-	-
					343,064	(17,895)	369,021	369,021	8,062	-
COVID-19 - Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grant	10.649	N/A	23-24	N/A	653	-	653	653	-	-
Total passed through the Pennsylvania Department of Education					343,717	(17,895)	369,674	369,674	8,062	-
Passed through the Pennsylvania Department of Agriculture										
National School Lunch Program - Food Donations	10.555	N/A	23-24	N/A	59,799	-	59,799	59,799	-	-
Total U.S. Department of Agriculture					403,516	(17,895)	429,473	429,473	8,062	-
Total Expenditures of Federal Awards					$ 4,608,661	$ (140,348)	$ 5,252,807	$ 5,252,807	$ 503,798	$ -
Child Nutrition Cluster (Assistance Listing Number - 10.555)					$ 402,863	$ (17,895)	$ 428,820	$ 428,820	$ 8,062	$ -

See Notes to Schedule of Expenditures of Federal Awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Lancaster County Career and Technology Center under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of Lancaster County Career and Technology Center, it is not intended to and does not present the financial position, changes in net position, or cash flows of Lancaster County Career and Technology Center.

Note 2. Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Revenue is recognized when earned, and expenses are recognized when incurred. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available. The Center has not elected to use the 10-percent de Minimis indirect cost rate as allowed under the Uniform Guidance.

SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS
Year Ended June 30, 2024

Financial Statement Finding - Material Weakness

#2023-001 – Closing Adjustments

Condition: During our audit, adjustments were made to the Center's records based on the result of our procedures. There were both auditor identified adjusting entries and management identified adjusting entries posted subsequent to receiving trial balances to begin the audit. Management does approve all adjustments and reviews and accepts the financial statements prior to their final issuance.

Recommendation: The Center should review and revise, where necessary, its year-end closing procedures to proactively address these adjustments in the future. Closing procedures should include a review of revenue, expenditure and balance sheet accounts for completeness and accuracy. Any necessary reconciliations should be maintained as part of the Center's accounting records. The closing adjustments should be posted to the Center's accounts prior to the start of audit fieldwork.

Current Status: The Center experienced staffing challenges, not unlike many districts and businesses, which continued to provide workflow challenges. The Center recognizes the importance of timely and accurate financial reporting and is committed to continuing to improve in this area.

Federal Award Findings and Questioned Costs – Significant Deficiencies

#2023-002 – Cash Management and Reporting

Condition: The Center did not file the required quarterly reports for June 2023 and had a late filing for September 2022 report for grant #224-21-1161.

Also, the Center did not file quarterly reports for June 2023 and September 2022 for grant #380-23-0039 and #381-23-0014.

Recommendation: Procedures should be established to ensure that the Center files all quarterly cash on hand within 10 days of quarter ending and final expenditure reports within 30 days after the funds are expended, but no later than 30 days after the ending date of the project.

Current Status: The Center recognizes the oversight and has caught up the filing for these missed quarterly reports. The Center has put in place safeguards to better ensure compliance.

#2023-003 – Equipment and Real Property Management

Condition: The Center did not receive proper approval for the purchase of capital equipment purchased with grant funds in the current year.

Recommendation: Procedures should be established to ensure that the Center does not purchase equipment outside the standards set by the grant agreement and compliance supplement.

Current Status: The Center recognizes the oversight and has been in contact with the Department of Education to take necessary steps to remedy the questioned costs. The Center also plans to ensure proper monitoring of spreadsheet reconciliations, and conduct regular review of grant documentation.

#2023-004 – Procurement

Condition: The Center did not follow the appropriate procedures to comply with Uniform Grant Guidance. During testing, it was noted that the Center made procurements through noncompetitive procurement arrangements. Consistent with 2 CFR § 200.320(c)(3), an LEA may determine that its response to the COVID-19 pandemic qualifies as a public exigency or emergency that does not permit the delay that would result from competitive bidding. Under these circumstances, and to the degree doing so is consistent with its own policies and procedures, the Center could use noncompetitive procurement. The Center should consult with the Pennsylvania Department of Education before using this authority. Subsequently, the Center paid for this purchase utilizing the Education Stabilization Fund and Career and Technical Education monies. In using federal funds to pay for these items, the Center inadvertently did not follow its procurement policy.

Recommendation: We recommend that when the Center decides to utilize cooperative purchasing programs or noncompetitive purchasing arrangements and use federal funds to pay for those purchases they ensure that they comply with their procurement policy. The Center should then document its process and how it complies with the procurement standards and keep such documentation with Federal Award budget/procurement documents.

Current Status: The Center recognizes the oversight in this purchasing decision and is committed to following all internal and external policies in our purchasing transactions.

#2023-005 – Eligibility

Condition: The Center did not retain the eligibility documentation for one student and there was an incorrect computation for one student.

Recommendation: We recommend that controls be reviewed and revised to ensure that accuracy and completeness of data used to determine eligibility requirements are reviewed and agreed to proper documentation as necessary by staff and reviewed by a knowledgeable supervisor.

Current Status: The Center recognizes this finding and has increased the frequency of updates and the thoroughness of review for the PrimeroEdge system.

CORRECTIVE ACTION PLAN
Year Ended June 30, 2024

This corrective action plan was developed in response to 2023-2024 audit findings presented by Boyer Ritter, LLC.

Finding 1: Internal Control – Significant Deficiency 2024-001 - Closing Adjustments

The Center should have procedures in place to identify any significant adjustments necessary to their financial statements, including the posting of all adjustments necessary to present financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).

Finding 1: Response and Planned Corrective Action: The Center recognizes this significant deficiency, due to multiple transitions in leadership in the Business Office. One Business Manager worked for part of the fiscal year and an interim helped out on some tasks after that person left employment. For multiple months, there was not even an interim in place. Starting in September 2024, a new CFO and a part-time consultant worked on catching things up after a year and a half of undone tasks and entries. Some things were completed, and it was an improvement over the 2022-23 audit, but we have a long way to go and are committed to making every effort to complete appropriate year-end closing entries in a timely manner for the 2024-25 fiscal year.

Planned Corrective Action: Completion date: August 31, 2025. Persons Responsible: Jeremy Wiker, CFO/Business Manager

- The CFO will review and revise, where necessary, its year-end closing procedures to proactively address these adjustments in the future.
- Closing procedures will include a review of revenue, expenditure and balance sheet accounts for completeness and accuracy.
- Any necessary reconciliations will be maintained as part of the Center's accounting records.
- The closing adjustments will be posted to the Center's accounts prior to the start of audit fieldwork.

Please contact me with questions.

Sincerely,

Jeremy Wiker
Chief Financial Officer/Business Manager