

**LANCASTER COUNTY CAREER AND
TECHNOLOGY CENTER**

FINANCIAL REPORT

JUNE 30, 2025

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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, 2025, 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, 2025, 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.

Change in Accounting Principle

As described in Note 1 to the financial statements, as of July 1, 2024, the Lancaster County Career and Technology Center adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

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 supplementary information as listed in the Contents and 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*, are presented for purposes of additional analysis and are 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 supplementary information as listed in the Contents and 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 January 12, 2026, 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.

A handwritten signature in cursive script that reads "Boyer & Ritten". The signature is written in black ink and is positioned centrally on the page.

Camp Hill, Pennsylvania
January 12, 2026

LANCASTER COUNTY CAREER AND TECHNICAL CENTER

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2025

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, 2025. 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, 2025. 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

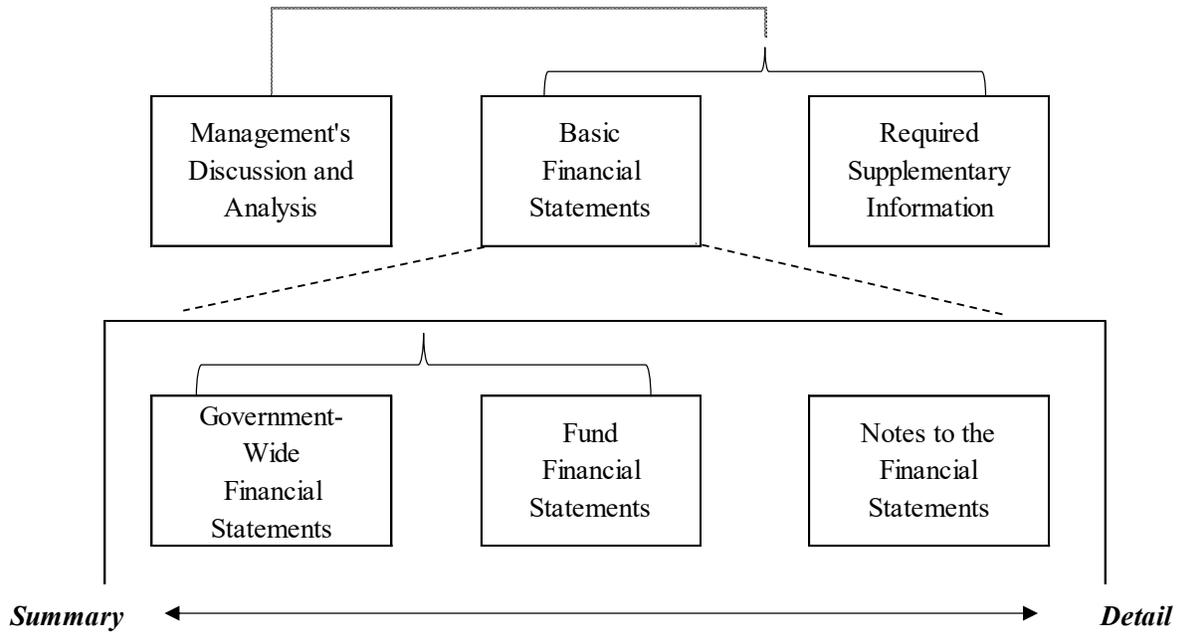
The Center's basic financial statements consist of a Statement of Net Position and a Statement of Activities which are prepared on an accrual basis of accounting in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). These statements 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.

LANCASTER COUNTY CAREER AND TECHNICAL CENTER

**MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2025**

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



LANCASTER COUNTY CAREER AND TECHNICAL CENTER

**MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2025**

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.

LANCASTER COUNTY CAREER AND TECHNICAL CENTER

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2025

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.

LANCASTER COUNTY CAREER AND TECHNICAL CENTER

**MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2025**

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 \$27,331,000 at June 30, 2025, which represents a decrease of \$4,076,000 from last year.

**Table A-1
Fiscal Years Ended June 30, 2025 and June 30, 2024
Net Position**

	Governmental Activities		Business-Type Activities		Center Total	
	6/30/2025	6/30/2024	6/30/2025	6/30/2024	6/30/2025	6/30/2024
Assets/Outflows						
Current and other assets	\$ 15,089,394	\$ 14,673,714	\$ (314,386)	\$ (46,865)	\$ 14,775,008	\$ 14,626,849
Net capital and right-to-use assets	40,364,112	40,483,592	242,932	161,897	40,607,044	40,645,489
Deferred outflows	5,315,173	6,192,660	92,000	109,000	5,407,173	6,301,660
Total assets/outflows	\$ 60,768,679	\$ 61,349,966	\$ 20,546	\$ 224,032	\$ 60,789,225	\$ 61,573,998
Liabilities/Inflows						
Current and other liabilities	\$ 8,128,536	\$ 7,424,334	\$ 14,603	\$ 89,174	\$ 8,143,139	\$ 7,513,508
Long-term liabilities	42,373,925	47,228,268	547,000	628,000	42,920,925	47,856,268
Deferred inflows	3,326,186	2,593,475	51,000	35,000	3,377,186	2,628,475
Total liabilities/inflows	\$ 53,828,647	\$ 57,246,077	\$ 612,603	\$ 752,174	\$ 54,441,250	\$ 57,998,251
Net Position (Deficit)						
Net investment in capital assets	\$ 26,451,455	\$ 25,577,506	\$ 242,932	\$ 161,897	\$ 26,694,387	\$ 25,739,403
Restricted	3,832,934	1,493,894	-	-	3,832,934	1,493,894
Unrestricted (deficit)	(23,344,357)	(22,967,511)	(834,989)	(690,039)	(24,179,346)	(23,657,550)
Total net position (deficit)	\$ 6,940,032	\$ 4,103,889	\$ (592,057)	\$ (528,142)	\$ 6,347,975	\$ 3,575,747

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

LANCASTER COUNTY CAREER AND TECHNICAL CENTER

**MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2025**

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 Center 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, 2025 and June 30, 2024
Changes in Net Position**

	Governmental Activities		Business-Type Activities		Center Total	
	6/30/2025	6/30/2024	6/30/2025	6/30/2024	6/30/2025	6/30/2024
Revenues						
Program revenues:						
Charges for services	\$ 3,738,089	\$ 3,807,052	\$ 217,143	\$ 338,079	\$ 3,955,232	\$ 4,145,131
Operating grants and contributions	10,249,487	9,729,090	385,288	598,517	10,634,775	10,327,607
Capital grants and contributions	740,066	599,361	-	-	740,066	599,361
General revenues:						
Receipts from member school districts	18,670,942	17,804,455	-	-	18,670,942	17,804,455
Investment earnings	278,863	338,985	21,271	19,459	300,134	358,444
Gain on sale of assets	33,794	29,942	-	-	33,794	29,942
Miscellaneous income	118,235	3,809	-	-	118,235	3,809
Total revenues	33,829,476	32,312,694	623,702	956,055	34,453,178	33,268,749
Expenses						
Regular instruction	248,661	239,411	-	-	248,661	239,411
Vocational education	9,442,197	8,731,650	-	-	9,442,197	8,731,650
Adult education	6,333,780	5,862,547	-	-	6,333,780	5,862,547
Higher education for secondary students	5,511	18,069	-	-	5,511	18,069
Student services	1,374,547	1,549,399	-	-	1,374,547	1,549,399
Instructional staff	1,081,456	987,472	-	-	1,081,456	987,472
Administration	2,219,778	2,297,604	-	-	2,219,778	2,297,604
Pupil health	189,580	194,547	-	-	189,580	194,547
Business services	761,038	657,942	-	-	761,038	657,942
Operation of plant and maintenance services	3,929,962	4,466,847	-	-	3,929,962	4,466,847
Student transportation services	1,602,960	1,385,759	-	-	1,602,960	1,385,759
Central services	2,703,540	1,137,298	-	-	2,703,540	1,137,298
Student activities	382,823	380,300	-	-	382,823	380,300
Community services	4,758	5,285	-	-	4,758	5,285
Interest on long-term debt	471,897	471,626	-	-	471,897	471,626
Food service	-	-	687,617	932,076	687,617	932,076
Total expenses	30,752,488	28,385,756	687,617	932,076	31,440,105	29,317,832
Changes in net position	\$ 3,076,988	\$ 3,926,938	\$ (63,915)	\$ 23,979	\$ 3,013,073	\$ 3,950,917

LANCASTER COUNTY CAREER AND TECHNICAL CENTER

**MANAGEMENT’S DISCUSSION AND ANALYSIS
Year Ended June 30, 2025**

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, 2025 and June 30, 2024
Governmental Activities**

	2025		2024	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Functions/Programs				
Regular instruction	\$ 248,661	\$ 218,819	\$ 239,411	\$ 212,856
Vocational education	9,442,197	3,212,885	8,731,650	3,181,387
Adult education	6,333,780	(703,240)	5,862,547	(684,778)
Higher education for secondary students	5,511	5,511	18,069	18,069
Student services	1,374,547	1,209,640	1,549,399	1,098,597
Instructional staff	1,081,456	995,029	987,472	904,419
Administration	2,219,778	2,011,474	2,297,604	2,067,731
Pupil health	189,580	168,744	194,547	174,758
Business services	761,038	694,763	657,942	591,496
Operation of plant and maintenance services	3,929,962	3,678,101	4,466,847	4,030,415
Student transportation services	1,602,960	1,602,960	1,385,759	1,385,759
Central services	2,703,540	2,400,199	1,137,298	779,596
Student activities	382,823	53,306	380,300	13,037
Community services	4,758	4,758	5,285	5,285
Interest on long-term debt	471,897	471,897	471,626	471,626
Total Governmental Activities	<u>\$ 30,752,488</u>	<u>16,024,846</u>	<u>\$ 28,385,756</u>	<u>14,250,253</u>
Less: Unrestricted Grants, Subsidies and Contributions		-		-
Total Needs from Member School Districts and Other Revenues		<u>\$ 16,024,846</u>		<u>\$ 14,250,253</u>

LANCASTER COUNTY CAREER AND TECHNICAL CENTER

**MANAGEMENT’S DISCUSSION AND ANALYSIS
Year Ended June 30, 2025**

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, 2025 and June 30, 2024
Business-Type Activities**

	2025		2024	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Functions/Programs				
Food Service	\$ 687,617	\$ 85,186	\$ 932,076	\$ (4,520)
Less:				
Investment Earnings and Transfers		(21,271)		(19,459)
Total Business-Type Activities	\$ 687,617	\$ 63,915	\$ 932,076	\$ (23,979)

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

The Center’s Funds

At June 30, 2025, the Center’s governmental funds reported a combined fund balance of \$6,461,391 which represents an increase of \$427,484 from June 30, 2024. The primary reason for this increase is revenue exceeding expenses in post-secondary programs. We are working on a long-term plan for facility renovation or rebuild and will be using existing fund balance to start the implementation of that process.

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.

LANCASTER COUNTY CAREER AND TECHNICAL CENTER

**MANAGEMENT’S DISCUSSION AND ANALYSIS
Year Ended June 30, 2025**

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, 2025 and June 30, 2024
Capital and Right-to-use Assets (net of depreciation/amortization)**

	2025	2024	Change
Governmental Activities			
Land	\$ 1,096,243	\$ 1,096,243	\$ -
Construction-in-progress	203,604	-	203,604
Construction-in-progress - house projects	1,345,079	1,184,357	160,722
Land improvements	951,104	1,028,561	(77,457)
Buildings	30,419,370	31,423,529	(1,004,159)
Equipment	6,092,244	5,553,427	538,817
Right-to-use leased equipment	235,190	133,641	101,549
Right-to-use subscription assets	21,278	63,834	(42,556)
Business-Type Activities			
Equipment	242,932	161,897	81,035
Total Capital Assets	\$ 40,607,044	\$ 40,645,489	\$ (38,445)

The Center had a decrease of \$38,445 in capital assets. More detailed information about our capital assets is included in the notes to the financial statements.

Financial Highlights - 2024-2025

- District contributions of \$18,670,942 accounted for 55.39% of the total General Fund revenues of \$33,709,568. 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 \$35,752. The JOC resolved to the 2018 Capital Reserve Fund, for the purpose of future facilities and equipment improvements.
- Adult education programming netted a profit of \$936,372 for the year, \$50,000 of which were allocated to planning and development of future adult education projects. The JOC resolved to transfer the remainder of \$886,372 transferred to the 2001 Capital Reserve Fund for future facilities and equipment improvements.

LANCASTER COUNTY CAREER AND TECHNICAL CENTER

**MANAGEMENT’S DISCUSSION AND ANALYSIS
Year Ended June 30, 2025**

General Fund Budget:

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

	Budgeted Revenue	
	2024/25	2025/26
Local	78.16%	76.79%
State	18.03%	19.55%
Federal/Other	3.81%	3.66%
	Budgeted Expenditures	
	2024/25	2025/26
Instruction	41.67%	42.08%
Support services	50.43%	50.27%
Non-instruction / community	0.41%	0.45%
Fund transfer / debt service	7.49%	7.20%

The economic climate for Lancaster County schools continues in the same vein as has been the case for the last ten years and the 2025-2026 LCCTC General Fund Budget reflects this reality. The overall Center contribution is proposed to increase by 4.01%, which is under the Base Act 1 Index. This increase is largely due to increased attendance, along with rising personnel costs.

The 2025-2026 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

LANCASTER COUNTY CAREER AND TECHNICAL CENTER

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2025

Economic Factors in 2025-2026 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 2025-2026 budget. In this economic climate, LCCTC proposed a 5.30% increase in Center Contributions for 2024-2025 and a 4.01% increase for 2025-2026.

The Joint Operating Committee (JOC) and participating School Districts allowed LCCTC to budget for all positions in 2025-2026 based on previous class offerings. LCCTC monitors enrollment annually and makes adjustments to class offerings in concert with Center 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 current agreement follows two years of rollover MOUs.

The Public School Employees' Retirement System employer contribution rate has 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, 34.00% for 2023/24, and 33.90% for 2024/25). The employer contribution rate for 2025-26 is 34.00%.

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 \$26,000 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 current 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 AND TECHNICAL CENTER

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended June 30, 2025

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 in its 20th year of operation in 2025.

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 land, 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, 2025

	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 9,754,328	\$ 201,014	\$ 9,955,342
Due from other governments	4,298,060	-	4,298,060
Internal balances	549,636	(549,636)	-
Other receivables	1,308	24,083	25,391
Inventories	466,238	10,153	476,391
Prepaid expenses	19,824	-	19,824
Total current assets	15,089,394	(314,386)	14,775,008
Capital and right-to-use assets, net			
Land	1,096,243	-	1,096,243
Construction-in-progress	203,604	-	203,604
Construction - house projects	1,345,079	-	1,345,079
Land improvements	951,104	-	951,104
Buildings	30,419,370	-	30,419,370
Equipment	6,092,244	242,932	6,335,176
Right-to-use leased assets	235,190	-	235,190
Right-to-use subscription assets	21,278	-	21,278
Total capital and right-to-use assets, net	40,364,112	242,932	40,607,044
Total assets	\$ 55,453,506	\$ (71,454)	\$ 55,382,052
Deferred Outflows of Resources			
Deferred amounts on refinancing of bonds, net of amortization	\$ 465,790	\$ -	\$ 465,790
Deferred amounts on pension liability	4,533,000	92,000	4,625,000
Deferred amounts on OPEB liabilities	316,383	-	316,383
Total deferred outflows of resources	\$ 5,315,173	\$ 92,000	\$ 5,407,173
Liabilities			
Current liabilities			
Due to other governments	\$ 926,993	\$ -	\$ 926,993
Accounts payable	3,002,873	8,691	3,011,564
Current portion of bonds/notes payable	990,000	-	990,000
Current portion of leases payable	128,668	-	128,668
Current portion of financed purchase agreements	117,439	-	117,439
Current portion of accumulated compensated absences	57,865	-	57,865
Accrued salaries and benefits	2,877,736	795	2,878,531
Payroll deductions and withholdings	26,962	-	26,962
Unearned revenues	-	5,117	5,117
Total current liabilities	8,128,536	14,603	8,143,139
Long-term liabilities			
Bonds/notes payable, net of unamortized premium	12,644,632	-	12,644,632
Leases payable	109,594	-	109,594
Financed purchased agreements payable	388,114	-	388,114
Long-term portion of accumulated compensated absences	694,957	-	694,957
Net pension liability	26,784,000	547,000	27,331,000
Other post-employment benefits (OPEB) liabilities	1,752,628	-	1,752,628
Total long-term liabilities	42,373,925	547,000	42,920,925
Total liabilities	\$ 50,502,461	\$ 561,603	\$ 51,064,064
Deferred Inflows of Resources			
Deferred amounts on pension liability	\$ 2,521,000	\$ 51,000	\$ 2,572,000
Deferred amounts on OPEB liabilities	805,186	-	805,186
Total deferred inflows of resources	\$ 3,326,186	\$ 51,000	\$ 3,377,186
Net Position (Deficit)			
Net investment in capital assets	\$ 26,451,455	\$ 242,932	\$ 26,694,387
Restricted for capital projects	3,832,934	-	3,832,934
Unrestricted (deficit)	(23,344,357)	(834,989)	(24,179,346)
Total net position (deficit)	\$ 6,940,032	\$ (592,057)	\$ 6,347,975

See Notes to Financial Statements.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Regular instruction	\$ 248,661	\$ -	\$ 29,842	\$ -	\$ (218,819)	\$ -	\$ (218,819)
Vocational education	9,442,197	122,882	5,366,364	740,066	(3,212,885)	-	(3,212,885)
Adult education	6,333,780	2,969,432	4,067,588	-	703,240	-	703,240
Higher education for secondary students	5,511	-	-	-	(5,511)	-	(5,511)
Student services	1,374,547	-	164,907	-	(1,209,640)	-	(1,209,640)
Instructional staff	1,081,456	-	86,427	-	(995,029)	-	(995,029)
Administration	2,219,778	-	208,304	-	(2,011,474)	-	(2,011,474)
Pupil health	189,580	-	20,836	-	(168,744)	-	(168,744)
Business services	761,038	-	66,275	-	(694,763)	-	(694,763)
Operation of plant and maintenance services	3,929,962	109,536	142,325	-	(3,678,101)	-	(3,678,101)
Student transportation services	1,602,960	-	-	-	(1,602,960)	-	(1,602,960)
Central services	2,703,540	206,722	96,619	-	(2,400,199)	-	(2,400,199)
Student activities	382,823	329,517	-	-	(53,306)	-	(53,306)
Community services	4,758	-	-	-	(4,758)	-	(4,758)
Interest on long-term debt	471,897	-	-	-	(471,897)	-	(471,897)
Total governmental activities	30,752,488	3,738,089	10,249,487	740,066	(16,024,846)	-	(16,024,846)
Business-Type Activities:							
Food service	687,617	217,143	385,288	-	-	(85,186)	(85,186)
Total primary government	\$ 31,440,105	\$ 3,955,232	\$ 10,634,775	\$ 740,066	\$ (16,024,846)	\$ (85,186)	\$ (16,110,032)
General Revenues:							
Receipts from member school districts					\$ 18,670,942	\$ -	\$ 18,670,942
Investment earnings					278,863	21,271	300,134
Gain on sale of assets					33,794	-	33,794
Total general revenues					19,101,834	21,271	19,123,105
Change in net position					3,076,988	(63,915)	3,013,073
Net Position (Deficit) - July 1, 2024					4,103,889	(528,142)	3,575,747
Prior period adjustment (see Note 1)					(240,845)	-	(240,845)
Net Position (Deficit) - July 1, 2024 (restated)					3,863,044	(528,142)	3,334,902
Net Position (Deficit) - June 30, 2025					\$ 6,940,032	\$ (592,057)	\$ 6,347,975

See Notes to Financial Statements.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2025

	Major Funds		Non-major	Total Governmental Funds
	General Fund	Capital Projects Fund	Student Activity/ Production Fund	
Assets				
Cash and cash equivalents	\$ 6,203,505	\$ 3,332,909	\$ 217,914	\$ 9,754,328
Due from other funds	1,069,550	693,520	86,932	1,850,002
Due from other governments	4,298,060	-	-	4,298,060
Other receivables	1,308	-	-	1,308
Inventories	466,238	-	-	466,238
Total assets	\$ 12,038,661	\$ 4,026,429	\$ 304,846	\$ 16,369,936
Liabilities				
Due to other funds	\$ 3,025,812	\$ 193,495	\$ 64,248	\$ 3,283,555
Due to other governments	926,993	-	-	926,993
Accounts payable	1,656,679	1,129,378	7,242	2,793,299
Accrued salaries and benefits	2,877,736	-	-	2,877,736
Payroll deductions and withholdings	26,962	-	-	26,962
Total liabilities	8,514,182	1,322,873	71,490	9,908,545
Fund Balances				
Nonspendable	466,238	-	-	466,238
Restricted	-	3,832,934	-	3,832,934
Committed	207,272	-	-	207,272
Assigned	100,000	-	233,356	333,356
Unassigned (deficit)	2,750,969	(1,129,378)	-	1,621,591
Total fund balances	3,524,479	2,703,556	233,356	6,461,391
Total liabilities and fund balances	\$ 12,038,661	\$ 4,026,429	\$ 304,846	\$ 16,369,936

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, 2025

Total fund balances - governmental funds	\$	6,461,391
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
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 \$74,916,465 and the accumulated depreciation/amortization is \$34,552,353.		40,364,112
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.		1,773,615
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.		465,790
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		4,533,000
Deferred inflows		(2,521,000)
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		316,383
Deferred inflows		(805,186)
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	(13,614,808)	
Leases payable	(238,262)	
Financed purchase agreements payable	(505,553)	
Net pension liability	(26,784,000)	
OPEB liabilities	(1,752,628)	
Accumulated compensated absences	(752,822)	(43,648,073)
Total net position - governmental activities	\$	6,940,032

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, 2025

	Major Funds		Non-major	Totals Governmental Funds
	General Fund	Capital Projects Fund	Student Activity/ Production Fund	
Revenues				
Local sources:				
Receipts from member school districts	\$ 18,664,237	\$ -	\$ -	\$ 18,664,237
Rentals	53,719	-	-	53,719
Investment earnings	232,649	46,213	-	278,862
Contributions	22,000	-	-	22,000
Tuition	2,866,172	-	-	2,866,172
Revenue from Center activities	226,142	-	-	226,142
Revenue from student activities and production	-	-	329,516	329,516
Other revenue	240,539	-	-	240,539
Total local sources	22,305,458	46,213	329,516	22,681,187
State sources	6,623,738	-	-	6,623,738
Federal sources	4,484,051	-	-	4,484,051
Total revenues	33,413,247	46,213	329,516	33,788,976
Expenditures				
Current:				
Instruction	17,236,702	53,000	-	17,289,702
Support services	13,877,487	2,820	-	13,880,307
Operation of non-instructional services	75,602	-	317,714	393,316
Total current	31,189,791	55,820	317,714	31,563,325
Capital outlay				
Facilities acquisition, construction and improvement services	-	400,682	-	400,682
Debt services				
Principal	1,126,671	110,321	-	1,236,992
Interest and fiscal charges	420,982	35,832	-	456,814
Total debt services	1,547,653	146,153	-	1,693,806
Total expenditures	32,737,444	602,655	317,714	33,657,813
Excess (deficiency) of revenues over (under) expenditures	675,803	(556,442)	11,802	131,163
Other Financing (Uses) Sources				
Transfers in (out)	(922,124)	922,124	-	-
Proceeds from leases	234,869	-	-	234,869
Proceeds from sale of capital assets	61,452	-	-	61,452
Total other financing (uses) sources	(625,803)	922,124	-	296,321
Net change in fund balances	50,000	365,682	11,802	427,484
Fund Balances - July 1, 2024	5,272,051	540,302	221,554	6,033,907
Prior period adjustment (see Note 1)	(1,797,572)	1,797,572	-	-
Fund Balances - July 1, 2024 (restated)	3,474,479	2,337,874	221,554	6,033,907
Fund Balances - June 30, 2025	\$ 3,524,479	\$ 2,703,556	\$ 233,356	\$ 6,461,391

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, 2025

Net changes in fund balances - governmental funds	\$	427,484
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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 depreciation/amortization of capital or right-to-use assets and the net book value of disposed assets exceed capital outlays.

Capital outlays	2,000,272	
Less net book value of disposed assets	(32,666)	
Less depreciation/amortization expense	<u>(2,087,086)</u>	(119,480)

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.	(622,748)
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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)	4,013,000
Cost of benefits earned net of employee contributions (PSERS)	(1,553,000)

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	(97,747)
Change in other post-employment benefits (Center's Plan)	37,703

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 leases payable	(234,869)
Repayment of long-term debt	950,000
Repayment of leases payable	131,766
Repayment of subscription liabilities	49,641
Repayment of financed purchase agreements	110,321
Amortization of bond insurance costs	(1,651)
Amortization of charges for bond refunding	(38,818)
Amortization of bond premium	<u>25,386</u>
	<u>991,776</u>

Change in net position - governmental activities	\$	<u><u>3,076,988</u></u>
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See Notes to Financial Statements.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

June 30, 2025

	Business-Type Activities	Governmental Activities
	Food Service Fund	Internal Service Fund
Assets		
Current assets		
Cash and cash equivalents	\$ 201,014	\$ -
Due from other funds	-	1,983,189
Receivables		
Other	24,083	-
Inventories	10,153	-
Total current assets	235,250	1,983,189
Noncurrent assets		
Machinery and equipment, net of accumulated depreciation	242,932	-
Total assets	\$ 478,182	\$ 1,983,189
Deferred Outflows of Resources		
Deferred amounts on pension liability	\$ 92,000	\$ -
Liabilities		
Current liabilities		
Due to other funds	\$ 549,636	\$ -
Accounts payable	8,691	209,574
Accrued salaries and benefits	795	-
Unearned revenues	5,117	-
Total current liabilities	564,239	209,574
Noncurrent liabilities		
Net pension liability	547,000	-
Total liabilities	\$ 1,111,239	\$ 209,574
Deferred Inflows of Resources		
Deferred amounts on pension liability	\$ 51,000	\$ -
Net Position (Deficit)		
Net investment in capital assets	\$ 242,932	\$ -
Unrestricted (deficit)	(834,989)	1,773,615
Total net position (deficit)	\$ (592,057)	\$ 1,773,615

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, 2025

	Business-Type Activities	Governmental Activities
	Enterprise Fund	
	Food Service Fund	Internal Service Fund
Operating Revenues		
Lunch sales	\$ 216,448	\$ -
Contracted service revenue	695	-
Charges for services	-	2,850,006
	-	6,705
Total operating revenues	217,143	2,856,711
Operating Expenses		
Salaries	108,684	-
Employee benefits	16,572	2,998,301
Purchased professional and technical services	232,640	15,240
Purchased property services	7,408	-
Other purchased services	4,077	465,918
Supplies	290,458	-
Depreciation	24,852	-
Dues and fees	2,926	-
Total operating expenses	687,617	3,479,459
Operating income (loss)	(470,474)	(622,748)
Nonoperating Revenues		
State sources	33,806	-
Federal sources	351,482	-
Investment earnings	21,271	-
Total nonoperating revenues	406,559	-
Change in net position	(63,915)	(622,748)
Net Position (Deficit) - July 1, 2024	(528,142)	2,396,363
Net Position (Deficit) - June 30, 2025	\$ (592,057)	\$ 1,773,615

See Notes to Financial Statements.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

STATEMENT OF CASH FLOWS - FOOD SERVICE
Year Ended June 30, 2025

	Business-Type	Governmental
	Activities	Activities
	Food Service	Internal Service
	Fund	Fund
Cash Flows From Operating Activities		
Cash received from users	\$ 197,969	\$ -
Cash received from assessments made to other funds	-	3,479,459
Cash payments to employees for services	(172,461)	-
Cash payments to suppliers for goods and services	(825,328)	(3,479,459)
Net cash used in operating activities	(799,820)	-
Cash Flows From Noncapital Financing Activities		
State sources	34,687	-
Federal sources	334,965	-
Net cash provided by noncapital financing activities	369,652	-
Cash Flows From Capital and Related Financing Activities		
Purchases of capital assets	(105,887)	-
Cash Flows From Investing Activities		
Investment earnings	21,271	-
Net change in cash and cash equivalents	(514,784)	-
Cash and Cash Equivalents:		
July 1, 2024	715,798	-
June 30, 2025	\$ 201,014	\$ -
Reconciliation of Operating Income (Loss) to Net Cash Used in Operating Activities		
Operating income (loss)	\$ (470,474)	\$ (622,748)
Adjustments to reconcile operating income (loss) to net cash used in operating activities		
Depreciation	24,852	-
Donated commodities	39,742	-
Decrease (increase) in:		
Due from other funds	-	551,166
Other receivables	(8,605)	-
Inventories	2,653	-
Deferred outflows of resources	17,000	-
(Decrease) increase in:		
Due to other funds	(265,417)	-
Accounts payable	(64,797)	71,582
Accrued salaries and benefits	795	-
Unearned revenues	(10,569)	-
Net pension liability	(81,000)	-
Deferred inflows of resources	16,000	-
Net cash used in operating activities	(799,820)	-
Supplemental Disclosure		
Noncash noncapital financing activity:		
USDA donated commodities	\$ 39,742	\$ -

See Notes to Financial Statements.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

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 Centers 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, 2025, the Center received \$1,365,470 of lease rental payments from the member Centers, which is included in the general fund receipts from member Centers. 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.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

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 Centers 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 Centers 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.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

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 Centers, 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.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

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 Centers, and a majority approval of the board members of the member Centers.

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.

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.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

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, 2025. 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.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

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:

<u>Assets</u>	<u>Years</u>
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.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO 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.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

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

Compensated Absences: Effective July 1, 2024, the Center implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This Statement establishes uniform recognition and measurement criteria for all types of compensated absences, including vacation, personal leave, sick leave, and other forms of paid time off that are attributable to services already rendered, accumulate and are more likely than not to be used or otherwise paid. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements.

As part of the implementation, the Center adopted a last-in, first-out (LIFO) flow assumption for the use of leave balances. Under this approach, the most recently earned leave is assumed to be used first. This assumption aligns with the Center's administrative practices and provides a more accurate reflection of the expected settlement value of compensated absences.

Under the terms of the Center's employment agreements, employees earn vacation, personal, and sick leave in varying amounts. The compensated absences liability includes the estimated value of leave expected to be used during employment, based on historical usage patterns, as well as amounts expected to be settled upon separation from service in accordance with contractual payout provisions. The liability is measured using current pay rates and includes applicable salary-related benefits.

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.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

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, 2025, are as follows:

	Governmental Activities	Business-Type Activities	Total
OPEB Liabilities			
Center's Single Employer Plan	\$ 585,628	\$ -	\$ 585,628
PSERS Cost-Sharing Plan	1,167,000	-	1,167,000
Total	\$ 1,752,628	\$ -	\$ 1,752,628
Deferred Outflows of Resources			
Center's Single Employer Plan	\$ 132,383	\$ -	\$ 132,383
PSERS Cost-Sharing Plan	184,000	-	184,000
Total	\$ 316,383	\$ -	\$ 316,383
Deferred Inflows of Resources			
Center's Single Employer Plan	\$ 443,186	\$ -	\$ 443,186
PSERS Cost-Sharing Plan	362,000	-	362,000
Total	\$ 805,186	\$ -	\$ 805,186

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.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO 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.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

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 are descriptions of significant pronouncements that were considered or initially selected during the year ended June 30, 2025:

GASB Statement No. 101, *Compensated Absences*, 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 non-cash 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*, 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.

The following are descriptions of accounting pronouncements which will be considered for implementation during subsequent fiscal years:

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.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

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.

Restatement of Beginning Net Position and Fund Balance: During the year ended June 30, 2025, the Center implemented GASB Statement No. 101, *Compensated Absences*. Implementation of the new standard changed the Center’s compensated absences liability measurement. The effects of the change in accounting principle are summarized in the “Restatement of Net Position - GASB 101 implementation” column in the table below.

During the year ended June 30, 2025, it was discovered that erroneous transfers were made during the prior year. The transfers were made from the General Fund to the Capital Projects Fund in the amount of \$1,797,572. GASB Statement No. 101, *Accounting Changes and Error Corrections*, states that an accounting error in a previous fiscal period should be corrected through a prior period adjustment. The effects of the adjustment are summarized in the “Restatement of Fund Balance - Error corrections” column in the table below.

	Net Position and Fund Balance at June 30, 2024, as previously reported	Restatement of Net Position - GASB 101 implementation	Restatement of Fund Balance - Error corrections	Net Position and Fund Balance at June 30, 2024, as restated
Government-wide				
Governmental Activities	\$ 4,103,889	\$ (240,845)	\$ -	\$ 3,863,044
Governmental Funds				
General Fund	\$ 5,272,051	\$ -	\$ (1,797,572)	\$ 3,474,479
Capital Projects Fund	\$ 540,302	\$ -	\$ 1,797,572	\$ 2,337,874

Subsequent Events: In preparing these financial statements, the Center has evaluated events and transactions for potential recognition or disclosure through January 12, 2026, the date the financial statements were available to be issued.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

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 \$650. 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, 2025, \$7,519,588 of the Center's bank balance of \$7,999,519 was exposed to custodial credit risk.

Reconciliation of Cash and Cash Equivalents to the Financial Statements:

	Amount
Uninsured amount	\$ 7,519,588
Insured amount	479,931
Bank balance	<u>7,999,519</u>
Outstanding checks	(1,377,736)
Deposits in transit	<u>-</u>
Carrying amount - bank balances	6,621,783
Petty cash	650
PLGIT - pooled cash equivalent	1,443,829
PSDLAF - pooled cash equivalent	<u>1,889,080</u>
Total cash and cash equivalents per the financial statements	<u><u>\$ 9,955,342</u></u>

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

Note 2. Cash and Cash Equivalents (Continued)

Concentration of Credit Risk

The Center holds deposit and investment accounts at various financial institutions. The total deposits and investments of \$11,332,428 as of June 30, 2025, were held in the various financial institutions as follows:

<u>Financial Institution</u>	<u>Deposit and Investment Amount</u>	<u>Concentration Percentage</u>
Fulton Bank	\$ 7,769,588	68.6%
PA Local Government Investment Trust (PLGIT)	1,443,829	12.7%
PA School District Liquid Asset Fund (PSDLAF)	1,889,080	16.7%
PNC Bank	142,068	1.3%
Northwest Bank	87,863	0.8%
	<u>\$ 11,332,428</u>	<u>100.0%</u>

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, 2025, 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.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

Note 3. Due from Other Governments

Amounts due from other governments represent receivables for revenues earned by the Center. At June 30, 2025, the following amounts are due from other governmental units:

	General Fund	Food Service Fund
Federal	\$ 497,946	\$ -
State	907,345	-
Local	2,892,769	-
	\$ 4,298,060	\$ -
	\$ 4,298,060	\$ -

Note 4. Interfund Balances and Interfund Transfers

Individual fund receivable and payable balances at June 30, 2025, are as follows:

Fund	Interfund Receivables	Interfund Payables
Governmental Funds		
General	\$ 1,069,550	\$ 3,025,812
Capital projects	693,520	193,495
Student Activity/Production	86,932	64,248
Proprietary Funds		
Food service	-	549,636
Internal service	1,983,189	-
	\$ 3,833,191	\$ 3,833,191
	\$ 3,833,191	\$ 3,833,191

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, 2025, are as follows:

Fund	Transfers In	Transfers Out
Governmental Funds		
General	\$ -	\$ 922,124
Capital projects	922,124	-
	\$ 922,124	\$ 922,124
	\$ 922,124	\$ 922,124

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

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

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, 2025, is as follows:

	July 1, 2024	Additions	Deletions	June 30, 2025
Governmental Activities:				
Capital assets not being depreciated				
Land	\$ 1,096,243	\$ -	\$ -	\$ 1,096,243
Construction-in-progress	-	203,604	-	203,604
Construction-in-progress - house projects	1,184,357	160,722	-	1,345,079
Total capital assets not being depreciated	<u>2,280,600</u>	<u>364,326</u>	<u>-</u>	<u>2,644,926</u>
Capital and right-to-use assets being depreciated/amortized				
Land improvements	2,278,925	-	-	2,278,925
Buildings	53,322,766	-	-	53,322,766
Equipment	14,788,306	1,401,077	(74,861)	16,114,522
Right-to-use leased equipment	188,535	234,869	(17,024)	406,380
Right-to-use subscription assets	148,946	-	-	148,946
Total capital and right-to-use assets being depreciated/amortized	<u>70,727,478</u>	<u>1,635,946</u>	<u>(91,885)</u>	<u>72,271,539</u>
Less accumulated depreciation/amortization				
Land improvements	1,250,364	77,457	-	1,327,821
Buildings	21,899,237	1,004,159	-	22,903,396
Equipment	9,234,879	834,602	(47,203)	10,022,278
Right-to-use leased building	-	-	-	-
Right-to-use leased equipment	54,894	128,312	(12,016)	171,190
Right-to-use subscription assets	85,112	42,556	-	127,668
Total accumulated depreciation/amortization	<u>32,524,486</u>	<u>2,087,086</u>	<u>(59,219)</u>	<u>34,552,353</u>
Total capital and right-to-use assets being depreciated/amortized, net	<u>38,202,992</u>	<u>(451,140)</u>	<u>(32,666)</u>	<u>37,719,186</u>
Total Governmental Activities, Capital and right-to-use assets - net	<u>\$ 40,483,592</u>	<u>\$ (86,814)</u>	<u>\$ (32,666)</u>	<u>\$ 40,364,112</u>
Business-Type Activities:				
Equipment	\$ 230,645	\$ 105,886	\$ (58,310)	\$ 278,221
Less accumulated depreciation Equipment	68,748	24,851	(58,310)	35,289
Total Business-Type Activities, capital assets - net	<u>\$ 161,897</u>	<u>\$ 81,035</u>	<u>\$ -</u>	<u>\$ 242,932</u>

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

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	\$ 16,174
Vocational instruction	801,048
Adult education	515,546
Support services	
Student services	113,603
Instructional staff	73,842
Administration	177,972
Pupil health	17,801
Business services	56,624
Operation of plant and maintenance services	121,602
Central services	192,874
	<u>\$ 2,087,086</u>
Business-type activities:	
Food service	<u>\$ 24,851</u>

Note 6. Long-Term Obligations

During the fiscal year ended June 30, 2025, long-term obligations changed as follows:

	July 1, 2024 (restated)	Increases	Decreases	June 30, 2025	Due within One Year
Governmental Activities					
Lease revenue bonds	\$ 14,280,000	\$ -	\$ 950,000	\$ 13,330,000	\$ 990,000
Bond premium	330,018	-	25,386	304,632	25,386
Compensated absences *	655,075	97,747	-	752,822	57,865
Leases payable	135,159	234,869	131,766	238,262	128,668
Subscription liabilities	49,641	-	49,641	-	-
Financed purchase agreement	615,874	-	110,321	505,553	117,439
	<u>\$ 16,065,767</u>	<u>\$ 332,616</u>	<u>\$ 1,267,114</u>	<u>\$ 15,131,269</u>	<u>\$ 1,319,358</u>

*The change in compensated absences is presented as a net change.

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, 2025, was \$8,355,000

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

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, 2025, was \$4,975,000.

The future annual payments required to amortize all outstanding bonds and notes as of June 30, 2025, are as follows:

Year ending June 30:	Principal	Interest	Total
2026	\$ 990,000	\$ 382,605	\$ 1,365,470
2027	1,015,000	348,270	1,372,605
2028	1,030,000	325,100	1,363,270
2029	1,065,000	290,360	1,355,100
2030	1,015,000	329,020	1,355,360
2031-2035	5,675,000	1,024,645	6,710,165
2036-2037	2,540,000	132,000	4,005,500
	<u>\$ 13,330,000</u>	<u>\$ 2,832,000</u>	<u>\$ 17,527,470</u>

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, 2025:

Year ending June 30:	Principal	Interest	Total
2026	\$ 128,668	\$ 4,033	\$ 132,701
2027	82,807	1,436	84,243
2028	26,787	224	27,011
	<u>\$ 238,262</u>	<u>\$ 5,693</u>	<u>\$ 243,955</u>

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

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.

There are no future minimum subscription liability payments for agreements as of June 30, 2025.

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	(115,987)
Total equipment	<u>\$ 505,553</u>

The following is a schedule of the future, minimum payments due under the financed purchase agreements as of June 30, 2025:

Year ending June 30:	Principal	Interest	Total
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
	<u>\$ 505,553</u>	<u>\$ 66,609</u>	<u>\$ 572,162</u>

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

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, 2025, the bond refinancing charges were calculated as follows:

	Amount
Beginning balance	\$ 504,607
Less: current year amortization	(38,817)
Ending balance	<u>\$ 465,790</u>

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 \$3,985,750 in total per year by purchasing specific and aggregate stop-loss insurance coverage.

Change in Aggregate Claims Liabilities - Health and Dental Benefits

	2025	2024
Claim Liabilities - Beginning of Year	\$ 137,992	\$ 137,453
Current Year Claims	2,429,899	1,840,555
Claim Payments and Changes in Estimates	(2,358,317)	(1,840,016)
Claim Liability - End of Year	<u>\$ 209,574</u>	<u>\$ 137,992</u>

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 \$6,793 of unemployment compensation claims for the year ended June 30, 2025. The Center charged unemployment compensation expenditures of \$7,909 for the year. The balance of the reserve for future claims is \$59,703.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

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 three 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.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

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 the fiscal year ended June 30, 2025, was 33.27% 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 0.35%.

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, 2025, was \$3,972,974 and is equal to the required contribution for the year. For the year ended June 30, 2025, the Center recognized gross retirement subsidy revenue from the Commonwealth in the amount of \$2,030,995.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

Note 9. Defined-Benefit Pension Plan (Continued)

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

At June 30, 2025, the Center reported a liability of \$27,331,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2023 to June 30, 2024. The Center's proportion of the net pension liability was calculated utilizing the employer's one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2025, the Center's reported proportion was 0.0653%, which was a decrease of 0.0053% from its proportion reported as of June 30, 2024.

For the year ended June 30, 2025 the Center recognized pension expense of \$1,532,000. At June 30, 2025, 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	\$ -	\$ 430,000
Net difference between projected and actual investment earnings	453,000	-
Changes in proportion	199,000	2,142,000
Contributions subsequent to the measurement date	3,973,000	-
	<u>\$ 4,625,000</u>	<u>\$ 2,572,000</u>

\$3,973,000 is 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 ending June 30, 2026. 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
2026	\$ (1,624,000)
2027	247,000
2028	(451,000)
2029	(92,000)
	<u>\$ (1,920,000)</u>

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

Note 9. Defined-Benefit Pension Plan (Continued)

Actuarial Assumptions

The total pension liability as of June 30, 2024, was determined by rolling forward the System's total pension liability as of June 30, 2023, to June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation Date - June 30, 2023
- 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, 2023, and as of June 30, 2024.
- 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, 2024, valuation were based on the results of an actuarial experience study that was performed for the five-year period ended June 30, 2020.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

Note 9. Defined-Benefit Pension Plan (Continued)

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, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.08%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public equity	30.0%	4.8%
Private equity	12.0%	6.7%
Fixed income	33.5%	3.9%
Commodities	5.0%	2.5%
Infrastructure/MLPs	10.0%	6.4%
Real estate	9.5%	5.9%
	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, 2024.

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.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

Note 9. Defined-Benefit Pension Plan (Continued)

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

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Center's proportionate share of the net pension liability	\$ 36,004,000	\$ 27,331,000	\$ 20,008,000

Pension Plan Fiduciary Net Position

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

Plan Payables

At June 30, 2025, the Center reported a payable to PSERS of \$2,189,335, which represents the employer contributions owed to the pension plan.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

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	<p>Coverage: Medical, Prescription Drug, and Life Insurance</p> <p>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.</p> <p>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.</p> <p>Dependents: Spouse included</p>	Member coverage ceases upon Medicare age. Spouse coverage ceases upon the earlier of Medicare age or member Medicare age.
II. TEACHERS	Same as I	<p>Coverage: Medical and Prescription Drug</p> <p>Premium Sharing: The member and spouse may elect medical and prescription drug coverage by paying the full premium</p> <p>Dependents: Spouse included</p>	Same as I
III. SUPPORT STAFF	Same as I	Same as II	Same as I
<i>Notes:</i>	<p>PSERS Superannuation Retirement:</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>		

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

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

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, 2025, the Center reported a liability of \$585,628 for the total OPEB liability. The total OPEB liability was measured as of July 1, 2024, 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	\$ 545,713
Changes for the year	
Service cost	60,120
Interest	24,006
Changes in assumptions	1,173
Benefit payments	(45,384)
Net Changes	39,915
Total OPEB Liability, ending	\$ 585,628

For the year ended June 30, 2025, the Center recognized OPEB expense of \$30,257. At June 30, 2025, 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	\$ 22,685	\$ 243,467
Changes in assumptions	41,738	199,719
Benefit payments subsequent to the measurement date	67,960	-
	\$ 132,383	\$ 443,186

Of the total amount reported as deferred outflows of resources related to OPEB, \$67,960 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, 2026. 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
2026	\$ (53,869)
2027	(53,869)
2028	(53,872)
2029	(42,946)
2030	(43,131)
Thereafter	(131,076)
	\$ (378,763)

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

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 - 4.29%. Based on S&P Municipal Bond 20 Year High Grade Rate Index at July 1, 2024.
- Actuarial Cost Method: Entry Age Normal, Level Percent of Pay
- Health Care Cost Trend Rate - 7.0% in 2024 with 0.5% decrease per year until 5.5% in 2027. Rates gradually decrease from 5.4% in 2028 to 4.0% 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 4.29%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (3.29%) or one-percentage-point higher (5.29%) than the current discount rate:

	1% Decrease	3.29%	Current Discount Rate 4.29%	1% Increase 5.29%
Total OPEB liability	\$ 619,041	\$ 619,041	\$ 585,628	\$ 554,217

Changes in Actuarial Assumptions

The discount rate used to measure the total OPEB liability increased from 4.13 % as of July 1, 2023, to 4.29% as of July 1, 2024.

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	\$ 536,832	\$ 585,628	\$ 642,056

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

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, 2024, 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 Contribution

The Center's contractually required contribution rate for the fiscal year ended June 30, 2025, was 0.63% 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 \$75,232 the year ended June 30, 2025.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

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, 2025, the Center reported a liability of \$1,167,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, 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, 2023, to June 30, 2024. 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, 2025, the Center’s reported proportion was 0.0657%, which was a decrease of 0.0051% from its proportion reported as of June 30, 2024.

For the year ended June 30, 2025, the Center recognized OPEB expense of \$10,000. At June 30, 2025, 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	\$ 4,000	\$ 18,000
Changes in assumptions	71,000	178,000
Net difference between projected and actual investment earnings	2,000	-
Changes in proportion	32,000	166,000
Contributions subsequent to the measurement date	75,000	-
	<u>\$ 184,000</u>	<u>\$ 362,000</u>

\$75,000 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, 2026. 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
2026	\$ (67,000)
2027	(66,000)
2028	(80,000)
2029	(20,000)
2030	(20,000)
	<u>\$ (253,000)</u>

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

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

Actuarial Assumptions

The total OPEB liability as of June 30, 2024, was determined by rolling forward the System's total OPEB liability as of June 30, 2023, to June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation Date - June 30, 2023
- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 4.21% - 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 4.13% as of June 30, 2023, to 4.21%, as of June 30, 2024.

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 ending June 30, 2020.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2022, determined the employer contribution rate for fiscal year 2024.
- 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.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

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.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	100.0%	1.7%
	<u>100.0%</u>	

The above was the Board’s adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class of June 30, 2024.

Discount Rate

The discount rate used to measure the Total OPEB Liability was 4.21%. 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 4.21%, which represents the S&P 20-year Municipal Bond Rate at June 30, 2024, was applied to all projected benefit payments to measure the total OPEB liability.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

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 4.21%, 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 (3.21%) or one-percentage-point higher (5.21%) than the current discount rate:

	1% Decrease 3.21%	Current Discount Rate 4.21%	1% Increase 5.21%
Center's proportionate share of the net OPEB liability	\$ 1,319,000	\$ 1,167,000	\$ 1,040,000

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	\$ 1,167,000	\$ 1,167,000	\$ 1,167,000

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, 2025, the Center reported a payable to PSERS of \$41,457 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.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

NOTES TO FINANCIAL STATEMENTS

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, 2025, and the two previous fiscal years, no settlements exceeded insurance coverage.

Funding Constraints

The Center is subject to external constraints that may create a risk of substantial impact on its financial position. During the fiscal year ended June 30, 2025, approximately 33% of the Center's General Fund revenues were derived from the Commonwealth of Pennsylvania and the Federal Government. The Center is dependent on timely appropriations and disbursements from these governments to fund its operations and programs. The Commonwealth of Pennsylvania and Federal Government have experienced delays in the passage of their annual budgets, resulting in delays in the release of state and certain federal pass-through funds to local governments and agencies. Management continues to monitor the budget process at both the federal and state levels and will update its mitigation strategies as necessary.

Note 14. Fund Balance

Non-spendable Fund Balance

The Center's non-spendable fund balance consists of consumable inventories of \$466,238.

Restricted Fund Balance

As of June 30, 2025, the Center's restricted fund balance was \$3,832,934, which consisted of amounts restricted in the 2001 and 2018 capital reserve funds.

Committed Fund Balance

As of June 30, 2025, 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, 2025, the Center's assigned fund balance of \$333,356 consists of \$100,000 assigned for planning and development of adult programs and \$233,356 in the student activities/production fund.

Unassigned Fund Balance

As of June 30, 2025, the Center's unassigned fund balance of \$1,621,591 consisted of \$2,750,969 for the general fund and \$(1,129,378) for the capital projects fund.

REQUIRED SUPPLEMENTARY INFORMATION

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL - GENERAL FUND
 Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local sources				
Receipts from member school districts	\$ 18,903,275	\$ 18,903,275	\$ 18,664,237	\$ (239,038)
Rentals	85,000	85,000	53,719	(31,281)
Investment earnings	75,000	75,000	232,649	157,649
Revenues from intermediate sources - Federal	5,000	5,000	-	(5,000)
Contributions	150,000	150,000	22,000	(128,000)
Tuition	50,000	50,000	2,866,172	2,816,172
Revenue from Center activities	126,137	126,137	226,142	100,005
Other revenue	55,000	55,000	240,539	185,539
Total local sources	<u>19,449,412</u>	<u>19,449,412</u>	<u>22,305,458</u>	<u>2,856,046</u>
State sources	4,495,798	4,495,798	6,623,738	2,127,940
Federal sources	949,986	949,986	4,484,051	3,534,065
Total revenues	<u>24,895,196</u>	<u>24,895,196</u>	<u>33,413,247</u>	<u>8,518,051</u>
Expenditures				
Instructional				
Regular programs	229,113	229,113	258,833	(29,720)
Vocational programs	10,159,590	10,159,590	10,470,686	(311,096)
Adult education	-	-	6,501,672	(6,501,672)
Higher education for secondary students	-	-	5,511	(5,511)
Support services				
Student services	1,437,317	1,437,317	1,396,310	41,007
Instructional support staff services	1,025,559	1,025,559	1,098,882	(73,323)
Administrative services	2,695,243	2,695,243	2,494,123	201,120
Pupil health	261,481	261,481	193,841	67,640
Business services	698,195	698,195	773,602	(75,407)
Operation and maintenance of plant services	3,279,645	3,279,645	3,876,685	(597,040)
Student transportation services	1,385,052	1,385,052	1,602,960	(217,908)
Central services	1,793,034	1,793,034	2,441,084	(648,050)
Operation of non-instructional services				
Student activities	102,521	102,521	70,844	31,677
Community service	-	-	4,758	(4,758)
Debt service				
Principal	950,000	950,000	1,126,671	(176,671)
Interest and fiscal charges	415,470	415,470	420,982	(5,512)
Total expenditures	<u>24,432,220</u>	<u>24,432,220</u>	<u>32,737,444</u>	<u>(8,305,224)</u>
Excess of revenues over expenditures	<u>462,976</u>	<u>462,976</u>	<u>675,803</u>	<u>212,827</u>
Other Financing Sources (Uses)				
Budgetary reserve	(50,000)	(50,000)	-	50,000
Transfer out	(453,000)	(453,000)	(922,124)	(469,124)
Proceeds from sale of capital assets	35,000	35,000	61,452	26,452
Proceeds from leases	-	-	234,869	234,869
Total other financing sources (uses)	<u>(468,000)</u>	<u>(468,000)</u>	<u>(625,803)</u>	<u>(157,803)</u>
Net changes in fund balance	<u>\$ (5,024)</u>	<u>\$ (5,024)</u>	<u>50,000</u>	<u>\$ 55,024</u>
Fund Balance - July 1, 2024			5,272,051	
Prior period adjustment (see Note 1)			<u>(1,797,572)</u>	
Fund Balances - July 1, 2024 (restated)			<u>3,474,479</u>	
Fund Balance - June 30, 2025			<u>\$ 3,524,479</u>	

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
2025	0.0653%	\$ 27,331,000	\$ 10,422,691	262.23%	64.63%
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%

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
2025	\$ 3,972,974	\$ (3,972,974)	\$ -	\$ 11,933,485	33.29%
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%

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,

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	\$ 60,120	\$ 68,479	\$ 99,537	\$ 89,536	\$ 70,611	\$ 76,042	\$ 71,243	\$ 89,770
Interest	24,006	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	1,173	7,995	(197,284)	(19,581)	61,207	(13,046)	2,046	(120,156)
Benefit payments	(45,384)	(45,702)	(32,819)	(34,692)	(38,887)	(45,577)	(25,104)	(23,294)
Net change in total OPEB liability	39,915	(153,372)	(110,249)	84,097	115,096	(109,491)	70,313	(34,726)
Total OPEB Liability - beginning	545,713	699,085	809,334	725,237	610,141	719,632	649,319	684,045
Total OPEB Liability - ending	\$ 585,628	\$ 545,713	\$ 699,085	\$ 809,334	\$ 725,237	\$ 610,141	\$ 719,632	\$ 649,319
Covered payroll	\$ 11,112,193	\$ 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	5.27%	4.91%	7.33%	8.49%	7.79%	6.55%	7.45%	6.73%

Notes to Schedule:

For the fiscal year ended June 30, 2025:

Changes in assumptions: The discount rate changed from 4.13% to 4.29%. The trend assumption was updated.

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 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
2025	0.0657%	\$ 1,167,000	\$ 10,422,691	11.20%	7.13%
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
2025	\$ 75,232	\$ (75,232)	\$ -	\$ 11,933,485	0.63%
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

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

COMBINING BALANCE SHEET - CAPITAL PROJECTS FUND

June 30, 2025

	Capital Projects Fund	2001 Capital Reserve Fund	2018 Capital Reserve Fund	Total
Assets				
Cash and cash equivalents	\$ -	\$ 1,443,829	\$ 1,889,080	\$ 3,332,909
Due from other funds	-	693,520	-	693,520
Total assets	\$ -	\$ 2,137,349	\$ 1,889,080	\$ 4,026,429
Liabilities				
Accounts payable	\$ 1,129,378	\$ -	\$ -	\$ 1,129,378
Due to other funds	-	-	193,495	193,495
Total liabilities	1,129,378	-	193,495	1,322,873
Fund Balances				
Restricted	-	2,137,349	1,695,585	3,832,934
Unassigned (deficit)	(1,129,378)	-	-	(1,129,378)
Total fund balances	(1,129,378)	2,137,349	1,695,585	2,703,556
Total liabilities and fund balances	\$ -	\$ 2,137,349	\$ 1,889,080	\$ 4,026,429

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, 2025**

	Capital Projects Fund	2001 Capital Reserve Fund	2018 Capital Reserve Fund	Total
Revenues				
Investment earnings	\$ -	\$ 28,324	\$ 17,889	\$ 46,213
Total revenues	-	28,324	17,889	46,213
Expenditures				
Current				
Instruction	-	-	53,000	53,000
Support services	2,820	-	-	2,820
Total current	2,820	-	53,000	55,820
Capital Outlay				
Facilities acquisition, construction and improvement services	160,722	138,469	101,491	400,682
Total capital outlay	160,722	138,469	101,491	400,682
Debt Services				
Principal retirement	-	-	110,321	110,321
Interest expense and fiscal charges	-	-	35,832	35,832
Total debt services	-	-	146,153	146,153
Total expenditures	163,542	138,469	300,644	602,655
Deficiency of revenues under expenditures	(163,542)	(110,145)	(282,755)	(556,442)
Other Financing Sources (Uses)				
Transfer in (out)	-	886,372	35,752	922,124
Total other financing sources	-	886,372	35,752	922,124
Net change in fund balances	(163,542)	776,227	(247,003)	365,682
Fund Balances - July 1, 2024	(965,836)	737,389	768,749	540,302
Prior period adjustment (see Note 1)	-	623,733	1,173,839	1,797,572
Fund Balances - July 1, 2024 (restated)	(965,836)	1,361,122	1,942,588	2,337,874
Fund Balances - June 30, 2025	\$ (1,129,378)	\$ 2,137,349	\$ 1,695,585	\$ 2,703,556

See accompanying independent auditor's report.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS -
STUDENT ACTIVITY/PRODUCTION FUNDS
June 30, 2025

	Student Activity/Production Funds			Total
	Brownstown	Mount Joy	Willow Street	
Assets				
Cash and cash equivalents	\$ 47,855	\$ 85,489	\$ 84,570	\$ 217,914
Due from other funds	-	-	86,932	86,932
Total assets	\$ 47,855	\$ 85,489	\$ 171,502	\$ 304,846
Liabilities				
Due to other funds	\$ 134	\$ 86	\$ 64,028	\$ 64,248
Accounts payable	-	-	7,242	7,242
Total liabilities	134	86	71,270	71,490
Fund Balances				
Assigned	47,721	85,403	100,232	233,356
Total fund balance	47,721	85,403	100,232	233,356
Total liabilities and fund balances	\$ 47,855	\$ 85,489	\$ 171,502	\$ 304,846

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 ACTIVITY/PRODUCTION FUNDS
 Year Ended June 30, 2025

	Student Activity/Production Funds			Total
	Brownstown	Mount Joy	Willow Street	
Revenues				
Revenue from student activities and production	\$ 45,681	\$ 177,660	\$ 106,175	\$ 329,516
Total revenues	45,681	177,660	106,175	329,516
Expenditures				
Current				
Operation of non-instructional services	45,929	160,885	110,900	317,714
Total expenditures	45,929	160,885	110,900	317,714
Net change in fund balances	(248)	16,775	(4,725)	11,802
Fund Balances - July 1, 2024	47,969	68,628	104,957	221,554
Fund Balances - June 30, 2025	\$ 47,721	\$ 85,403	\$ 100,232	\$ 233,356

See accompanying independent auditor's report.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

COMBINING STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS

June 30, 2025

	Health/Dental Fund	Unemployment Compensation Fund	Total Internal Service Funds
Assets			
Due from other funds	\$ 1,923,483	\$ 59,706	\$ 1,983,189
Total assets	<u>\$ 1,923,483</u>	<u>\$ 59,706</u>	<u>\$ 1,983,189</u>
Liabilities			
Due to other funds	\$ -	\$ -	\$ -
Accounts payable	209,574	-	209,574
Total liabilities	<u>\$ 209,574</u>	<u>\$ -</u>	<u>\$ 209,574</u>
Net Position			
Unrestricted	\$ 1,713,909	\$ 59,706	\$ 1,773,615
Total net position	<u>\$ 1,713,909</u>	<u>\$ 59,706</u>	<u>\$ 1,773,615</u>

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, 2025**

	Health/Dental Fund	Unemployment Compensation Fund	Total Internal Service Funds
Operating Revenues			
Charges for services	\$ 2,847,069	\$ 2,937	\$ 2,850,006
Other revenue	6,705	-	6,705
Total Revenues	\$ 2,853,774	\$ 2,937	\$ 2,856,711
Operating Expenses			
Employee benefits	\$ 2,991,508	\$ 6,793	\$ 2,998,301
Purchased professional and technical services	14,124	1,116	15,240
Other purchased services	465,918	-	465,918
Total operating expenses	3,471,550	7,909	3,479,459
Change in net position	(617,776)	(4,972)	(622,748)
Net Position - July 1, 2024	2,331,685	64,678	2,396,363
Net Position - June 30, 2025	\$ 1,713,909	\$ 59,706	\$ 1,773,615

See accompanying independent auditor's report.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

FINANCIAL SUMMARY - POST-SECONDARY EDUCATION

Year Ended June 30, 2025

	Secondary	Post-Secondary	Total
Revenues			
Local Sources			
Receipts from member districts			
Direct payments	\$ 16,839,778	\$ -	\$ 16,839,778
Bond & plan con payments	1,824,459	-	1,824,459
Other revenues	914,263	3,023,279	3,937,542
State Sources			
Vocational education subsidy	2,953,416	437,293	3,390,709
Reimbursement - FICA	315,709	114,518	430,227
Reimbursement - Retirement	1,512,655	499,918	2,012,573
State financial aid	-	123,984	123,984
Other revenue	876,944	-	876,944
Financial aid student refunds	-	(210,699)	(210,699)
Federal Sources			
Federal financial aid	-	3,634,818	3,634,818
Perkins	981,756	293,903	1,275,659
ESSER	31,944	-	31,944
Other revenue	20,600	-	20,600
Financial aid student refunds	-	(478,970)	(478,970)
Total revenues	26,271,524	7,438,044	33,709,568
Expenditures			
100 - Salaries	8,940,758	3,134,471	12,075,229
200 - Benefits	6,209,282	1,844,429	8,053,711
300 - Professional & technical services	1,317,199	324,710	1,641,909
400 - Property service	1,816,204	198,466	2,014,670
500 - Other purchased service	2,230,645	246,957	2,477,602
600 - Supplies	2,475,222	576,823	3,052,045
700 - Equipment	1,594,591	112,664	1,707,255
800 - Dues & fees	522,201	63,152	585,353
900 - Bond & other uses	1,129,670	-	1,129,670
Total expenditures	26,235,772	6,501,672	32,737,444
Revenues over expenditures	\$ 35,752	\$ 936,372	\$ 972,124
Assigned for planning & development of adult programs	-	(50,000)	(50,000)
Transfer to 2001 Capital Reserve	-	(886,372)	(886,372)
Transfer to 2018 Capital Reserve	(35,752)	-	(35,752)

See accompanying independent auditor's report.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

POST-SECONDARY EDUCATION PROGRAM SUMMARY
Year Ended June 30, 2025

	Practical Nursing	Higher Education	Financial Aid	Perkins	Total
Revenues					
Local Sources					
Other revenues	\$ 914,048	\$ 1,974,471	\$ 134,760	\$ -	\$ 3,023,279
State Sources					
Vocational education subsidy	356,749	80,544	-	-	437,293
Reimbursement - FICA	39,899	67,713	6,906	-	114,518
Reimbursement - Retirement	174,471	290,249	35,198	-	499,918
State financial aid	52,000	71,984	-	-	123,984
Financial aid student refunds	(194,272)	(16,427)	-	-	(210,699)
Federal Sources					
Federal financial aid - Pell	1,070,035	298,177	-	-	1,368,212
Federal financial aid - Direct	1,624,402	642,204	-	-	2,266,606
Federal CARES/HEERF funds	-	-	-	-	-
Perkins	-	-	-	293,903	293,903
Financial aid student refunds	(372,753)	(106,217)	-	-	(478,970)
Total revenues	3,664,579	3,302,698	176,864	293,903	7,438,044
Expenditures					
100 - Salaries	1,063,157	1,825,955	186,425	58,934	3,134,471
200 - Benefits	604,236	1,079,537	127,364	33,292	1,844,429
300 - Professional & technical services	272,864	10,489	420	40,937	324,710
400 - Property services	108,864	89,602	-	-	198,466
500 - Other purchased service	9,458	229,199	-	8,300	246,957
600 - Supplies	192,920	252,034	1,354	130,515	576,823
700 - Equipment	26,755	63,984	-	21,925	112,664
800 - Dues and fees	12,968	50,184	-	-	63,152
Total expenditures	2,291,222	3,600,984	315,563	293,903	6,501,672
Financial aid allocation	(65,882)	(72,817)	138,699	-	-
Net revenues over expenditures	\$ 1,307,475	\$ (371,103)	\$ -	\$ -	\$ 936,372

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, 2025, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements and have issued our report thereon dated January 12, 2026.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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*.

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.

A handwritten signature in cursive script that reads "Boyer & Ritten". The signature is written in black ink and is centered on the page.

Camp Hill, Pennsylvania
January 12, 2026



**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, 2025. 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, 2025.

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.

A handwritten signature in cursive script that reads "Boyer & Ritten". The signature is written in black ink and is centered on the page.

Camp Hill, Pennsylvania
January 12, 2026

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER
Schedule of Findings and Questioned Costs
Year Ended June 30, 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)? ___ Yes X None Reported

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness (es) identified? ___ Yes X No
- Significant 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

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2025

Section II -- Financial Statement Findings

A. Significant Deficiencies in Internal Control

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

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. Significant Deficiencies 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.

B. 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.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2025

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, 2024	Revenue Recognized	Expenditures Recognized	Accrued or (Deferred) Revenue at June 30, 2025	Provided to Subrecipients
U.S. Department of Education										
Student Financial Assistance Cluster										
Federal Pell Grant Program	84.063	N/A	25-26	N/A	\$ 14,973	\$ -	\$ 14,973	\$ 14,973	\$ -	\$ -
Federal Pell Grant Program	84.063	N/A	24-25	N/A	1,372,220	-	1,372,220	1,372,220	-	-
Federal Pell Grant Program	84.063	N/A	23-24	N/A	(18,981)	-	(18,981)	(18,981)	-	-
					<u>1,368,212</u>	<u>-</u>	<u>1,368,212</u>	<u>1,368,212</u>	<u>-</u>	<u>-</u>
Federal Direct Student Loans	84.268	N/A	25-26	N/A	61,931	-	61,931	61,931	-	-
Federal Direct Student Loans	84.268	N/A	24-25	N/A	1,848,165	-	1,848,165	1,848,165	-	-
Federal Direct Student Loans	84.268	N/A	23-24	N/A	356,510	-	356,510	356,510	-	-
					<u>2,266,606</u>	<u>-</u>	<u>2,266,606</u>	<u>2,266,606</u>	<u>-</u>	<u>-</u>
Total Student Financial Assistance Cluster					<u>3,634,818</u>	<u>-</u>	<u>3,634,818</u>	<u>3,634,818</u>	<u>-</u>	<u>-</u>
Passed through the Pennsylvania Department of Education										
Career and Technical Education - Basic Grants to States (Perkins V)	84.048	380-25-0011	24-25	\$ 1,062,506	619,795	-	981,756	981,756	361,961	-
Career and Technical Education - Basic Grants to States (Perkins V)	84.048	380-24-0053	23-24	\$ 920,768	92,157	112,064	-	-	19,907	-
Career and Technical Education - Basic Grants to States (Perkins V)	84.048	380-23-0039	22-23	\$ 949,986	-	47,432	-	-	47,432	-
Career and Technical Education - Basic Grants to States (Perkins V)	84.048	381-25-0017	24-25	\$ 295,028	245,857	-	293,903	293,903	48,046	-
Career and Technical Education - Basic Grants to States (Perkins V)	84.048	381-24-0018	22-23	\$ 225,917	(12,276)	(12,276)	-	-	-	-
					<u>945,533</u>	<u>147,220</u>	<u>1,275,659</u>	<u>1,275,659</u>	<u>477,346</u>	<u>-</u>
COVID-19 - American Rescue Plan - Elementary & Secondary School Emergency Relief (ARP ESSER) Fund	84.425U	224-21-1161	20-25	\$ 1,349,258	417,044	348,516	68,528	68,528	-	-
Total passed through the Pennsylvania Department of Education					<u>1,362,577</u>	<u>495,736</u>	<u>1,344,187</u>	<u>1,344,187</u>	<u>477,346</u>	<u>-</u>
Total U.S. Department of Education					<u>4,997,395</u>	<u>495,736</u>	<u>4,979,005</u>	<u>4,979,005</u>	<u>477,346</u>	<u>-</u>
U.S. Department of Treasury										
Passed through the Pennsylvania Commission on Crime and Delinquency										
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	2023-CM-01-43159	24-25	\$ 70,000	-	-	20,600	20,600	20,600	-
U.S. Department of Agriculture										
Passed through the Pennsylvania Department of Education										
National School Lunch Program	10.555	N/A	24-25	N/A	259,991	-	259,991	259,991	-	-
National School Lunch Program	10.555	N/A	23-24	N/A	23,225	23,225	-	-	-	-
COVID-19 - National School Lunch Program - Supply Chain Assistance	10.555	N/A	24-25	N/A	-	(15,163)	15,163	15,163	-	-
					<u>283,216</u>	<u>8,062</u>	<u>275,154</u>	<u>275,154</u>	<u>-</u>	<u>-</u>
Total passed through the Pennsylvania Department of Education					<u>283,216</u>	<u>8,062</u>	<u>275,154</u>	<u>275,154</u>	<u>-</u>	<u>-</u>
Passed through the Pennsylvania Department of Agriculture										
National School Lunch Program - Food Donations	10.555	N/A	24-25	N/A	39,742	-	39,742	39,742	-	-
Total U.S. Department of Agriculture					<u>322,958</u>	<u>8,062</u>	<u>314,896</u>	<u>314,896</u>	<u>-</u>	<u>-</u>
Total Expenditures of Federal Awards					<u>\$ 5,320,353</u>	<u>\$ 503,798</u>	<u>\$ 5,314,501</u>	<u>\$ 5,314,501</u>	<u>\$ 497,946</u>	<u>\$ -</u>
Child Nutrition Cluster (Assistance Listing Number - 10.555)					<u>\$ 322,958</u>	<u>\$ 8,062</u>	<u>\$ 314,896</u>	<u>\$ 314,896</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to Schedule of Expenditures of Federal Awards.

LANCASTER COUNTY CAREER AND TECHNOLOGY CENTER

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, 2025. 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, 2025

Financial Statement Finding - Significant Deficiency

#2024-001 - 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 Centers 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.

ADMINISTRATIVE OFFICES

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