

**CAREER TECHNOLOGY CENTER OF  
LACKAWANNA COUNTY  
INDEPENDENT AUDITORS' REPORT  
JUNE 30, 2024**

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
INDEX TO FINANCIAL STATEMENTS, SUPPLEMENTAL SCHEDULES  
AND SINGLE AUDIT ATTACHMENTS  
YEAR ENDED JUNE 30, 2024

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CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
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March 7, 2025

Joint Operating Committee  
Career Technology Center of  
Lackawanna County

We have performed the Single Audit of the Career Technology Center of Lackawanna County for the fiscal year ended June 30, 2024 and have enclosed the single audit report package.

The single audit was done to fulfill the requirements of the Uniform Guidance. It entailed: 1. An audit of the basic financial statements and Supplementary Schedule of Expenditures of Federal Awards - Governmental Entity and our opinion thereon; 2. A review on Internal Controls Over Financial Reporting and Compliance and Other Matters Based on an audit of Financial Statements performed in accordance with Governmental Auditing Standards and 3. A review of compliance for each major program and on internal controls over compliance required by Uniform Guidance.

A handwritten signature in black ink that reads "Robert Rossi & Co". The signature is written in a cursive, flowing style.

## REPORT DISTRIBUTION LIST

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INDEPENDENT AUDITORS' REPORT

March 7, 2025

To the Joint Operating Committee  
Career Technology Center of Lackawanna County

**Opinions**

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Career Technology Center of Lackawanna County as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

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

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant

## **Responsibilities of Management for the Financial Statements (Continued)**

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 Career Technology Center of Lackawanna County'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 generally accepted auditing standards 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 generally accepted auditing standards 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 Career Technology Center of Lackawanna County'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.



## **Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Career Technology Center of Lackawanna County'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 the Management's Discussion and Analysis, the Schedule of Proportionate Share of PSERS Net Pension Liability, Schedule of PSERS Contribution Pension, Schedule of Changes in the Total OPEB Liability and Related Ratios, Schedule of Components of OPEB Expense, Schedule of School's Proportionate Share of PSERS Net OPEB Liability, Schedule of PSERS Contributions OPEB, and budgetary comparison information on pages 11 through 20 and 66 through 76 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Career Technology Center of Lackawanna County's basic financial statements. The combining and individual nonmajor fund financial statements and 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 directly relates 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

### Supplementary Information (Continued)

other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2025, on our consideration of Career Technology Center of Lackawanna County'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 Career Technology Center of Lackawanna County'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 Career Technology Center of Lackawanna County's internal control over financial reporting and compliance.

Robert Rossi & Co

# **Career Technology Center Of Lackawanna County**

## **MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)**

June 30, 2024

The discussion and analysis of Career Technology Center of Lackawanna County's (CTC) financial performance provides an overall review of the CTC's financial activities for the fiscal year ended June 30, 2024. This discussion and analysis are intended to provide a narrative summary of the financial performance of the CTC. Readers should also review the notes to the basic financial statements to enhance their understanding of CTC's financial performance.

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

### **OVERVIEW OF THE SCHOOL**

The Career Technology Center of Lackawanna County is a joint venture of eight public school districts in Lackawanna County, Pennsylvania, organized under the Public-School Code of Pennsylvania. The school provides career and technical training programs for high school students who are residents of participating school districts, non-participating school districts on a tuition basis, and adults enrolled in various Continuing Education programs operated at the facility. CTC is located within the City of Scranton and is governed by its Joint Operating Committee consisting of one member from each of eight participating member school districts. The participating districts include Carbondale Area, Dunmore, Forest City Regional, Mid Valley, Lakeland, North Pocono, Scranton City and Valley View. The school also trains students from non-participating school districts which include Abington Heights, Lackawanna Trail and Western Wayne.

### **MISSION STATEMENT**

It is the mission of the Career Technology Center of Lackawanna County to provide those who have a specific career objective and have expressed a desire for career and technical education, with the skills and knowledge needed for entry level employment commensurate with the requirements of industry or a post- secondary educational experience. Further, as a continuing education resource, we at the Career Technology Center shall maintain, develop, augment and pioneer programs to benefit those who can profit from life-long learning. An educated workforce is the key to a successful and productive society. The Career Technology Center of Lackawanna County (CTCLC) is dedicated to developing that workforce.

## **FINANCIAL HIGHLIGHTS**

### **General Fund**

The School's net position increased by \$946,620 as a result of this year's operations. The net position of our Governmental activities increased by \$889,896 and the net position of our business type activities increased by \$56,724. The largest source of revenue comes from the school districts to support the secondary education programs and totaled \$5,510,976 for 2023-2024, a decrease of \$659,494 from 2022-2023. The following formula is used to calculate member and non-member district costs: "Current operating expenditures shall be allocated to and paid by each of the participating school districts based upon the district average of the last 4 years of ADM as compared to the total 4-year average of ADM's of all participating school districts. The 4 years will begin with the year immediately prior to the ensuing budget year, and backwards 3 years beyond that year. The ADM's of the year immediately prior will be based upon estimated ADM's as of January 1 of that year, and the other 3 years will be based upon audited ADM's. No adjustments will be made to the payments of the districts once the budget is approved, and the amount calculated will be the maximum payment each district will make for that budget year. The net per pupil cost for nonmember districts will be based on the average ADM's as calculated by this formula utilizing the actual ADM's of the non-participating district. Nonparticipating districts may also be charged additional tuition."

**Capital Reserve Funds** – The CTC operates a Capital Reserve Fund for the purpose of funding capital projects, equipment purchases, and equipment upgrades to the facility and instructional programs. The largest revenue in this fund is from the retention of operating fund balances, and other revenue is derived from the sale of school assets. This fund is set up in order to alleviate additional chargebacks to the districts for funding of capital projects at the CTC.

**Debt Service Fund** - The CTC Debt Service Fund is a fund required by our 2020 CTC Bond Issue agreement with the Waverly Township Municipal Authority. Revenue from the fund is derived from the debt service payments from the eight participating school districts of the Joint Operating Committee. These payments are made to the fund semi-annually before February 15 and August 15 of each year to the Fidelity Deposit and Discount Bank. The payments will continue to be made to the bondholders in February and August each year through 2032.

**Student Activity Fund** - The CTC operates a Student Activity Fund for the purpose of directing and accounting for monies used to support co-curricular and extra-curricular student activities. Revenue from this fund is largely derived from funds raised by student run clubs and organizations overseen by instructors.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of three components – Management's Discussion and Analysis (this section), the basic financial statements, and required supplementary information.

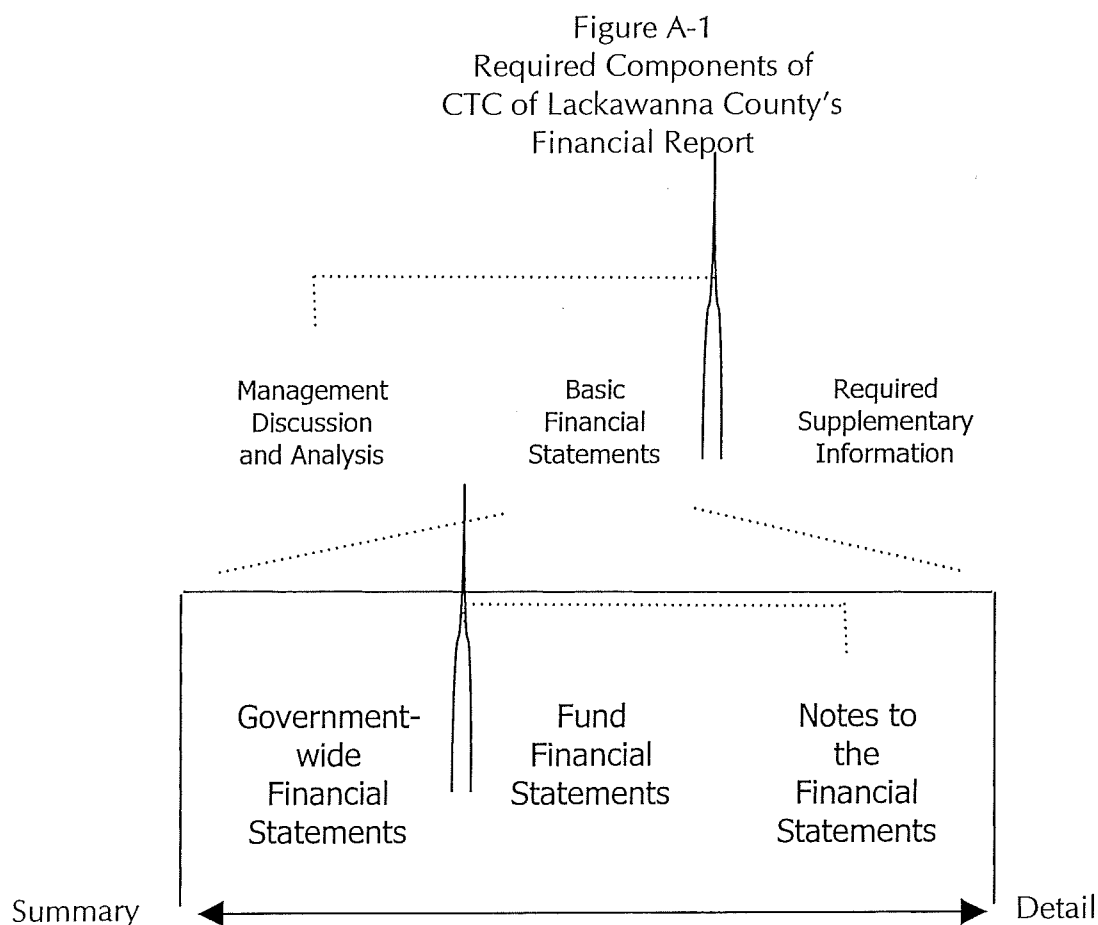
The basic financial statements include two types of statements that present the financial information of CTC in different ways:

## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

- The first two statements of the basic financial statements are *government-wide financial statements*. These statements consist of the Statement of Net Position and the Statement of Activities. The government-wide financial statements provide both short-term and long-term information about CTC's overall financial status.
- The remaining basic financial statements consist of fund financial statements. These statements focus on individual components, or funds, of CTC and provide a more detailed presentation of CTC's operations. The governmental funds statements present how general CTC services were financed in the short-term as well as what remains for future spending.
- The proprietary funds statements present both short-term and long-term information about the activities that CTC operates similar to a business. For CTC, this is our Food Service Fund. Fiduciary fund statements provide information about financial relationships where the CTC acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

The financial statements also include *notes* that provide a more detailed explanation of some of the information in the financial statements. Following the basic financial statements is CTC's *required supplementary information* that provides more detailed data.

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



## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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

Figure A-2  
Major Features of CTC of Lackawanna County's  
Government-wide and Fund Financial Statements

	<u>Government Wide Statements</u>	<u>Fund Financial Statements</u>		
		<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
Scope	Entire CTC (except fiduciary funds)	The activities of CTC that are not proprietary or fiduciary, such as education, administration, and community services	Activities CTC operates similar to private business – Food Service	Instances in which CTC is the trustee or agent to someone else's resources – Student Activities Classes and Clubs
Required financial statements	Statement of net assets Statement of activities	Balance Sheet Statement of revenues, expenditures, and changes in fund balance	Statement of net assets Statement of revenues, expenses and changes in net assets Statement of cash flows	Balance Sheet Statement of revenues, expenditures, and changes in fund balance
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	Modified accrual accounting and current 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	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included

## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

	<u>Government Wide Statements</u>	Fund Financial Statements		
		<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
Type of inflow-outflow information	All revenues and expenses during 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	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

## REPORTING THE SCHOOL AS A WHOLE—GOVERNMENT WIDE STATEMENTS

### Statement of Net Position and the Statement of Activities

The government-wide statements report financial information about CTC of Lackawanna County using accounting methods similar to the accounting used by private-sector companies. The *Statement of Net Position* includes all of CTC's assets and liabilities utilizing the full accrual basis of accounting. The *Statement of Activities* accounts for all of CTC's revenues and expenses, regardless of when cash is received or paid.

These two statements report CTC of Lackawanna County's net position and changes in them. CTC's net position represents the difference between its assets and liabilities. CTC's net position is one way to measure its financial position, or financial health, over time. Increases or decreases in CTC's net position are one indicator of whether its financial health is improving or deteriorating, respectively. In assessing CTC's overall financial health, other non-financial factors must be considered, such as the financial health of the member districts, facility conditions, and the performance of the students.

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

- *Governmental Activities* – Most of CTC's basic services are reported here, such as instruction, administration, support services, depreciation student activities, and debt service fund. Contributions from the member school districts and state and federal government subsidies and grants are the primary funding sources for these activities.

## REPORTING THE SCHOOL AS A WHOLE–GOVERNMENT WIDE STATEMENTS (CONTINUED)

- *Business-type Activities* – CTC operates a food service operation and charges fees to students and staff to help it cover all or most of the cost of the food services it provides.

### Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, or major funds, of CTC –not CTC as a whole. Some funds are required to be reported as major funds by State law and by other requirements. CTC has three types of funds that use different accounting approaches are:

- *Governmental funds* –Most of CTC’s basic services are reported here, and focus on changes in financial resources, rather than upon net income determination. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. These funds provide a detailed short-term view of CTC’s operations and the basic services it provides. The information reported in the governmental funds helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance CTC’s operations. The relationship (or differences) between the governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental funds is described in a reconciliation included in the financial statements.

The governmental funds that are considered to be major funds of CTC are the General Fund (required by GASB Statement No. 34 to be reported as a major fund),and the Capital Reserve Fund. The Debt Service Fund and Student Activities Fund are considered to be a non-major fund.

- *Proprietary funds* – This fund account for CTC’s activities is similar to private sector business operations and focus on the determination of net income and financial position. When CTC charges customers for services it provides – whether to outside customers or to other units in CTC – these services are generally reported in proprietary funds. CTC has the Food Service Fund as a proprietary fund, which is considered an enterprise funds. The information reported for this enterprise fund is the same information we report for the business-type activities reported in the government-wide statement. However, the fund level statements provide more detailed information on the enterprise funds, such as cash flows.

The Food Service Fund is required by the Commonwealth of Pennsylvania Labor, Education and Community Services (LECS) Comptroller’s Office to be reported as a major fund.



## FINANCIAL ANALYSIS OF THE CTC AS A WHOLE

Table A-1  
Fiscal Year Ending June 30, 2024  
Net Assets

	Governmental Activities		Business Type Activities		Total Primary Government		% Chg
	2024	2023	2024	2023	2024	2023	
Current Assets	\$ 2,218,464	\$ 2,095,485	\$ 173,356	\$ 129,912	\$ 2,391,820	\$ 2,225,397	7.5%
Restricted Assets	5,237	3,620	0	0	5,237	3,620	44.7%
Capital Assets	19,967,934	20,136,325	121,382	62,623	20,089,316	20,198,948	-0.5%
<b>Total Assets</b>	<b>\$ 22,191,635</b>	<b>\$ 22,235,430</b>	<b>\$ 294,738</b>	<b>\$ 192,535</b>	<b>\$ 22,486,373</b>	<b>\$ 22,427,965</b>	<b>0.3%</b>
Deferred Outflow of Resources	\$ 2,301,366	\$ 2,159,619	\$ 0	\$ 0	\$ 2,301,366	\$ 2,159,619	6.6%
Current Liabilities	\$ 2,526,384	\$ 2,136,273	\$ 51,046	\$ 5,567	\$ 2,577,430	\$ 2,141,840	20.3%
Long Term Liabilities	20,772,036	21,788,851	0	0	20,772,036	21,788,851	-4.7%
<b>Total Liabilities</b>	<b>\$ 23,298,420</b>	<b>\$ 23,925,124</b>	<b>\$ 51,046</b>	<b>\$ 5,567</b>	<b>\$ 23,349,466</b>	<b>\$ 23,930,691</b>	<b>-2.4%</b>
Deferred Inflow of Resources	\$ 572,069	\$ 737,309	\$ 0	\$ 0	\$ 572,069	\$ 737,309	-22.4%
Net Position							
Invested In Capital Assets	\$ 11,300,022	\$ 10,548,676	\$ 121,382	\$ 62,623	\$ 11,421,404	\$ 10,611,299	7.6%
Restricted for Capital Replacement	508,461	770,184	0	0	508,461	770,184	-34.0%
Restricted for Student Activities	105,336	87,977	0	0	105,336	87,977	0.0%
Restricted for Debt Service	5,237	2,165	0	0	5,237	2,165	141.9%
Unrestricted	(11,296,544)	(11,676,386)	122,310	124,345	(11,174,234)	(11,552,041)	-3.3%
<b>Total Net Position</b>	<b>\$ 622,512</b>	<b>\$ (267,384)</b>	<b>\$ 243,692</b>	<b>\$ 186,968</b>	<b>\$ 866,204</b>	<b>\$ (80,416)</b>	<b>-117.2%</b>

## CHANGES IN ENTITY-WIDE NET POSITION

The results of this year's operations are presented in CTC's Statement of Activities. Expenses are reported in the first column of the statement. Specific charges for services and operating grants and contributions that relate to specific categories of expenses are applied against the expenses to determine the amount of CTC's activities that are supported by other general revenues.

The following table takes the information reported on that statement, modifying the format slightly for discussion purposes, in order to present the total revenues and expenses for the year:

Table A-2  
Fiscal Year Ending June 30, 2024  
Changes in Net Position

	Governmental Activities		Business Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for services	\$ 1,253,113	\$ 1,038,964	\$ 25,675	\$ 37,257	\$ 1,278,788	\$ 1,076,221
Operating grants and contributions	1,975,639	2,445,935	286,178	280,767	2,261,817	2,726,702
Capital grants and contributions	370,598	126,744	0	0	370,598	126,744
<b>General Revenues:</b>						
State grants and subsidies	1,248,235	873,673	0	0	1,248,235	873,673
Investment earnings	79,923	52,373	4,158	3,033	84,081	55,406
Receipts From Member Districts AVTS	5,510,976	6,170,470	0	0	5,510,976	6,170,470
Rent of School Facilities	1,000	0	0	0	1,000	0
Refund of Prior Year Expenditures	8,340	341,022	0	0	8,340	341,022
Miscellaneous Income	12,420	9,998	0	0	12,420	9,998
<b>Total Revenues</b>	<b>\$ 10,460,244</b>	<b>\$ 11,059,179</b>	<b>\$ 316,011</b>	<b>\$ 321,057</b>	<b>\$ 10,776,255</b>	<b>\$ 11,380,236</b>

## CHANGES IN ENTITY-WIDE NET POSITION (CONTINUED)

	Governmental Activities		Business Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
<b>Expenses</b>						
Instruction	\$ 5,009,201	\$ 4,683,864	\$ 0	\$ 0	\$ 5,009,201	\$ 4,683,864
Non-Instruction Services	68,318	54,606	0	0	68,318	54,606
Support Services	3,400,392	3,533,710	0	0	3,400,392	3,533,710
Unallocated Depreciation	813,647	850,097	0	0	813,647	850,097
Refund Prior Year Revenue	0	170,499	0	0	0	170,499
Interest on Long Term Debt	200,424	208,464	0	0	200,424	208,464
Other Administrative	67,204	60,424	0	0	67,204	60,424
Food/Production services	0	0	270,449	262,812	270,449	262,812
<b>Total Expenses</b>	<b>\$ 9,559,186</b>	<b>\$ 9,561,664</b>	<b>\$ 270,449</b>	<b>\$ 262,812</b>	<b>\$ 9,829,635</b>	<b>\$ 9,824,476</b>
<b>Increase (Decrease) in Net Assets Before Transfers</b>	<b>\$ 901,058</b>	<b>\$ 1,497,515</b>	<b>\$ 45,562</b>	<b>\$ 58,245</b>	<b>\$ 946,620</b>	<b>\$ 1,555,760</b>
Transfers	(11,162)	0	11,162	0	0	0
<b>Increase (Decrease) in Net Assets</b>	<b>\$ 889,896</b>	<b>\$ 1,497,515</b>	<b>\$ 56,724</b>	<b>\$ 58,245</b>	<b>\$ 946,620</b>	<b>\$ 1,555,760</b>
Net Position Beginning	(267,384)	(1,764,899)	186,968	128,723	(80,416)	(1,636,176)
<b>Net Position Ending</b>	<b>\$ 622,512</b>	<b>\$ (267,384)</b>	<b>\$ 243,692</b>	<b>\$ 186,968</b>	<b>\$ 866,204</b>	<b>\$ (80,416)</b>

The largest source of program revenues for the CTC consists of charges for services and operating grants and contributions for operation of its continuing education class to adults of \$1,278,788 in 2023- 2024 compared to \$1,076,221 in 2022-2023, contributions from non-member districts of \$490,600 in 2023-2024 compared to \$468,550 in 2022-2023, and operating grants and subsidies, the largest of which represents federal funding from the Carl D. Perkins Vocational and Technical Education grant totaling \$599,326 in 2023-2024 compared to \$555,956 in 2022-2023.

The largest source of general revenue for CTC consists of contributions from eight member districts of \$5,510,976. Included in the revenue figure is \$1,202,200, which represents the twenty first and twenty second payment on the CTC 2020 Bond Issue. The payment was made by eight participating districts to the Debt Service Account. The \$5,510,976 amount accounts for approximately 53% of total governmental activities revenues. This percentage demonstrates the reliance that CTC places on the contributions received from its member districts.

The second largest source of general revenues for CTC consists of State grants and subsidies, which is \$1,248,235 for the State Vocational Subsidy for Secondary Programs. This is an increase of \$374,562 from the prior year of \$873,673.

## FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

As of June 30, 2024, CTC's General Fund reported fund balance of \$149,145 which is shown as net in Due from Other Governmental Units in the Notes to Financial Statements.

In Government Activities, Instruction Expenses increased from \$4,683,864 in 2023 to \$5,009,201 in 2024 while Support Services decreased from \$3,533,710 in 2023 to \$3,400,392 in 2024.

Historically, the Joint Operating Committee of the CTC allows for the transfer of fund balances to the Capital Reserve Fund. As stated earlier, this fund is set up for capital projects, equipment upgrades, and equipment purchases for the school. By transferring the funds to reserve, school districts avoid being periodically assessed for capital improvements at the CTC.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The Statement of Revenue and Expenditures, Budget and Actual shows a comparison of budget vs. actual and include a column for Variance with Budget. Total Revenue received in the General Fund was \$384,801 over budget, while total Expenditures in the General Fund were \$99,246 over budget.

Vocational Education Programs ended with a negative expenditure budgetary variance of \$325,709. The categories included in this total cover instructional costs for secondary students served by the CTC. Adult Education programs ended with a positive expenditure variance of \$60,842. Total Support Services ended with a positive expenditure variance of \$186,798.

## CAPITAL ASSETS

As of June 30, 2024, CTC had \$33,682,449 invested in capital assets compared to \$33,791,707 as of June 30, 2023.

Table A-5  
Fiscal Year Ending June 30, 2024  
Capital Assets— Net of Depreciation.

	<u>Total Assets</u>	<u>Accumulated Depreciation</u>	<u>Balance Net of Depreciation</u>
<b>Governmental Activities</b>			
<b>Historical Cost</b>			
Land	\$ 195,444	\$ 0	\$ 195,444
Land Improvements	124,447	66,445	58,002
Buildings	26,763,302	9,240,644	17,522,658
Fixtures and Equipment	<u>6,223,094</u>	<u>4,118,659</u>	<u>2,104,435</u>
<b>Total Historical Cost</b>	<b>\$ 33,306,287</b>	<b>\$ 13,425,748</b>	<b>\$ 19,880,539</b>
<b>Right-to-Use Lease Assets</b>	<u>101,746</u>	<u>14,351</u>	<u>87,395</u>
<b>Total Governmental Activities</b>	<b><u>\$ 33,408,033</u></b>	<b><u>\$ 13,440,099</u></b>	<b><u>\$ 19,967,934</u></b>
	<u>Total Assets</u>	<u>Accumulated Depreciation</u>	<u>Balance Net of Depreciation</u>
<b>Business Activities</b>			
Fixtures and Equipment	<u>\$ 274,416</u>	<u>\$ 153,034</u>	<u>\$ 121,382</u>
<b>Total Business Activities</b>	<b><u>\$ 274,416</u></b>	<b><u>\$ 153,034</u></b>	<b><u>\$ 121,382</u></b>

## LONG TERM DEBT

Summary of CTC Long Term Debt for the year ended June 30, 2024.

	Balance July 1, 2023	Additions	Amortization (Accretion)	Retirements	Balance June 30, 2024	Due Within One Year
Lease Revenue Bonds:						
Series of 2020	\$ 8,930,000	\$ 0	\$ 0	\$ 845,000	\$ 8,085,000	\$ 880,000
Amortization / Accretion	643,056	0	(147,539)	0	495,517	0
Right-to-Use Lease	14,593	101,746	0	28,944	87,395	18,460
Compensated Absences	208,297	0	0	8,214	200,083	0
TOTALS	<u>\$ 9,795,946</u>	<u>\$ 101,746</u>	<u>\$ (147,539)</u>	<u>\$ 882,158</u>	<u>\$ 8,867,995</u>	<u>\$ 898,460</u>

In June 2020, CTC and its JOC members entered into a lease agreement with Waverly Township Municipal Authority to refinance its 2012 bonds. WTMA issued \$11,475,000, 2% to 4% Waverly Township Municipal Authority CTC Lease Revenue Bonds, Series of 2020. Principal and interest is payable on February 15 and interest only on August 15 each year from 2020 to 2032. Detailed information on the bond issue can be found in Note 8 of the Notes to Financial Statement.

## ECONOMIC FACTORS AND THE 2023-2024 BUDGET

CTC has a prepared General Fund Operating Budget for the next school year, or the fiscal year ending June 30, 2025. The total 2024-2025 General Operating Budget represents an increase of \$607,366 from the total 2023-2024 General Operating Budget. The member district's costs for 2024-2025 increased 6.48% from the previous year's budget level. The member district increase differs from the budgetary level due to differences in revenue from non-member districts, state/federal revenue, and self-sustaining program changes.

The 2024-2025 General Operating Budget represents a sincere effort of the Joint Operating Committee and the administrative staff to provide a quality program of career and technical education, and to demonstrate fiscal responsibility in an era of constrained resources.

## CONTACTING THE CTC FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, parents, students, customers, investors, creditors, and taxpayers of our member districts with a general overview of the CTC financial operations and to show the Joint Operating Committee's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, please contact James McHale, Chief Financial Officer, Career Technology Center of Lackawanna County, 3201 Rockwell Avenue, Scranton, PA 18508; Telephone: 570-346-8471 EXT 194, Fax: 570-342-4251 or E-mail: [jmchale@ctclc.edu](mailto:jmchale@ctclc.edu).

Respectfully submitted:

James McHale, Chief Financial Officer

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
STATEMENT OF NET POSITION  
JUNE 30, 2024

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash	\$ 1,414,506	\$ 107,809	\$ 1,522,315
State Subsidy Receivable	463,013	3,434	466,447
Federal Subsidy Receivable	42,980	59,252	102,232
Interfund Receivables	280,911	0	280,911
Inventory	0	2,861	2,861
Other Receivables	17,054	0	17,054
Restricted Assets			
Cash	5,237	0	5,237
Capital Assets:			
Land & Land Improvements	319,891	0	319,891
Buildings	26,763,302	0	26,763,302
Furniture and Equipment	6,223,094	274,416	6,497,510
Right-to-Use Lease Assets	101,746	0	101,746
Accumulated Depreciation & Amortization	(13,440,099)	(153,034)	(13,593,133)
<b>TOTAL ASSETS</b>	<b>\$ 22,191,635</b>	<b>\$ 294,738</b>	<b>\$ 22,486,373</b>
DEFERRED OUTFLOW OF RESOURCES			
Deferred Outflows Related to Pensions	\$ 1,933,977	\$ 0	\$ 1,933,977
Deferred Outflows Related to Other Post-Employment Benefits	305,938	0	305,938
Prepaid Bond Insurance Cost	61,451	0	61,451
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<b>\$ 2,301,366</b>	<b>\$ 0</b>	<b>\$ 2,301,366</b>

"See Accompanying Notes and Independent Auditors' Report"

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
STATEMENT OF NET POSITION  
JUNE 30, 2024

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>LIABILITIES</b>			
Accrued Salary and Benefits	\$ 997,009	\$ 0	\$ 997,009
Accounts Payable	151,804	21,333	173,137
Interfund Payables	251,198	29,713	280,911
Intergovernmental Payable	106,638	0	106,638
Accrued Interest Expense	121,275	0	121,275
Current Portion Lease Revenue Bonds Payable	880,000	0	880,000
Current Portion Lease Liability Payable	18,460	0	18,460
Noncurrent Liabilities:			
Other Post-Employment Benefits	1,814,365	0	1,814,365
Pension Obligation Payable	10,988,136	0	10,988,136
Lease Revenue Bonds Payable	7,700,517	0	7,700,517
Lease Liability Payable	68,935	0	68,935
Accumulated Compensated Absences	200,083	0	200,083
<b>TOTAL LIABILITIES</b>	<b><u>\$ 23,298,420</u></b>	<b><u>\$ 51,046</u></b>	<b><u>\$ 23,349,466</u></b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Inflows Related to Pensions	\$ 228,000	\$ 0	\$ 228,000
Deferred Inflows Related to Other Post-Employment Benefits	246,051	0	246,051
Unearned Revenue	98,018	0	98,018
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<b><u>\$ 572,069</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 572,069</u></b>
<b>COMMITMENTS</b>			
<b>NET POSITION</b>			
Investment in Capital Assets, Net of Related Debt	\$ 11,300,022	\$ 121,382	\$ 11,421,404
Restricted For:			
Reserve For Capital Replacement	508,461	0	508,461
Reserve for Student Activities	105,336	0	105,336
Reserve For Debt Service	5,237	0	5,237
Unreserved	(11,296,544)	122,310	(11,174,234)
<b>TOTAL NET POSITION</b>	<b><u>\$ 622,512</u></b>	<b><u>\$ 243,692</u></b>	<b><u>\$ 866,204</u></b>

"See Accompanying Notes and Independent Auditors' Report"

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
STATEMENT OF NET ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS		
		CHARGE FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:							
Instructional Services:							
Vocational Education Programs	\$ 3,926,080	\$ 490,600	\$ 1,058,492	\$ 370,598	\$ (2,006,390)	\$ 0	\$ (2,006,390)
Adult Education Programs	1,083,121	682,610	479,768	0	79,257	0	79,257
TOTAL INSTRUCTIONAL SERVICES	\$ 5,009,201	\$ 1,173,210	\$ 1,538,260	\$ 370,598	\$ (1,927,133)	\$ 0	\$ (1,927,133)
Non-Instructional Services:							
Student Activities	\$ 68,318	\$ 79,903	\$ 0	\$ 0	\$ 11,585	\$ 0	\$ 11,585
TOTAL NON-INSTRUCTIONAL SERVICES	\$ 68,318	\$ 79,903	\$ 0	\$ 0	\$ 11,585	\$ 0	\$ 11,585
Support Services							
Guidance	\$ 373,051	\$ 0	\$ 55,058	\$ 0	\$ (317,993)	\$ 0	\$ (317,993)
Instructional Support	345,061	0	142,327	0	(202,734)	0	(202,734)
Administrative Services	764,539	0	98,409	0	(666,130)	0	(666,130)
Pupil Health Services	85,632	0	13,641	0	(71,991)	0	(71,991)
Business Services	410,693	0	44,442	0	(366,251)	0	(366,251)
Operation & Maintenance of Plant Services	1,421,416	0	83,502	0	(1,337,914)	0	(1,337,914)
TOTAL SUPPORT SERVICES	\$ 3,400,392	\$ 0	\$ 437,379	\$ 0	\$ (2,963,013)	\$ 0	\$ (2,963,013)
Other Expenditures							
Unallocated Depreciation & Amortization	\$ 813,647	\$ 0	\$ 0	\$ 0	\$ (813,647)	\$ 0	\$ (813,647)
Interest on Long - Term Debt	200,424	0	0	0	(200,424)	0	(200,424)
Other Administrative	67,204	0	0	0	(67,204)	0	(67,204)
TOTAL OTHER EXPENDITURES	\$ 1,081,275	\$ 0	\$ 0	\$ 0	\$ (1,081,275)	\$ 0	\$ (1,081,275)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 9,559,186	\$ 1,253,113	\$ 1,975,639	\$ 370,598	\$ (5,959,836)	\$ 0	\$ (5,959,836)
Business-Type Activities:							
Food Service	\$ 270,449	\$ 25,675	\$ 286,178	\$ 0	\$ 0	\$ 41,404	\$ 41,404
TOTAL PRIMARY GOVERNMENT	\$ 9,829,635	\$ 1,278,788	\$ 2,261,817	\$ 370,598	\$ (5,959,836)	\$ 41,404	\$ (5,918,432)
General Revenues:							
Grants, Subsidies, and Contributions Not Restricted					\$ 1,248,235	\$ 0	\$ 1,248,235
Receipts From Member District - AVTS					5,510,976	0	5,510,976
Investment Earnings					79,923	4,158	84,081
Rent of School Facilities					1,000	0	1,000
Miscellaneous Income					12,420	0	12,420
Refund of Prior Year Expenditure					8,340	0	8,340
Transfers					(11,162)	11,162	0
TOTAL GENERAL REVENUES, SPECIAL ITEMS, AND TRANSFERS					\$ 6,849,732	\$ 15,320	\$ 6,865,052
Change In Net Position					\$ 889,896	\$ 56,724	\$ 946,620
Net Position - Beginning of Year					(267,384)	186,968	(80,416)
NET POSITION - END OF YEAR					\$ 622,512	\$ 243,692	\$ 866,204

"See Accompanying Notes and Independent Auditors' Report"

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2024

	GENERAL FUND	CAPITAL RESERVE FUND	NON-MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash	\$ 1,054,250	\$ 253,722	\$ 106,534	\$ 1,414,506
State Subsidy Receivable	463,013	0	0	463,013
Federal Subsidy Receivable	42,980	0	0	42,980
Interfund Receivables	26,172	254,739	0	280,911
Other Receivables	17,054	0	0	17,054
Restricted Assets:				
Cash	0	0	5,237	5,237
<b>TOTAL ASSETS</b>	<b>\$ 1,603,469</b>	<b>\$ 508,461</b>	<b>\$ 111,771</b>	<b>\$ 2,223,701</b>
LIABILITIES & FUND BALANCE				
Accrued Salary and Benefits	\$ 997,009	\$ 0	\$ 0	\$ 997,009
Accounts Payable	151,804	0	0	151,804
Interfund Payables	250,000	0	1,198	251,198
Intergovernmental Payable	106,638	0	0	106,638
Unearned Revenue	98,018	0	0	98,018
<b>TOTAL LIABILITIES</b>	<b>\$ 1,603,469</b>	<b>\$ 0</b>	<b>\$ 1,198</b>	<b>\$ 1,604,667</b>
FUND BALANCE				
Capital Reserve Fund	\$ 0	\$ 508,461	\$ 0	\$ 508,461
Student Activities	0	0	105,336	105,336
Debt Service	0	0	5,237	5,237
<b>TOTAL FUND BALANCE</b>	<b>\$ 0</b>	<b>\$ 508,461</b>	<b>\$ 110,573</b>	<b>\$ 619,034</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 1,603,469</b>	<b>\$ 508,461</b>	<b>\$ 111,771</b>	<b>\$ 2,223,701</b>

"See Accompanying Notes and Independent Auditors' Report"



CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2024

Total Fund Balance - Total Governmental Funds		\$ 619,034
Amount reported for governmental activities in the statement of net position differs because:		
Capital assets and right-to-use lease assets are not reported as assets in governmental funds.		
The total cost of the assets are	\$ 33,408,033	
and the accumulated depreciation/amortization is	<u>(13,440,099)</u>	19,967,934
Governmental funds report the effects of bond insurance cost when the debt is first issued, whereas these amounts are deferred and amortized		61,451
Deferred outflows and inflows of resources related to pensions and other post-employment benefits are applicable to future reporting periods and, therefore, are not reported in the funds.		1,765,864
Long-Term liabilities are not due and payable in the current period and are not reported as liabilities in the funds. Long-Term liabilities at June 30, 2024 consist of		
Other post-employment benefits	\$ (1,814,365)	
Pension obligation payable	(10,988,136)	
Lease revenue bonds payable	(8,580,517)	
Lease liability payable	(87,395)	
Accrued interest expense	(121,275)	
Compensated absences	<u>(200,083)</u>	<u>(21,791,771)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 622,512</u>

"See Accompanying Notes and Independent Auditors' Report"

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	GENERAL FUND	CAPITAL RESERVE FUND	NON-MAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUE				
Local Sources	\$ 4,962,931	\$ 19,477	\$ 1,290,949	\$ 6,273,357
State Sources	2,930,837	0	0	2,930,837
Federal Sources	1,256,050	0	0	1,256,050
TOTAL REVENUE	\$ 9,149,818	\$ 19,477	\$ 1,290,949	\$ 10,460,244
EXPENDITURES				
Instruction				
Vocational Education Programs	\$ 4,465,030	\$ 0	\$ 0	\$ 4,465,030
Adult Education Programs	1,151,272	0	0	1,151,272
TOTAL INSTRUCTIONAL EXPENDITURES	\$ 5,616,302	\$ 0	\$ 0	\$ 5,616,302
Operation of Non-Instructional Services				
School Sponsored Activities	\$ 0	\$ 0	\$ 68,318	\$ 68,318
TOTAL OPERATION OF NON-INSTRUCTIONAL SERVICES EXPENDITURES	\$ 0	\$ 0	\$ 68,318	\$ 68,318
Support Services				
Guidance	\$ 391,655	\$ 0	\$ 0	\$ 391,655
Instructional Support	348,232	14,754	0	362,986
Administrative Services	813,479	0	2,500	815,979
Pupil Health Services	90,150	0	0	90,150
Business Services	425,103	0	0	425,103
Operation & Maintenance of Plant Services	1,469,255	255,284	0	1,724,539
Other Administrative	62,506	0	0	62,506
TOTAL SUPPORT SERVICES	\$ 3,600,380	\$ 270,038	\$ 2,500	\$ 3,872,918
Other Expenditures				
Debt Service	\$ 32,382	\$ 0	\$ 1,202,200	\$ 1,234,582
TOTAL OTHER EXPENDITURES	\$ 32,382	\$ 0	\$ 1,202,200	\$ 1,234,582
TOTAL EXPENDITURES	\$ 9,249,064	\$ 270,038	\$ 1,273,018	\$ 10,792,120
EXCESS OF REVENUES (UNDER)/OVER EXPENDITURES	\$ (99,246)	\$ (250,561)	\$ 17,931	\$ (331,876)
Other Financing Sources (Uses)				
Right-to-Use Lease Proceeds Received	\$ 101,746	\$ 0	\$ 0	\$ 101,746
Operating Transfer In (Out)	(2,500)	(11,162)	2,500	(11,162)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 99,246	\$ (11,162)	\$ 2,500	\$ 90,584
Excess of Revenue and Other Financing Sources (Under)/Over Expenditures and Other Financing Uses	\$ 0	\$ (261,723)	\$ 20,431	\$ (241,292)
Fund Balance, Beginning of Year	0	770,184	90,142	860,326
FUND BALANCE, END OF YEAR	\$ 0	\$ 508,461	\$ 110,573	\$ 619,034

"See Accompanying Notes and Independent Auditors' Report"

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

Net Change in Fund Balances - Total Governmental Funds \$ (241,292)

Amount reported for governmental activities in the statement of activities differs because:

Capital outlays are reported in government funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation/amortization expense. The amount by which capital outlays exceeds depreciation/amortization in the period is as follows:

Capital Outlays	\$ 645,256	
Depreciation and Amortization	<u>(813,647)</u>	(168,391)

In the statement of activities, post employment benefits are provided for when the liability is incurred at its net present value. In governmental funds however, the actual amount paid during the year is reported as an expenditure. This amount represents the change in the net present value calculation of GASB 47 Post Employment Retirement Benefits.

10,525

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the School's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

Pension Expense	\$ (1,024,070)	
Pension Contributions	<u>1,272,977</u>	248,907

District Other Post-Employment Benefit (OPEB) contributions are reported as expenditures in the governmental funds when made. However they are reported as deferred outflows of resources in the Statement of Net Position because the reported net OPEB liability is measured a year before the School's report date. OPEB expense, which is the change in the net OPEB liability adjusted for changes in deferred outflows and inflows of resources related to OPEB, is reported in the Statement of Activities.

Other Post-Employment Benefit Expense	\$ 83,147	
Other Post-Employment Benefit Contributions	<u>24,422</u>	107,569

"See Accompanying Notes and Independent Auditors' Report"

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

Issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also governmental funds report the effects of issuance cost, premiums, and discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. The effect of these transactions in the statement of activities is shown below:

Bond Premium Accretion	\$ 147,539	
Lease Revenue Bond Principal Payments	845,000	
Prepaid Bond Insurance Cost Amortization	(8,048)	
Right-to-Use Lease Proceeds	(101,746)	
Right-to-Use Lease Principal Payments	<u>28,944</u>	911,689

In the statement of activities, accrued interest expense is recognized as the interest accrues, regardless of when it is due. Whereas, in the governmental funds interest expense is recognized as an expenditure when it is due. The additional interest accrued in the statement of activities over the amount due is shown here.

12,675

In the statement of activities, compensated absences are measured by the amounts earned during the year. In governmental funds however, expenditures for these items are measured by the amount of financial resources used. This amount represents the difference between the amount earned versus the amount used.

8,214

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES

\$ 889,896

"See Accompanying Notes and Independent Auditors' Report"

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
STATEMENT OF NET POSITION  
PROPRIETARY FUND - FOOD SERVICE FUND  
BUSINESS-TYPE ACTIVITIES  
JUNE 30, 2024

ASSETS

Cash	\$ 107,809	
State Subsidy Receivable	3,434	
Federal Subsidy Receivable	59,252	
Inventory	2,861	
Capital Assets:		
Furniture And Equipment	274,416	
Accumulated Depreciation	<u>(153,034)</u>	
 TOTAL ASSETS		 <u>\$ 294,738</u>

LIABILITIES

Accounts Payable	\$ 21,333	
Interfund Payables	<u>29,713</u>	
 TOTAL LIABILITIES		 <u>\$ 51,046</u>

NET POSITION

Investment in Capital Assets, Net of Related Debt	\$ 121,382	
Unreserved - Undesignated	<u>122,310</u>	
 TOTAL NET POSITION		 <u>\$ 243,692</u>

"See Accompanying Notes and Independent Auditors' Report"

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND NET POSITION  
PROPRIETARY FUND - FOOD SERVICE FUND  
BUSINESS-TYPE ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

REVENUE

Food Sales	\$ 24,047
Other Food Service Revenue	<u>1,628</u>

TOTAL REVENUE		\$ 25,675
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EXPENSES

Food Costs	\$ 125,645
Salaries and Wages	82,047
Employee Benefits	39,380
Contracted Services	12,455
Repair Services	1,785
Depreciation Expense	<u>9,137</u>

TOTAL EXPENSES		<u>270,449</u>
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NET OPERATING LOSS		\$ (244,774)
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NON-OPERATING REVENUES

Federal and State Subsidies	\$ 272,981
Value of Donated Commodities	13,197
Interest Income	<u>4,158</u>

TOTAL NON-OPERATING REVENUES		<u>290,336</u>
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NET INCOME (LOSS) BEFORE OPERATING TRANSFER		\$ 45,562
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OPERATING TRANSFERS

Capital Reserve Fund	\$ <u>11,162</u>
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TOTAL OPERATING TRANSFERS		<u>11,162</u>
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CHANGE IN NET POSITION		\$ 56,724
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Net Position at Beginning of Year		<u>186,968</u>
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NET POSITION AT END OF YEAR		<u><u>\$ 243,692</u></u>
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"See Accompanying Notes and Independent Auditors' Report"

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND - FOOD SERVICE FUND  
BUSINESS-TYPE ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES:

Cash Received From Users	\$ 25,704	
Cash Payments To Employees For Service	(82,047)	
Cash Payments To Suppliers For Goods And Services	<u>(66,687)</u>	
Net Cash Used In Operating Activities		\$ (123,030)

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:

Federal and State Subsidies	\$ 251,689	
Advances From Capital Reserve Fund	<u>11,162</u>	
Net Cash Provided By Non-Capital Financing Activities		262,851

CASH FLOW FROM INVESTING ACTIVITIES:

Earnings On Investments	\$ 4,158	
Purchase of Fixed Assets	<u>(67,895)</u>	
Net Cash Used In Investing Activities		<u>(63,737)</u>

Net Increase in Cash	\$ 76,084
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Cash at Beginning of Year	<u>31,725</u>
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CASH AT END OF YEAR	<u><u>\$ 107,809</u></u>
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RECONCILIATION OF OPERATING LOSS TO NET CASH  
USED IN OPERATING ACTIVITIES:

Operating Loss	\$ (244,774)
Adjustments to Reconcile Operating Loss To Net Cash Used In Operating Activities:	
Depreciation	9,137
Changes in Assets and Liabilities:	
(Increase)/Decrease in Inventory	675
Increase/(Decrease) In Accounts Payable	20,504
Increase/(Decrease) in Interfund Payables	<u>91,428</u>
Net Cash Used In Operating Activities	<u><u>\$ (123,030)</u></u>

SUPPLEMENTAL DISCLOSURE

Non-Cash Non-Capital Financing Activity:	
Value of Donated Commodities	<u><u>\$ 13,197</u></u>

"See Accompanying Notes and Independent Auditors' Report"

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 1 - Nature of Operations

The Center was created for the purpose of offering vocational and technical training programs for the benefit of secondary school pupils and post-secondary adults in the Lackawanna County attendance area. The Center is a joint venture of its eight member school districts (collectively, the participating districts). The Eight members are Carbondale Area School District, Dunmore School District, Forest City School District, Lakeland School District, Mid-Valley School District, North Pocono School District, Scranton School District, and Valley View School District.

Note 2 - Summary of Significant Accounting Policies

The accounting and reporting policies of the School District relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America (GAAP) applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *State and Local Governments – Audit and Accounting Guide* and by the Financial Accounting Standards Board (when applicable). The significant accounting policies of the School are described below.

Reporting Entity: Career Technology Center of Lackawanna County is the basic level of government which has financial accountability and control over all activities relating to the vocational-technical education in Lackawanna County. The Board receives funding from local, state, federal government and other sources and must comply with the requirements of these funding sources. However, the Board is not included in any other governmental "reporting entity" as defined by the GASB pronouncement. Each member district appoints one of their elected board members to the Board. The board has decision making authority, revenue setting authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement No. 14, 39, 60, and 80 which are included in the School's reporting entity.

The reporting entity of the School is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity, as amended by GASB Statement 39, Determining Component Unit* and GASB Statement No. 61 *The Financial Reporting Entity Omnibus, and Statement No. 80, Blending Requirement for Certain Component Units* an Amendment of GASB Statement No. 14. The accompanying basic financial statements comply with the provisions of GASB Statement No. 14, 39, 61, and 80, in that the financial statements include all organizations, activities and functions for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of a component unit or (2) the possibility that the component unit will provide a financial benefit or impose a financial burden on the District. In addition, component units can be other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading. This report presents the activities of the Career Technology Center of Lackawanna County. The District is not a component unit of another reporting entity, nor does it have any component units.



CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of Significant Accounting Policies (Continued)

Based upon the application of the criteria in the preceding paragraph, the following is a brief review of certain entities considered in determining the School's reporting entity.

Northeast PA Public School Health Care Consortium

The School does not designate management of the entity and the School was not able to significantly influence operations. The School does not solely fund deficits or receive the surplus funds of any other entity. There is no outstanding debt of another entity that is an obligation of the School, and the School does not contribute to a significant part of any other entity's revenues. Based on the above criteria, the School has not included the entity listed above in the School's annual financial statements. This entity is considered a separate legal entity and is responsible for its own independent review.

Separately issued financial statements of this entity can be obtained from:

Northeast PA Public School Health Care Consortium  
1200 Line Street  
Archbald, PA 18403

Basis of Presentation: Government-wide Financial Statements: The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through intergovernmental revenues and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Other items not properly included among program revenues are reported instead as general revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues result from providing goods and services in connection with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are non-operating. Operating expenses can be tied specifically to the production of the goods and services, such as materials and labor and direct overhead. Other expenses are non-operating.

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of Significant Accounting Policies (Continued)

Fund Financial Statements: Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the School or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the financial reporting entity are described below:

1. Governmental Fund Type
  - a. The General Fund is the General Operating Fund of the School and accounts for all revenues and expenditures of the School not encompassed within other funds. This is a budgeted fund, and any fund balance/(deficit) is reimbursed to/due from various school districts. The General Fund is always classified as a major fund.
  - b. The Capital Reserve Fund, an unbudgeted fund, accounts for specific sales and purchases of capital projects. The School has classified this fund as a major fund.
  - c. The Student Activity Fund, an unbudgeted fund, accounts for the activities of student groups. The School has classified this fund as a non-major fund.
  - d. The Debt Service Fund, an unbudgeted fund, is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs, and is classified as a non-major fund.
2. Proprietary Fund Type - The Food Service Fund, an unbudgeted fund, is used to account for the operations of a School cafeteria that provides lunches to students for the purpose of making a profit. The Pennsylvania Department of Education has mandated that the Food Service Fund is always classified as a major fund.

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of Significant Accounting Policies (Continued)

Measurement Focus: On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

Basis of Accounting: In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. The School does not attempt to allocate "overhead" costs to the food service fund such as utilities, janitorial service and insurance, etc., nor does the Food Service Fund recognize a cost for the building space it occupies.

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of Significant Accounting Policies (Continued)

Grant Funds: Grant Funds are considered earned to the extent of expenditures made under the provision of the Grant. Accordingly, when such funds are received, they are recorded as unearned revenue until earned.

Inventories: The cost of donated commodities in the food service inventory represents the value assigned by the United States Department of Agriculture. Purchased inventories in the Food Service Fund are stated at cost on a first-in, first-out basis.

Investment in Capital Assets: The accounting treatment over property, plant, and equipment (fixed assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets acquired prior to June 30, 2003.

Depreciation of all exhaustible fixed assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

- |                            |             |
|----------------------------|-------------|
| • Buildings & Improvements | 20-50 years |
| • Site Improvements        | 20 years    |
| • Machinery and Equipment  | 5-20 years  |

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Long- Term Debt: The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. The School complies with GASB Statement 88 which requires expanded disclosures regarding debt in the Notes to the Financial Statements.

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of Significant Accounting Policies (Continued)

Government-Wide Statements

All long-term debt to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term debt consists primarily of bonds payable and accrued compensated absences.

Fund Financial Statements

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

The accounting for leases depends upon its classification (1) Short-term leases have a maximum possible term of 12 months or less. Payment on short-term leases are recorded as outflows of resources based upon payment provisions in the contract (2) Contracts that transfer ownership and reported as financed purchases of the underlying assets; and (3) all other leases are treated in a manner similar to contracts that transfer ownership, resulting in the recognition of a right-to-use asset and lease liability.

Lease liabilities are initially measured at the present value of the payments expected to be made during the lease term. Lease assets are initially measured as the sum of the lease liability, payments made less lease incentives received before commencement of the lease term, and initial direct costs that are necessary to place the leased asset into service.

Bond Insurance costs are amortized over the terms of the respective bonds using the straight-line method. Bond discounts are amortized over the terms of the respective bonds using a method that approximates the effective interest method.

Budgets: Budgets are adopted on a basis consistent with generally accepted accounting principles. The official budget for the General Fund was formally adopted by the School Board Joint Committee on March 28, 2023 at a duly advertised meeting.

Once the budget is approved, it can be amended at the Function and Fund level only by approval of a majority of the members of the Board. Amendments are presented to the board at their regular meetings. Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the proprietary fund type considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of Significant Accounting Policies (Continued)

Interfund Receivables and Payables: During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds". Short-term interfund loans are reported as "interfund receivables and payables". Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds". Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

Interfund Transfers: Permanent reallocation of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

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

Net Position: Net position represents the difference between assets and deferred outflow of resources and deferred inflows of resources, and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position invested in capital assets, net of related debt excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Deferred Outflow and Inflows of Resources: GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* were implemented during the year ended June 30, 2014. These statements incorporate deferred outflows of resources and deferred inflows of resources, as defined by GASB Concepts Statement No. 4, into the definitions of the required components of the residual measure of net position, formerly net assets. The Statement of Net Position now reports the following components: assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position, when applicable.

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, 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

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of Significant Accounting Policies (Continued)

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.

The School provides eligible employees with retirement benefits through the Public-School Employer's Retirement System (PSERS), a governmental cost-sharing multiple-employer defined benefit pension plan. PSERS was established as of July 18, 1917, under the provisions of Public Law 1043, No. 343. The system provides various plans and options, all of which require employee contributions. The retirement system computes the cost of retirement benefits based on its fiscal year of June 30.

Accounting and Financial Reporting for Pensions: The School complies with GASB Statement No. 68 *Accounting and Financial Reporting for Pensions – Amendment to GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The primary objective of the Statements is to improve accounting and financial reporting by state and local governments for pensions. The implementation of the Statements requires the School to report as a liability its portion of the collective pension liability in the Commonwealth of Pennsylvania Public School Employees' Retirement System ("PSERS"). The implementation of the Statements also requires the School to report a deferred outflow and/or inflow for the effect of the net change in the School's proportion of the collective net pension liability and difference during the measurement period between the School's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. Also included as a deferred outflow of resources is the School contributions to the pension systems subsequent to the measurement date.

The School complies with GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The primary objective of the Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The Statement clarifies certain provisions with regard to the accounting and financial reporting for separately financed specific liabilities for defined benefit plans.

Accounting and Financial Reporting for Post-Employment Benefits: The School complies with GASB Statement No. 75 - *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB).

Other Postemployment Benefits (OPEB) Single-Employer Defined Benefit OPEB Plan: The School sponsors a single-employer defined benefit OPEB plan. For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of Significant Accounting Policies (Continued)

of the OPEB plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. The single-employer OPEB plan is unfunded.

Cost-Sharing Multiple-Employer Defined Benefit Plan: The School participates in the PSERS Health Insurance Premium Assistance Program. 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 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.

Revenue From Districts: The member school districts are responsible for the operating budget. The amounts charged to individual school districts are computed annually based on budgeted revenues and expenditures and are billed based on the average of the four prior year's actual enrollments.

Revenues Exchange and Non-exchange Transactions: Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions in which the School receives value without directly giving equal value in return include grants, entitlements, and donations. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School must provide local resources to be used for a specified purpose, and expenditure requirements in which the resources are provided to the School on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized under the modified accrual basis. The following revenue sources are considered to be both measurable and available at fiscal year-end: interest, tuition, grants, student fees and rentals.



CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of Significant Accounting Policies (Continued)

Unearned Revenue: Revenues that are received but not earned are reported as unearned revenues in the government- wide, governmental, and proprietary fund financial statements. Unearned revenues arise when resources are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the School has legal claim to the resources, the liability for unearned revenue is removed from the respective financial statements and revenue is recognized.

Valuation of Long-Lived Assets: Long-lived assets to be held and used are required to be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In general, any long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell. The School periodically evaluates the recoverability of its long-lived assets, including real estate and improvements and deferred costs, using objective methodologies. Such methodologies include evaluations based on cash flows generated by the underlying assets or other determinants of fair value. None of the School's long-lived assets were considered to be impaired as of June 30, 2024.

Equity Classifications:

Government-wide Statements

Equity is classified as net position and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Fund Equity

Beginning with fiscal year 2011, Career Technology Center of Lackawanna County implemented GASB Statement 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of Significant Accounting Policies (Continued)

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and high levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

Beginning with Fiscal Year 2022, the School District implemented GASB Statement No. 87, Leases. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. GASB specified a transition method that measures leases using the facts and circumstances at the beginning of the implementation period. At implementation, lease liabilities were measured using the remaining lease term and discount rate at July 1, 2021, and right-to-use assets were measured based on the lease liability, accordingly, a restatement of net position was not necessary to implement Statement No. 87.

Change in Accounting Principle - During the current year, the School District adopted GASB Statement No. 99, Omnibus 2022, which addresses requirements related to financial guarantees and the classification and reporting of derivative instruments. Upon review of the standard, the School determined it has not entered into any transactions that would be subject to the requirements of the standard at this time but may possibly in the future.

The School District also adopted GASB Statement No. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The adoption of this statement had no effect on the School's financial statements.

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 3 - Cash and Investments

The Public School Code authorizes the School to invest in U.S. Treasury bills, short-term obligations of the U.S. Government or its agencies or instrumentalities, savings or time deposit accounts provided such deposits are insured or collateralized by obligations of the United States of America, Commonwealth of Pennsylvania or their agencies or instrumentalities provided such deposits are backed by the full faith and credit of such entities.

Custodial Credit Risk

All school funds are invested in Pennsylvania School District Liquid Asset Fund. All assets contained in the fund are invested in accordance with Title 24 of the Pennsylvania Statutes Article 4, Section 440.1 (2001). Each school district or government agency owns shares of the fund, which invests the pooled assets. Since the fund has the characteristics of a mutual fund, it would not be reported by risk category in accordance with Governmental Accounting Standards Board Statement.

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. To extent practical, investments are matched with anticipated cash flows.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the School's investments in a single issuer.

For investments, custodial credit risk is the risk that in the event of the failure of the counterparty the School will not be able to recover the value of its investments or collateral securities in the possession of an outside party.

Note 4 - Federal and State Subsidy Receivable/Deferral

Federal and State Subsidy Receivable at June 30, 2024 consists of federal and state sponsored subsidy programs in which the expenditure was made but the corresponding receipts were not received, or the receipt was received, and the corresponding expenditure was not made as of June 30, 2024.

	<u>FEDERAL</u>	<u>STATE</u>	<u>TOTAL</u>
GENERAL FUND:			
RECEIVABLE:			
Workforce Investment Act	\$ 42,980	\$ 0	\$ 42,980
State Vocational Education	0	86	86
PA TIP Grant	0	9,886	9,886
PA School Mental Health/Safety Grant	0	77,393	77,393
Retirement Subsidy	0	306,907	306,907
Social Security Subsidy	0	68,741	68,741
RECEIVABLE TOTAL:	<u>\$ 42,980</u>	<u>\$ 463,013</u>	<u>\$ 505,993</u>

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 4 - Federal and State Subsidy Receivable/Deferral (Continued)

	<u>FEDERAL</u>	<u>STATE</u>	<u>TOTAL</u>
DEFERRED:			
COVID-19 Public Health Workforce Grant	\$ (81,969)	\$ 0	\$ (81,969)
DEFERRED TOTAL:	<u>\$ (81,969)</u>	<u>\$ 0</u>	<u>\$ (81,969)</u>
FOOD SERVICE FUND:			
National School Lunch Program	\$ 59,252	\$ 3,434	\$ 62,686
TOTAL FEDERAL AND STATE SUBSIDY RECEIVABLE (DEFERRED) AT JUNE 30, 2024	<u>\$ 20,263</u>	<u>\$ 466,447</u>	<u>\$ 486,710</u>

Note 5 - Inventories

Inventories at June 30, 2024 are summarized as follows:

Food Service: Inventories at June 30, 2024 consist of the following:

Purchased Food	\$ 1,864
Donated Commodities	997
Total	<u>\$ 2,861</u>

Note 6 – Capital Assets and Right-to-Use Assets

Capital and right-to-use assets activity for the year ended June 30, 2024 was as follows:

	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/24</u>
Governmental Activities				
Historical Cost				
Land	\$ 195,444	\$ 0	\$ 0	\$ 195,444
Total At Historical Cost Not Being Depreciated	<u>\$ 195,444</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 195,444</u>
Site Improvements	\$ 124,447	\$ 0	\$ 0	\$ 124,447
Building & Improvements	26,673,186	90,116	0	26,763,302
Furniture & Equipment	6,540,673	453,394	(770,973)	6,223,094
Total At Historical Cost Being Depreciated	<u>\$ 33,338,306</u>	<u>\$ 543,510</u>	<u>\$ (770,973)</u>	<u>\$ 33,110,843</u>
TOTAL HISTORICAL COST	<u>\$ 33,533,750</u>	<u>\$ 543,510</u>	<u>\$ (770,973)</u>	<u>\$ 33,306,287</u>
Less Accumulated Depreciation:				
Site Improvements	\$ (59,089)	\$ (7,356)	\$ 0	\$ (66,445)
Building & Improvements	(8,802,739)	(437,905)	0	(9,240,644)
Furniture & Equipment	(4,550,190)	(339,442)	770,973	(4,118,659)
TOTAL ACCUMULATED DEPRECIATION	<u>\$ (13,412,018)</u>	<u>\$ (784,703)</u>	<u>\$ 770,973</u>	<u>\$ (13,425,748)</u>

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 6 – Capital Assets (Continued)

	Balance	Additions	Deletions	Balance
Right-to-Use Lease Assets:				
Equipment	\$ 51,437	\$ 101,746	\$ (51,437)	\$ 101,746
Total Right-to-Use Lease Assets	<u>\$ 51,437</u>	<u>\$ 101,746</u>	<u>\$ (51,437)</u>	<u>\$ 101,746</u>
Less: Accumulated Amortization				
Equipment	\$ (36,844)	\$ (28,944)	\$ 51,437	\$ (14,351)
Total Accumulated Amortization	<u>\$ (36,844)</u>	<u>\$ (28,944)</u>	<u>\$ 51,437</u>	<u>\$ (14,351)</u>
GOVERNMENTAL ACTIVITIES, CAPITAL ASSETS NET	<u>\$ 20,136,325</u>	<u>\$ (168,391)</u>	<u>\$ 0</u>	<u>\$ 19,967,934</u>
Business Activities				
Historical Cost				
Machinery & Equipment	\$ 206,520	\$ 67,896	\$ 0	\$ 274,416
TOTAL HISTORICAL COST	<u>\$ 206,520</u>	<u>\$ 67,896</u>	<u>\$ 0</u>	<u>\$ 274,416</u>
Less Accumulated Depreciation:				
Machinery & Equipment	\$ (143,897)	\$ (9,137)	\$ 0	\$ (153,034)
TOTAL ACCUMULATED DEPRECIATION	<u>\$ (143,897)</u>	<u>\$ (9,137)</u>	<u>\$ 0</u>	<u>\$ (153,034)</u>
TOTAL CAPITAL ASSETS, NET	<u>\$ 20,198,948</u>	<u>\$ (109,632)</u>	<u>\$ 0</u>	<u>\$ 20,089,316</u>

Depreciation and Amortization expense was charged to Governmental Activities as follows:

Unallocated	\$ 813,647
Total Depreciation and Amortization Expense	<u>\$ 813,647</u>

Note 7 - Compensated Absences

The School is obligated to accumulate unused sick days for each employee covered under the terms of a union contract. The total allowable sick days per school year which can be accumulated to the extent unused is twelve (12). The maximum allowable number of sick days accumulated for compensation and payable upon termination is 165 days for professional and support staff, 150 days for maintenance staff and aides and 180 days for administration. As provided in the current union agreement, compensation will be at a rate of \$85 per day for professional employees, \$35 per day for clerical, and \$70 per day for maintenance employees. Administrative employees are compensated for unused sick days based upon the terms of their respective employment contracts. The provision for compensated absences represents the total accumulated sick days unpaid as of June 30, 2024 based on the applicable per day rate. At June 30, 2024 the aggregate liability for unused sick pay is \$200,083.

Note 8 - Inter-Government Receivable/(Payable)

The School currently is receiving payments from eight (8) area school districts participating in the Lackawanna County Area-Vocational Technical Program. The School is also receiving payments from various non-participating school districts for such programs in the form of tuition.

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 8 - Inter-Government Receivable/(Payable) (Continued)

Such payments received are used to fund the various vocational-technical programs offered by the School. The amounts charged to individual school districts are computed annually based on budgeted revenues and expenditures and are billed based on the average of the four prior year's actual enrollments. The amount of such billings charged to the member school districts during the fiscal year ended June 30, 2024 amounted to \$4,506,635 of which \$42,507 was unpaid and reflected as a receivable at June 30, 2024 and is reflected in the accompanying Balance Sheet under the heading Inter-Governmental Receivable/(Payable) in the General Fund.

The amount of any excess of actual revenues over/under actual expenditures are billed/reimbursed to the various school districts based on actual enrollment. For the fiscal year ended June 30, 2024 actual revenues exceeded actual expenditures in the amount of \$149,145.

At June 30, 2024 the balance of the amounts due to other governmental units consists of the following:

	DUE (TO) / FROM OTHER GOVERNMENTAL UNIT		
	MEMBER DISTRICTS	NON - MEMBER DISTRICTS	TOTAL
Accrued & Unpaid from June 30, 2024	<u>\$ 42,507</u>	<u>\$ 0</u>	\$ 42,507
Amount of Excess Actual Revenues			
Over Expenditures at June 30, 2024			
Due from School Districts Based on			
Actual Enrollment			<u>(149,145)</u>
Total Inter-Governmental Receivables/(Payable)			
at June 30, 2024			<u>\$ (106,638)</u>

Note 9 – Long Term Debt

In June 2020, the School as owner and lessor, and with the approval of the Member Districts, entered into a lease agreement with the Waverly Township Municipal Authority (WTMA) as lessee for the purposes of undertaking a current refunding of the State Public School Building Authority (Career Technology Center of Lackawanna County Lease Revenue Bonds, Series of 2012 ("the Refunding Project"). In order to finance the Refunding Project, the School developed a plan of financing (the "Financing Plan") which included the following:

- a.) The leasing by the School to the WTMA pursuant to the lease of the Premise and existing educational facilities, collectively referred to as the leased property.

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 9 – Long Term Debt (Continued)

- b.) The issuance of Waverly Township Municipal Authority Career Technology Center of Lackawanna County Lease Revenue Bonds, Series of 2020 by the WTMA in the principal amounts of \$ 11,475,000 to finance the cost of the Refunding Project. The 2020 Bonds are to be secured under and pursuant to a Trust Indenture between the WTMA and The Fidelity Deposit and Discount Bank, as Trustee, and the scheduled payments of the principal of and interest on such 2020 Bonds when due to be guaranteed by Build America Mutual Assurance Company (including any successor thereto or assignee thereof and insurer of Additional Bonds, the "Bond Insurer") under its municipal bond insurance policy.
- c.) The subleasing of the Leased Property by the WTMA to the School and Participating Member Districts. All eight (8) of the Member Districts entered into the Sublease Agreement. The sublease provides for the payment of rentals adequate to meet the debt service requirements and assigned the Sublease by WTMA to the Trustee as security under the Indenture.
- d.) The proceeds of the sale of the 2020 Bonds, after payment of all expenses of issuance and other expenses relating to the transaction, shall be made available to the School, the same constituting rent due from WTMA under the Lease to enable the School to carry out the Refunding Project.

The WTMA issued \$11,475,000, 2.0% to 4.0% aggregate principal amount, Waverly Township Municipal Authority Career Technology Center of Lackawanna County Lease Revenue Bonds, Series of 2020. The Bonds are dated the date of delivery thereof maturing or subject to mandatory sinking fund redemption, in various principal amounts on February 15 of the years 2021 through 2032. Interest is payable on February 15 and August 15, beginning February 15, 2021. The Bonds are subject to mandatory and optional redemption prior to their stated dates of maturity as follows:

OPTIONAL REDEMPTION

In the manner and upon the terms and conditions provided in the Indenture, the Bonds stated to mature on and after February 15, 2029 are subject to redemption prior to maturity at the option of the WTMA, at the direction of the School, in any order of maturity either as a whole, or in part, at any times on or after August 15, 2028, and, if in part, by lot within a maturity, at a redemption price equal to one hundred percent (100%) of the principal amount thereof together with accrued interest to the date fixed for redemption.

MANDATORY REDEMPTION

The Bonds are not subject to mandatory redemption prior to their stated maturity dates.

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 9 – Long Term Debt (Continued)

Defaults and Remedies. Under the Sublease, the failure of the School to make any payments required of it as Sublease Rentals or otherwise, or the failure to comply with covenants after written notice or the occurrence of a default under the Indenture and payment of the Bonds is accelerated, or the failure to carry out the Refunding Project to be financed in part by the proceeds of the Bonds, shall constitute events of default. In the event of any such default, and after due notice as required, the WTMA, and/or the Trustee as its assignee, may, in addition to any other remedies, (i) declare all sums payable under the Sublease to be immediately due; or (ii) by legal action enforce all rights of WTMA under the Sublease; and (iii) in the event of a default in payment, notify the Department of Education of the Commonwealth to commence proceedings for the withholding of any appropriations due the Participating Districts under the School Code, as appropriate.

Minimum Future Payments Under Lease Revenue Bonds as of June 30, 2024.

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	880,000	323,400	1,203,400
2026	910,000	288,200	1,198,200
2027	950,000	251,800	1,201,800
2028	985,000	213,800	1,198,800
2029	1,030,000	174,400	1,204,400
2030 - 2032	3,330,000	270,000	3,600,000
	<u>\$ 8,085,000</u>	<u>\$ 1,521,600</u>	<u>\$ 9,606,600</u>

The following summarizes the changes in long-term debt for the year ended June 30, 2024.

	<u>Balance July 1,</u> <u>2023</u>	<u>Additions</u>	<u>Amortization</u> <u>(Accretion)</u>	<u>Retirements</u>	<u>Balance June</u> <u>30, 2024</u>	<u>Due Within</u> <u>One Year</u>
Lease Revenue Bonds:						
Series of 2020	\$ 8,930,000	\$ 0	\$ 0	\$ 845,000	\$ 8,085,000	\$ 880,000
Amortization / Accretion	643,056	0	(147,539)	0	495,517	0
Right-to-Use Lease	14,593	101,746	0	28,944	87,395	18,460
Compensated Absences	208,297	0	0	8,214	200,083	0
TOTALS	<u>\$ 9,795,946</u>	<u>\$ 101,746</u>	<u>\$ (147,539)</u>	<u>\$ 882,158</u>	<u>\$ 8,867,995</u>	<u>\$ 898,460</u>



CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 10 – Commitments

General information about the Pension Plan

Plan Description: PSERS is a governmental cost-sharing multi-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at [www.psers.state.pa.us](http://www.psers.state.pa.us).

Benefits Provided: PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 year of credited service; (b) age 60 with 30 or more years credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service.

Act 5 of 2017 (Act 5) introduced a hybrid benefit with two membership classes and a separate defined contribution plan for individuals who become new members on or after July 1, 2019. Act 5 created two new hybrid membership classes, Membership Class T-G (Class T-G) and Membership Class T-H (Class T-H) and the separate defined contribution membership class, Membership Class DC (Class DC). To qualify for normal retirement, Class T-G and Class T-H members must work until age 67 with a minimum of 3 years credited service. Class T-G may also qualify for normal retirement by attaining a total combination of age and service that is equal to or greater than 97 with a minimum of 35 years of credited service.

Benefits are generally between 1% to 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 10 – Commitments (Continued)

Death benefits are payable upon the death of an active member who has reached age 62 with at least one year of credited service (age 65 with at least three years of credited service for Class T-E and Class T-F members) or who has at least five years of credited service (ten years for Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

Contributions

Members Contributions:

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

Member Contribution Rate				
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 %
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: 10.3% 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 school districts' contractually required contribution rate for fiscal year ended June 30, 2024 was 33.09% 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 school's contractually required contribution rate is the Act 5 contribution rate totaling an estimated 0.27%

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 10 – Commitments (Continued)

The school 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 School's rate. The school's contributions to the Plan relating to pension benefits, for the year ended June 30, 2024, was \$1,272,977 and is equal to the required contribution for the year. For the year ended June 30, 2024, the school recognized gross retirement subsidy revenue from the Commonwealth in the amount of \$806,489.

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

At June 30, 2024, the District reported a liability of \$10,988,136 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2022 to June 30, 2023. The District's proportion of the net pension liability was calculated utilizing the employer's one-year reported contributions as it relates to the total one-year reported contributions. At June 30, 2024, the District's proportion was .0247 percent which was a decrease of .0002 from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the District recognized pension expense of \$1,024,070. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 2,000	\$ 150,000
Changes in Assumptions	164,000	0
Difference between projected and actual investment earnings	311,000	0
Changes in proportions	184,000	78,000
Contributions subsequent to the measurement date	1,272,977	0
	<u>\$ 1,933,977</u>	<u>\$ 228,000</u>

The \$1,272,977 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 10 – Commitments (Continued)

School year ended June 30; PSERS year-end one year earlier:

2025	\$ 167,000
2026	(146,000)
2027	308,000
2028	104,000
2029	0
Thereafter	0
	<u>\$ 433,000</u>

Change In Actuarial Assumptions: The total pension liability as of June 30, 2023 was determined by rolling forward the System's total pension liability as of the June 30, 2021 actuarial valuation to June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation Date – June 30, 2022
- Actuarial Cost Method – Entry Age Normal – level % of pay
- Investment return – 7.00%, includes inflation at 2.50%.
- Salary Growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were based on a blend of 50% Pub T-2010 and 50% Pub G -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 7.00% as of June 30, 2022, and as of June 30, 2023.
- Demographic and economic assumptions approved by the Board for use effective with the June 30, 2021 actuarial valuation:
  - Salary growth rate - decreased from 5.00% to 4.50%.
  - Real wage growth and merit or seniority increases (components for salary growth) decreased from 2.75% and 2.25% to 2.50% and 2.00%, respectively.
  - Mortality rates - Previously based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 10 – Commitments (Continued)

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.

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 maintain a fully funded status for the benefits provided through the pension.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global public equity	30.0%	5.2%
Private Equity	12.0%	7.9%
Fixed income	33.0%	3.2%
Commodities	7.5%	2.7%
Infrastructure/MLP'S	10.0%	5.4%
Real Estate	11.0%	5.7%
Absolute Return	4.0%	4.1%
Cash	3.0%	1.2%
Leverage	(10.5%)	1.2%
	<u>100.0%</u>	

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2023.

Discount Rate:

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined.

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 10 – Commitments (Continued)

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the net pension liability	\$14,244,000	\$10,988,000	\$8,241,000

Pension plan fiduciary net position

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

Termination Benefits Payable are as follows:

The School is providing group insurance healthcare termination benefits to one employee. The termination benefits end April 2026.

Annual termination benefits of \$13,056 have been projected to increase at an annual rate of 5.00% and have been discounted to 4.25% estimated yield on investments expected to be used to figure the benefits.

Beginning of year net present value	\$ 34,934
Payment benefits made during school year	(13,056)
Change in present value of benefits	<u>2,531</u>
End of year net present value	<u>\$ 24,409</u>

Post - Employment Healthcare Plan Single Employer Plan:

Plan description: The School administers a Single-Employer Plan that covers current and former employees as follows:

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 10 – Commitments (Continued)

Professional employees retiring under any of the retirement provisions of PSERS and have at least twenty (20) years of service with the Career Technology Center of Lackawanna County and/or Lackawanna County Area Vocational-Technical School are eligible for benefits. Health insurance benefits are paid in full from age 55 until eligible for Medicare (generally age 65). Spousal benefits are available at the retiree's own expense. Before age 55, coverage is provided but at employees' own expense. No dental or vision coverage is available.

There was a change in benefit terms during the measurement period ending June 30, 2024. A change was made to the eligibility conditions for retiree health insurance benefits for the School Administrative Team. Administrative personnel now must have at least five (5) years of service with the Career Technology Center of Lackawanna County to continue health insurance benefits upon retirement. Previously, there was no service requirement with the Career Technology Center of Lackawanna County.

Act 93 administrators and Non-contracted personnel retiring under any of the retirement provisions of PSERS with at least five (5) years of service with the Career Technology Center of Lackawanna County are eligible for benefits. Medical, dental and vision benefits for a maximum of five (5) years or until eligible for Medicare are paid by the Plan Sponsor if PPO coverage is elected, otherwise, the employee must pay the difference. Spousal coverage is provided at no charge while the retiree is eligible, except the spouse must pay the excess of the traditional plan over the PPO plan premium and must pay any dental premium in excess of \$75 per month.

Retired Former Administrative Director: Same as coverage for Administrators. Coverage paid in full, except there is maximum family vision reimbursement of \$500, and out-of-pocket medical, vision, and dental expenses up to \$2,000 per year are reimbursed.

Current Administrative Director: Same As Coverage for Administrators

Chief Financial Officer: Same as coverage for Administrators, except that traditional plan and dental plan charges do not apply.

All other employees not included in the above groups or those employees who are included but do not meet the eligibility requirements may be eligible for continued health coverage at his or her own expense (corporate) under Acts 110 and 43, until reaching Medicare eligibility.

Maintenance union employees will, upon attaining age 62 with 20 years of service, receive health insurance benefits until attaining age 65. Additionally, union secretary and support personnel who have 20 years of service will receive two years of health insurance benefits, fully paid by the Center. There are no spouse or dependent coverages.

Funding Policy: The funding policy is to pay for plan benefits when they become due each year. An actuarially determined contribution is not calculated. There is no accumulation of assets in a trust for the plan.

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 10 – Commitments (Continued)

Employees Covered by Benefit Terms: At June 30, 2024 the following employees were covered by the benefit term:

Active Participants	51
Retired participants with healthcare coverage*	8
Surviving spouses with healthcare coverage	<u>0</u>
Total active and inactive participants covered by benefit terms	<u>59</u>

The Plan is open to new entrants.

\*Four of the retired participants have a spouse with healthcare coverage.

Total OPEB Liability: The School's total OPEB liability of \$1,340,956 was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified.

General:

Reporting Date is June 30, 2024, the end of the employer's fiscal year.

Measurement Date is June 30, 2024.

Actuarial Valuation Date used for June 30, 2024 liability measurement is July 1, 2023.

Actuarial Valuation Date used for June 30, 2023 liability measurement is July 1, 2021.

Standard actuarial techniques were used to roll forward the Total OPEB Liability from the Valuation Date to the Measurement Date.

Discount rate, using S&P Municipal Bond 20 Year High Grade Rate Yield to Maturity:

- 4.21% at June 30, 2024 measurement date
- 4.13% at June 30, 2023 measurement date

No other assumption and input changes were made between the June 30, 2023 and June 30, 2024 measurement dates.

All other actuarial assumptions used for the calculation of Total OPEB Liability for GASB 75 reporting purposes, their justifications, and models used, are described in the July 1, 2023 Actuarial Valuation Report.



CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 10 – Commitments (Continued)

Pre and Post Retirement Mortality: The Society of Actuaries (SOA) Public T.H-2010 (Teachers) and G.H-2010 (Others) male and female tables projected using a modified version of the MP-2021 Mortality Improvement Scale.

Marital Status: 25% of active participants are assumed to have a covered spouse at retirement and husbands are assumed to be 2 years older than the wife.

Participation: 100% of eligible employees are assumed to elect coverage at retirement. 0% of active employees currently opting out of coverage are assumed to opt back in before retirement.

Trend: Blended rates for future inflation for medical and prescription drug benefits range from 8.50% for the current year down to 4.00% for years after 2069.

Aging Factors: Actual gross starting cost for medical and prescription drugs are developed at each age by taking the claims cost and spreading it using age factors between 2.0% for participant's age 30-39 years old and to a high of 4.5% for participants aged 45-49 and 55-59 years old.

Changes in the total OPEB Liability:

	Total OPEB Liability
Balance at June 30, 2023	<u>\$ 1,287,342</u>
Changes for the year:	
Service Cost	\$ 54,113
Interest	57,710
Differences between expected and actual experience	123,717
Changes of benefit terms	0
Changes of assumptions or other inputs	32,579
Benefit payments (Expected claims)	<u>(214,505)</u>
Net Changes	<u>\$ 53,614</u>
Balance at June 30, 2024	<u><u>\$ 1,340,956</u></u>

Sensitivity of the Total OPEB Liability to Changes in Discount Rate: The following presents the total OPEB liability of the School, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.21%) or 1 percentage point higher (4.21%) than the current discount rate:

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 10 – Commitments (Continued)

	1% Decrease <u>3.21%</u>	Current Discount Rate <u>4.21%</u>	1% Increase <u>5.21%</u>
Total OPEB Liability	\$1,430,678	\$ 1,340,956	\$ 1,259,048

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the total of OPEB liability of the School, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.50%) or 1 percentage point higher (9.50%) than the current healthcare cost trend rate:

	<u>Healthcare Cost Trend Rate</u>		
	1% Decrease	Current rates	1% Increase
Initial rate:	7.50%	8.50%	9.50%
Ultimate rate:	<u>3.00%</u>	<u>4.00%</u>	<u>5.00%</u>
Total OPEB Liability	\$1,243,078	\$ 1,340,956	\$ 1,457,642

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2024, the School recognized OPEB expense of \$113,276. At June 30, 2024, the School reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following services:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 179,369	\$ 0
Changes of assumptions or other inputs	<u>43,147</u>	<u>151,051</u>
Total	<u>\$ 222,516</u>	<u>\$ 151,051</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Outflows</u>	<u>Inflows</u>
2025	\$ 53,684	\$ 56,209
2026	53,684	56,209
2027	45,287	37,999
2028	25,205	487
2029	22,328	147
Thereafter	<u>22,328</u>	<u>0</u>
Total	<u>\$222,516</u>	<u>\$151,051</u>

Differences Between Expected and Actual Experience

The effects of differences between expected and actual experience are recognized in OPEB expense, beginning in the current reporting period, using straight-line amortization over a closed period equal to the average of the expected remaining service lives of all

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 10 – Commitments (Continued)

participants who are provided with OPEB through the OPEB plan (active and inactive participants), determined as of the beginning of the measurement period.

Fiscal Year Ending	Initial		Remaining at 06/30/2024		Amount Recognized for FYE 06/30/2024
	Amount	Period	Period	Amount	
06/30/20	\$ 17,014	7.6	2.6	\$ 5,819	\$ 2,239
06/30/22	\$ 142,513	5.7	2.7	67,507	25,002
06/30/24	\$ 123,717	7.0	6.0	106,043	17,674
				<u>\$ 179,369</u>	<u>\$ 44,915</u>

Changes of Assumptions or Other Inputs

The effects of changes of assumptions or other inputs are recognized in OPEB expense, beginning in the current reporting period, using straight-line amortization over a closed period equal to the average of the expected remaining service lives of all participants who are provided with OPEB through the OPEB plan (active and inactive participants), determined as of the beginning of the measurement period.

Fiscal Year Ending	Initial		Remaining at 06/30/2024		Amount Recognized for FYE 06/30/2024
	Amount	Period	Period	Amount	
06/30/18	\$ 18,929	6.8	0.0	\$ 0	\$ 2,225
06/30/19	\$ 12,713	5.8	0.0	0	1,753
06/30/20	\$ (113,422)	7.6	2.6	(38,802)	(14,924)
06/30/21	\$ 31,682	7.7	3.7	15,222	4,115
06/30/22	\$ (232,548)	5.7	2.7	(110,154)	(40,798)
06/30/23	\$ (3,069)	6.3	4.3	(2,095)	(487)
06/30/24	\$ 32,579	7.0	6.0	27,925	4,654
				<u>\$ (107,904)</u>	<u>\$ (43,462)</u>

PSERS Health Insurance Premium Assistance

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 the participants for the benefit coverage they elect.

General Information about the Health Insurance Premium Assistance Program: PSERS provides Premium Assistance which, is a governmental cost sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate.

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 10 – Commitments (Continued)

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'S Health Options Program. As of June 30, 2023, there were no assumed future benefit increases to participating eligible retirees.

Premium Assistance Eligibility Criteria: Retirees of the System can participate in the Premium Assistance program 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 of part of their distributions.

Pension Plan description: PSERS is a governmental cost-sharing multiple-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at [www.psers.pa.gov](http://www.psers.pa.gov).

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.

Employers Contributions: The school districts' contractually required contribution rate for the fiscal year ended June 30, 2024 was 0.75% 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 School were \$24,422 for the year ended June 30, 2024.

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 10 – Commitments (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: At June 30, 2024, the School reported a liability of \$449,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2022 to June 30, 2023. The School's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2024, the School's proportion was 0.0248 percent, which was a decrease of 0.0002 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the School recognized OPEB expense of \$17,577. At June 30, 2024, the School 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	\$ 3,000	\$ 4,000
Changes in assumptions	39,000	85,000
Net difference between projected and actual investment earnings	1,000	0
Changes in proportion	16,000	6,000
Contributions subsequent to the Measurement date	24,422	0
	<u>\$ 83,422</u>	<u>\$ 95,000</u>

The \$24,422 reported as deferred outflows of resources related to OPEB resulting from School contributions subsequent to the measurement date will be recognized as reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2025	\$ (4,000)
2026	(8,000)
2027	(11,000)
2028	(12,000)
2029	(1,000)
Thereafter	0
	<u>\$ (36,000)</u>

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 10 – Commitments (Continued)

Actuarial Assumptions (PSERS):

The Total OPEB Liability as of June 30, 2023, was determined by rolling forward the System's Total OPEB Liability as of June 30, 2021 to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – Entry Age Normal – level % of pay.
- Investment return – 4.13% - S & P 20 Year Municipal Bond Rate
- 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.
- 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% Pub T-2020 and 50% Pub G-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 actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study that was performed for the five-year period ending June 30, 2020.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2021 determined the employer contribution rate for fiscal year 2023.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: The actual data for retirees benefiting under the Plan as of June 30, 2021 was used in lieu of the 63% utilization assumption for eligible retirees.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 10 – Commitments (Continued)

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>OPEB Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	<u>100.0%</u>	1.2%

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2023.

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

Sensitivity of the System Net OPEB Liability: The following presents the system net OPEB liability for June 30, 2023, calculated using the discount rate of 4.13%, as well as what the System net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.13%) or 1-percentage point higher (5.13%) than the current rate:

	<u>Dollar Amounts</u>		
	<u>1% Decrease 3.13%</u>	<u>Current Discount Rate 4.13%</u>	<u>1% Increase 5.13%</u>
System net OPEB liability	\$ 2,045,542,000	\$ 1,809,226,000	\$ 1,611,414,000

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 10 – Commitments (Continued)

	Dollar Amounts		
	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
District's proportionate share of net OPEB liability	\$ 508,000	\$ 449,000	\$ 400,000

Sensitivity of the System Net OPEB Liability to Change in Healthcare Cost Trend Rates: Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2023, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. As of June 30, 2023, 92,677 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2023, 522 members were receiving less than the maximum amount allowed of \$1,200 per year. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on Healthcare Cost Trends as depicted below.

The following presents the System net OPEB liability for June 30, 2023 calculated using current Healthcare cost trends as well as what the System net OPEB liability would be if its health cost trends were 1-percentage point lower or 1-percentage point higher than the current rate:

	Dollar Amounts		
	1% Decrease	Current Discount Rate	1% Increase
System net OPEB liability	\$ 1,809,056,000	\$ 1,809,226,000	\$ 1,809,363,000

Sensitivity of the School's proportionate share of the net OPEB liability to changes in the discount rate: The following presents the net OPEB liability, calculated using the discount rate of 4.13%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.13%) or 1-percentage-point higher (5.13%) than the current rate:

	Dollar Amounts		
	1% Decrease 3.13%	Current Discount Rate 4.13%	1% Increase 5.13%
District's proportionate share of net OPEB liability	\$ 449,000	\$ 449,000	\$ 449,000

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](http://www.psers.pa.gov).



CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 11 – Litigation, Claims, and Assessments

The School is currently involved in various civil lawsuits in relation to the conduct of a former teacher. They are defending the lawsuits vigorously and have stated that they do not believe they will have a material impact on their future financial reporting.

Note 12 – Leases

In December 2018, the School entered into a lease agreement for copiers for a term of 63 months, expiring March 2024. At inception, the lease required monthly payments of \$1,649 and required the School to be responsible for all repairs. While the base monthly payment remains flat through the life of the lease, the lessor does have the ability to charge additional fees for the number of copies made in a given month above the base amount as described in the lease agreement. The School's estimated incremental borrowing rate of 4.00% was used to discount the lease liability.

In September 2023, the School entered into a lease agreement for copiers for a term of 63 months, expiring in November 2028. At inception, the lease required monthly payments of \$1,684 and required the School to be responsible for all repairs. In January 2024, the lease was amended to add additional copying software support, and the monthly base payment increased to \$1,802. While the base monthly payment remains flat through the life of the lease, the lessor does have the ability to charge additional fees for the number of copies in a given month above the base amount described in the lease agreement. The School's estimated incremental borrowing rate of 4.00% was used to discount the lease liability.

Right-to-use assets are reported as non-current assets, net of amortization. At June 30, 2024 the original cost of right-to-use assets totaled \$101,746, with accumulated amortization of \$14,351, and a net book value of 87,395.

The amortization charged for right-to-use lease assets was \$28,944 during the year ended June 30, 2024, and is included in Governmental Activities – Other Expenditures. Annual requirements to amortize the lease liability and related interest are as follows:

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	18,460	3,160	21,620
2026	19,212	2,408	21,620
2027	19,995	1,625	21,620
2028	20,809	810	21,619
2029	8,919	89	9,008
	<u>\$ 87,395</u>	<u>\$ 8,092</u>	<u>\$ 95,487</u>

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 13 – Interfund Receivable/Payable

Interfund balances at June 30, 2024 consist of the following individual fund Receivables and Payables:

	<u>Receivable</u>	<u>Payable</u>
General Fund:		
Food Service Fund	\$ 24,974	\$ 0
Student Activity Fund	1,198	0
Capital Reserve Fund	0	250,000
Student Activity Fund		
General Fund	0	1,198
Capital Reserve Fund		
General Fund	250,000	0
Food Service Fund	4,739	0
Food Service Fund:		
General Fund	0	24,974
Capital Reserve Fund	<u>0</u>	<u>4,739</u>
	<u>\$ 280,911</u>	<u>\$ 280,911</u>

Note 14 – Operating Transfer In/Out

Operating transfer at June 30, 2024 consist of the following individual operating transfers in and out:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund:		
Debt Service Fund	\$ 0	\$ 2,500
Cafeteria Fund:		
Capital Reserve Fund	11,162	0
Debt Service Fund		
General Fund	2,500	0
Capital Reserve Fund:		
Cafeteria Fund	<u>0</u>	<u>11,162</u>
	<u>\$ 13,662</u>	<u>\$ 13,662</u>

Note 15      Subsequent Events

Pursuant to ASC 955, subsequent events were evaluated through March 7, 2025, which is the date the financial statements were available to be issued.

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
NOTES TO FINANCIAL STATEMENTS

Note 16      New Accounting Pronouncements

The Governmental Accounting Standards Board has issued the following pronouncements that will be coming effective for the fiscal year ending June 30, 2025 and beyond. At this time, the School does not expect the new pronouncements to impact their financial statements.

GASB No. 101 Compensated Absences effective for fiscal years beginning after December 15, 2023. This standard would be effective for fiscal year ending June 30, 2025 for the School.

GASB No. 102 Certain Risk Disclosures effective for fiscal years beginning after June 15, 2024. This standard would be effective for fiscal year ending June 30, 2025 for the School.

GASB No. 103 Financial Reporting Model Improvements effective for fiscal years beginning after June 15, 2025. This standard would be effective for fiscal year ending June 30, 2026.

GASB No. 104 Disclosure of Certain Capital Assets effective for fiscal years beginning after June 15, 2025. This standard would be effective for fiscal year ending June 30, 2026.

The School has not yet determined the effect of the adoption of the aforementioned GASB Statements on its Financial Statements.

## **REQUIRED SUPPLEMENTARY INFORMATION**

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2024

	BUDGET ORIGINAL & FINAL	ACTUAL (BUDGETARY BASIS)	VARIANCE WITH BUDGET
REVENUE			
Local Sources	\$ 5,612,824	\$ 4,962,931	\$ (649,893)
State Sources	2,077,193	2,930,837	853,644
Federal Sources	<u>1,075,000</u>	<u>1,256,050</u>	<u>181,050</u>
TOTAL REVENUE	<u>\$ 8,765,017</u>	<u>\$ 9,149,818</u>	<u>\$ 384,801</u>
EXPENDITURES			
Instruction			
Vocational Education Programs	\$ 4,139,321	\$ 4,465,030	\$ (325,709)
Adult Education Programs	<u>1,212,114</u>	<u>1,151,272</u>	<u>60,842</u>
TOTAL INSTRUCTIONAL EXPENDITURES	<u>\$ 5,351,435</u>	<u>\$ 5,616,302</u>	<u>\$ (264,867)</u>
Support Services			
Guidance	\$ 368,558	\$ 391,655	\$ (23,097)
Instructional Support	340,568	348,232	(7,664)
Administrative Services	834,754	813,479	21,275
Pupil Health Services	89,336	90,150	(814)
Business Services	363,007	425,103	(62,096)
Operation & Maintenance of Plant Services	1,305,025	1,469,255	(164,230)
Other Administrative	<u>112,334</u>	<u>62,506</u>	<u>49,828</u>
TOTAL SUPPORT SERVICES	<u>\$ 3,413,582</u>	<u>\$ 3,600,380</u>	<u>\$ (186,798)</u>
Other Expenditures			
Debt Service	\$ 0	\$ 32,382	\$ (32,382)
TOTAL OTHER EXPENDITURES	<u>\$ 0</u>	<u>\$ 32,382</u>	<u>\$ (32,382)</u>
TOTAL EXPENDITURES	<u>\$ 8,765,017</u>	<u>\$ 9,249,064</u>	<u>\$ (484,047)</u>
EXCESS OF EXPENDITURES OVER REVENUES	<u>\$ 0</u>	<u>\$ (99,246)</u>	<u>\$ (99,246)</u>
Other Financing (Sources) Uses			
Right-to-Use Lease Proceeds Received	\$ 0	\$ (101,746)	\$ (101,746)
Operating Transfer Out	<u>0</u>	<u>2,500</u>	<u>2,500</u>
TOTAL OTHER FINANCING (SOURCES) USES	<u>\$ 0</u>	<u>\$ (99,246)</u>	<u>\$ (99,246)</u>
Excess of Expenditures and Other Financing (Sources) Uses over Revenues	\$ 0	\$ 0	\$ 0
Fund Balance, Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE, END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

"See Accompanying Independent Auditors' Report"

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2024

Schedule of Proportionate Share of PSERS Net Pension Liability (NPL)  
A Ten (10) Year Schedule Determined As of The Measurement Date

Fiscal Year Ended Measurement Date One (1) Year Prior Than Fiscal Year	The Employer's Proportion (Percentage) of the Collective NPL	The Employer's Proportion (Amount) of the Collective NPL	The Employer's Covered-Employee Payroll	The Employer's Proportionate Share (Amount) Of The Collective NPL as a Percentage Of The Employer's Covered-Employee Payroll	The Plan's Fiduciary Net Position As A Percentage of the Total Pension Liability
30-Jun-23	0.0247%	\$ 10,988,000	\$ 3,803,560	288.8873%	61.8466%
30-Jun-22	0.0249%	\$ 11,070,000	\$ 3,673,613	301.3382%	61.3359%
30-Jun-21	0.0241%	\$ 9,895,000	\$ 3,413,468	289.8811%	63.6744%
30-Jun-20	0.0242%	\$ 11,916,000	\$ 3,411,332	349.3064%	54.3220%
30-Jun-19	0.0243%	\$ 11,368,000	\$ 3,344,993	339.8512%	55.6632%
30-Jun-18	0.0242%	\$ 11,617,000	\$ 3,253,655	357.0446%	54.0044%
30-Jun-17	0.0233%	\$ 11,508,000	\$ 3,108,365	370.2268%	51.8367%
30-Jun-16	0.0229%	\$ 11,349,000	\$ 2,967,350	382.4625%	50.1385%
30-Jun-15	0.0223%	\$ 9,659,000	\$ 2,873,695	336.1178%	54.3573%

Schedule Of PSERS Contribution Pension

A Ten (10) Year Schedule Determined As of The Employer's Most Recent Fiscal Year End

Fiscal Year End	The Statutorily Or Contractually Required Employer Contributions	The Amount Of Contributions Recognized By the Plan In Relation To The Statutorily Or Contractually Required Employer Contributions	The Difference Between Statutorily Or Contractually Required Contributions and The Amount of Contributions Recognized By The Plan	The Employer's Covered-Employee Payroll	The Amount of Contributions Recognized By The Plan In Relation To the Statutorily Or Contractually Required Contribution As A Percentage Of The Employer's Covered-Employee Payroll
30-Jun-24	\$ 1,272,977	\$ 1,272,977	\$ 0	\$ 3,803,560	33.4680%
30-Jun-23	\$ 1,246,156	\$ 1,246,156	\$ 0	\$ 3,673,613	33.9218%
30-Jun-22	\$ 1,266,276	\$ 1,266,276	\$ 0	\$ 3,413,468	37.0965%
30-Jun-21	\$ 1,150,474	\$ 1,150,474	\$ 0	\$ 3,411,332	33.7251%
30-Jun-20	\$ 1,129,559	\$ 1,129,559	\$ 0	\$ 3,344,993	33.7687%
30-Jun-19	\$ 1,095,203	\$ 1,095,203	\$ 0	\$ 3,253,655	33.6607%
30-Jun-18	\$ 1,045,351	\$ 1,045,351	\$ 0	\$ 3,108,365	33.6303%
30-Jun-17	\$ 864,132	\$ 864,132	\$ 0	\$ 2,967,350	29.1213%
30-Jun-16	\$ 726,842	\$ 726,842	\$ 0	\$ 2,873,695	25.2929%

"See Accompanying Independent Auditors' Report"

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2024

Schedule of Changes in the Total OPEB Liability and Related Ratios  
A Ten (10) Year Schedule Determined As of The Measurement Date

	Measurement Period Ending						
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB liability							
Net change during year							
- Service Cost	\$ 54,113	\$ 45,623	\$ 67,453	\$ 78,510	\$ 82,374	\$ 77,365	\$ 77,249
- Interest	57,710	50,742	27,571	31,122	31,300	34,698	34,988
- Differences between expected and actual experience	123,717	0	142,513	0	17,014	0	0
- Changes of benefit terms	0	91,154	252,672	0	0	0	0
- Changes of assumptions or other inputs	32,579	(3,069)	(232,548)	31,682	(113,422)	12,713	18,929
- Benefit payments	(214,505)	(184,219)	(162,562)	(81,627)	(57,895)	(77,655)	(91,789)
- Net change in total OPEB liability	\$ 53,614	\$ 231	\$ 95,099	\$ 59,687	\$ (40,629)	\$ 47,121	\$ 39,377
Total OPEB liability - beginning of year	1,287,342	1,287,111	1,192,012	1,132,325	1,172,954	1,125,833	1,086,456
Total OPEB liability - end of year	\$ 1,340,956	\$ 1,287,342	\$ 1,287,111	\$ 1,192,012	\$ 1,132,325	\$ 1,172,954	\$ 1,125,833
Covered employee payroll for year	\$ 3,992,118	\$ 2,817,274	\$ 2,296,891	\$ 2,949,773	\$ 3,070,998	\$ 2,485,739	\$ 2,608,426
Total OPEB liability as a percentage of covered employee payroll	33.59%	45.69%	56.04%	40.41%	36.87%	47.19%	43.16%
Discount rate assumption:							
Beginning of year	4.13%	4.09%	2.18%	2.66%	2.79%	2.98%	3.13%
End of year	4.21%	4.13%	4.09%	2.18%	2.66%	2.79%	2.98%

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2024

Schedule of Components of OPEB Expense for Fiscal Year Ended June 30, 2024

	Measurement period ending June 30, 2024	Notes
Total OPEB expense		
Net change during year		
- Service Cost	\$ 54,113	a
- Interest on the total OPEB liability	57,710	a
- Differences between expected and actual experience	44,915	b
- Changes of benefit terms	0	c
- Changes of assumptions or other inputs	<u>(43,462)</u>	d
Total OPEB expense	<u>\$ 113,276</u>	

Notes to Schedule:

a. The measurement period used for fiscal year ending June 30, 2024 is June 30, 2023 through June 30, 2024. The assumed discount rate was 4.13% at the beginning of the measurement period and 4.21% at the end of the measurement period.

b. See Note 10 for information about actual experience differing from expected from the Actuarial Valuation performed as of July 1, 2023. Total July 1, 2023 OPEB liability is rolled forward to June 30, 2024 using standard actuarial techniques. As a result, there are only minor differences between expected and actual demographic experience after the July 1, 2023 Actuarial Valuation Report. See Note 10 for a description of the amortization method.

c. There was a change in benefit terms during the measurement period ending June 30, 2024. A change was made to the eligibility conditions for retiree health insurance benefits for the School Administrative Team. Administrative personnel now must have at least 5 years of service with the School to continue health insurance benefits upon retirement. Previously, there was no service requirement with the School. There was no liability change associated with the benefit provision change because affected participants, current Administrators with less than 5 years of service with the School, attain 5 years of service with the School prior to retirement eligibility under PSERS provisions.

d. The discount rate changed as noted in (a) above, and described in Note 10, along with assumption changes made in the July 1, 2023 Actuarial Valuation report. The liability change is recognized in OPEB expense using a straight-line amortization over the average expected future service for all plan participants, as described in Note 10.



CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2024

Schedule of the District's Proportionate Share of PSERS Net OPEB Liability  
A Ten (10) Year Schedule Determined As of The Measurement Date

Fiscal Year Ended Measurement Date One (1) Year Prior Than Fiscal Year	District's Proportion of the net OPEB liability	District's Proportionate Share of the net OPEB liability	District's Covered- Employee Payroll	District's Proportionate Share Of The Net OPEB Liability as a Percentage Of Its Covered- Employee Payroll	The Plan's Fiduciary Net Position As A Percentage of the Total OPEB Liability
30-Jun-23	0.0248%	\$ 449,000	\$ 3,803,560	11.8047%	7.2164%
30-Jun-22	0.0250%	\$ 460,000	\$ 3,673,613	12.5217%	6.8552%
30-Jun-21	0.0241%	\$ 571,000	\$ 3,413,468	16.7279%	5.2951%
30-Jun-20	0.0243%	\$ 525,000	\$ 3,411,332	15.3899%	6.0359%
30-Jun-19	0.0243%	\$ 517,000	\$ 3,344,993	15.4559%	5.5588%
30-Jun-18	0.0242%	\$ 505,000	\$ 3,253,655	15.5210%	5.5594%
30-Jun-17	0.0233%	\$ 475,000	\$ 3,108,365	15.2813%	5.7258%
30-Jun-16	0.0229%	\$ 493,000	\$ 2,967,350	16.6142%	5.4668%

Schedule Of PSERS Contributions OPEB  
A Ten (10) Year Schedule Determined As of The Employer's Most Recent Fiscal Year End

Fiscal Year End	The Statutorily Or Contractually Required Employer Contributions	The Amount Of Contributions Recognized By the Plan In Relation To The Statutorily Or Contractually Required Employer Contributions	The Difference Between Statutorily Or Contractually Required Contributions and The Amount of Contributions Recognized By The Plan	The Employer's Covered- Employee Payroll	The Amount of Contributions Recognized By The Plan In Relation To the Statutorily Or Contractually Required Contribution As A Percentage Of The Employer's Covered-Employee Payroll
30-Jun-24	\$ 24,422	\$ 24,422	\$ 0	\$ 3,803,560	0.6421%
30-Jun-23	\$ 27,082	\$ 27,082	\$ 0	\$ 3,673,613	0.7372%
30-Jun-22	\$ 29,100	\$ 29,100	\$ 0	\$ 3,413,468	0.8525%
30-Jun-21	\$ 28,002	\$ 28,002	\$ 0	\$ 3,411,332	0.8209%
30-Jun-20	\$ 28,336	\$ 28,336	\$ 0	\$ 3,344,993	0.8471%
30-Jun-19	\$ 27,884	\$ 27,884	\$ 0	\$ 3,253,655	0.8570%
30-Jun-18	\$ 27,336	\$ 27,336	\$ 0	\$ 3,108,365	0.8794%
30-Jun-17	\$ 24,563	\$ 24,563	\$ 0	\$ 2,967,350	0.8278%

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
SUPPLEMENTAL SCHEDULE I COMBINING BALANCE SHEET  
NON-MAJOR  
GOVERNMENTAL FUNDS  
JUNE 30, 2024

	DEBT SERVICE	STUDENT ACTIVITY	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
ASSETS			
Cash	\$ 0	\$ 106,534	\$ 106,534
Restricted Assets:			
Cash	<u>5,237</u>	<u>0</u>	<u>5,237</u>
 TOTAL ASSETS	 <u>\$ 5,237</u>	 <u>\$ 106,534</u>	 <u>\$ 111,771</u>
 LIABILITIES & FUND BALANCES			
LIABILITIES			
Due to Other Funds	<u>\$ 0</u>	<u>\$ 1,198</u>	<u>\$ 1,198</u>
 TOTAL LIABILITIES	 <u>\$ 0</u>	 <u>\$ 1,198</u>	 <u>\$ 1,198</u>
 FUND BALANCE			
Restricted	<u>\$ 5,237</u>	<u>\$ 105,336</u>	<u>\$ 110,573</u>
 TOTAL FUND BALANCE	 <u>\$ 5,237</u>	 <u>\$ 105,336</u>	 <u>\$ 110,573</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 5,237</u>	 <u>\$ 106,534</u>	 <u>\$ 111,771</u>

"See accompanying independent auditors' report."

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
 COMBINING STATEMENT OF SUPPLEMENTAL SCHEDULE II REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2024

	DEBT SERVICE	STUDENT ACTIVITIES	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
REVENUES			
Local Sources	\$ 1,205,272	\$ 85,677	\$ 1,290,949
TOTAL REVENUES	\$ 1,205,272	\$ 85,677	\$ 1,290,949
EXPENDITURES			
SUPPORT SERVICES			
Other Administration Services	\$ 2,500	\$ 0	\$ 2,500
TOTAL SUPPORT SERVICES	\$ 2,500	\$ 0	\$ 2,500
OPERATION OF NON-INSTRUCTIONAL SERVICES			
School Sponsored Activities	\$ 0	\$ 68,318	\$ 68,318
TOTAL OPERATION OF NON-INSTRUCTIONAL SERVICES	\$ 0	\$ 68,318	\$ 68,318
DEBT SERVICES			
Debt Service	\$ 1,202,200	\$ 0	\$ 1,202,200
TOTAL DEBT SERVICE	\$ 1,202,200	\$ 0	\$ 1,202,200
TOTAL EXPENDITURES	\$ 1,204,700	\$ 68,318	\$ 1,273,018
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$ 572	\$ 17,359	\$ 17,931
OTHER FINANCING SOURCES(USES)			
Operating Transfers In	\$ 2,500	\$ 0	\$ 2,500
TOTAL OTHER FINANCING SOURCES	\$ 2,500	\$ 0	\$ 2,500
EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ 3,072	\$ 17,359	\$ 20,431
Fund Balance, July 1, 2023	2,165	87,977	90,142
FUND BALANCE, JUNE 30, 2024	\$ 5,237	\$ 105,336	\$ 110,573

"See accompanying independent auditors' report."

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
SUPPLEMENTAL SCHEDULE III - STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGE IN RESERVE FOR CAPITAL IMPROVEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024

REVENUES AND OTHER FINANCING SOURCES

Local Sources:

Interest Income	\$ 19,477	
Total Revenue, Local Sources		\$ 19,477
TOTAL REVENUES		\$ 19,477

EXPENDITURES

Equipment Purchases, Trade & Industrial Programs	\$ 14,754	
Equipment Purchase, Operation & Maintenance of Plant Services	<u>255,284</u>	
TOTAL EXPENDITURES		\$ 270,038

OTHER FINANCING USES

Operating Transfer To Cafeteria Fund	\$ 11,162	
Total Other Financing Uses		<u>11,162</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES		\$ 281,200

EXPENDITURES AND OTHER FINANCING USES OVER REVENUES		\$ (261,723)
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Reserve For Capital Improvements, Beginning of Year		<u>770,184</u>
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RESERVE FOR CAPITAL IMPROVEMENTS, END OF YEAR		<u>\$ 508,461</u>
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"See Accompanying Independent Auditors' Report"

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	SRC. CODE	FEDERAL CFDA NUMBER	PASS-THRU. GRANTOR'S NUMBER	GRANT PERIOD BEGINNING/ ENDING	PROGRAM OR AWARD AMT.	TOTAL RECEIVED FOR THE YEAR	ACCRUED OR (DEFERRED) REVENUE AT JULY 1, 2023	REVENUE RECOG- NIZED	EXPEND. AMOUNT	ACCRUED OR (DEFERRED) REVENUE AT JUNE 30, 2024
U.S. DEPARTMENT OF EDUCATION										
STUDENT FINANCIAL ASSISTANCE PROGRAMS CLUSTER										
SEOG Grants	D	84.007	N/A	07/01/2023 - 06/30/2024	\$ 0	\$ 9,840	\$ 0	\$ 9,840	\$ 9,840	(1)(6) \$ 0
Pell Grants	D	84.063	N/A	07/01/2023 - 06/30/2024	0	404,871	(863)	405,734	405,734	(1)(6) 0
Direct Student Loans	D	84.268	N/A	07/01/2023 - 06/30/2024	0	685,197	(2,350)	687,547	687,547	(1) 0
TOTAL STUDENT FINANCIAL ASSISTANCE PROGRAMS CLUSTER					\$ 0	\$ 1,099,908	\$ (3,213)	\$ 1,103,121	\$ 1,103,121	\$ 0
U.S. DEPARTMENT OF EDUCATION - EDUCATION STABILIZATION FUND										
Passed Through the Pennsylvania Department of Education:										
American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER)	I	84.425U	224-211196	03/13/2020 - 09/30/2024	\$ 527,382	\$ 124,654	\$ 80,340	\$ 44,314	\$ 44,314	\$ 0
TOTAL EDUCATION STABILIZATION FUND					\$ 527,382	\$ 124,654	\$ 80,340	\$ 44,314	\$ 44,314	\$ 0
U.S. DEPARTMENT OF EDUCATION										
Passed Through the Pennsylvania Department of Education:										
Secondary Vocational Instruction	I	84.048	380-240017	07/01/2023 - 06/30/2024	\$ 599,326	\$ 599,326	\$ 0	\$ 599,326	\$ 599,326	\$ 0
TOTAL SECONDARY VOCATIONAL INSTRUCTION					\$ 599,326	\$ 599,326	\$ 0	\$ 599,326	\$ 599,326	\$ 0
TOTAL PASSED THROUGH THE PENNSYLVANIA DEPARTMENT OF EDUCATION					\$ 1,126,708	\$ 723,980	\$ 80,340	\$ 643,640	\$ 643,640	\$ 0
U.S. DEPARTMENT OF EDUCATION										
Passed Through the Pennsylvania Department of Labor and Industry:										
Vocational Rehabilitation Grants	I	84.126	PO1665931	07/01/2022 - 06/30/2023	\$ 5,500	\$ 2,750	\$ 2,750	\$ 0	\$ 0	\$ 0
Vocational Rehabilitation Grants	I	84.126	PO1727466	07/01/2023 - 06/30/2024	6,500	6,500	0	6,500	6,500	0
Vocational Rehabilitation Grants	I	84.126	PO1744542	07/01/2023 - 06/30/2024	6,500	6,500	0	6,500	6,500	0
TOTAL VOCATIONAL REHABILITATION GRANTS					\$ 18,500	\$ 15,750	\$ 2,750	\$ 13,000	\$ 13,000	\$ 0
TOTAL PASSED THROUGH THE PENNSYLVANIA DEPARTMENT OF LABOR AND INDUSTRY					\$ 18,500	\$ 15,750	\$ 2,750	\$ 13,000	\$ 13,000	\$ 0
TOTAL DEPARTMENT OF EDUCATION					\$ 1,145,208	\$ 1,839,638	\$ 79,877	\$ 1,759,761	\$ 1,759,761	\$ 0
DEPARTMENT OF HEALTH AND HUMAN SERVICES										
Passed Through the Pennsylvania Department of Education										
COVID-19 Public Health Workforce Supplemental Grant	I	93.354	160-230011	07/01/2022 - 06/30/2024	\$ 198,146	\$ 0	\$ (86,689)	\$ 4,720	\$ 4,720	\$ (81,969)
TOTAL COVID-19 PUBLIC HEALTH WORKFORCE SUPPLEMENTAL GRANTS					\$ 198,146	\$ 0	\$ (86,689)	\$ 4,720	\$ 4,720	\$ (81,969)
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES					\$ 198,146	\$ 0	\$ (86,689)	\$ 4,720	\$ 4,720	\$ (81,969)
SOCIAL SECURITY ADMINISTRATION										
DISABILITY INSURANCE/SSI CLUSTER										
Social Security - Disability Insurance	D	96.001	N/A	07/01/2023 - 06/30/2024	\$ 0	\$ 34	\$ 0	\$ 34	\$ 34	\$ 0
TOTAL SOCIAL SECURITY - DISABILITY INSURANCE					\$ 0	\$ 34	\$ 0	\$ 34	\$ 34	\$ 0
TOTAL SOCIAL SECURITY ADMINISTRATION					\$ 0	\$ 34	\$ 0	\$ 34	\$ 34	\$ 0

"See Accompanying Independent Auditors' Report."

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	SRC. CODE	FEDERAL CFDA NUMBER	PASS-THRU. GRANTOR'S NUMBER	GRANT PERIOD BEGINNING/ ENDING	PROGRAM OR AWARD AMT.	TOTAL RECEIVED FOR THE YEAR	ACCRUED OR (DEFERRED) REVENUE AT JULY 1, 2023	REVENUE RECOG- NIZED	EXPEND. AMOUNT	ACCRUED OR (DEFERRED) REVENUE AT JUNE 30, 2024
U.S. DEPARTMENT OF AGRICULTURE										
CHILD NUTRITION CLUSTER										
Passed Through the Pennsylvania Department of Education:										
National School Breakfast Program	I	10.553	N/A	07/01/2023 - 06/30/2024	N/A	\$ 35,205	\$ 5,100	\$ 43,728	\$ 43,728	\$ 13,623
National School Lunch Program	I	10.555	N/A	07/01/2023 - 06/30/2024	N/A	192,285	21,718	216,196	216,196	45,629
TOTAL PASSED THROUGH THE PENNSYLVANIA DEPARTMENT OF EDUCATION					N/A	\$ 227,490	\$ 26,818	\$ 259,924	\$ 259,924	\$ 59,252
CHILD NUTRITION CLUSTER										
Passed Through the Pennsylvania Department of Agriculture:										
National School Lunch Program	I	10.555	N/A	07/01/2023 - 06/30/2024	N/A	\$ 13,197 (2)	\$ (3,536) (3)	\$ 13,872	\$ 13,872 (4)	\$ (2,861) (5)
TOTAL PASSED THROUGH THE PENNSYLVANIA DEPARTMENT OF AGRICULTURE					N/A	\$ 13,197	\$ (3,536)	\$ 13,872	\$ 13,872	\$ (2,861)
TOTAL CHILD NUTRITION CLUSTER					N/A	\$ 240,687	\$ 23,282	\$ 273,796	\$ 273,796	\$ 56,391
Passed Through the Pennsylvania Department of Education:										
State Pandemic Electronic Benefit Transfer (P-EBT) Administrative Costs Grants	I	10.649	N/A	07/01/2023 - 06/30/2024	N/A	\$ 653	\$ 0	\$ 653	\$ 653	\$ 0
TOTAL P-EBT ADMINISTRATIVE COSTS GRANTS					N/A	\$ 653	\$ 0	\$ 653	\$ 653	\$ 0
TOTAL DEPARTMENT OF AGRICULTURE					N/A	\$ 241,340	\$ 23,282	\$ 274,449	\$ 274,449	\$ 56,391
U.S. DEPARTMENT OF LABOR										
WIA/WIOA CLUSTER										
Passed Through the Lackawanna County Career Link:										
WORKFORCE INVESTMENT ACT										
WIA/WIOA Adult Program	I	17.258	EDSI-22-AD-36	11/29/2022 - 03/13/2024	\$ 1,439	\$ 1,439	\$ 0	\$ 1,439	\$ 1,439	\$ 0
WIA/WIOA Adult Program	I	17.258	CL PID #2919681	08/30/2023 - 12/05/2024	1,293	1,293	0	1,293	1,293	0
WIA/WIOA Adult Program	I	17.259	EQUUS-2023-YA-01	08/30/2023 - 12/11/2024	7,476	7,476	0	7,476	7,476	0
WIA/WIOA Adult Program	I	17.258	EDSI-23-AD-62	12/04/2023 - 12/11/2024	1,234	1,234	0	1,234	1,234	0
WIA/WIOA Adult Program	I	17.259	EQUUS-2023-YA-04	08/30/2023 - 12/11/2024	5,090	5,090	0	5,090	5,090	0
WIA/WIOA Adult Program	I	17.259	EQUUS-2023-YA-21	03/12/2024 - 06/01/2025	713	713	0	713	713	0
WIA/WIOA Adult Program	I	17.258	EDSI-23-AD-60	12/04/2023 - 12/11/2024	3,833	3,833	0	3,833	3,833	0
WIA/WIOA Adult Program	I	17.258	EDSI-22-AD-39	11/29/2022 - 03/13/2024	1,439	1,439	0	1,439	1,439	0
WIA/WIOA Adult Program	I	17.258	EDSI-23-AD-23	08/30/2023 - 12/11/2024	2,235	2,235	0	2,235	2,235	0
WIA/WIOA Adult Program	I	17.258	EDSI-23-AD-24	08/31/2023 - 03/31/2024	1,339	1,339	0	1,339	1,339	0
WIA/WIOA Adult Program	I	17.278	EDSI-23-DW-12	08/30/2023 - 10/09/2023	3,620	3,620	0	3,620	3,620	0
WIA/WIOA Adult Program	I	17.258	EDSI-23-AD-32	08/30/2023 - 12/11/2024	14,180	14,180	0	14,180	14,180	0
WIA/WIOA Adult Program	I	17.258	EQUUS-2023-YA-02	08/30/2023 - 12/11/2024	753	753	0	753	753	0
WIA/WIOA Adult Program	I	17.258	EDSI-23-AD-22	08/30/2023 - 12/11/2024	3,774	3,774	0	3,774	3,774	0
WIA/WIOA Adult Program	I	17.258	EDSI-23-AD-25	08/31/2023 - 03/13/2024	1,439	1,439	0	1,439	1,439	0
WIA/WIOA Adult Program	I	17.258	EDSI-22-AD-62	03/03/2023 - 03/13/2024	8,150	8,150	0	8,150	8,150	0
WIA/WIOA Adult Program	I	17.278	EDSI-23-DW-10	08/30/2023 - 12/11/2024	1,493	1,493	0	1,493	1,493	0
WIA/WIOA Adult Program	I	17.258	EDSI-22-AD-34	11/29/2022 - 03/13/2024	2,528	2,528	0	2,528	2,528	0
WIA/WIOA Adult Program	I	17.258	CL PID #6326649	03/12/2024 - 07/08/2025	1,213	1,213	0	1,213	1,213	0
WIA/WIOA Adult Program	I	17.278	EDSI-23-AD-21	08/30/2023 - 12/01/2023	5,290	5,290	0	5,290	5,290	0
WIA/WIOA Adult Program	I	17.258	EDSI-22-AD-27	11/29/2022 - 03/13/2024	1,339	1,339	0	1,339	1,339	0
WIA/WIOA Adult Program	I	17.258	N/A	N/A	2,628	2,628	0	2,628	2,628	0

"See Accompanying Independent Auditors' Report."

CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	SRC. CODE	FEDERAL CFDA NUMBER	PASS-THRU. GRANTOR'S NUMBER	GRANT PERIOD BEGINNING/ ENDING	PROGRAM OR AWARD AMT.	TOTAL RECEIVED FOR THE YEAR	ACCRUED OR (DEFERRED) REVENUE AT JULY 1, 2023	REVENUE RECOG- NIZED	EXPEND. AMOUNT	ACCRUED OR (DEFERRED) REVENUE AT JUNE 30, 2024
WIA/WIOA Adult Program	I	17.278	#BEP4.0-01	07/01/2023 - 06/30/2024	7,600	7,600	0	7,600	7,600	0
WIA/WIOA Adult Program	I	17.278	#BEP4.0-01	07/01/2023 - 06/30/2024	16,450	16,450	0	16,450	16,450	0
WIA/WIOA Adult Program	I	17.278	#BEP4.0-01	07/01/2023 - 06/30/2024	12,400	0	0	12,400	12,400	12,400
WIA/WIOA Adult Program	I	17.278	#BEP4.0-01	07/01/2023 - 06/30/2024	15,275	0	0	15,275	15,275	15,275
WIA/WIOA Adult Program	I	17.278	#BEP4.0-01	07/01/2023 - 06/30/2024	4,200	0	0	4,200	4,200	4,200
WIA/WIOA Adult Program	I	17.278	#BEP4.0-01	07/01/2023 - 06/30/2024	4,000	0	0	4,000	4,000	4,000
WIA/WIOA Adult Program	I	17.278	#BEP4.0-01	07/01/2023 - 06/30/2024	5,000	0	0	5,000	5,000	5,000
WIA/WIOA Adult Program	I	17.278	#BEP4.0-01	07/01/2023 - 06/30/2024	2,105	0	0	2,105	2,105	2,105
COUNTY CAREER LINK					\$ 139,528	\$ 96,548	\$ 0	\$ 139,528	\$ 139,528	\$ 42,980
TOTAL WIA/WIOA CLUSTER					\$ 139,528	\$ 96,548	\$ 0	\$ 139,528	\$ 139,528	\$ 42,980
TOTAL DEPARTMENT OF LABOR					\$ 139,528	\$ 96,548	\$ 0	\$ 139,528	\$ 139,528	\$ 42,980
U.S. DEPARTMENT OF VETERANS AFFAIRS										
Post 9/11 Veterans Educational Assistance	I	64.028	N/A	N/A	\$ 4,350	\$ 4,350	\$ 0	\$ 4,350	\$ 4,350	\$ 0
Veterans Administration Annual Reporting Fee	I	64.028	N/A	07/01/2023 - 06/30/2024	N/A	32	0	32	32	0
TOTAL POST 9/11 VETERANS EDUCATIONAL ASSISTANCE					\$ 12,325	\$ 4,382	\$ 0	\$ 4,382	\$ 4,382	\$ 0
TOTAL DEPARTMENT OF VETERANS AFFAIRS					\$ 12,325	\$ 4,382	\$ 0	\$ 4,382	\$ 4,382	\$ 0
TOTAL FEDERAL ASSISTANCE					\$ 1,495,207	\$ 2,181,942	\$ 16,470	\$ 2,182,874	\$ 2,182,874	\$ 17,402

\*See Accompanying Independent Auditors' Report.\*

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

March 7, 2025

Joint Operating Committee  
Career Technology Center of  
Lackawanna County

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 Career Technology Center of Lackawanna County, as of and for the year ended June 30, 2024, and the related notes to the financial statements which collectively comprise the Career Technology Center of Lackawanna County's basic financial statements, and have issued our report thereon dated March 7, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Career Technology Center of Lackawanna County'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Career Technology Center of Lackawanna County's internal control. Accordingly, we do not express an opinion on, the effectiveness of Career Technology Center of Lackawanna County'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Career Technology Center of Lackawanna County'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 the 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 those limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control over compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Career Technology Center of Lackawanna County'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 Career Technology Center of Lackawanna County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Robert Rossi & Co". The signature is written in a cursive, flowing style.

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

March 7, 2025

To the Board of Directors  
Career Technology Center of Lackawanna County

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

**Opinion on Each Major Federal Program**

We have audited the Career Technology Center of Lackawanna County's 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 Career Technology Center of Lackawanna County's major federal programs for the year ended June 30, 2024. Career Technology Center of Lackawanna County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Career Technology Center of Lackawanna County complied, in all material aspects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Career Technology Center of Lackawanna County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Career Technology Center of Lackawanna County'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 Career Technology Center of Lackawanna County'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 Career Technology Center of Lackawanna County'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 generally accepted auditing standards, Government Auditing Standards and the Uniform Guidance will always detect a 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 Career Technology Center of Lackawanna County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, 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 Career Technology Center of Lackawanna County'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 Career Technology Center of Lackawanna County'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 Career Technology Center of Lackawanna County's internal control over compliance. Accordingly, no such opinion is expressed.

## Auditor's Responsibilities for the Audit of Compliance (continued)

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 over compliance that we identified during the audit.

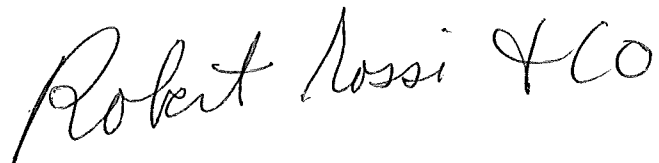
### Report on Internal Control Over Compliance

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 Auditors' 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 black ink that reads "Robert Rossi & Co". The signature is written in a cursive, flowing style.



CAREER TECHNOLOGY CENTER OF LACKAWANNA COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024

**Section 1 – Summary of Auditor’s Results (Continued)**

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

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

**Section 2 – Financial Statement Findings**

A. Material Weakness 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 3 – Federal Award Findings and Questioned Costs**

A. Compliance Findings

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

B. Significant Deficiency(ies) in Internal Control

There were no significant deficiencies in internal controls relating to the Federal Awards required to be reported in accordance with Section 2 CFR 200.516(a) of the Uniform Guidance.