County of Lancaster
PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2020

COUNTY OF LANCASTER, PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2020

PREPARED BY THE CONTROLLER'S OFFICE

Brian K. Hurter, CPA, Controller
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CONTROLLER'S SOLICITOR
George D. Alspach

COVER PHOTOGRAPH
Kelly's Run Nature Preserve, Martic Township
Photo by Brian Hurter

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COUNTY OF LANCASTER, PENNSYLVANIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the year ended December 31, 2020

TABLE OF CONTENTS

Page No.

INTRODUCTORY SECTION
Letter of Transmittal 1
GFOA Certificate of Achievement 7
Organizational Chart 8
List of Principal Officials 9

FINANCIAL SECTION
Report of Independent Public Accountants 11
Management's Discussion and Analysis 14

BASIC FINANCIAL STATEMENTS
Statement of Net Position 30
Statement of Activities 31
Balance Sheet – Governmental Funds 32
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 33
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 34
Statement of Fiduciary Net Position – Fiduciary Funds 35
Statement of Changes in Fiduciary Net Position 36
Notes to Financial Statements 38

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Changes in the County's Net Other Post-Employment Benefits Liability and Related Ratios 122
Schedule of Changes in the County's Net Pension Liability and Related Ratios 123
Schedule of County Contributions 124
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Budgetary Basis – General Fund 125
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Budgetary Basis – Children and Youth Services Fund 126
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Budgetary Basis – Behavioral Health and Developmental Services Fund 127
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Budgetary Basis – Domestic Relations Special Revenue Fund 128
Notes to Required Supplementary Information 129

COUNTY OF LANCASTER, PENNSYLVANIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the year ended December 31, 2020

TABLE OF CONTENTS
(continued)

Page No.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES
Combining Balance Sheet – Nonmajor Governmental Funds 131
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds 132
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Budgetary Basis – Office of Aging Special Revenue Fund 133
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Budgetary Basis – Drug and Alcohol Special Revenue Fund 134
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Budgetary Basis – Liquid Fuels Special Revenue Fund 135

STATISTICAL SECTION
Net Position by Component – Table 1 138
Changes in Net Position – Table 2 139
Fund Balances of Governmental Funds – Table 3 140
Changes in Fund Balances of Governmental Funds – Table 4 141
Assessed and Estimated Actual Value of Taxable Property – Table 5 142
Property Tax Rates, Direct and Overlapping Governments – Table 6 143
Principal Property Taxpayers – Table 7 145
Property Tax Levies and Collections – Table 8 146
Ratio of Outstanding Debt by Type – Table 9 147
Ratios of General Debt Outstanding – Table 10 148
Direct and Overlapping Governmental Activities Debt – Table 11 149
Legal Debt Margin Information – Table 12 151
Demographic and Economic Statistics – Table 13 153
Principal Employers – Table 14 154
Full-time County Government Employees by Function – Table 15 155
Operating Indicators by Function – Table 16 156
Capital Asset by Function – Table 17 159
Salaries and Surety Bonds of Principal Officials – Table 18 160
Schedule of Insurance In-Force – Table 19 161

Brian K. Hurter, CPA

Controller

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INTRODUCTORY

County of Lancaster

Controller's Office

150 North Queen Street
Suite # 710
Lancaster, PA 17603
Phone: 717-299-8262
www.co.lancaster.pa.us

Controller
Brian K. Hurter, CPA

June 24, 2021

To the Citizens of the County of Lancaster, Pennsylvania:

The Comprehensive Annual Financial Report of the County of Lancaster, Pennsylvania (the County), for the year ended December 31, 2020, is hereby submitted.

The County's management assumes full responsibility for the completeness and reliability of all the information presented in this report. Management of the County has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, this financial report is accurate and complete in all material respects. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities are included.

State statutes require that an annual audit be performed by independent certified public accountants. The Lancaster County Commissioners selected SB & Company, LLC. The independent public accountants report on the basic financial statements and give an "in relation to" opinion on the combining and individual fund statements and schedules included in the financial section of this report. The independent public accountants have issued an unmodified report and disclaim an opinion on the introductory and statistical sections of the report.

In addition to meeting the requirements set forth in state statutes, this audit was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Audits". The single audit for 2020 will be completed by September 30, 2021. Information related to this single audit, including the supplementary schedule of expenditures of federal awards, findings, and recommendations; independent public accountants' reports on internal control and compliance with applicable laws and regulations; and major program requirements, will be included in a separately issued single audit report.

Management's Discussion and Analysis (MD&A) immediately follows the independent public accountants' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A is a complement to this letter of transmittal and should be read in conjunction with it.

This report includes all funds and activities of the County and reflects the extensive range of countywide services including, but not limited to, emergency services; health care and social services; construction and maintenance of highways, streets, and infrastructure; recreational activities; and cultural events. The report includes the Lancaster County Convention Center Authority as a component unit.

Profile of the Government

Originally a part of Chester County, Lancaster County was formed on May 10, 1729, becoming the fourth County in the Commonwealth of Pennsylvania. It was named for Lancashire in England. The County occupies a land area of 946 square miles and is in the south-central part of the state approximately 60 miles west of Philadelphia and 240 miles east of Pittsburgh. Lancaster has been a third-class county since 1962 and consists of 60 municipal divisions including the City of Lancaster, 18 boroughs, and 41 townships. The County is the sixth most populous in the state behind only Philadelphia, Allegheny, Montgomery, Bucks, and Delaware counties with approximately 547,479 people calling it home.

The County acts as an agent of the Commonwealth for those functions which are specified by state law. To carry out those functions, three county commissioners are elected every four years and may be re-elected. The County Code stipulates that each party may put up no more than two candidates and that each voter may cast a ballot for only two commissioner candidates. The three receiving the highest number of votes are elected. This ensures that the commissioners are not all from the same political party. In addition to having limited legislative powers, the commissioners serve as the managers and administrators of the county government; name residents to boards, commissions, and authorities; and award contracts. Assisting them are a number of officials elected for four-year terms, who fill the so-called row offices, and numerous appointed deputies and directors. To assist the commissioners with their administrative duties, they appoint a chief clerk who keeps the books and accounts of the Board of County Commissioners, records and files their proceedings and papers, attests all orders and voucher checks issued by them, and performs all other duties pertaining to the office of the chief clerk. Additionally, the chief clerk is responsible for the preparation and monitoring of the annual county budget, contract negotiations, and monitoring the departments under the scope of the county commissioners.

The annual budget serves as the foundation for the County's financial planning and control. The County Commissioners must adopt an annual budget for the County by December 31 of each year for the subsequent year. The annual budget estimates revenues and expenditures for all governmental funds except the Community Development Block Grant, the Human Services Block Grant, the Agricultural Land Preservation special revenue funds, and the Capital Projects fund. Project-length financial plans are adopted for all capital projects. The legal level of budgetary control is established by fund. It is the prerogative of management to also maintain an enhanced level of control

at the function and object level. Supplemental appropriations, which alter the total expenditures of any fund, require resolution by the county commissioners. Appropriations lapse at the end of each year and must be reappropriated.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Local Economy

Grounded in a heritage of innovation and entrepreneurial spirit along with a strong work ethic, Lancaster County's economy has remained historically strong. The economy has always been very resilient and does not rely on one main sector or company. The County has a large base of manufacturing businesses, but farms, tourist attractions, downtown Lancaster, and many other industries have all helped to keep our economy growing over the years. In addition, the population has grown steadily for decades which helps bring new businesses to the area and means there are plenty of workers. The County's unemployment rate of 5.2% remains consistently lower than both the state and national averages of 7.1% and 6.7% respectively. Along with its diverse economy, Lancaster County's proximity to major metropolitan markets and the ports of Baltimore, Philadelphia, and Wilmington makes it an ideal location for business growth and success. The County is within 500 miles of half the buying power in the nation. These factors, plus Lancaster County's tradition of successful businesses built on strong values, help the private sector adapt to the ever-changing market.

Lancaster County's rich soil, temperate climate, and adequate rainfall attracted settlers more than 300 years ago. Those same attributes are responsible for making agriculture a substantial contributor to the economic wellbeing of the County as well as its quality of life. From one perspective, Lancaster County is the land that time left behind. Carefully tilled farms are worked by horse-drawn equipment with animals cared for in cozy barns in much the same way as they have been for generations. But Lancaster County is also on the cutting edge with cows milked by robots and bio-digesters collecting methane gas from manure to produce electricity. It is a land where the productive soil is farmed with the latest precision technologies, using GPS and other tools to help put seed and fertilizer where it can most efficiently be utilized. Farmers have had to learn to diversify with an increase in egg and poultry production, as well as organic vegetables, meat goats, and industrial hemp. They also use stream-bank fencing, riparian buffers, cover crops, no-till planting, and other conservation practices to ensure that the land will be here for future generations. In addition to the natural resources that enable our farms to be successful, the County is home to many agribusinesses that help support the thriving farming community. Hard-working farm families continue to find new ways to innovate and adjust so that agriculture continues to be a significant part of our economy.

In a year like none other, the County experienced its share of economic struggles due to the coronavirus pandemic. The tourism industry, as well as many small companies and service industry businesses took a major hit when a mandatory lockdown was put into place by Governor Wolf in March 2020. Lancaster County was fortunate to receive $95.2

million in federal Coronavirus Aid, Relief, and Economic Security Act (CARES) funds in April 2020. A group of elected officials and county employees came together to create a plan on how best to use these funds. Though it will take some time, Lancaster County is very optimistic that the economy will rebound back to pre-pandemic levels.

Major Initiatives

For the Year

- The CARES Act was signed into law to protect the American people from the public health and economic impacts of the coronavirus pandemic. Lancaster County received $95.2 million in federal stimulus monies. The Board of Commissioners had three main priorities during the coronavirus pandemic crisis: protecting the health, welfare, and safety of County citizens; maintaining County services in a safe and secure manner; and the reopening and support of the local economy so that individuals, families, and businesses could once again thrive. The CARES funds were used to enhance virus spread mitigation efforts and aid at-risk and vulnerable populations; ensure that essential public services by the County, municipalities and school districts were maintained in a safe manner and provided for an effective emergency response; and provide economic support to those suffering from business interruptions due to the pandemic allowing them to maintain operations during the crisis or reopen when possible.

- The County is proud of the partnership between the Lancaster Chamber, the Economic Development Company of Lancaster County, and the County of Lancaster to form Recovery Lancaster. Monies from the CARES Act were used to fund this project. One of the most prominent elements of Recovery Lancaster was the distribution of grants to small businesses which took place in three different phases. In total, over $40 million of grants was distributed as part of this program. A second aspect of Recovery Lancaster was the bulk purchase and distribution of PPE to local businesses, school districts, and nursing homes, all provided at no cost. The Recovery Lancaster project was, and continues to be, a monumental initiative to help get the County back to business safely and effectively.

- The kiosk system at the Lancaster County Prison was expanded to include individual inmate tablets that provide the same functionality to the inmates while they are in their cells. All incoming mail was digitalized and is accessible by logging on to the kiosk or tablet. This has eliminated the last large gap that allowed contraband to find its way into the facility while still providing the opportunity for inmates to be in contact with their loved ones. The prison also installed a new camera system which improved inmate monitoring and incident review. With cooperation from various county departments the prison established a mobile video conferencing system to conduct court proceedings during the pandemic.

For the Future

- The work on an approximately $19 million renovation project to the County's four-decade-old courthouse continues. The architectural design for renovations of the 5th, 6th, and 7th floors were completed and contracts were awarded in August of 2019 with construction beginning in September. The 6th and 7th floors were completed in 2020 and occupied by the District Attorney in the fall. These floors now house offices, a computer forensic lab, file storage, and conference and training rooms. Estimated construction timetable for the completion of the 5th floor is June of 2021. The Courts will occupy the entire 5th floor with three judge's chambers, new courtrooms, and administrative offices.

- After many years and discussions about needing a new prison, the Lancaster County Commissioners took the first step towards building a new prison in a unanimous vote on May 26, 2021. The Board approved an agreement with the Kreider's to purchase a 78-acre tract of land along the Conestoga River for $3 million. The land would be used for a new prison to replace the existing facility, portions of which were built in the 19th century. The County will have a 90-day due diligence period in which to conduct environmental surveys, a detailed title search and other reviews to ensure the property is suitable for a prison. After that, the County will have 18 months to take care of any zoning issues with the property. The County can back out of the deal during this window of time if it finds the land is not suitable.

- Lancaster County is expected to receive approximately $106 million in federal funding under the American Rescue Plan Act (ARPA) signed into law by President Biden in March of 2021. The new stimulus funds will be able to be used on many of the same priorities as the CARES funds. This includes everything from providing aid to nonprofits, hospitals, businesses, and paying essential workers to replacing lost revenue due to the pandemic to supporting certain government functions. Governments can also use the money on infrastructure work like water and sewer repairs and upgrades, as well as broadband expansion. Governments have until December 31, 2024 to spend these funds.

Financial Policies

The Lancaster County Commissioners have not formally adopted an investment policy governing County investments; however, the County follows the Pennsylvania County Code and Act 72 of the Commonwealth of Pennsylvania for the County's investments.

The Lancaster Retirement Board has formally adopted an investment policy governing the Pension Trust Fund investments.

The Lancaster County Commissioners have formally adopted purchasing policies encompassing legal compliance and encouraging competitive and economical procurement of goods and services.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Lancaster for its comprehensive annual financial report for the year ended December 31, 2019. To be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized comprehensive annual financial report, which conformed to program standards. This report satisfied both GAAP and applicable legal requirements. This is the 31st consecutive year that the County has been awarded the Certificate of Achievement for Excellence in Financial Reporting.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated services of the Controller's office staff, the cooperation of all County departments, various elected and appointed officials, and the assistance of our independent public accountants, SB & Company, LLC. We appreciate the contributions made in the preparation of this report.

Brian K. Hurter, CPA
Controller

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Lancaster
Pennsylvania

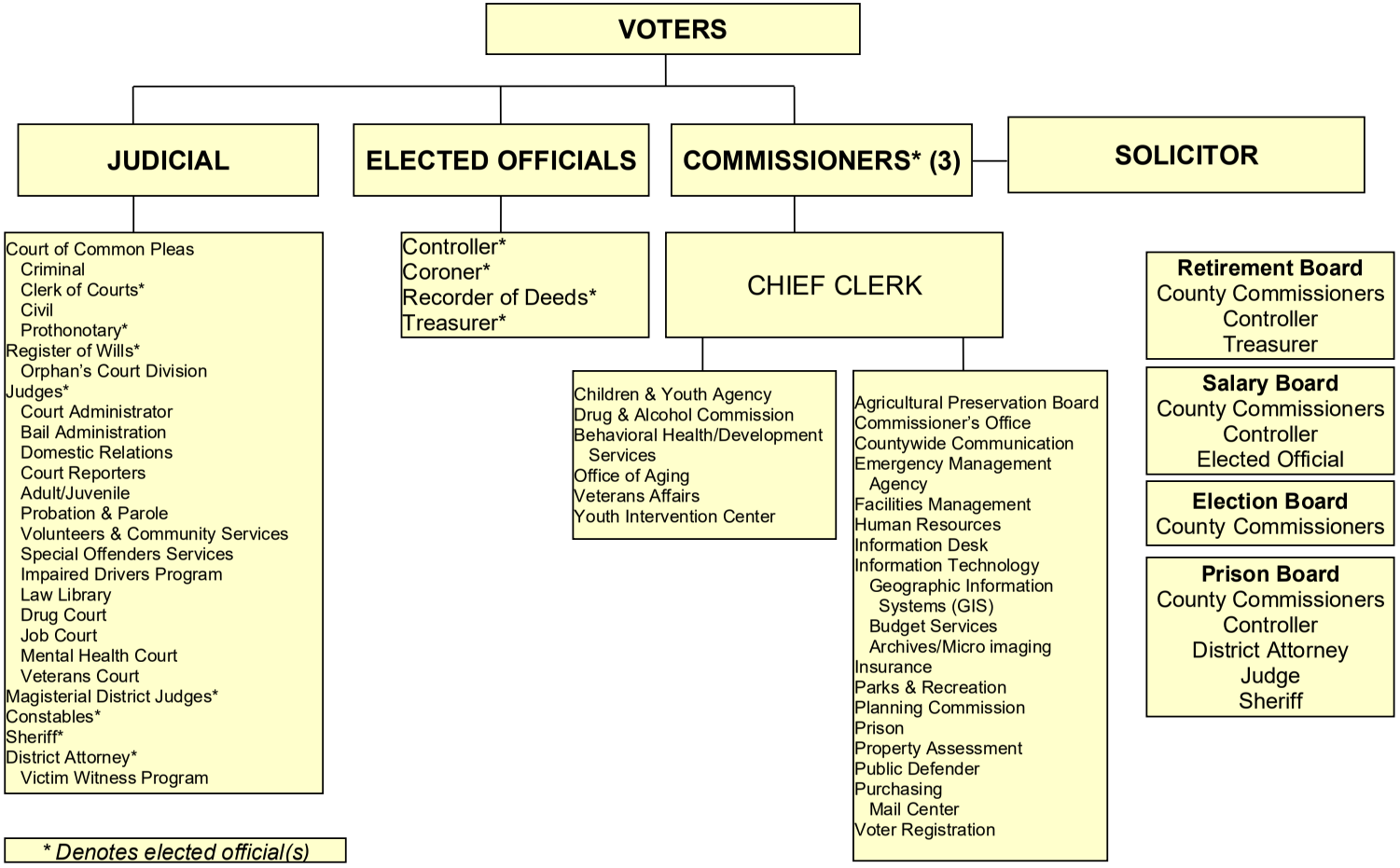
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morrill

Executive Director/CEO

LANCASTER COUNTY ORGANIZATIONAL CHART – THIRD-CLASS COUNTY



2020
County of Lancaster
List of Principal Officials

Elected Officials

COMMISSIONERS
Joshua G. Parsons, Chairman
Ray D'Agostino, Vice Chairman
Craig E. Lehman

CLERK OF COURTS OF COMMON PLEAS
Jacquelyn E. Pfursich

CONTROLLER
Brian K. Hurter

CORONER
Stephen G. Diamantoni

JUDGES OF COURT OF COMMON PLEAS
David L. Ashworth, President Judge
Leonard G. Brown, III
Jeffrey A. Conrad
Christopher A. Hackman
Howard F. Knisely
Margaret C. Miller
Jeffrey J. Reich
Dennis E. Reinaker
Merrill M. Spahn, Jr.
Thomas B. Sponaugle
Craig W. Stedman
Donald R. Totaro
David R. Workman
Jeffery D. Wright

DISTRICT ATTORNEY
Heather L. Adams

PROTHONOTARY
Andrew E. Spade

RECORDER OF DEEDS
Ann M. Hess

REGISTER OF WILLS
Anne L. Cooper

SHERIFF
Christopher R. Leppler

TREASURER
Amber L. Martin

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FINANCIAL

SB & COMPANY, LLC
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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

Management and County Commissioners
County of Lancaster

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Lancaster (the County) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Lancaster County Convention Center Authority. Those financial statements were audited by another auditor whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Lancaster County Convention Center Authority, is based solely on the report of the other auditor. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2020, 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.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in the County's net pension liability and related ratios, schedule of County contributions and schedule of investment returns for the County of Lancaster, Pennsylvania, Employee Retirement Plan, the schedule of changes in the County's net other post-employment benefits liability and related ratios, and the required supplementary schedules of revenues, expenditures, and changes in fund balances – budget and actual – budgetary basis for the General Fund, Children and Youth Services Fund, Behavioral Health and Developmental Services Fund and Domestic Relations Special Revenue Fund be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, statistical section, and combining and individual fund financial statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Owings Mills, Maryland
June 24, 2021

SB & Company, LLC

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MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

This section of the County of Lancaster's (the County) Comprehensive Annual Financial Report presents a narrative overview and analysis of the County's financial performance for the fiscal year ended December 31, 2020. It is recommended that it be read in conjunction with the accompanying basic financial statements and notes to financial statements to obtain a thorough understanding of the County's financial condition as of December 31, 2020.

FINANCIAL HIGHLIGHTS

- ✓ The County's 2020 real estate property tax millage rate remained unchanged at 2.911.
- ✓ The County's adopted budget for 2020 was a balanced budget for the eighth consecutive year.
- ✓ The County's bond rating was upgraded to Aa2 during 2020 from a previous rating of Aa3.
- ✓ The County's net position increased $30.0 million in 2020 to $16.3 million.
- ✓ The County's unrestricted deficit was $146.8 million as of December 31, 2020 compared to an unrestricted deficit of $160.2 million as of December 31, 2019.
- ✓ The County's total General Fund balance increased $7.2 million during 2021 to $50.3 million.
- ✓ The County's total General Fund balance at December 31, 2020 included an unassigned fund balance of $38.3 million. The unassigned fund balance increased $7.0 million during 2020.
- ✓ The County's General Fund operating cash balance increased $20.9 million during 2020 to $63.4 million. Part of this balance is unspent CARES Act funds that the County received to assist with the impact of the coronavirus pandemic.
- ✓ As of December 31, 2020, the County had $176.2 million of total debt service commitments outstanding. This represents a decrease of $9.7 million, or 5.2%, from the previous year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this report consists of four parts: management's discussion and analysis, the basic financial statements (including notes to the financial statements), other required supplementary information, and a section that presents combining and individual fund statements and schedules. The basic financial statements present two different views of the County using government-wide statements and fund financial statements. The diagram on the following page shows how the required components of the financial section of this Comprehensive Annual Financial Report are arranged and relate to one another.

The first two basic financial statements are *government-wide financial statements* that provide information about the County's overall financial status, as well as the financial status of the County's component unit. The remaining basic financial statements are *fund financial statements* that focus on major funds of County government, reporting the County's operations in more detail than the government-wide statements. The fund financial statements include:

- *Governmental funds financial statements* which explain how services such as public safety were financed in the short term, as well as what remains for future spending.

- *Fiduciary funds financial statements* that reflect activities involving resources that are held by the County as a trustee or agent for parties outside the government. Fiduciary funds are not reflected in the government-wide statements because the resources cannot be used to support the County's programs.

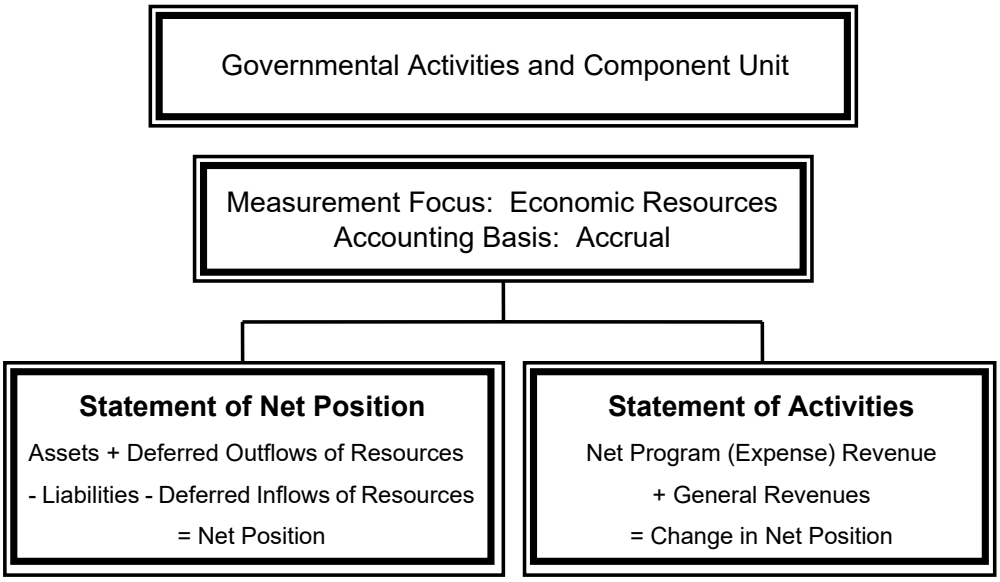
The basic financial statements also include notes to the financial statements that provide additional information essential to a full understanding of the financial data provided in the government-wide and fund financial statements. In addition to the basic financial statements and notes, the required supplementary information includes: the schedule of contributions to other post-employment benefits and other post-employment benefit funding progress; the schedule of contributions to the County pension plan, schedule of changes in the pension liability and related ratios, and investment returns; the County's budget for the General Fund; and the County's budget for each major budgeted special revenue fund. In addition to these required elements, a section is included with combining and individual fund statements that provide particulars about nonmajor governmental funds.

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements report information about the County as a whole and its component unit using accounting methods similar to those used by private-sector companies. The primary features are reflected in the following diagram.

Government-wide Financial Statements



The statement of net position includes all the County's assets, liabilities, and deferred outflows and inflows of resources, except fiduciary funds, with the difference reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business. The statement of activities focuses on how the County's net position changed during the year. Because it separates program revenue (revenue generated by specific programs through charges for services, grants, and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each program has to rely on taxes for funding. All changes in net position are reported using the accrual method of accounting, which requires that revenues be reported when they are earned and expenses be reported when the goods and/or services are received, regardless of when cash is received or paid. Net position is one way to measure the County's financial health, or position. Over time, increases or decreases in the County's net position are one indicator of whether the County's financial position is improving or deteriorating. However, other non-financial factors such as changes in the County's real property tax base and general economic conditions must be considered to assess the overall position of the County.

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

- *Governmental activities* – All the County's basic services are included here, such as public safety, roads and bridges, health and welfare, and general government administration. Property and other such taxes, state and federal grants, and charges for services are the primary funding source of these activities.

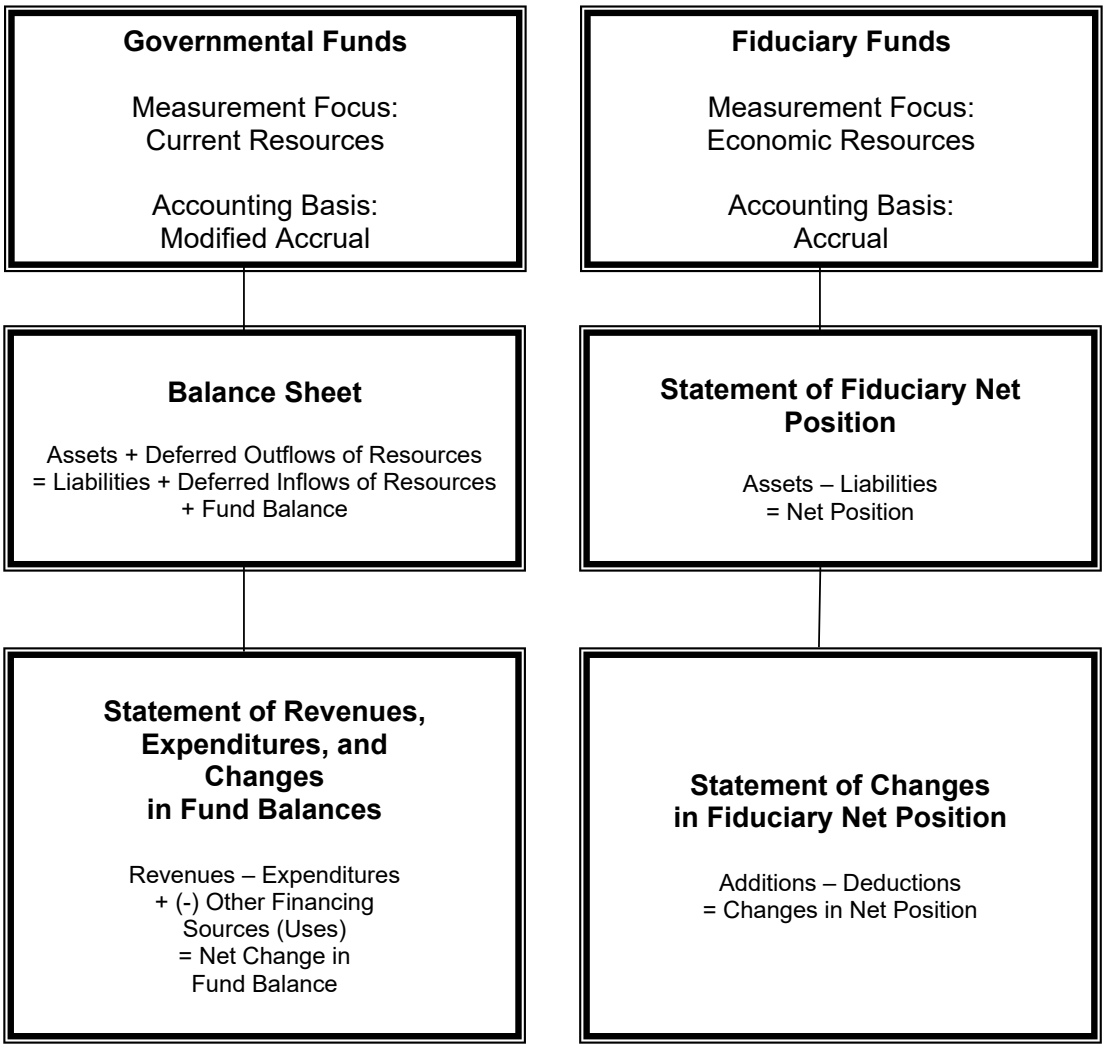
- *Component Unit* – The County includes one other entity – the Lancaster County Convention Center Authority. *

*See separate report as mentioned in the notes to the financial statements.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the County's funds with an emphasis on major funds, not the County as a whole. Funds are accounting groups that the County uses to keep track of specific sources of funding and spending for particular purposes. State law requires some funds, while other funds are established to control and manage resources designated for specific purposes. The following diagram presents the major features of the fund financial statements, including the types of information contained therein.

Fund Financial Statements



The County has two types of funds:

- *Governmental funds* – Most of the County's basic services are included in governmental funds, which focus on: (1) the flow in and out of cash and other financial assets that can readily be converted into cash and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine the financial resources available in the near future to finance the County's programs. The County maintains the following major governmental funds: the General Fund, Behavioral Health and Developmental Services special revenue fund, Children and Youth Services special revenue fund, the Domestic Relations special revenue fund, the Capital Projects special revenue fund, and the Human Services Block Grant special revenue fund. The County also maintains five nonmajor special revenue funds that are combined into a single aggregated presentation. Because this information does not encompass the additional long-term focus of the government-wide statements, a detailed reconciliation provides additional information that explains the relationship (or differences) between the fund and government-wide financial statements.

- *Fiduciary funds* – The County is the trustee, or fiduciary, for its employees' pension plan. In addition, the County is also responsible for a custodial fund, which represents clearing accounts for assets held by the County in its role as custodian until the funds are allocated to the private parties, organizations, or government agencies to which they belong. The County is responsible for ensuring that the assets reported in the fund are used for their intended purpose. All of the County's fiduciary asset and liability balances are reported in the statement of fiduciary net position. A statement of changes in fiduciary net position is also presented. All fiduciary activities are excluded from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

The County presents its financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The statement of net position and the statement of activities report information about the County as a whole and about its activities to measure the results of the year's activities.

NET POSITION:

The County's net position as of December 31, 2020 and 2019 is presented below:

Table A-1
County Net Position as of December 31, 2020 and 2019
(amounts in millions)

	2020	2019
Capital assets, net	$ 301.3	$ 290.9
Other assets	125.5	104.1
Total assets	**426.8**	**395.0**
Deferred outflows of resources	33.6	17.8
Total deferred outflows of resources	**33.6**	**17.8**
Other liabilities	37.5	21.8
Long-term liabilities	331.6	357.8
Total liabilities	**369.1**	**379.6**
Deferred inflows of resources	75.0	46.9
Total deferred inflows of resources	**75.0**	**46.9**
Net position (deficit):		
Net investment in capital assets	125.4	109.3
Restricted	37.7	37.2
Unrestricted (deficit)	(146.8)	(160.2)
Total net position	**$ 16.3**	**$ (13.7)**

Net position of the County's governmental activities increased $30.0 million to $16.3 million. This increase was primarily the result of a decrease in the County's net other postemployment benefits (OPEB) liability.

Of the $16.3 million, $125.4 million represents the balance of net investments in capital assets, while $37.7 million is restricted for various purposes. The County has an unrestricted deficit balance of $146.8 million at the end of the year. Lancaster County's total assets stand at $426.8 million and deferred outflows of resources stand at $33.6 million as of December 31, 2020. Of the total assets, $301.3 million is accounted for by capital assets, which includes some infrastructure.

The following table presents the County's changes in net position for the fiscal years ending December 31, 2020 and 2019:

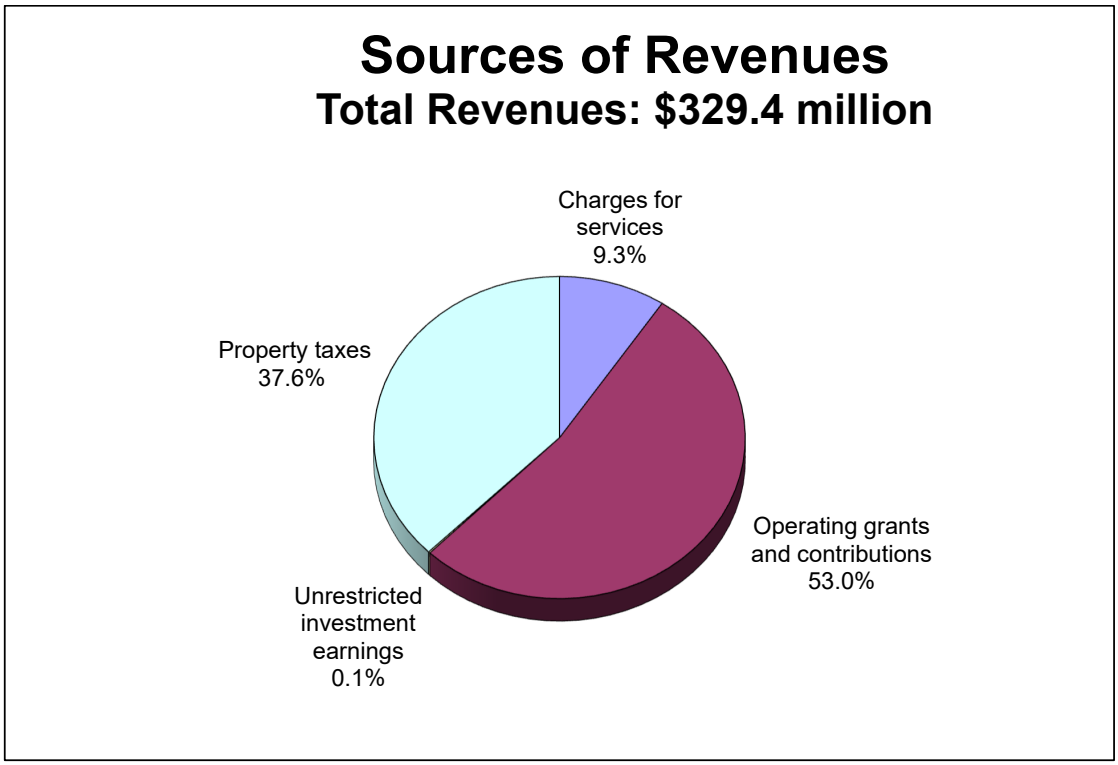
Table A-2
County's Changes in Net Position for the years ending December 31, 2020 and 2019
(amounts in millions)

	2020	2019
Revenues:		
Program revenues:		
Charges for services	$ 30.7	$ 32.0
Operating grants and contributions	174.5	158.1
General revenues:		
Property taxes	123.7	122.4
Unrestricted investment earnings	0.5	2.4
Total revenues	**329.4**	**314.9**
Expenses:		
General government	121.7	49.0
Public safety	13.2	13.8
Roads and bridges	1.0	0.9
Health, education, and welfare	72.9	141.0
Judicial	50.5	49.8
Corrections	27.1	29.6
Cultural and recreation	2.6	2.3
Community development	3.2	5.6
Interest on long-term debt	7.2	7.5
Total expenses	**299.4**	**299.5**
Change in net position	**30.0**	**15.4**
Net position – beginning	**(13.7)**	**(29.1)**
Net position – ending	**$ 16.3**	**$ (13.7)**

See pages 22 through 27 for details of these amounts and explanations of changes.

GOVERNMENTAL ACTIVITIES:

The following chart graphically depicts the sources of revenues for the year ended December 31, 2020:

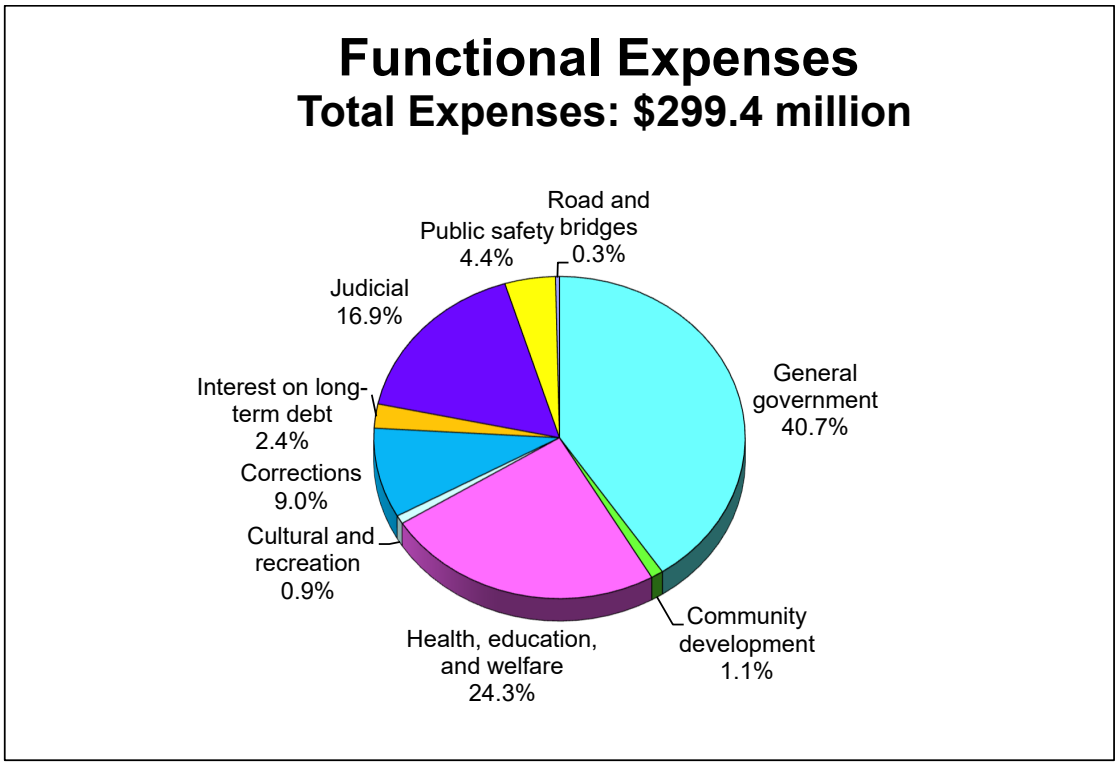


Total government-wide revenues of $329.4 million were derived primarily from operating grants and contributions, representing 53.0% of the total. Property taxes made up the second largest source of revenue at 37.6%, followed by charges for services at 9.3%, and unrestricted investment earnings at 0.1%.

See pages 24 through 27 for details of these amounts and explanations of changes to revenues.

GOVERNMENTAL ACTIVITIES:

The following chart graphically depicts the functional expenses for the year ended December 31, 2020:



Total expenses for all programs in 2020 were $299.4 million. The expenses cover a wide range of services, with the largest being general government at 40.7%. The second largest program area was health, education, and welfare at 24.3%, followed by judicial at 16.9%, corrections at 9.0%, public safety at 4.4%, interest on long term debt at 2.4%, community development at 1.1%, cultural and recreation at 0.9%, and road and bridges at 0.3%.

See pages 24 through 27 for details of these amounts and explanations of changes to expenses.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

GOVERNMENTAL FUNDS:

The General Fund, the Children and Youth Services special revenue fund, the Behavioral Health and Developmental Services special revenue fund, the Domestic Relations special revenue fund, the Capital Projects special revenue fund, and the Human Services Block Grant special revenue fund make up the County's major governmental funds. The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, spendable (both restricted and unrestricted) fund balance may serve as a useful measure of the County's net resources available for spending at the end of the year.

As of December 31, 2020, the General Fund reported a fund balance of $50.3 million, which was a $7.2 million or 16.7% increase over the previous year's balance of $43.1 million. This increase was the result of 92.9% of budgeted revenues being collected while only 82.6% of budgeted expenditures were spent. Revenues increased from $160.7 million to $244.1 million, an $83.4 million or 51.9% increase. Expenditures increased from $146.5 million to $224.1 million, which was a $77.6 million or 53.0% increase. These increases were due to Lancaster County recognizing $83.7 million dollars in CARES funds.

The fund balance in the Children and Youth Services special revenue fund decreased to $2.3 million as of December 31, 2020, from $2.6 million, a $0.3 million or 11.5% decrease. This decrease was the result of Children and Youth Agency collecting 93.7% of their budgeted revenues while spending 94.3% of their budgeted expenses. Revenues decreased from $34.6 million to $33.6 million, a $1.0 million or 2.9% decrease. Expenditures decreased from $44.6 million to $43.2 million, a decrease of $1.4 million or 3.1%. The decreases are the result of less children being placed in out-of-home settings.

The Behavioral Health and Developmental Services special revenue fund has no fund balance to report. Revenues in this fund decreased to $27.6 million from $91.6 million, a decrease of $64.0 million or 69.9%. Expenditures decreased from $92.6 million to $28.6 million, a $64.0 million or 69.1% decrease. The decrease in both the revenues and expenditures is due to decreased activity in the Health Choices account.

As of December 31, 2020, the Domestic Relations special revenue fund balance was $14.6 million, as compared to $13.9 million last year, an increase of $0.7 million or 5.0%. This increase was the result of Domestic Relations receiving 104.3% of their budgeted revenue while only spending 91.4% of their budgeted expenses. The revenues and expenses remained basically unchanged compared to the prior year.

The fund balance in the Capital Projects special revenue fund decreased to $10.3 million as of December 31, 2020, from $11.4 million, a $1.1 million or 9.6% decrease. This decrease was the result of an increase in capital outlay expenses. Revenues decreased from $0.3 million to $0.1 million, a $0.2 million or 66.7% decrease. This decrease was due to interest rates falling sharply during the year. Expenditures increased from $4.8 million to $13.6 million, an increase of $8.8 million or 183.3%. This increase was due to the courthouse renovation project.

The Human Services Block Grant special revenue fund has no fund balance to report. The revenues decreased from $0.20 million on December 31, 2019, to $0.05 million on December 31, 2020, a decrease of $0.15 million or 75.0%. This decrease was the result of interest rates falling during the year. Expenditures decreased from $0.10 million on December 31, 2019, to $0.00 million on December 31, 2020, a decrease of $0.10 million or 100.0%. This decrease was the result of transfers from the block grant exceeding transfers into the block grant, intergovernmental revenue, and interest earned.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Board of County Commissioners revised the County budget several times. These budget amendments fall into two categories: amendments to appropriations approved shortly after the beginning of the year to reflect budget carryovers from the prior year and increases in appropriations based on supplemental funding sources.

The County's original revenue budget increased from $165.4 million to $262.0 million, an increase of $96.6 million or 58.4%. This was the result of the County receiving $95.2 million in CARES funds. Actual revenues received totaled $243.5 million or 92.9% of the final budget. Intergovernmental revenues were $15.8 million lower than the final budgeted amounts due to not all the CARES funds being spent during the year. Departmental revenues were $0.9 million lower than the final budgeted amounts due to fewer real estate fees being collected by the Sheriff's Office, as well as Parks receipts being down because of the swimming pool not being open for the full season and other programs suspended due to the pandemic. Fines and costs were $0.8 million lower than the final budgeted amounts due to a reduction in fines and costs assessed and collected because of the pandemic. Investment of earnings were $0.8 million lower than the final budgeted amounts due to interest rates plummeting during the year.

The County's original operating expenditure budget, excluding transfers, increased from $156.2 million to $253.2 million, an increase of $97.0 million or 62.1%. This was the result of the County receiving $95.2 million in CARES funds. Actual expenditures were $209.2 million or 82.6% of the final budget due to not all the CARES funds being spent during the year, as well as cost saving measures implemented during 2020.

Other differences between the original General Fund budget and the final amended budget were primarily the result of budget resolutions for various grants that the County received.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS:

The County's investment in capital assets as of December 31, 2020, net of accumulated depreciation, amounted to $301.3 million. Capital assets consist primarily of land and improvements, buildings and improvements, furniture and equipment, infrastructure, and easements. The following is a summary of capital assets as of December 31, 2020 and 2019:

Summary of Capital Assets

	2020	2019
Land	$ 5,275,585	$ 5,275,585
Buildings and improvements	227,203,010	214,195,271
Improvements other than buildings	1,849,019	1,849,019
Furniture and equipment	57,297,766	56,454,336
Infrastructure	34,368,967	30,338,617
Easements	109,637,739	108,365,638
Less accumulated depreciation	(134,352,052)	(125,566,109)
Total	$ 301,280,034	$ 290,912,357

Total capital assets increased from $290.9 million to $301.3 million, an overall increase of $10.4 million or 3.6%. The significant elements of this increase include a $13.0 million increase in buildings and improvements due to renovations to the 6th and 7th floors of the courthouse, as well as roof replacement and security camera upgrades at the prison and a $4.1 million increase in infrastructure due to the replacement of the Big Conestoga #7 bridge and the East Octoraro #1 bridge.

As of December 31, 2020, the County had $4,642,380 in commitments outstanding related to contracts for the acquisition, construction, and renovation of various facilities.

More detailed information about the County's capital assets can be found in Note 7 of the notes to financial statements.

LONG-TERM DEBT:

As of December 31, 2020, the County had $176.2 million of general obligation bonds, general obligation notes and direct borrowings, and installment purchase agreements outstanding. This was a decrease of $9.7 million or 5.2% from the previous year. The following details activity related to general obligation bonds, general obligation notes and direct borrowings, and installment purchase agreements during 2020:

Summary of General Obligation Bond, General Obligation Note and Direct Borrowing, and Installment Purchase Agreement Activity	
Beginning balance at 1/1/2020	$ 185,894,000
Debt issued	39,110,000
Less principal refunded	(31,825,000)
Less principal payments	(17,026,400)
Ending balance at 12/31/2020	$ 176,152,600

BOND RATING:

The County's General Obligation Bonds, Series A, B, and C of 2020 bonds have been assigned an Aa2 rating by Moody's Investors Service.

The Series A of 2020 was to refund General Obligation Bonds, Series B of 2010 and to refund General Obligation Bonds, Series C of 2010. The Series B of 2020 was to finance capital projects of the County. The Series C of 2020 was to refund General Obligation Bonds, Series E of 2012.

The County continues to aggressively reduce long-term debt.

More detailed information about the County's long-term debt can be found in Note 9 of the notes to financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The key economic factors affecting the County include the following:

- The County's population has grown consistently over the past decade and most of the County's residents succeed in finding employment.

- The County's unemployment rate stands at 5.2%, which is a 57.6% increase over the previous year's rate of 3.3%. This rate compares favorably with the state rate of 7.1% and the national rate of 6.7%. The increase over the prior year is a result of the coronavirus pandemic.

These factors were considered in preparing the County's 2021 budget. Amounts available for appropriation in the General Fund budget are $165.9 million, an increase of 0.3% over the final 2020 budget of $165.4 million. Real estate tax receipts were budgeted to increase by $1.0 million due to natural growth. Fees and fines were budgeted to increase by $0.6 million due to an increase in Sheriff, Register of Wills, and Recorder of Deeds fines and fees. Interest earnings were budgeted to decrease by $0.9 million because of a decrease in interest rates.

Budgeted operating expenditures, excluding transfers, were basically unchanged for 2021, at $157.2 million, from $157.3 million in 2020. This is due primarily to the increase in payroll and fringe benefits being offset by a decrease in debt service.

For the 2021 budget year the Board of County Commissioners approved a balanced budget for the ninth consecutive year.

On June 7, 2021, the County received $53 million in federal ARPA funds to assist the County in dealing with the impact of the coronavirus pandemic. The County expects to receive approximately $53 million additional ARPA funds in 2022.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

Lancaster County Controller's Office
County of Lancaster, Pennsylvania
150 North Queen Street, Suite 710
Lancaster, PA 17603

Basic Financial Statements

County of Lancaster, Pennsylvania

Statement of Net Position

December 31, 2020

	Primary Government	Component Unit
	Governmental Activities	Lancaster County Convention Center Authority
ASSETS		
Cash and investments:		
Operating	$ 97,632,342	$ 4,082,167
Other	568,706	-
Cash with fiscal agents	136	-
Restricted cash and investments	-	10,500,506
Receivables:		
Room rental tax	-	554,321
Taxes, net of allowance for uncollectibles of $69,400	2,243,940	-
Fines and costs, net of allowance for uncollectibles of $36,941,169	4,967,765	-
Accounts	2,580,607	-
Due from other governments	14,823,074	-
Restricted	-	50,000
Other	2,674,901	67,304
Prepaid items	-	274,608
Capital assets not being depreciated/amortized:		
Land	5,275,585	1,607,517
Easements	109,637,739	-
Capital assets being depreciated/amortized:		
Buildings and improvements	227,203,010	75,651,101
Improvements other than buildings	1,849,019	-
Furniture and equipment	57,297,766	6,207,127
Infrastructure	34,368,967	-
Less accumulated depreciation/amortization	(134,352,052)	(27,466,091)
Total assets	426,771,505	71,528,560
DEFERRED OUTFLOWS OF RESOURCES		
Accumulated decrease in the fair value of hedging derivatives	2,579,870	-
Deferred charge on refunding	3,779,863	-
Deferred outflows related to pensions	21,827,549	-
Deferred outflows related to OPEB	5,465,969	
Total deferred outflows of resources	33,653,251	-
LIABILITIES		
Accounts payable	12,135,137	366,531
Contracts payable	950,750	-
Retainage payable	592,602	-
Accrued interest payable	1,107,801	248,769
Unearned revenue	18,345,421	130,210
Payroll related accruals	4,386,287	2,974
Long-term liabilities:		
Due within one year	19,060,094	655,000
Due in more than one year	307,624,350	59,290,000
Derivative instruments - interest rate swap liability	3,891,362	13,789,710
Borrowing payable	1,026,086	15,682,974
Total liabilities	369,119,890	90,166,168
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	24,165,519	-
Deferred inflows related to OPEB	50,876,130	-
Total deferred inflows of resources	75,041,649	-
NET POSITION		
Net investment in capital assets	125,380,916	442,136
Restricted for:		
Federal and state grant programs	23,659,563	-
Capital projects	10,254,171	-
Public safety	2,617,106	-
Community development	1,196,748	-
Other	-	6,113,024
Unrestricted (deficit)	(146,845,287)	(25,192,768)
Total net position	$ 16,263,217	$ (18,637,608)

The notes to the financial statements are an integral part of this statement.

County of Lancaster, Pennsylvania

Statement of Activities

For the Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Component Unit: Lancaster County Convention Center Authority
Primary Government:					
Governmental activities:					
General government	$ 121,743,085	$ 9,272,750	$ 88,307,954	$ (24,162,381)	$ -
Public safety	13,221,475	10,436,521	171,169	(2,613,785)	-
Roads and bridges	1,041,649	82,726	1,460,292	501,369	-
Health, education, and welfare:					
Drug and alcohol	4,911,698	241,999	4,684,668	14,969	-
Behavioral health and developmental services	27,264,700	2,448,051	25,120,042	303,393	-
Office of aging	7,992,549	34,371	9,858,406	1,900,228	-
Children and youth	32,707,219	580,296	32,987,408	860,485	-
Other	2,000	-	8,373	6,373	-
Judicial	50,527,621	6,186,625	8,217,494	(36,123,502)	-
Corrections	27,053,428	1,291,998	398,271	(25,363,159)	-
Cultural and recreation	2,541,811	110,679	-	(2,431,132)	-
Community development	3,204,230	22,550	3,278,169	96,489	-
Interest on long-term debt	7,230,109	-	-	(7,230,109)	-
Total government activities	$ 299,441,574	$ 30,708,566	$ 174,492,246	(94,240,762)	-
Component Unit:					
Convention center	$ 6,982,595	$ 432,107	$ 3,324,000		(3,226,488)
Total component unit	$ 6,982,595	$ 432,107	$ 3,324,000		(3,226,488)
General Revenues:					
Property taxes				123,724,847	-
Unrestricted investment earnings (loss)				480,351	(6,853,084)
Room rental tax				-	3,801,239
Total general revenues				124,205,198	(3,051,845)
Change in net position				29,964,436	(6,278,333)
Net position - beginning				(13,701,219)	(12,359,275)
Net position - ending				$ 16,263,217	$ (18,637,608)

The notes to the financial statements are an integral part of this statement.

County of Lancaster, Pennsylvania

Balance Sheet - Governmental Funds

December 31, 2020

	General	Children and Youth Services	Behavioral Health and Developmental Services	Domestic Relations	Capital Projects	Human Services Block Grant	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS								
Cash and investments:								
Operating	$ 63,400,651	$ 2,137,340	$ -	$ 13,442,474	$ 11,787,076	$ 1,674,379	$ 5,190,422	$ 97,632,342
Other	-	205,984	172,420	-	-	-	190,302	568,706
Cash with fiscal agents	136	-	-	-	-	-	-	136
Receivables:								
Taxes	2,313,340	-	-	-	-	-	-	2,313,340
Less allowance for uncollectible taxes	(69,400)	-	-	-	-	-	-	(69,400)
Fines and costs	41,908,934	-	-	-	-	-	-	41,908,934
Less allowance for uncollectible fines and costs	(36,941,169)	-	-	-	-	-	-	(36,941,169)
Accounts	2,580,607	-	-	-	-	-	-	2,580,607
Due from other funds	1,629,208	-	-	-	-	-	-	1,629,208
Due from other governments	5,751,021	3,603,291	3,428,401	1,260,027	-	-	780,334	14,823,074
Other	-	-	235,117	-	-	-	14,784	249,901
Total assets	$ 80,573,328	$ 5,946,615	$ 3,835,938	$ 14,702,501	$ 11,787,076	$ 1,674,379	$ 6,175,842	$ 124,695,679
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities:								
Accounts payable	$ 5,875,959	$ 3,222,336	$ 1,904,787	$ 2,923	$ -	$ -	$ 1,129,132	$ 12,135,137
Contracts payable	-	-	-	-	950,750	-	-	950,750
Retainage payable	8,021	-	-	-	582,155	-	2,426	592,602
Due to other funds	-	-	1,629,208	-	-	-	-	1,629,208
Unearned revenue - intergovernmental	15,436,782	-	-	-	-	1,674,379	1,234,260	18,345,421
Payroll related accruals	3,423,953	388,406	301,943	148,730	-	-	123,255	4,386,287
Total liabilities	24,744,715	3,610,742	3,835,938	151,653	1,532,905	1,674,379	2,489,073	38,039,405
Deferred inflows of resources:								
Unavailable revenue-property taxes and fines & costs	5,497,869	-	-	-	-		-	5,497,869
Total deferred inflows of resources	5,497,869	-	-	-	-		-	5,497,869
Fund Balances:								
Restricted:								
Health, education, and welfare	-	2,335,873	-	-	-	-	2,490,021	4,825,894
Capital projects	-	-	-	-	10,254,171	-	-	10,254,171
Roads and bridges	1,354,422	-	-	-	-	-	-	1,354,422
General government	1,895,170	-	-	-	-	-	-	1,895,170
Public safety	2,617,106	-	-	-	-	-	-	2,617,106
Judicial	1,033,229	-	-	14,550,848	-	-	-	15,584,077
Community development	-	-	-	-	-	-	1,196,748	1,196,748
Assigned:								
Future benefits	1,029,327	-	-	-	-	-	-	1,029,327
Healthcare benefits	2,073,309	-	-	-	-	-	-	2,073,309
Corrections	1,832,801	-	-	-	-	-	-	1,832,801
Judicial	215,127	-	-	-	-	-	-	215,127
Unassigned	38,280,253	-	-	-	-		-	38,280,253
Total fund balances	50,330,744	2,335,873	-	14,550,848	10,254,171	-	3,686,769	81,158,405
Total liabilities, deferred inflows of resources, and fund balances	$ 80,573,328	$ 5,946,615	$ 3,835,938	$ 14,702,501	$ 11,787,076	$ 1,674,379	$ 6,175,842	$ 124,695,679

Total fund balances	$ 81,158,405
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds. (Note 7)	301,280,034
Certain receivables are not available to pay for current-period expenditures and, therefore, are not recognized or unearned in the funds.	5,497,869
Long-term liabilities, including general obligation bonds, notes payable, net pension liabilities, net OPEB liabilities, and related deferred inflows and outflows, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. (Note 3)	(374,098,091)
Other long-term note receivable	2,425,000
Total net position of governmental activities	$ 16,263,217

The notes to the financial statements are an integral part of this statement.

County of Lancaster, Pennsylvania

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds

For the Year Ended December 31, 2020

	General	Children and Youth Services	Behavioral Health and Developmental Services	Domestic Relations	Capital Projects	Human Services Block Grant	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES								
Real estate taxes	$ 123,876,011	$ -	$ -	$ -	$ -	$ -	$ -	$ 123,876,011
Intergovernmental	89,445,356	32,987,408	25,120,042	4,960,134	-	8,373	19,281,535	171,802,848
Departmental	26,188,532	580,296	286,582	30,351	-	-	34,371	27,120,132
Fines and costs	2,870,590	-	-	-	-	-	-	2,870,590
Investment earnings	264,161	221	-	70,272	105,738	32,255	7,704	480,351
Other	1,501,573	-	-	-	-	18,232	347,275	1,867,080
Health Choices revenues	-	-	2,161,469	-	-	-	-	2,161,469
Total revenues	244,146,223	33,567,925	27,568,093	5,060,757	105,738	58,860	19,670,885	330,178,481
EXPENDITURES								
Current:								
General government	110,879,887	-	-	-	-	-	-	110,879,887
Public safety	12,132,068	-	-	-	-	-	-	12,132,068
Roads and bridges	-	-	-	-	-	-	217,992	217,992
Health, education, and welfare:								
Drug and alcohol	-	-	-	-	-	-	5,161,832	5,161,832
Behavioral Health and Developmental Services	-	-	28,017,991	-	-	-	-	28,017,991
Office of aging	-	-	-	-	-	-	9,079,623	9,079,623
Children and youth	-	43,032,378	-	-	-	-	-	43,032,378
Judicial	44,476,604	-	-	6,422,222	-	-	-	50,898,826
Corrections	25,279,538	-	-	-	-	-	-	25,279,538
Cultural and recreation	2,195,785	-	-	-	-	-	-	2,195,785
Community development	-	-	-	-	-	-	3,711,505	3,711,505
Capital outlay	4,840,754	117,433	543,640	22,064	13,508,996	-	1,355,686	20,388,573
Debt Service:								
Principal retirement	17,026,400	-	-	-	-	-	-	17,026,400
Interest and fiscal charges	7,286,046	-	-	-	-	-	-	7,286,046
Bond issuance costs	-	-	-	-	115,927	-	-	115,927
Total expenditures	224,117,082	43,149,811	28,561,631	6,444,286	13,624,923	-	19,526,638	335,424,371
Excess (deficiency) of revenues over (under) expenditures	20,029,141	(9,581,886)	(993,538)	(1,383,529)	(13,519,185)	58,860	144,247	(5,245,890)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	9,325,750	993,538	2,061,485	-	585,715	900,797	13,867,285
Transfers out	(13,222,710)	-	-	-	-	(644,575)	-	(13,867,285)
Face amount of refunding bonds issued	28,550,000	-	-	-	-	-	-	28,550,000
Payment to refunded bond escrow agent	(32,767,153)	-	-	-	-	-	-	(32,767,153)
Premium on refunding bonds issued	4,543,478	-	-	-	-	-	-	4,543,478
Face amount of bonds issued	-	-	-	-	10,560,000	-	-	10,560,000
Premium on bond issued	-	-	-	-	1,855,927	-	-	1,855,927
Issuance of capital leases	60,295	-	-	-	-		-	60,295
Total other financing sources (uses)	(12,836,090)	9,325,750	993,538	2,061,485	12,415,927	(58,860)	900,797	12,802,547
Net change in fund balances	7,193,051	(256,136)	-	677,956	(1,103,258)	-	1,045,044	7,556,657
Fund balances, January 1	43,137,693	2,592,009	-	13,872,892	11,357,429	-	2,641,725	73,601,748
Fund balances, December 31	$ 50,330,744	$ 2,335,873	$ -	$ 14,550,848	$ 10,254,171	$ -	$ 3,686,769	$ 81,158,405

The notes to the financial statements are an integral part of this statement.

County of Lancaster, Pennsylvania

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2020

Net change in fund balances – total governmental funds	$ 7,556,657
The change in net position reported for *governmental activities* in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over its estimated useful lives and reported as depreciation/amortization expense. This is the amount by which depreciation/amortization expense exceeded capital outlays in the current period. (Note 3)	10,367,677
Unearned revenues that do not provide current financial resources and activities which are not recognized as available in the governmental funds, but are earned in the statement of activities.	(772,471)
The issuance of long-term debt (e.g., bonds, notes, capital leases, etc.) 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. Neither transaction, however, has any effect on net position. (Note 3)	12,964,042
Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities. (Note 3)	(6,150,632)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (Note 3)	5,999,163
Change in net position of governmental activities	$ 29,964,436

The notes to the financial statements are an integral part of this statement.

County of Lancaster, Pennsylvania

Statement of Fiduciary Net Position – Fiduciary Funds

December 31, 2020

	Pension Trust Fund	Custodial Funds
ASSETS		
Cash and temporary investments-operating	$ 4,896,424	$ 13,546,638
Investments, at fair value:		
U.S. Government securities	18,813,356	–
Domestic corporate bonds	18,338,175	–
International corporate bonds	3,452,245	–
Collateralized mortgage obligations	3,649,225	–
Real estate	21,787,970	–
Equity mutual funds	87,991,611	–
Global mutual funds	81,920,131	
International equity mutual funds	40,191,388	–
Fixed income mutual funds	26,177,131	–
Exchange traded index funds	39,627,113	–
Brokered CDs	1,519,680	–
Total investments	343,468,025	–
Receivables	416,202	–
Total assets	348,780,651	13,546,638
LIABILITIES		
Deposits and advances	–	847,439
Escrow liability	–	3,744,759
Other liabilities	–	2,069,796
Due to other governments	–	6,884,644
Total liabilities	–	13,546,638
TOTAL NET POSITION	$ 348,780,651	$ –

The notes to the financial statements are an integral part of this statement.

County of Lancaster, Pennsylvania

Statement of Changes in Fiduciary Net Position

December 31, 2020

	Pension Trust Fund	Custodial Funds
ADDITIONS		
Contributions:		
Employer	$ 4,918,872	$ –
Plan members	6,074,437	–
Taxes	–	162,391,766
Fees, fines, and costs	–	30,558,567
Bail and advanced costs	–	763,481
Inmate funds	–	1,928,235
Child support	–	826,234
Miscellaneous	–	2,285,122
Total contributions	10,993,309	198,753,405
Investment income:		
Net appreciation in fair value of investments	32,485,105	–
Interest and dividends	6,100,886	–
Less investment expenses	(407,206)	–
Net investment income	38,178,785	–
Total additions	49,172,094	198,753,405
DEDUCTIONS		
Benefit payments, including refunds of member contributions	17,613,126	–
Administrative expenses	61,597	–
Taxes	–	162,391,766
Fees, fines, and costs	–	30,558,567
Bail and advanced costs	–	763,481
Inmate funds	–	1,928,235
Child support	–	826,234
Miscellaneous	29,043	2,285,122
Total deductions	17,703,766	198,753,405
Net increase in net position	31,468,328	–
NET POSITION		
Beginning of year	317,312,323	–
End of year	$ 348,780,651	$ –

The notes to the financial statements are an integral part of this statement.

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1. Summary of Significant Accounting Policies

The financial statements of the County of Lancaster (the County) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below:

Reporting Entity

In evaluating how to define the County for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. GAAP defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board and either the ability to impose will by the primary government or the possibility that the component unit will provide a financial benefit or impose a financial burden on the primary government. The primary government may also be financially accountable if a potential component unit is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board. Conditions that would indicate the ability to impose will by the primary government include, but are not limited to: the primary government's ability to remove appointed members of the organization's governing board at will; the ability to modify or approve the budget of the organization; the ability to modify or approve rate or fee changes affecting revenues; the ability to veto, overrule, or modify the decisions of the organization's governing body; and the ability to appoint, hire, reassign, or dismiss management of the organization. Conditions that would indicate the possibility that the component unit will provide a financial benefit or impose a financial burden on the primary government include, but are not limited to, the legal entitlement or access by the primary government to the organization's resources, legal obligation by the primary government to finance the deficits of or provide financial support to the organization, and the obligation by the primary government for the debt of the organization. Based upon the application of these criteria, one entity met the requirements to be included in the County's reporting entity.

1. Summary of Significant Accounting Policies (continued)

Reporting Entity (continued)

Component Unit

The Lancaster County Convention Center Authority (the Convention Center Authority) was formed on September 15, 1999 under the Municipal Authority Act of 1945 and the Third-Class County Convention Center Authority Act. The purpose of the Convention Center Authority is to provide financing and arrange for the development, construction, and operation of the convention center facilities for the public purpose of promoting, attracting, stimulating, developing, and expanding business, industry, commerce, and tourism in the Commonwealth of Pennsylvania.

The Convention Center Authority is a legally separate organization administered by a seven-member Board, of which three Board Members are appointed by the County Commissioners, three Board Members are appointed by the City of Lancaster, and the remaining Board Member is appointed on an alternating basis between the aforementioned appointing entities.

The County is financially accountable for the Convention Center Authority because the Convention Center Authority is fiscally dependent on the County, based upon GAAP. The County has established a hotel room rental tax, applied to all hotel room rentals throughout the County; the Convention Center Authority relies on the County to levy these taxes or set rates or charges, as it does not have the power to do so on its own. The revenues derived from this hotel room rental tax provide substantially all operating revenues of the Convention Center Authority. The Convention Center Authority imposes an additional financial burden on the County by virtue of the County's guarantee to replenish the required reserve amounts associated with the Convention Center Authority's Hotel Room Tax Revenue Bonds.

As a result of the above criteria, the Convention Center Authority is considered to be a discretely presented component unit of the County. Complete financial statements of this component unit can be requested from the County Controller's Office of Lancaster County, 150 North Queen Street, Suite 710, Lancaster, Pennsylvania 17603.

1. Summary of Significant Accounting Policies (continued)

Reporting Entity (continued)

Related Organizations

The County's Board of Commissioners is responsible for appointing some of the members of the boards of other organizations, but the County's accountability for these organizations do not extend beyond making the appointments. These organizations include:

Lancaster County Redevelopment Authority
Lancaster Airport Authority
Lancaster County Hospital Authority
Lancaster County Housing Authority
Lancaster County Solid Waste Management Authority
Lancaster County Solid Waste Management Authority Citizen Advisory
Library System of Lancaster County
Lancaster County Planning Commission
Red Rose Transit Authority
Lancaster County Conservation District
Lancaster County Transportation Authority
Lancaster County Vacant Property Reinvestment Board
Lancaster County Workforce Development Board
Lancaster County Land Bank Authority
Lancaster County Ethics Committee
Lancaster County Agricultural Preservation Board
Lancaster County Board of Assessment
Speedwell Forge Advisory Council
Lancaster County Behavioral Health and Developmental Services Advisory Board
Lancaster County Children and Youth Advisory Board
Lancaster County Drug and Alcohol Advisory Board
Lancaster County Office of Aging Advisory Council
Lancaster County Public Safety Training Center Authority
South Central Transit Authority

1. Summary of Significant Accounting Policies (continued)

Reporting Entity (continued)

Other Organization

Capital Area Behavioral Health Collaborative, Inc. is a private, not-for-profit company formed out of the collaboration among Cumberland, Dauphin, Lancaster, Lebanon, and Perry Counties' programs of Mental Health and Drug and Alcohol. The County participates in Pennsylvania's innovative mandatory managed care program for Medical Assistance consumers, the Health Choices Behavioral Health Program. The program is designed to improve access and quality of care for Medical Assistance consumers throughout Pennsylvania.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The basic financial statements include both government-wide financial statements, which are based on the County as a whole, and fund financial statements.

Government-wide Financial Statements

The government-wide financial statements (statement of net position and statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. The focus of the government-wide financial statements is more on sustainability of the County as an entity and the change in aggregate financial position resulting from activities of the fiscal period. As a general rule, the effect of interfund activity has been eliminated from these statements. The County's policy is to eliminate internal activity by distinguishing overhead costs through its cost allocation plan, which are eliminated during consolidation, from interfund services provided and used between functions, which are not eliminated. The County does not allocate indirect costs on the statement of activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Also, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

In the government-wide statement of net position, the governmental activities column is presented on a consolidated basis and is presented using the economic resources measurement focus and the accrual basis of accounting, which incorporates long-term assets, as well as long-term debt and obligations. Interfund balances between governmental funds are not included in the government-wide statement of net position.

1. Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Government-wide Financial Statements (continued)

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given functional category (public safety, general government, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific functional category. Expenses reported for functional activities do not include allocated indirect expenses. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given functional category and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular functional category. Taxes and other items that are not included among program revenues are reported instead as general revenues.

Fund Financial Statements

In accordance with GAAP, the financial transactions of the County are recorded in individual funds. Each fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Emphasis under the GAAP reporting model is on major funds in the governmental categories. GAAP sets forth minimum criteria for the determination of major funds. The nonmajor funds in each category are combined in a column in the fund financial statements and detailed in the combining and individual fund statements and schedules section.

The governmental fund financial statements are presented using a current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual: both measurable and available. “Available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers property taxes as available if collected within 60 days after year-end.

1. Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Fund Financial Statements (continued)

Property taxes, fines, and costs due but not collected within 60 days after year-end are reflected as a deferred inflow of resources. Licenses and permits are recorded as revenues when received. Intergovernmental revenues, consisting primarily of federal, state, and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure, or the amounts are deferred and recognized as an inflow of resources in the period that amounts become available. Interest earnings are recorded when earned. Real estate tax, intergovernmental, departmental, fines and costs, interest, Health Choices, and telephone subscriber revenues are all considered susceptible to accrual and, as a result, have been recognized as revenue in the current year.

Expenditures are generally recognized under the modified accrual basis of accounting when they are paid from current expendable financial resources. The exception to this general rule is that principal and interest on general obligation long-term debt is recognized as fund liabilities when due and payable. As the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, reconciliations are presented which briefly explain the adjustments necessary to reconcile the governmental fund financial statements to the government-wide financial statements.

Net position is restricted when constraints placed on it is either externally imposed or is imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net position.

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

The County's fiduciary funds are presented in the fund financial statements by type (Pension Trust Fund and Custodial Fund). Since by definition, the assets of these funds are held for the benefit of a third-party (third-parties, pension participants, etc.) and cannot be used to satisfy obligations of the County, these funds are not incorporated into the government-wide financial statements. The County's fiduciary funds are presented on the accrual basis of accounting and economic resources measurement focus, except for the Custodial Fund, which does not measure operations and does not have a measurement focus.

1. Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Fund Financial Statements (continued)

The following major funds are used by the County:

Governmental Funds

The focus of governmental fund measurement in the fund financial statements is upon the determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the major governmental funds of the County:

- General Fund – The General Fund accounts for numerous County primary services (public safety, judicial, corrections, general government, cultural and recreation, debt service, etc.) and is the primary operating unit of the County. It accounts for all financial resources of the general government, except those required to be accounted for by another fund.

- Children and Youth Services Fund – This special revenue fund is used to account for amounts received from various federal, state, and local sources. Local sources include dependent support and revenues received from other counties for detention services. These funds are restricted to provide support services to underprivileged juveniles.

- Behavioral Health and Developmental Services Fund – This special revenue fund is used to account for amounts received from various federal, state, and local sources. Local sources include payments from third parties which include payments for rent. These funds are restricted to provide assistance and medical care to those individuals with mental health and developmental disabilities.

- Domestic Relations Fund – This special revenue fund is used to account for amounts received from various federal and local sources. Local sources include blood test fees and EFT support fees. These funds are restricted to enforce the support obligations owed by absent parents, locate absent parents, and establish paternity to obtain child and spousal support.

1. Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Fund Financial Statements (continued)

Governmental Funds (continued)

- Capital Projects Fund – The Capital Projects Fund is used to account for the resources and expenditures related to construction within the County.

- Human Services Block Grant Fund – This special revenue fund is used to account for amounts received from various federal and state sources. These funds are restricted to provide assistance and care to individuals with mental health and developmental disabilities, individuals experiencing drug and alcohol addiction, individuals experiencing homelessness, and other programs within the Human Services Development Fund.

Other Funds

In addition to the major funds discussed above, the County reports the following fiduciary fund types:

- Pension Trust Fund – This fund is used to account for the accumulation of resources for pension payments to qualified County employees under a single-employer contributory defined benefit pension plan covering substantially all County employees.

- Custodial Fund – This fund is used to account for assets held by the County as an agent for individuals, private organizations, and other governmental units. The following County agencies collect fees, fines, and taxes for distribution to other governmental units and citizens for whom it was collected, and are collectively reported as a custodial fund:

  - Prothonotary
  - Recorder of Deeds
  - Treasurer
  - Register of Wills
  - Domestic Relations Office (Support Account)
  - Sheriff
  - Clerk of Courts
  - Magisterial District Judges

1. Summary of Significant Accounting Policies (continued)

Basis of Accounting

Discretely Presented Component Unit

The Convention Center Authority utilizes the accrual basis of accounting, under which revenues are recorded in the period that they are earned, and expenses are recorded when the liability is incurred.

Hotel Room Rental Tax

Discretely Presented Component Unit

The County receives a 3.9% hotel room rental tax and a 1.1% excise tax from the operators of each hotel within the County. Of the 3.9% tax, 20% was originally allocated to Discover Lancaster to be used to promote tourism in Lancaster County, and 80% was received by the Convention Center Authority (Authority) to be used for the construction and operation of the convention center facility. If the Authority encountered an event of default on the Hotel Room Rental Tax Revenue Bonds, Series of 2003 or the Hotel Room Rental Tax Revenue Bonds, Series of 2007, the 20% allocated to Discover Lancaster would be diverted to the trustee of the Authority's Bonds. Revenue was recognized in the period to which the County attributed collection.

On July 31, 2014, the Convention Center Authority entered into a collaboration agreement with the County, Discover Lancaster, the City of Lancaster (City), the Redevelopment Authority of the City of Lancaster (RCAL), and the Lancaster City Revitalization and Improvement Zone Authority (Lancaster CRIZ Authority). Under the collaboration agreement, Discover Lancaster agreed to direct 100% of the hotel room rental tax revenue to the Convention Center Authority for the period July 2014 through June 2019. As of December 31, 2016, and each December 31 thereafter, if the funds on deposit with the trustee under the terms of the indenture exceed $5,750,000 after all obligations have been paid, the Convention Center Authority shall remit the lesser of any funds in excess of $5,750,000 or 20% of the hotel room rental tax revenue by January 15 of the following year to Discover Lancaster.

In October 2018, the Convention Center Authority and Discover Lancaster entered into a memorandum of understanding which extended Discover Lancaster's commitment to directing its 20% of the hotel room tax revenues, under the existing terms, to the Convention Center Authority through December 31, 2023. Beginning in January 2024, the terms of the Lancaster County Ordinance No. 45 shall again govern the distribution of the hotel room rental tax revenue.

1. Summary of Significant Accounting Policies (continued)

Hotel Room Rental Tax (continued)

Discretely Presented Component Unit (continued)

For the year ended December 31, 2020, the Authority's funds on deposit with the trustee under the terms of the trust indenture did not exceed the established thresholds, and no hotel room rental tax revenue was payable to Discover Lancaster.

New Accounting Pronouncements

In January 2017, the GASB issued Statement No. 84, "Fiduciary Activities". The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this statement will be effective for reporting periods beginning after December 15, 2019. The County adopted this standard effective January 1, 2020; however, it did not have a significant impact on the County's financial statements.

In June 2017, the GASB issued Statement No. 87, "Leases". The primary objective of this Statement is to provide guidance by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and were recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The new pronouncement establishes a single model for lease accounting. Under this statement a lessee is required to recognize a lease liability and an intangible asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources. This requirement includes an exception for short term leases, contracts that transfer ownership, leases of assets that are investments, and certain regulated leases. This statement excludes supply contracts and leases of inventory. The requirements of this statement will be effective for reporting periods beginning after June 15, 2021. The County is still evaluating the impact of this statement; however, it is expected to have a material impact to the County's financial statements.

1. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements (continued)

In May 2019, the GASB issued Statement No. 91, “Conduit Debt Obligations”. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so. An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. This statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers’ conduit debt obligations, and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period. The requirements of this statement will be effective for reporting periods beginning after December 15, 2021. This statement is not expected to have an effect on the County’s financial statements.

1. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements (continued)

In January of 2020, the GASB issued Statement No. 92, "Omnibus 2020". The objectives of this statement are to address a variety of topics and includes specific provisions about the following: the effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports; reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan; the applicability of Statements 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, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits; the applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements; measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition; reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature; and terminology used to refer to derivative instruments. The requirements of this statement related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The remaining requirements of this statement will be effective for reporting periods beginning after June 15, 2021. This statement is not expected to have a material effect on the County's financial statements.

In March of 2020, the GASB issued Statement No. 93, "Replacement of Interbank Offered Rates (IBOR)." The objective of this statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this statement are effective for reporting periods beginning after December 15, 2020. The removal of LIBOR as an appropriate benchmark interest rate will be effective for reporting periods ending after December 31, 2021. All other requirements of this statement will be effective for reporting periods beginning after June 15, 2020. The County has yet to determine the impact of this statement.

1. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements (continued)

In March of 2020, the GASB issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements." The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements and also provides guidance for accounting and financial reporting for availability payment arrangements. The requirements of this statement will be effective for reporting periods beginning after June 15, 2022. This statement is not expected to have an effect on the County's financial statements.

In May 2020, the GASB issued Statement No. 95, "Postponement of the Effective Dates of Certain Authoritative Guidance." The primary objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. The effective dates of certain provisions contained in the following pronouncements are postponed by one year: Statement No. 83, "Certain Asset Retirement Obligations"; Statement No. 84, "Fiduciary Activities"; Statement No. 88, "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements"; Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period"; Statement No. 90, "Majority Equity Interests"; Statement No. 91, "Conduit Debt Obligations"; Statement No. 92, "Omnibus 2020"; Statement No. 93, "Replacement of Interbank Offered Rates"; Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting); Implementation Guide No. 2018-1, Implementation Guidance Update-2018; Implementation Guide No. 2019-1, Implementation Guidance Update-2019; Implementation Guide No. 2019-2, Fiduciary Activities. The effective dates of the following pronouncements are postponed by 18 months: Statement No. 87, "Leases" and Implementation Guide No. 2019-3, Leases. The requirements of this statement are effective immediately.

In May 2020, the GASB issued Statement No. 96 "Subscription-Based Information Technology Arrangements." This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this statement will be effective for reporting periods beginning after June 15, 2022. The County has yet to determine the impact of this statement.

1. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements (continued)

In June 2020, the GASB issued Statement No. 97," Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans". The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. GASB 97 requires that, for purposes of determining whether a primary government is financially accountable for a potential component unit (except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or other employee benefit plan), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically performs. Also, the financial burden criterion in GASB 84, Fiduciary Activities, applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in GASB 67, Financial Reporting for Pension Plans, para 3, or GASB 74, para 3, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. It also (1) requires that a Section 457 plan be classified as either a pension plan or another employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. The component unit determination provisions of GASB 97 are effective immediately. All other requirements of this statement will be effective for reporting periods beginning after June 15, 2021. The County has yet to determine the impact of this statement.

2. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position

Pooled Cash and Temporary Investments

The majority of cash balances and temporary investments of most governmental funds and the Custodial Fund are pooled by the County. Balances are segregated by fund but accounted for centrally for receipt and disbursement purposes. Interest income is reported in the General Fund, except for amounts allocated to those funds where there is a statutory requirement to do so, as dictated in program and/or grant requirements. Individual fund pooled cash and temporary investment deficits are subsidized through transfers by the General Fund at year end.

Temporary investments are defined as short term with original maturities of three months or less that are readily convertible to known amounts of cash, which include money market investments.

Cash and Cash Equivalents

Discretely Presented Component Unit

The Convention Center Authority considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Investments

In accordance with authorized investment laws, the County invests in various fixed income securities, mutual funds, money market funds, brokered CDs, and equity securities. These securities are reported at fair value on the balance sheet. Unrealized appreciation or depreciation on investments due to changes in fair value is recognized in individual fund operations each year. Fair values are based on published market prices, quotations from national securities exchanges and securities pricing services, or by the respective fund managers for securities which are not actively traded.

2. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position (continued)

Investments (continued)

Investments are reported at fair value in accordance with GAAP. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The County categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable inputs, such as management's assumptions and information about market participant assumptions that are reasonably available.

Discretely Presented Component Unit

The Convention Center Authority accounts for investments at fair value. The fair value of the Convention Center Authority's investments is based upon values provided by external investment managers and quoted market prices.

The Convention Center Authority categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. The receivables and payables resulting from these transactions are classified as "due from other funds" or "due to other funds" on the fund balance sheet.

2. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position (continued)

Restricted Assets

Discretely Presented Component Unit

Certain proceeds of revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position, because their use is limited by applicable trust indentures or other agreements. As of December 31, 2020, restricted assets included cash and investments in the amount of $10,500,506 and accounts receivable in the amount of $50,000.

Capital Assets

The cost of capital assets acquired for general government purposes is recorded as an expenditure in the governmental funds and as an asset in the government-wide financial statements to the extent the County's capitalization threshold has been met. The County capitalizes assets valued over $5,000 with a useful life longer than one year.

All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are recorded at acquisition value at the date of donation.

Maintenance, repairs, and minor renovations are charged to operations when incurred. Expenditures that materially increase values, change capacities, or extend useful lives are capitalized. Upon sale or retirement, the cost and related accumulated depreciation is eliminated from the respective accounts, and any resulting gain or loss is included in the determination of net income for the period.

Capital assets of the County are depreciated using the straight-line method over the estimated useful lives of purchased and donated assets as follows:

Infrastructure	40 Years
Buildings and Improvements	40 Years
Furniture and Equipment	5-20 Years
Improvements other than buildings	20-30 Years

2. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position (continued)

Capital Assets (continued)

The County has an art collection that is not capitalized because the collection meets the criteria for non-capitalization in accordance with GAAP. Specifically, the collection is held for reasons other than financial gain. The collection is protected, kept unencumbered, cared for, and preserved; it is subject to an organizational policy requiring that the proceeds from sales of collection items be used to acquire other items for collections.

In order to preserve farmland and open space, the County purchases agricultural easements. An agricultural easement restricts the use of land from commercial development in perpetuity and encourages the continued agricultural use of land. An easement is thus considered an intangible asset of the County.

Discretely Presented Component Unit

Capital assets are carried at cost, if purchased or constructed. Capital assets are defined by the Convention Center Authority as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Building, furniture, fixtures, and equipment are depreciated over the estimated useful lives using the straight-line method.

The useful lives for purposes of computing depreciation are as follows:

Buildings	40 Years
Furniture, Fixtures, and Equipment	3-10 Years

Major outlays for capital assets and improvements are capitalized as projects are constructed. A portion of the interest incurred during the construction phase of capital assets is included as part of the capitalized value of the asset constructed.

Unearned Revenue

Unearned revenue arises when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met or when the County has a legal claim to the resources, the liability for unearned revenue is removed from the financial statements and revenue is recognized.

2. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position (continued)

Unearned Revenue (continued)

Discretely Presented Component Unit

Unearned revenue represents deposits received by the Convention Center Authority for future events. These deposits will be recognized as revenue in the period in which the event occurs.

Deferred Outflows/Inflows of Resources

In accordance with GAAP, the County reports a deferred outflow of resources in the statement of net position resulting from the accumulated increase in the fair value of hedging derivatives and the deferred charge on debt refunding resulting from the difference between the carrying value of the refunded debt and its reacquisition price, and amortized over the shorter of the life of the refunded or refunding debt.

The County recognizes deferred outflows and inflows of resources in the statement of net position resulting from differences in experience, changes of assumptions, and differences between actual and expected earnings relating to the County's pension plan.

The County reports a deferred inflow of resources in its governmental funds. A deferred inflow of resources arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period, such as property taxes, fines, and costs due but not collected within 60 days after year-end, or intergovernmental revenue not meeting the available criteria to be recognized as revenue in the funds.

Accrued Vacation and Sick Pay

In governmental fund types, the cost of vacation and sick pay benefits (compensated absences) is recognized when payments are made to employees. A liability for all governmental fund-type vested accrued vacation and sick pay benefits is recorded as a liability in the government-wide statement of net position.

Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters, as well as from the self-insured employees' workers compensation program. The General Fund is used to account for the risks for all other risk financing activities.

2. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position (continued)

Risk Management (continued)

The County purchases commercial insurance for risks of loss related to torts, theft of, damage to, and destruction of assets, and errors and omissions. There have been no significant changes in insurance coverage in the past three years, and settled claims have not exceeded the commercial coverage in those years.

The County is self-insured for workers' compensation in accordance with Article III of the Pennsylvania Workman's Compensation Act of 1915 as Reenacted and Amended. The exposure of risk is financed mostly through retention of all liability exposure, with limited purchase of commercial excess insurance.

The liability is recorded as estimated by the County's actuary. Claims are paid from the General Fund. Liabilities include an estimated amount for claims that have been incurred but not reported (IBNR).

Fund Balance

The County applies GAAP for governmental funds. The County's governmental fund financial statements reflect GAAP fund balance classifications that comprise a hierarchy based primarily on the extent of constraints imposed upon the use of net resources reported in governmental funds.

The County is limited to spending restricted fund balance on the activities allowed by the terms of a grant contract, bond covenants, or by applicable legislation.

With the exception of self-imposed constraints, consisting of (1) formal action taken by the County Commissioners to enact fund balance commitments, in the form of a formal Commissioner approved resolution to establish, modify, or rescind a fund balance commitment, or (2) fund balance assignments by the Commissioners, unrestricted fund balance may be spent on a wide variety of County activities.

The County considers the most restrictive governmental resources, including any committed or assigned fund balances, to have been spent first, unless applicable legislation, grant, or a formal action by the Commissioners mandates an exception.

2. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position (continued)

Fund Balance (continued)

Nonspendable Fund Balance

Nonspendable fund balance is the component of fund balance that is not available for expenditure and typically represents prepaid items; however, no such amounts existed as of December 31, 2020.

Restricted Fund Balance

Restricted fund balance represents amounts that can be spent only for the specific purposes allowed by the resource providers, i.e. grantors, bond proceeds, or applicable legislation. The County's restrictions are as follows:

Health, education, and welfare – These funds are received from federal and state grants and are restricted to be used for the provision of human services and education activities for County residents.

Capital projects – These are the County's bond proceeds and are restricted to be used to pay for future capital-related projects of the County.

Roads and bridges – These funds are received and restricted due to state legislation including Act 13. These amounts are restricted for the purpose of maintaining and replacing County owned bridges and roads.

General government – These funds are collected per state statute, Act 8, and are restricted for records management and record improvements for certain row offices of the County (e.g., recorder of deeds, clerk of courts, prothonotary, register of wills).

Public safety – These funds are received from federal and state grants and are restricted to be used for capital projects for emergency services and to coordinate essential public safety activity among federal, state, regional, county, municipal agencies, and volunteer organizations to provide quick, reasoned responses to the needs of County citizens in times of emergency.

Judicial – These funds are collected per state statute and are restricted to be used for the provision of County judicial services. This amount includes Act 122 funds which are restricted to be used for training and equipment for the Coroner's Office. The amount also includes funds restricted for the use of the County's Drug Task Force.

2. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position (continued)

Fund Balance (continued)

Restricted Fund Balance (continued)

Community Development – These funds are received from federal and state grants, as well as other sources, and are restricted to purchase easements from farmers within the County in an effort to preserve agricultural land.

Committed Fund Balance

Committed fund balance represents amounts that can be spent only for the specific purposes allowed by the formal action taken by the County Commissioners in the form of a Resolution. There were no funds committed as of December 31, 2020.

Fund Balance Assigned

Assigned fund balance represents the County's plans for future use of the County's net financial resources which are not otherwise restricted or committed. All assigned fund balances must be authorized by the Board of County Commissioners. Assignments have been established in the General Fund as follows:

Future Benefits – this assignment is established to pay future payroll costs.

Healthcare Benefits – this assignment is established to pay future healthcare benefits.

Corrections – this assignment is established to pay future prison capital project and inmate general welfare expenditures.

Judicial – this assignment is established for the use of the County's Drug Task Force.

Unassigned Fund Balance

Unassigned fund balance represents the residual amount for the general fund that is not contained in other classifications. The general fund is the only fund that reports a positive unassigned fund balance. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

2. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position (continued)

Leases

For capital leases in the governmental fund types, acquisition costs are recorded as expenditures with an offsetting entry to other financing sources.

Intergovernmental Revenues

Intergovernmental revenues represent revenues received from the Commonwealth and federal agencies generally to fund specific programs. Awards made on the basis of entitlement periods are recorded as intergovernmental revenues when entitlement occurs and the revenues are measurable and available. Reimbursement type grants are recorded as revenues in governmental funds when the related expenditures or expenses are incurred and the related revenues are available. The amounts reported as due from other governments consist primarily of amounts due from the Commonwealth.

Departmental Revenues

Departmental revenues shown in the governmental funds represent revenues that are considered payment for services and are collected by departments that charge for services. Departmental revenues include licenses, fees, and other charges.

Investment Earnings

Investment earnings include interest, dividends, realized gains and losses, and the change in the fair value of investments, if any, during the fiscal year.

Derivatives – Interest Rate Swap/Swaptions

In accordance with GAAP, derivatives are stated at fair value on the statement of net position. The change in fair value of the derivative is recorded as deferred inflows or deferred outflows or as adjustments to investment earnings.

Also, in accordance with GAAP, up-front premiums received by the County related to swap or swaption agreements are considered borrowings for financial reporting purposes and are reported as a liability in the government-wide financial statements. The borrowing related to the swap, or hedging derivative instrument, is amortized over the life of the swap agreement. The interest related to the borrowing for the swaptions, or investment derivatives, is accreted to the balance of the liability from inception through the swaptions' exercise date (if applicable) or maturity.

3. Reconciliation of Government-wide and Fund Financial Statements

Explanation of Certain Differences between the Total Fund Balance – Governmental Fund Balance Sheet and the Total Net Position – Governmental Activities, Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *total fund balance – total governmental funds* and *total net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities, including general obligation bonds, notes payable, etc. are not due and payable in the current period and, therefore, are not reported as liabilities in the funds". The detail of this $374,098,091 difference is as follows:

General obligation bonds and notes payable	$	154,680,000
Plus: Issuance premium (amortized as income)		13,051,121
General obligation notes and direct borrowings payable		21,036,600
Installment purchase agreements payable		436,000
Accrued vacation and sick pay		7,133,809
Net pension liability		4,582,966
Net OPEB liability		110,146,185
Accrued interest payable		1,107,801
Deferred outflow from refundings		(3,779,863)
Deferred outflow from interest rate swap		(2,579,870)
Net deferred inflows related to pensions		2,337,970
Net deferred inflows related to OPEB		45,410,161
Derivative instrument – interest rate swap/swaption liability		3,891,362
Borrowing payable		1,026,086
Capital leases		14,284,206
Contracts payable		116,921
Workers' compensation		316,636
Stadium loan payable		900,000
Net adjustment to *total fund balance – total governmental funds* to arrive at *net position – governmental activities*	$	374,098,091

3. Reconciliation of Government-wide and Fund Financial Statements (continued)

Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, Changes in Fund Balances, and the Change in Net Position – Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balance – total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that, "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over its estimated useful lives and reported as depreciation expense." The detail of this $10,367,677 difference is as follows:

Capital outlay	$	19,886,081
Depreciation/amortization expense		(9,290,257)
Loss on disposal		(228,147)
Net adjustment to decrease *net changes in fund balance – total governmental funds* to arrive at *changes in net position – governmental activities*	$	10,367,677

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, notes, capital leases, etc.) 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. Neither transaction, however, has any effect on net position." The detail of this $12,964,042 difference is as follows:

Debt issued or incurred:		
Issuance of general obligation bonds	$	(39,110,000)
Capital leases		(60,295.00)
Principal repayments:		
Capital lease payment		2,340,784
General obligation debt		17,026,400
Payment to escrow agent for refunding		32,767,153
Net adjustment to increase *net changes in fund balance – total governmental funds* to arrive at *changes in net position – governmental activities*	$	12,964,042

3. Reconciliation of Government-wide and Fund Financial Statements (continued)

Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, Changes in Fund Balances, and the Change in Net Position – Government-wide Statement of Activities (continued)

Another element of that reconciliation states that, "governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas, these amounts are amortized in the statement of activities." The detail of this $(6,150,632) difference is as follows:

Bond premiums and discounts	$	(6,399,405)
Amortization of net bond premiums		1,190,926
Net unamortized amounts on refunding and prepayments		(942,153)
Net adjustment to decrease *net changes in fund balance – total governmental funds* to arrive at *changes in net position – governmental activities*	$	(6,150,632)

Another element of that reconciliation states that, "some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The detail of this $5,999,163 difference is as follows:

Accrued vacation and sick pay	$	(1,258,000)
Contracts payable		507,275
Net pension liability		(5,679,963)
Net OPEB liability		24,395,427
Deferred outflows related to pensions		17,819,029
Deferred inflows related to pensions		(8,407,656)
Deferred outflows related to OPEB		(1,093,194)
Deferred inflows related to OPEB		(19,701,949)
Accrued interest payable		55,937
Amortization of loss on refunding		(1,091,766)
Workers' compensation		4,023
Stadium loan payable		450,000
Net adjustment to decrease *net changes in fund balance – total governmental funds* to arrive at *changes in net position – governmental activities*	$	5,999,163

4. Budgets and Budgetary Accounting

The County adopts budgets for the General Fund and all special revenue funds, except the Community Development Block Grant Fund, the Human Services Block Grant Fund, and the Agricultural Land Preservation Fund. Project-length financial plans are adopted for the Capital Projects Fund.

The legal level of budgetary control is established by fund. It is the prerogative of management to also maintain an enhanced level of control at the function and object level. Appropriations lapse at the end of each year and must be reappropriated. The Chief Clerk is authorized to transfer budget amounts between departments within any fund; however, any supplemental appropriations which alter the total expenditures of any fund require resolution of the County Commissioners. Budgeted amounts are as originally adopted or as amended by the Commissioners at various times. During the year, several supplemental appropriations were necessary for the General and special revenue funds as a result of additional revenues made available from state grants and other sources.

The budgetary schedules for the General Fund, Behavioral Health and Developmental Services, Children and Youth Services, and Domestic Relations special revenue funds are located in the required supplementary information. The budgetary schedules for Office of Aging, Drug and Alcohol, and Liquid Fuels nonmajor special revenue funds are located in the combining and individual fund statements and schedules.

5. Deposits and Investments

Deposits

As of December 31, 2020, the County's book balance was $98,201,184 and the bank balances totaled $108,440,058. Of the bank balances, $1,518,674 was covered by federal depository insurance and the remainder was categorized as uninsured and collateralized with securities held by the pledging financial institution's agent but not in the County's name under Act 72 of the Commonwealth of Pennsylvania. Although the County follows the Pennsylvania County Code, the County does not have a formal policy relative to managing custodial credit risk.

5. Deposits and Investments (continued)

Non-Pension Investments

The County utilizes various investment sources in an effort to maximize interest earnings on its non-pension cash balances. Commonwealth of Pennsylvania statutes limit the County to the types of investments it may make. Allowable investments include repurchase agreements, U.S. government and related custodial obligations, Commonwealth of Pennsylvania and related custodial obligations, and prime commercial paper. As of December 31, 2020, the County's non-pension investments included $28,254,606 invested in U.S. Treasury Strips, U.S. Treasury Mutual Funds, and Certificates of Deposit.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of December 31, 2020, the County's non-pension investments included $28,254,606 invested in U.S. Treasury Strips, U.S. Treasury Mutual Funds, and Certificates of Deposit. The County's non-pension investments are categorized as uninsured and collateralized with securities held by the pledging financial institution's agent but not in the County's name under Act 72 of the Commonwealth of Pennsylvania. Although the County follows the Pennsylvania County Code, the County does not have a formal investment policy relative to managing custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk associated with changes in interest rates adversely affecting the fair value of an investment. Investments with interest rates that are fixed for longer periods are likely to be subject to more variability in their fair values as a result of future changes in interest rates.

As of December 31, 2020, the County's non-pension investments included $28,254,606 invested in U.S. Treasury Strips, U.S. Treasury Mutual Funds, and Certificates of Deposit. The County manages its exposure to interest rate risk for non-pension investments by investing in fixed rate obligations. The non-pension investments with longer terms to maturity are inherently more sensitive to changes in interest rates as investments with interest rates that are fixed for longer periods are likely to be subject to more variability in their fair value as a result of future changes in interest rates. Although the County follows the Pennsylvania County Code, the County does not have a formal investment policy relative to managing interest rate risk.

5. Deposits and Investments (continued)

Non-Pension Investments (continued)

Interest Rate Risk (continued)

As of December 31, 2020, the County's non-pension investments were subject to interest rate risk as follows:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1 Year	1 – 5	6 – 10	More Than 10 Years
Non-Pension Investments					
U.S. Treasury Strips	$ 434,341	$ -	$ 434,341	$ -	$ -
U.S. Treasury Mutual Funds	270,265	270,265	-	-	-
Certificates of Deposit	27,550,000	27,550,000	-	-	-
Total Non-Pension Investments	$ 28,254,606	$ 27,820,265	$ 434,341	$ -	$ -

As of December 31, 2020, the County's non-pension investments had the following fair value measurements:

		Fair Value Measurement Using		
Investments by Fair Value Level	Fair Value as of December 31, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Input (Level 3)
Non-Pension Investments				
U.S. Treasury Strips	$ 434,341	$ 434,341	$ -	$ -
U.S. Treasury Mutual Funds	270,265	270,265	-	-
Certificates of Deposit	27,550,000	27,550,000	-	-
Total Non-Pension Investments	$ 28,254,606	$ 28,254,606	$ -	$ -

5. Deposits and Investments (continued)

Non-Pension Investments (continued)

Interest Rate Risk (continued)

The County categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Securities classified as Level 1 are valued using prices quoted in active markets for those securities. Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable inputs, such as management's assumptions and information about market participant assumptions that are reasonably available.

Credit Risk

Credit risk is the risk associated with the counterparty failing to meet their obligations. The County follows the Pennsylvania County Code and Act 72 of the Commonwealth of Pennsylvania but does not have a formal policy relative to managing credit risk.

As of December 31, 2020, the County's non-pension investments include U.S. Treasury Strips with a fair value of $434,341; U.S. Treasury Mutual Funds with a fair value of $270,265; and Certificates of Deposit with a fair value of $27,550,000, which are not rated.

Pension Investments

The County utilizes various investment options for the County's Pension Plan. As of December 31, 2020, the County's pension investments had a fair value of $343,468,025. In addition to the pension investments, the County maintains Money Market Funds with a fair value of $1,671,122, U.S. Treasury Bills with a fair value of $1,539,394, and Commercial Paper with a fair value of $1,685,908, for the County's Pension Plan, which are reported as cash and temporary investments-operating in the Statement of Fiduciary Net Position.

5. Deposits and Investments (continued)

Pension Investments (continued)

Custodial Credit Risk

As of December 31, 2020, the County's pension investments were subject to custodial credit risk except for $1,671,122 invested in Money Market Funds, which do not expose the County to custodial credit risk. All pension investments are held by the counterparty in the counterparty's name and not the name of the County and are recorded by the counterparty in book entry form only in the name of the County. Although the County follows the Pennsylvania County Code, the County does not have a formal investment policy relative to managing custodial credit risk.

Interest Rate Risk

As of December 31, 2020, the County's pension investments were subject to interest rate risk as follows:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1 Year	1 – 5	6 – 10	More Than 10 Years
Pension Investments					
U.S. Government Securities	$ 18,813,356	$ 2,909,919	$ 9,260,028	$ 6,231,648	$ 411,761
Domestic Corporate Bonds	18,338,175	3,171,191	11,177,166	3,662,635	327,183
International Corporate Bonds	3,452,245	303,089	2,470,756	678,400	-
Collateralized Mortgage Obligations	3,649,225	5,085	3,259,995	-	384,145
Brokered CDs	1,519,680	-	1,519,680	-	-
Fixed Income Mutual Funds	26,177,131	26,177,131	-	-	-
Total Pension Investments	$ 71,949,812	$ 32,566,415	$ 27,687,625	$ 10,572,683	$ 1,123,089

5. Deposits and Investments (continued)

Pension Investments (continued)

Interest Rate Risk (continued)

As of December 31, 2020, the County's pension investments had the following fair value measurements:

		Fair Value Measurement Using		
Investments by Fair Value Level	Fair Value as of December 31, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Input (Level 3)
Pension Investments				
U.S. Government Securities	$ 18,813,356	$ 18,813,356	$ -	$ -
Domestic Corporate Bonds	18,338,175	14,874,242	3,463,933	-
International Corporate Bonds	3,452,245	3,051,759	400,486	-
Collateralized Mortgage Obligations	3,649,225	50,923	3,598,302	-
Brokered CDs	1,519,680	1,519,680	-	-
Fixed Income Mutual Funds	26,177,131	26,177,131	-	-
Equity Mutual Funds	87,991,611	87,991,611	-	-
Real Estate Funds	21,787,970	-	21,787,970	-
Global Mutual Funds	81,920,131	57,652,158	24,267,973	-
International Equity Mutual Funds	40,191,388	40,191,388	-	-
Exchange Traded Index Funds	39,627,113	39,627,113	-	-
Total Pension Investments	$ 343,468,025	$ 289,949,361	$ 53,518,664	$ -

The County categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Securities classified as Level 1 are valued using prices quoted in active markets for those securities. Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. Securities classified as Level 2 are valued using the following approaches: debt securities are normally valued based on price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors; equity securities are valued using fair value per share for each fund; and real estate securities are valued based on the appraised value of the holdings for each fund. Finally, Level 3 inputs are unobservable inputs, such as management's assumptions and information about market participant assumptions that are reasonably available.

5. Deposits and Investments (continued)

Pension Investments (continued)

Interest Rate Risk (continued)

In addition to the pension investments, the County maintains Money Market Funds with a fair value of $1,671,122, U.S. Treasury Bills with a fair value of $1,539,394, and Commercial Paper with a fair value of $1,685,908. These investments are measured at Net Asset Value (NAV), have maturities of less than one year, and are reported as cash and temporary investments-operating in the Statement of Fiduciary Net Position.

The County manages its exposure to interest rate risk for pension investments by investing primarily in debt security instruments with fixed interest rates. The County's pension investment policy includes a desired annualized 7.00% real rate of return, though investment objectives are long-term in nature. The County does not have a formal investment policy relative to managing interest rate risk.

Pension investments with longer terms to maturity are inherently more sensitive to changes in interest rates as investments with interest rates that are fixed for longer periods are likely to be subject to more variability in their fair value as a result of future changes in interest rates.

Pension investments in collateralized mortgage obligations and mortgage-backed securities are more sensitive to changes in interest rates. Declining interest rates may give rise to potential increases in prepayments of the underlying mortgages.

5. Deposits and Investments (continued)

Pension Investments (continued)

Credit Risk

The following schedule details the County's exposure to credit risk with respect to pension investments as of December 31, 2020:

Investment Type	Fair Value	Credit Rating*
Pension Investments		
U.S. Government Securities	$ 18,813,356	Aaa
Total U.S. Government Securities	18,813,356	
Domestic Corporate Bonds	633,925	Aa
Domestic Corporate Bonds	12,506,154	A
Domestic Corporate Bonds	5,198,096	Baa
Total Domestic Corporate Bonds	18,338,175	
International Corporate Bonds	1,662,979	Aa
International Corporate Bonds	1,291,722	A
International Corporate Bonds	497,544	Baa
Total International Corporate Bonds	3,452,245	
Collateralized Mortgage Obligations	1,300,799	Aaa
Collateralized Mortgage Obligations	354,832	Aa
Collateralized Mortgage Obligations	94,582	A
Collateralized Mortgage Obligations	1,899,012	NR
Total Collateralized Mortgage Obligations	3,649,225	
Brokered CDs	1,519,680	Aaa
Total Brokered CDs	1,519,680	
Fixed Income Mutual Funds	26,177,131	N/A
Equity Mutual Funds	87,991,611	N/A
Real Estate Funds	21,787,970	N/A
Global Mutual Funds	81,920,131	N/A
International Equity Mutual Funds	40,191,388	N/A
Exchange Traded Index Funds	39,627,113	N/A
Total Pension Investments	$ 343,468,025	

*expressed as Moody's quality ratings

5. Deposits and Investments (continued)

Pension Investments (continued)

Credit Risk (continued)

Additionally, for the pension plan the County maintains Money Market Funds with a fair value of $1,671,122, which are rated Aaa by Moody's; U.S. Treasury Bills with a fair value of $1,539,394; and Commercial Paper with a fair value of $1,685,908, which are rated P-1 by Moody's. All of these investments are reported as cash and temporary investments-operating in the Statement of Fiduciary Net Position.

Per County policy, the County manages its exposure to credit risk relative to pension investments by restricting the average quality of fixed income securities to meet or exceed a rating of A2 as determined by Moody's, and by the insistence of the minimum quality investments below Baa, as determined by Moody's, may not constitute more than twenty percent of the fixed income portfolio.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. As of December 31, 2020, $40,191,388 of the County's pension investments were held in international equity mutual funds, $81,920,131 of the County's pension investments were held in global mutual funds, and $3,452,245 of the County's pension investments were held in international corporate bonds. The holdings within these investments are of those companies located outside of the United States, denominated in other than U.S. dollars. The County's pension investment policy limits the County's exposure to foreign currency risk by ensuring that no more than 26% of total pension investments are invested in international equity securities.

5. Deposits and Investments (continued)

Deposits

Discretely Presented Component Unit

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Convention Center Authority does not have a deposit policy for custodial credit risk. As of December 31, 2020, the Convention Center Authority's book balance was $9,001,537 and the bank balance was $7,459,421. Of the bank balance, $500,000 was covered by federal depository insurance as of December 31, 2020. As of December 31, 2020, the remainder was exposed to custodial credit risk and categorized as collateralized under Act No. 72 (Act) of the 1971 Session of the Pennsylvania General Assembly, in which financial institutions were granted the authority to secure deposits of public bodies by pledging a pool of assets, as defined in the Act, to cover all public funds deposited in excess of federal depository insurance limits.

Investments

Discretely Presented Component Unit

Investments of the Convention Center Authority are subject to the same Pennsylvania statutes and limits as the County's non-pension investments. The Convention Center Authority's investments are considered Level 1 based on quoted market prices. As of December 31, 2020, the Convention Center Authority's investments included $5,581,136 invested in money market funds.

Custodial Credit Risk

Custodial credit risk is the risk that the counterparty to an investment transaction will fail and the Convention Center Authority will not recover the value of the investment or collateral securities that are in possession of an outside party. The Convention Center Authority does not have a formal policy for custodial credit risk. The Convention Center Authority's investments in money market funds are not exposed to custodial credit risk because they are not evidenced by securities in book entry or paper form.

5. Deposits and Investments (continued)

Investments (continued)

Discretely Presented Component Unit (continued)

Interest Rate Risk

The Convention Center Authority does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. As of December 31, 2020, all of the Convention Center Authority's investments had an average maturity of less than one year.

Credit Risk

With the exception of investments held in the Convention Center Authority's debt service reserve fund, the Convention Center Authority does not have a formal investment policy relative to managing credit risk. As of December 31, 2020, the Convention Center Authority's investment in money market funds were rated AAAm by Standard & Poor's.

Concentration of Credit Risk

The Convention Center Authority places no limit on the amount it may invest in any one issuer. As of December 31, 2020, there were no investments held by the Convention Center Authority that were subject to concentration of credit risk.

6. Property Taxes

Property taxes attach an enforceable lien on property as of January 1 and are levied on or before March 1. Taxes are collected at a 2% discount until April 30, at their face amount from May 1 until June 30, and include a 10% penalty from July 1 until January 15 of the subsequent year. After January 15 of the subsequent year, the levies are sent to the Lancaster County Tax Claim Bureau for collection. The County bills and collects its own taxes relating to property within the City of Lancaster and certain other municipalities that do not have elected tax collectors. Taxes relating to all other municipalities in the County are collected by elected tax collectors. The Lancaster County Tax Claim Bureau collects delinquent taxes on behalf of the County and other taxing authorities. Delinquent tax collections and remittances are accounted for through the County's Custodial Fund.

6. Property Taxes (continued)

The County is permitted by the County Code of the Commonwealth of Pennsylvania to levy property taxes up to 25 mills on every dollar of adjusted valuation for general County purposes exclusive of the requirements for the payment of interest and principal on funded debt. The property tax rate for 2020 was 2.911 mills.

County property tax revenues were reduced by $364,422 because of legislation enacted by the Commonwealth of Pennsylvania under the following programs:

Local Economic Revitalization Tax Assistance (LERTA) Program

The LERTA Program authorizes local taxing authorities within the County to exempt property taxes of new construction in deteriorated areas of economically depressed communities and improvements to certain deteriorated properties. The LERTA tax exemptions are authorized under Act 76 of 1977 (72 P.S. section 4722 et seq.) which was passed by the General Assembly of Pennsylvania. A local taxing authority by ordinance or resolution may exempt from real property taxation, the assessed valuation of improvements to deteriorated properties and the assessed valuation of new construction within designated deteriorated areas. The County recognizes, supports, and approves any LERTA of any municipality located within the boundaries of the County that has established a standard LERTA from property tax for certain properties. Application to each local taxing authority for a tax exemption under a LERTA ordinance is to be made at the same time a building permit is secured or other official notification is made. A copy of the exemption request shall be forwarded to the Board of Assessment. The assessment agency shall assess separately the new construction or improvement and calculate the amounts of the assessment eligible for tax exemption in accordance with the limits established by the local taxing authorities and notify the taxpayer and the local taxing authorities of the reassessment and amounts of the assessment eligible for exemption. The LERTA properties have different abatement periods and terms for different improvements. The abatement periods range from 5 to 10 years. At the end of the abatement period the exemption shall terminate.

The exempted portion of the assessable improvement is not included on the property owner’s tax bill. The exemption from taxes is upon the eligible property and does not terminate upon the sale or exchange of the property.

6. Property Taxes (continued)

Local Economic Revitalization Tax Assistance (LERTA) Program (continued)

The exemption from real estate taxes provided for herein shall be forfeited by the applicant and/or any subsequent owner of the real estate upon the occurrence of failure to pay any non-exempt real estate taxes by the last day of the time period to pay such taxes in the penalty period.

The following local taxing authorities within the County have enacted LERTA ordinances or resolutions:

- Columbia Borough
- East Cocalico Township
- Elizabethtown Borough
- Ephrata Borough
- Lancaster City
- Manheim Borough
- Millersville Borough
- Mount Joy Borough
- West Donegal Township

County forgone real estate tax revenue as a result of LERTA tax abatement agreements entered into by the Commonwealth of Pennsylvania was $245,660 for the year ended December 31, 2020.

Keystone Opportunity Zone (KOZ) Program

The KOZ Program requires the County to exempt property taxes of revitalized properties that were once abandoned, unused, or underutilized once it has been approved by the Department of Community and Economic Development (DCED). The KOZ tax exemptions are authorized under Act 16 of 2012 (P.L. 705, No. 92) which were passed by the General Assembly of Pennsylvania. Applicants must apply online annually with DCED no later than December 31st of the year for which they are applying for benefits. Once DCED approves their application the local Economic Development Corporation (EDC) and the owner of the property receive an approval letter. The local EDC office then forwards the approval letter to the County. The Lancaster County Property Assessment office issues an Exoneration Notice to all the taxing bodies in the County.

6. Property Taxes (continued)

Keystone Opportunity Zone (KOZ) Program (continued)

The exoneration is just for one year and applicants must re-apply annually. In order to qualify each year, a business shall own or lease real property in a KOZ and be in full compliance with all state and local tax laws and building and housing code provisions. Any existing qualified Pennsylvania business relocating into a KOZ must demonstrate a significant economic impact that will result from the relocation. Any qualified business that has received KOZ benefits and moves out of the KOZ within the first 5 years may be subject to penalties. In order for a resident to qualify, they must maintain compliance with all state and local tax laws and must reside 184 consecutive days at the property located in the KOZ during each tax year.

County forgone real estate tax revenue as a result of KOZ tax abatement agreements entered into by the Commonwealth of Pennsylvania was $4,392 for the year ended December 31, 2020.

7. Capital Assets

A summary of capital asset activity for the year ended December 31, 2020, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 5,275,585	$ –	$ –	$ 5,275,585
Easements	108,365,638	1,272,101	–	109,637,739
Total capital assets, not being depreciated	113,641,223	1,272,101	–	114,913,324
Capital assets, being depreciated:				
Buildings and improvements	214,195,271	13,007,739	–	227,203,010
Improvements other than buildings	1,849,019	–	–	1,849,019
Furniture and equipment	56,454,336	1,575,891	(732,461)	57,297,766
Infrastructure	30,338,617	4,030,350	–	34,368,967
Total capital assets being depreciated	302,837,243	18,613,980	(732,461)	320,718,762
Less accumulated depreciation for:				
Buildings and improvements	92,839,961	5,308,662	–	98,148,623
Improvements other than buildings	906,154	60,641	–	966,795
Furniture and equipment	25,130,990	3,065,084	(504,314)	27,691,760
Infrastructure	6,689,004	855,870	–	7,544,874
Total accumulated depreciation	125,566,109	9,290,257	(504,314)	134,352,052
Total capital assets, being depreciated, net	177,271,134	9,323,723	(228,147)	186,366,710
Governmental activities capital assets, net	$ 290,912,357	$ 10,595,824	$ (228,147)	$ 301,280,034

7. Capital Assets (continued)

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

Governmental activities:	
General government	$ 2,695,810
Public safety	2,589,995
Roads and bridges	830,418
Health, education, and welfare	169,161
Judicial	1,069,203
Corrections	1,662,417
Cultural and recreation	273,253
Total depreciation expense – governmental activities	$ 9,290,257

Commitment amounts of $4,642,380 for the acquisition, construction, and renovation of various capital assets were encumbered at year end.

Discretely Presented Component Unit

A summary of capital asset activity for the year ended December 31, 2020 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 1,607,517	$ -	$ -	$ 1,607,517
Total capital assets, not being depreciated	1,607,517	-	-	1,607,517
Capital assets, being depreciated:				
Building	75,390,396	260,705	-	75,651,101
Furniture and equipment	5,891,405	344,136	28,414	6,207,127
Total capital assets, being depreciated	81,281,801	604,841	28,414	81,858,228
Less accumulated depreciation for:				
Building	20,730,698	1,878,266	-	22,608,964
Furniture and equipment	4,565,090	320,451	28,414	4,857,127
Total accumulated depreciation	25,295,788	2,198,717	28,414	27,466,091
Total capital assets, being depreciated, net	55,986,013	(1,593,876)	-	54,392,137
Capital assets, net	$ 57,593,530	$ (1,593,876)	$ -	$ 55,999,654

8. Lease Obligations

Capital Leases

In 2012, the County entered into a lease agreement as lessee for financing the acquisition of a new communications system. The County has acquired equipment towards that system valued at $25,205,375. The equipment has a twenty-year estimated useful life. This year, $1,260,269 was included in depreciation expense and $8,439,795 was included as accumulated depreciation. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments at inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2020, were as follows:

Years Ending	Amount
2021	$ 2,226,973
2022	2,226,973
2023	2,226,973
2024	2,226,973
2025	2,226,973
2026	2,033,609
Total minimum lease payments	13,168,474
Less: amount representing interest at 3.159%	1,243,260
Present value of minimum lease payments	$ 11,925,214

In 2019, the County entered into a lease agreement as lessee for financing the acquisition of a new body scanner for the prison. The County has acquired equipment towards that system valued at $121,163. The equipment has a seven-year estimated useful life. This year, $17,309 was included in depreciation expense and $34,618 was included as accumulated depreciation. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments at inception date.

8. Lease Obligations (continued)

Capital Leases (continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2020, were as follows:

Years Ending	Amount
2021	$ 20,098
2022	20,098
2023	20,098
2024	20,098
2025	20,098
2026	20,098
Total minimum lease payments	120,588
Less: amount representing interest at 3.889%	14,850
Present value of minimum lease payments	$ 105,738

In 2019, the County entered into a lease agreement as lessee for financing the acquisition of new voting equipment. The County has acquired equipment towards that system valued at $2,710,994. The equipment has a five-year estimated useful life. This year, $542,199 was included in depreciation expense and $1,084,398 was included as accumulated depreciation. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments at inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2020, were as follows:

Years Ending	Amount
2021	$ 595,258
2022	595,258
2023	595,258
2024	595,258
Total minimum lease payments	2,381,032
Less: amount representing interest at 3.195%	178,678
Present value of minimum lease payments	$ 2,202,354

8. Lease Obligations (continued)

Capital Leases (continued)

In 2020, the County entered into a lease agreement as lessee for financing the acquisition of new hand-held radios. The County has acquired equipment towards that system valued at $60,295. The equipment has a five-year estimated useful life. This year, $12,059 was included in depreciation expense and $12,059 was included as accumulated depreciation. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments at inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2020, were as follows:

Years Ending	Amount
2021	$ 13,062
2022	13,062
2023	13,062
2024	13,062
2025	2,177
Total minimum lease payments	54,425
Less: amount representing interest at 3.19%	3,525
Present value of minimum lease payments	$ 50,900

Operating Leases

The County is committed under various leases for building and office space and data processing and other equipment. These leases are considered for accounting purposes to be operating leases. Lease expenses for the year ended December 31, 2020 amounted to $2,221,265. Future minimum lease payments for these leases are as follows:

Years Ending	Amount
2021	$ 2,968,218
2022	2,275,339
2023	1,511,411
2024	1,213,380
2025	818,893
2026-2030	3,701,831
2031-2035	3,941,283
2036-2040	4,189,210
2041-2044	251,544
Total	$ 20,871,109

9. Long-Term Liabilities

General Obligation Bonds, General Obligation Notes and Direct Borrowings, and Installment Purchase Agreements

The County issues general obligation bonds, general obligation notes and direct borrowings, and installment purchase agreements for the purposes of providing funds for and toward the cost of capital projects, asset acquisition, and easements, of and in the County or to refinance existing debt. General obligation bonds, general obligation notes and direct borrowings, and installment purchase agreements are direct obligations and pledge the full faith and credit of the government.

The County is subject to federal arbitrage laws governing the use of proceeds of tax-exempt debt.

As determined under the Commonwealth of Pennsylvania Local Government Unit Debt Act of 1972, the total legal debt limit of the County as of December 31, 2020 was $475,402,082. The total amount of debt applicable to the debt limit, which does not include lease rental debt, is $175,716,600. The remaining legal debt margin of the County as of December 31, 2020 was $299,685,482. Refer to Statistical Table 12 for a detailed calculation.

9. Long-Term Liabilities (continued)

General Obligation Bonds, General Obligation Notes and Direct Borrowings, and Installment Purchase Agreements (continued)

General obligation bonds consisted of the following as of December 31, 2020:

3.00% General Obligation Bonds, Series B of 2012 in the principal amount of $7,065,000 to refund the outstanding General Obligation Notes, Series A of 2001 of the County dated April 13, 2012, principal payable annually, final principal amount of $1,325,000 due November 1, 2021.	$ 1,325,000
3.125% - 3.375% General Obligation Bonds, Series A of 2013 in the principal amount of $1,595,000 to finance certain capital projects dated August 7, 2013, principal payable annually, varying in amounts from $135,000 to $275,000 from November 1, 2021 to November 1, 2022.	410,000
4.007% - 5.556% General Obligation Bonds, Series B of 2013 in the principal amount of $5,200,000 to finance certain capital projects dated August 7, 2013, principal payable annually, varying in amounts from $160,000 to $630,000 from November 1, 2022 to November 1, 2033.	5,200,000
2.50% - 5.00% General Obligation Bonds, Series of 2015 in the principal amount of $16,060,000 to advance refund the outstanding General Obligation Bonds, Series A of 2006 of the County dated March 12, 2015, principal payable annually, varying in amounts from $1,510,000 to $1,875,000 from May 1, 2021 to May 1, 2026.	10,120,000
2.50% - 5.00% General Obligation Bonds, Series A of 2015 in the principal amount of $12,840,000 to refund the outstanding General Obligation Bonds, Series A of 2010 of the County dated September 2, 2015, principal payable annually, varying in amounts from $1,725,000 to $1,785,000 from November 1, 2021 to November 1, 2022.	3,510,000
4.00% - 5.00% General Obligation Bonds, Series A of 2016 in the principal amount of $17,130,000 to advance refund the outstanding General Obligation Bonds, Series of 2006 (Remarketing) of the County dated August 10, 2016, principal payable annually, varying in amounts from $1,070,000 to $1,640,000 from May 1, 2021 to May 1, 2031.	14,860,000
1.50% - 3.00% General Obligation Bonds, Series B of 2016 in the principal amount of $9,365,000 to refund the outstanding General Obligation Bonds, Series of 2011 of the County dated August 10, 2016, principal payable annually, varying in amounts from $45,000 to $1,635,000 from November 1, 2021 to November 1, 2027.	9,180,000
3.10% - 5.00% General Obligation Bonds, Series A of 2017 in the principal amount of $21,620,000 to advance refund a portion of the outstanding General Obligation Bonds, Series A of 2009 of the County dated April 10, 2017, principal payable annually, varying in amounts from $475,000 to $1,990,000 from November 1, 2021 to November 1, 2033.	17,220,000
2.00% - 3.65% General Obligation Bonds, Series B of 2017 in the principal amount of $6,255,000 to finance certain capital projects dated April 10, 2017, principal payable annually, varying in amounts from $290,000 to $470,000 from November 1, 2021 to November 1, 2037.	6,240,000
2.00% - 5.00% General Obligation Bonds, Series C of 2017 in the principal amount of $19,000,000 to advance refund the outstanding General Obligation Bonds, Series A of 2012 of the County dated December 13, 2017, principal payable annually, varying in amounts from $1,155,000 to $1,755,000 from November 1, 2021 to November 1, 2032.	17,170,000
2.00% - 5.00% General Obligation Bonds, Series of 2018 in the principal amount of $13,320,000 to refund the outstanding General Obligation Bonds, Series C of 2013 of the County dated March 21, 2018, principal payable annually, varying in amounts from $960,000 to $1,370,000 from March 1, 2021 to March 1, 2030.	11,480,000

9. Long-Term Liabilities (continued)

General Obligation Bonds, General Obligation Notes and Direct Borrowings, and Installment Purchase Agreements (continued)

2.00% - 4.00% General Obligation Bonds, Series of 2019 in the principal amount of $20,255,000 to refund the outstanding General Obligation Bonds, Series A of 2009, to refund the outstanding General Obligation Bonds, Series of 2014, and to finance certain capital projects dated March 12, 2019, principal payable annually varying in amounts from $500,000 to $2,835,000 from November 1, 2021 to November 1, 2044.	19,945,000
1.05% - 4.00% General Obligation Bonds, Series A of 2020 in the principal amount of $14,920,000 to refund the outstanding General Obligation Bonds, Series B of 2010 and to refund the outstanding General Series C of 2010, principal payable annually, varying in amounts from $5,000 to $2,115,000 from November 1, 2021 to November 1, 2030.	14,920,000
1.05% - 4.00% General Obligation Bonds, Series B of 2020 in the principal amount of $10,560,000 to be used to finance certain capital projects of the County, principal payable annually, varying in the amounts from $5,000 to $1,360,000 from November 1, 2021 to November 1, 2035.	10,560,000
1.00% - 4.00% General Obligation Bonds, Series C of 2020 in the principal amount of $13,630,000 to refund the outstanding General Obligation Bonds, Series E of 2012, principal payable annually, varying in amounts from $520,000 to $1,405,000 from November 1, 2021 to November 1, 2032.	12,540,000
General obligation notes and direct borrowings consisted of the following as of December 31, 2020:	
Variable rate interest bearing General Obligation Note, Series A of 2002 in the principal amount of $25,050,000 to current refund Series of 2000, dated September 13, 2002, principal payable annually, varying in amounts from $1,464,000 to $2,439,000 from October 25, 2021 to October 25, 2030. Interest is payable monthly, based upon monthly calculations remitted by the trustee that include amounts sufficient to pay payments and receipts under any interest rate swap agreements, payments due to holders of the note, and monthly finance charges. The interest on the note will never exceed 15%.	19,104,000
3.77% Interest bearing General Obligation Note, Series of 2007 in the principal amount of $10,000,000 to partially refund General Obligation Bond Series A of 2004 of the County dated December 31, 2007, principal payable annually, final principal amount of $1,932,600 due November 1, 2021.	1,932,600
Installment purchase agreements consisted of the following as of December 31, 2020:	
5.50% Interest bearing installment purchase agreement in the amount of $210,000, dated December 30, 2002, to finance the lease and subsequent purchase of an agricultural easement, principal payable in full on November 15, 2022.	210,000
5.85% Interest bearing installment purchase agreement in the amount of $226,000, dated September 3, 2003, to finance the purchase of an agricultural easement, principal payable in full on November 15, 2023.	226,000
Total general obligation bonds, general obligation notes and direct borrowings, and installment purchase agreements as of December 31, 2020	$ 176,152,600

9. Long-Term Liabilities (continued)

General Obligation Bonds, General Obligation Notes and Direct Borrowings, and Installment Purchase Agreements (continued)

A summary of the County's general obligation bonds is as follows:

Years	Principal	Interest	Total
2021	$ 10,995,000	$ 5,970,258	$ 16,965,258
2022	13,395,000	5,584,534	18,979,534
2023	13,700,000	5,058,128	18,758,128
2024	12,510,000	4,508,352	17,018,352
2025	13,030,000	4,004,288	17,034,288
2026-2030	62,195,000	12,321,405	74,516,405
2031-2035	22,230,000	3,217,750	25,447,750
2036-2040	3,855,000	892,617	4,747,617
2041-2044	2,770,000	255,562	3,025,562
	$ 154,680,000	$ 41,812,894	$ 196,492,894

A summary of the County's total general obligation notes and direct borrowings is as follows:

Years	Principal	Interest	Total
2021	$ 3,396,600	$ 229,159	$ 3,625,759
2022	1,545,000	144,023	1,689,023
2023	1,635,000	131,060	1,766,060
2024	1,730,000	117,343	1,847,343
2025	1,830,000	102,829	1,932,829
2026-2030	10,900,000	265,013	11,165,013
	$ 21,036,600	$ 989,427	$ 22,026,027

A summary of the County's installment purchase agreements is as follows:

Years	Principal	Interest	Total
2021	$ –	$ 24,771	$ 24,771
2022	210,000	24,771	234,771
2023	226,000	13,221	239,221
	$ 436,000	$ 62,763	$ 498,763

9. Long-Term Liabilities (continued)

General Obligation Bonds, General Obligation Notes and Direct Borrowings, and Installment Purchase Agreements (continued)

A summary of the County's total debt service commitments is as follows:

Years	Principal	Interest	Total
2021	$ 14,391,600	$ 6,224,188	$ 20,615,788
2022	15,150,000	5,753,328	20,903,328
2023	15,561,000	5,202,409	20,763,409
2024	14,240,000	4,625,695	18,865,695
2025	14,860,000	4,107,117	18,967,117
2026-2030	73,095,000	12,586,418	85,681,418
2031-2035	22,230,000	3,217,750	25,447,750
2036-2040	3,855,000	892,617	4,747,617
2041-2044	2,770,000	255,562	3,025,562
	$ 176,152,600	$ 42,865,084	$ 219,017,684

General Obligation Bonds

On March 4, 2020, the County issued General Obligation Bonds, Series A of 2020. The Series A of 2020 Bonds were issued in the amount of $14,920,000 to refund General Obligation Bonds, Series B of 2010 and to refund General Obligation Bonds, Series of C 2010. The Series A of 2020 Bonds have principal payable annually beginning November 1, 2021, varying in amounts from $5,000 to $2,115,000, with a final maturity date of November 1, 2030. The Series A of 2020 Bonds bears interest at fixed rates ranging from 1.05% to 4.00%. The current refunding reduced the total debt service payments by $1,461,170 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $1,330,635.

On March 4, 2020, the County issued General Obligation Bonds, Series B of 2020. The Series B of 2020 Bonds were issued in the amount of $10,560,000 to be used to finance certain capital projects of the County. The Series B of 2020 Bonds have principal payable annually beginning November 1, 2021, varying in amounts from $5,000 to $1,360,000, with a final maturity date of November 1, 2035. The Series B of 2020 Bonds bears interest at fixed rates ranging from 1.05% to 4.00%.

9. Long-Term Liabilities (continued)

General Obligation Bonds (continued)

On August 4, 2020, the County issued General Obligation Bonds, Series C of 2020. The Series C of 2020 Bonds were issued in the amount of $13,630,000 to refund General Obligation Bonds, Series E of 2012. The Series C of 2020 Bonds have principal payable annually beginning November 1, 2021, varying in amounts from $520,000 to $1,405,000, with a final maturity date of November 1, 2032. The Series C of 2020 Bonds bears interest at fixed rates ranging from 1.00% to 4.00%. The current refunding reduced the total debt service payments by $1,418,528 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $1,384,354.

General Obligation Notes and Direct Borrowings

In accordance with the Loan Agreement for the General Obligation Note, Series A of 2002, if an event of default shall have occurred and is continuing the Bank may (1) declare all repayments to be immediately due and payable, and (2) pursue any and all remedies now and hereafter existing under the debt act or otherwise at law or in equity to collect all amounts then due and thereafter to become due under the Loan Agreement or to enforce the performance and observance of any other obligation or agreement of the County under the Loan Agreement.

In accordance with the General Obligation Note, Series of 2007, the County shall have the right to prepay any amount at any time and from time to time, in whole or in part; subject, however, to payment of any break funding indemnification amounts owing pursuant to the following. The County agrees to indemnify the Bank against any liabilities, loses, or expenses which the Bank sustains or incurs as a consequence of either (1) the County's failure to make a payment on the due date thereof, (2) the County's revocation in whole or in part of any notice given to Bank to request, convert, renew, or prepay any amounts bearing interest, or (3) the County's payment or prepayment or conversion of any amounts bearing interest on a day other than the regularly scheduled due date therefore. A notice as to any amounts payable pursuant to this paragraph given the County by the Bank shall, in the absence of manifest error, be conclusive and shall be payable upon demand. The County's indemnification obligations hereunder shall survive the payment in full of all amounts payable hereunder.

9. Long-Term Liabilities (continued)

Changes in Long-Term Liabilities

During the year ended December 31, 2020, the following changes occurred in long-term liabilities:

	Balance January 1, 2020	Additions	Reductions	Balance December 31, 2020	Due Within One Year
Governmental Activities:					
General obligation bonds payable	$ 161,175,000	$ 39,110,000	$ 45,605,000	$ 154,680,000	$ 10,995,000
Net premium (discount) on bonds payable	7,842,642	6,399,405	1,190,926	13,051,121	1,190,926
General obligation notes and direct borrowings payable	24,283,000	–	3,246,400	21,036,600	3,396,600
Installment purchase agreements payable	436,000	–	–	436,000	–
Accrued vacation and sick pay	5,875,809	1,673,067	415,067	7,133,809	415,067
Capital leases	16,564,695	60,295	2,340,784	14,284,206	2,417,354
Net pension liability	–	4,582,966	–	4,582,966	–
Net OPEB liability	134,541,612	7,456,864	31,852,291	110,146,185	–
Contracts payable	624,196	46,052	553,327	116,921	114,826
Workers' compensation	320,659	442,904	446,927	316,636	80,321
Stadium loan payable	1,350,000	–	450,000	900,000	450,000
Governmental activities long-term liabilities	$ 353,013,613	$ 59,771,553	$ 86,100,722	$ 326,684,444	$ 19,060,094

All long-term liabilities are expected to be repaid primarily from General Fund tax revenues.

9. Long-Term Liabilities (continued)

Discretely Presented Component Unit

During the year ended March 31, 2007, the Convention Center Authority remarketed the Hotel Room Rental Tax Revenue Bonds, Series of 2003 ($40,000,000), and issued the Hotel Room Rental Tax Revenue Bonds, Series of 2007 ($23,920,000) for the purpose of paying, together with other available funds, the costs of (i) funding the design, acquisition, construction, furnishing, and equipping of that certain Lancaster County Convention Center, as defined in the indenture; (ii) funding necessary reserves for the project and the bonds; (iii) the establishment of necessary reserves and other funds under the indenture; (iv) payment of the costs and expenses of issuance of the bonds; and (v) refunding certain outstanding indebtedness of the issuer. The bonds were secured by a pledge of all current and future revenue derived by the Convention Center Authority from its share of hotel room rental tax and all monies and investments held by the Trustee Bank under the related indenture and are initially secured by an irrevocable, direct pay letter of credit issued by Wachovia Bank, National Association.

The bonds initially bore interest at a weekly rate. During the weekly mode, interest on the bonds was to be paid on the first business day of each calendar month, commencing on May 1, 2007. The weekly rate for the bonds was computed by Wachovia Bank, National Association for each weekly rate period. The weekly rate was not to exceed 12% per annum. At times specified in the indenture, the issuer had the ability to cause the bonds to be converted to a term mode. The bonds, if converted, were subject to mandatory purchase on the date of such conversion. The floating interest rate under the weekly mode was 67% of USD-LIBOR-BBA on the agreed-upon payment dates.

On October 3, 2011, the bonds were restructured and the Convention Center Authority entered into a continuing covenant agreement with Wells Fargo Bank. Under the agreement, the bank paid the purchase price of $63,590,000 to the bank for the bonds. The bonds were to be held by the bank until the mandatory purchase date of March 1, 2013, at which time the bonds were subject to mandatory tender for purchase at an amount equal to 100% of the principal amount of the bonds, plus accrued interest. On this date, the Convention Center Authority was to cause the bonds to be remarketed to the bank or to new investors at any of the interest rate options provided in the agreement.

The bank extended the mandatory purchase date related to the bonds to August 1, 2014. All other provisions of the agreement remain in effect through the mandatory purchase date.

9. Long-Term Liabilities (continued)

Discretely Presented Component Unit (continued)

Under the agreement, the interest rate was converted from the weekly rate to the index interest rate. The bonds were to bear interest at a per annum rate of interest equal to the sum of (i) the index, defined as 67% of LIBOR, and (ii) the applicable spread, commencing October 3, 2011. The applicable spread effective from October 3, 2011 through February 28, 2012 was defined as 95 basis points on the Series of 2003 bonds and 125 basis points on the Series of 2007 bonds. Effective March 1, 2012, the applicable spread increased to 175 basis points on the Series of 2003 bonds and 190 basis points on the Series of 2007 bonds. The applicable spread could be reduced if the Convention Center Authority was able to accomplish certain milestones as set forth in the agreement. At the option of the Convention Center Authority, the bonds could have been optionally redeemed or converted to another interest rate mode to be effective on the interest payment date prior to the mandatory purchase date upon 60 days written notice to the bank.

On August 1, 2014, the bonds were refunded through the issuance of the Hotel Room Rental Tax Revenue Bonds, Series of 2014 in the amount of $62,595,000. The fee received from the termination of the guaranteed investment contracts, including accrued interest, along with funds realized from a reduction in the debt service reserve fund requirements associated with the 2014 bonds totaling $995,000, was used to pay a portion of the principal due on the bonds. In addition, the debt service reserve requirement for the 2014 bonds was reduced from $4.1 million to $3.9 million. The 2014 bonds are subject to mandatory tender on July 31, 2019.

The 2014 bonds initially bear interest, through the mandatory tender date, at a rate equal to the sum of the index rate, SIFMA or 70% of LIBOR, plus the applicable spread, initially 75 basis points, fixed for five years. The bonds will bear interest at the index rate during the index rate period provided no event of default has occurred. At the option of the Convention Center Authority, the bonds may be optionally redeemed or converted to another interest rate mode to be effective on any LIBOR reset date prior to the mandatory tender date upon 60 days written notice to the bank and compliance with the applicable provisions of the related documents.

9. Long-Term Liabilities (continued)

Discretely Presented Component Unit (continued)

On December 3, 2018, the Convention Center Authority and the trustee entered into the First Supplemental Trust Indenture related to the 2014 bonds. Under the indenture the index for the period December 3, 2018 through and including November 30, 2023 is 80% of LIBOR, and during any other interest rate period, 80% of LIBOR or such other percentage as may be designated by the bank. In addition, the applicable spread for the period December 3, 2018 through and including November 30, 2023 is 88 basis points provided that the County's bond ratings remains above certain thresholds. Finally, under the indenture, the mandatory tender date was modified to December 1, 2023.

In accordance with the Continuing Covenant Agreement, if an event of default, such as failure to pay principal and interest on the bonds when due, and other events defined by the Continuing Covenant Agreement, occurs and is continuing, the Bank may (1) by written notice to the trustee and the Convention Center Authority, declare the outstanding amount of the bonds to be immediately due and payable; (2) deliver a written notice to the trustee and Convention Center Authority that an event of default has occurred and is continuing and direct the trustee and the Convention Center Authority to cause a mandatory tender of acceleration of the bonds; (3) by written notice to the trustee, direct the trustee to notify the Treasurer of the County of Lancaster that an event of default has occurred and is continuing and direct the Treasurer of the County to transfer 100% of the hotel tax revenues to the Convention Center Authority for such period as necessary to cure the event of default or take such other remedial actions as is provided for in the indenture; (4) take whatever action at law or in equity may appear necessary to collect the amounts due and payable and to enforce performance or observation of any obligation, agreement, or covenant of the Convention Center Authority; (5) cure any default, event of default, or even to nonperformance provided however that the bank will have no obligation to effect such a cure; (6) exercise or cause to be exercised any and all remedies available at law and at equity.

9. Long-Term Liabilities (continued)

Discretely Presented Component Unit (continued)

Debt service requirements are as follows:

	Principal	Interest	Total
2021	$ 655,000	$ 601,710	$ 1,256,710
2022	670,000	595,103	1,265,103
2023	58,320,000	9,911,708	68,231,708
	$ 59,645,000	$ 11,108,521	$ 70,753,521

During the year ended December 31, 2020, the following changes occurred with the Convention Center Authority's revenue bonds payable:

	Balance 1/1/2020	Additions	Reductions	Balance 12/31/2020	Due Within One Year
Revenue bonds payable	$ 60,275,000	$ –	$ 630,000	$ 59,645,000	$ 655,000

10. Self-Insurance Claims Liability

The County is self-insured for workers' compensation in accordance with Article III of the Pennsylvania Workers' Compensation Act of 1915 as reenacted and amended. The liability is recorded as estimated by the County's actuary; such claims are discounted at 4% for workers' compensation. The Bureau of Workers' Compensation issued an exemption permit renewing the County's self-insurance status on November 5, 2019.

The County is also self-insured for unemployment compensation; however, payments are made quarterly to the Commonwealth of Pennsylvania and any resulting liability is considered short term and included within accounts payable.

Changes in the County's self-insurance claims reserves for the years ending December 31, 2020 and 2019 were as follows:

	Reserve Balance as of January 1, 2020	Current Year Claims	Claim Payments	Reserve Balance as of December 31, 2020
Workers' Compensation	$ 320,659	$ 442,904	$ 446,927	$ 316,636

	Reserve Balance as of January 1, 2019	Current Year Claims	Claim Payments	Reserve Balance as of December 31, 2019
Workers' Compensation	$ 657,388	$ 79,573	$ 416,302	$ 320,659

11. Interfund Balances

Individual fund receivable and payable balances as of December 31, 2020 were as follows:

	Interfund Receivables	Interfund Payables
General Fund	$ 1,629,208	$ –
Behavioral Health and Developmental Services Fund	–	1,629,208
Total	$ 1,629,208	$ 1,629,208

The balance due to the General Fund resulted from a cash deficit position in the Behavioral Health and Developmental Services Fund.

12. Interfund Transfers

Interfund transfers for the year ended December 31, 2020 consisted of the following:

	Interfund Transfers-In	Interfund Transfers-Out
General Fund	$ –	$ 13,222,710
Children and Youth Services Fund	9,325,750	–
Behavioral Health and Developmental Services Fund	993,538	–
Domestic Relations Fund	2,061,485	–
Human Services Block Grant	585,715	644,575
Nonmajor Governmental Funds	900,797	–
Total	$ 13,867,285	$ 13,867,285

Transfers are utilized to use unrestricted revenues collected in the General Fund and deferred inflows of resources in the Human Services Block Grant Fund. This is to finance various grant programs accounted for in other funds in accordance with budgetary and legal authorizations.

13. Commitments and Contingent Liabilities

The County receives funds from the Commonwealth of Pennsylvania and various federal agencies to fund specific programs. Final determination of various amounts is subject to audit by the responsible agencies. County officials believe that any audit adjustments resulting from final settlements will be immaterial in relation to the County's financial resources.

The County is involved as either plaintiff or defendant in several lawsuits and claims. However, it is the opinion of County solicitors that there are no probable or estimateable claims against the County that would materially affect the financial position of the County.

On December 3, 2018, the Convention Center Authority entered into the First Supplemental Trust Indenture related to the issuance of the Hotel Room Rental Tax Revenue Bonds, Series of 2014. The 2014 bonds debt service payments are guaranteed by the County. As of December 31, 2020, $59,645,000 of the bonds remained outstanding. The County does not expect to make a payment on the guarantee; therefore, the County has not recognized a liability.

On May 15, 2004, the County guaranteed revenue bonds issued by the Redevelopment Authority in the amount of $13,505,000 to fund the site acquisition, design, construction, and operation of a multi-purpose stadium and related improvements. The bonds of the Redevelopment Authority are payable solely and exclusively from, and secured by, (1) the use of the multi-purpose stadium facilities, (2) restricted funds established under the indenture, and (3) to the extent necessary, sums the County is obligated to pay pursuant to the guaranty agreement. On January 15, 2013, the bonds were refunded through the issuance of the Redevelopment Authority of the County of Lancaster Taxable Guaranteed Stadium Bonds, Series of 2013, in the amount of $10,950,000. As of December 31, 2020, $4,940,000 of the bonds remained outstanding. The County guaranteed lease rental debt of the Redevelopment Authority for the stadium. As of December 31, 2020, the County's guarantee equaled a maximum annual debt service amount of $1,097,590.

13. Commitments and Contingent Liabilities (continued)

On December 21, 2016, the County approved a resolution where the Lancaster Baseball Club, LLC (the Club) requested assistance from the County for a portion of the debt service for a limited period of time on the Redevelopment Authority of the County of Lancaster Taxable Guaranteed Stadium Bonds, Series of 2013. The agreement was subsequently approved on February 17, 2017. Under the agreement the County will allocate an amount of up to $450,000 per year for six years, from 2017 to 2022, to assist with debt service on the Redevelopment Authority's bonds. The amounts allocated by the County are not to exceed $2,700,000 and are considered a loan to the Club which must be repaid. The loan will bear interest at 6% beginning on January 1, 2020. The Club will pay annual principal installments of $270,000 beginning on January 1, 2023, until the principal and all accrued interest are paid in full. Commencing in 2017, the Club, or its partners, will pledge to the County, security in the form of mortgage liens on property in Lancaster County equal in value to the outstanding principal amount of the loan plus accrued interest. Effective January 1, 2023, the Club will assume responsibility for making all payments of debt service due on the Redevelopment Authority of the County of Lancaster Taxable Guaranteed Stadium Bonds, Series of 2013.

It was determined that the County is more likely than not to loan the Club an amount for a portion of the debt service of the bonds. The amount of the liability is the best estimate of the discounted present value of the future outflows expected to be incurred as a result of this agreement.

The liability recognized for nonexchange financial guarantees by the County as of December 31, 2020, is as follows:

Balance as of January 1, 2020	Increases	Decreases	Balance as of December 31, 2020
$ 1,350,000	$ –	$ 450,000	$ 900,000

On September 2, 2005, the County guaranteed a note in the amount of $100,000 issued by the Lancaster Industrial Development Authority to the Redevelopment Authority. Principal and interest on this note are due June 30, 2025.

13. Commitments and Contingent Liabilities (continued)

Discretely Presented Component Unit

Under the continuing covenant agreement, the Convention Center Authority is required to maintain certain minimum balances in the funds held at the Trustee Bank. Failure to meet this liquidity covenant for any quarterly period represents an event of default.

Beginning in 2014 and amended in 2018, the Convention Center Authority approved a collaboration agreement in an effort to increase the marketability of the Convention Center, and, in turn, the promotion and attraction of business, industry, commerce, and tourism within the County. The Convention Center Authority agrees to make payments for the purpose of targeting marketing activities to attract higher priority events. The funding shall amount to $35,000 per year through 2023. The Convention Center Authority also agrees to set aside funding for capital reserves to replace capital assets. The funding shall amount to $1,000,000 for 2021 through 2023. This funding can be offset by Lancaster CRIZ Authority contributions to the capital reserves. In preparing the 2021 budget, the Authority has tentatively reduced the amount to contribute to capital reserves from $1,000,000 to $300,000. This change was communicated to Discover Lancaster before the Authority's 2021 budget was approved in October of 2020, without any dissent. No formal action was taken by Discover Lancaster.

14. Other Post-Employment Benefits

Summary of Significant Accounting Policies

The County has committed to provide other post-employment benefits (OPEB) to its retirees if they meet certain requirements. The financial information is prepared using the accrual basis of accounting. Contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the commitment. The total OPEB liability is calculated based on the entry age normal level percent of pay actuarial cost method. These benefits are not currently pre-funded by the County.

Description of Plan

The County, through its substantive commitment to provide OPEB benefits, maintains a single-employer defined benefit plan to provide certain postretirement healthcare benefits to former full-time employees who meet certain eligibility requirements. The County is assumed to be a single-employer without a special funding situation without a qualified trust for the purposes of reporting under GASB 75.

14. Other Post-Employment Benefits (continued)

Plan Administration

The County sponsors a medical and prescription drug plan for its employees. Eligible retirees may continue health coverage through the County for life or Medicare eligibility, depending on their hire date. The County funds its OPEB on a pay-as-you-go basis and has no plan assets (investments) used specifically for paying the post-retirement medical benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the County and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the County and plan members to that point. The County is under no statutory or contractual obligation to provide these postretirement healthcare benefits. Because the plan consists solely of the County's firm commitment to provide OPEB through the payment of premiums to insurance companies on behalf of its eligible retirees, no stand-alone financial report is either available or generated. Benefit and contribution provisions of the plan are authorized and amended by the County Commissioners.

Plan Membership

As of December 31, 2020, the plan's membership consisted of the following:

Retirees receiving benefits	689
Active members	1,669
Total membership	2,358

Benefits Provided

The benefits cover eligible retirees who elect to participate and pay any required contributions. Specific details of the plan include the provision of certain hospitalization, major medical insurance, and prescription drug coverage. These benefits are provided through insurance companies. Such benefits are not available to members' spouses or dependents; rather, only to former employees as previously described. There are no employer-subsidized ancillary benefits (life insurance, dental, and/or vision) at retirement.

14. Other Post-Employment Benefits (continued)

Benefits Provided (continued)

To be eligible for the benefits full-time employees must meet certain eligibility requirements. Full-time employees hired before January 1, 2012 are eligible for lifetime retiree health benefits once they are eligible to receive retirement income from the Employee Retirement Plan and have five years of service. Full-time employees hired January 1, 2012 through December 31, 2018 are eligible for retiree health benefits until Medicare eligibility once they are eligible to receive retirement income from the Employee Retirement Plan and have 20 years of service. Employees hired on or after January 1, 2019 are not eligible for retiree health benefits. Eligibility requirements to receive retirement income from the Employee Retirement Plan are as follows:

- Normal Retirement: Earlier of (a) age 55 with 20 years of service or (b) age 60 (no service requirement).
- Early Retirement: 20 years of service.

Contributions

Since the County funds its OPEB on a pay-as-you-go basis and has no plan assets used specifically for paying the post-retirement medical benefits, premiums under the plan for post-employment healthcare benefits are funded by retirees desiring such coverage via co-pays paid to the County in accordance with rates established by the County and by the County itself from appropriate governmental funds. For 2020, contribution rates for plan members under 65 equaled $26.10 per participant per month. Contribution rates for plan members 65 and over equaled $103.46 per participant per month. For the year ended December 31, 2020, plan members receiving benefits paid $664,781, which was used to offset the County's total outlays to insurance carriers equaling $3,016,884 for current year premiums due. The net outlay from the County, which equaled $2,352,103 represents the County's net cost paid for current year premiums due.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.12% for the current measurement period. GASB 75 specifies that the discount rate should be selected based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). As prescribed by GASB 75, since the County does not fund the plan, the discount rate is set equal to the 20-year municipal bond rate, which was 2.12% as of December 31, 2020.

14. Other Post-Employment Benefits (continued)

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the County, calculated using the discount rate of 2.12%, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (1.12%) or one-percentage-point higher (3.12%) than the current rate:

	1% Decrease (1.12%)	Current Discount Rate (2.12%)	1% Increase (3.12%)
County's net OPEB liability	$130,151,096	$110,146,185	$94,233,533

Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend

The healthcare trend assumption used in the valuation was developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model. The healthcare trend assumptions are shown below:

Year	Annual Trend
2020	5.40%
2025	5.19%
2030	5.18%
2035	5.18%
2040	5.18%
2050	4.91%
2060	4.72%
2070	4.27%
2075 & Ultimate	3.94%

14. Other Post-Employment Benefits (continued)

Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend (continued)

The following presents the net OPEB liability of the County, calculated using the annual healthcare cost trend assumption noted, as well as what the County's net OPEB liability would be if it were calculated using a trend rate that is one-percentage-point lower or one-percentage-point higher than the current trend:

	1% Decrease	Current Trend Rate	1% Increase
County's net OPEB liability	$89,234,357	$110,146,185	$136,362,182

Total OPEB Liability

The total OPEB liability was determined by an actuarial valuation as of January 1, 2019 and projected forward to December 31, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	4.00%
Discount rate	2.12% measurement date
Mortality table	Pub-2010 General Employees / Retirees Headcount-Weighted projected fully generationally using MP-2019 improvement scale
Healthcare cost trends	5.40% for 2020 decreasing to an ultimate rate of 3.94% by 2075

The following assumptions have been updated since the last valuation:

- Discount rate has been updated based on the 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of December 31, 2020.
- Mortality assumption has been updated from RP-2013 Annuitant and Non-Annuitant Mortality Tables for males and females with no projected improvement to Pub-2010 General Employees / Retirees Headcount-Weighted table projected fully generationally using MP-2019 improvement scale.
- Health Care Trend Rates from 2019 to 2020 have been updated to follow known premium rate increases.

14. Other Post-Employment Benefits (continued)

Changes in Net OPEB Liability

During the year ended December 31, 2020, the following changes occurred in net OPEB liability:

	Increases (Decreases)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at 12/31/2019	$ 134,541,612	$ -	$ 134,541,612
Changes for the Year:			
Service Cost	3,701,022	-	3,701,022
Interest	3,755,842	-	3,755,842
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(5,336,460)	-	(5,336,460)
Changes in Assumptions or Other Inputs	(24,163,728)	-	(24,163,728)
Contributions	-	2,352,103	(2,352,103)
Benefit Payments	(2,352,103)	(2,352,103)	-
Administrative Expenses	-	-	-
Net Changes	(24,395,427)	-	(24,395,427)
Balances at 12/31/2020	$ 110,146,185	$ -	$ 110,146,185

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources

For the 2020 measurement period, the County recognized pension expense of $(1,248,181) and reported deferred outflows of resources / (deferred inflows of resources) related to pensions from the following sources:

	Deferred Outflows	(Deferred Inflows)
Differences between expected and actual experience	$ -	$ (20,846,830)
Change of assumptions or other inputs	5,465,969	(30,029,300)
Total	$ 5,465,969	$ (50,876,130)

14. Other Post-Employment Benefits (continued)

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources (continued)

Amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized in pension expense as follows:

Years ending:	
2021	$ (8,705,045)
2022	(8,705,045)
2023	(8,705,045)
2024	(8,705,046)
2025	(6,375,664)
Thereafter	(4,214,316)
	$ (45,410,161)

For the 2020 measurement period, the County had no outstanding amount of contributions for the OPEB required for the year ended December 31, 2020.

15. Employee Retirement Plan (Pension Trust Fund)

Summary of Significant Accounting Policies

The Lancaster County Employee Retirement Plan's (the Plan) financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Plan investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Real estate assets are reported at fair value utilizing an income approach to valuation. By contract, an independent appraisal is obtained once every year to determine the fair market value of the real estate assets.

Description of Plan

The County maintains a single-employer contributory defined benefit pension plan covering substantially all County employees. The Plan provides retirement, disability, and death benefits to plan members and their beneficiaries. The Plan is considered part of the County's financial reporting entity and is included in the County's financial statements as a Pension Trust Fund. The Plan does not issue a stand-alone financial report.

15. Employee Retirement Plan (Pension Trust Fund) (continued)

Plan Administration

The Plan is governed by the 1971 County Pension Law, Act 96, of the General Assembly of the Commonwealth of Pennsylvania, as amended, cited as the County Pension Law (the Act). The Act provides for the creation, maintenance, and operation of this Plan. Benefit and contribution provisions of the Plan are established and can be amended as provided by the Act.

Management of the Plan is vested in the Retirement Board, which consists of five members – three elected County Commissioners, the County Controller and the County Treasurer.

Administrative costs of the Plan, in accordance with a 1991 amendment to the Act, may be paid from Plan assets unless it is determined by the actuary that such payment will impair the actuarial soundness of the Plan. During 2020, administrative costs totaling $90,640 were paid from Plan assets.

The Act makes no provision for termination of the Plan.

Plan Membership

Membership in the Plan is mandatory for all full-time County employees. As of December 31, 2020, the Plan's membership consisted of the following:

Retirees and beneficiaries receiving benefits	1,391
Terminated Plan members enrolled but not yet receiving benefits	246
Active Plan members	1,671
Total members	3,308

Benefits Provided

The Plan provides retirement, disability, and death benefits. Retirement benefits for plan members are calculated as a percent of the members' highest three-year average salary times the member's years of service depending on class basis. Retirement benefits vest after five years of credited service. Employees who retire at age 60 or with 20 years of service, if at least 55 years of age, are entitled to an unreduced annual retirement benefit. Employees are eligible for a reduced annual retirement benefit after accumulating 20 years of service prior to reaching age 55.

15. Employee Retirement Plan (Pension Trust Fund) (continued)

Benefits Provided (continued)

All plan members are eligible for disability benefits after five years of service if disabled while in service and unable to continue as a County employee. Disability retirement benefits are equal to 25% of the highest average salary at time of retirement.

Death benefits for a member who dies with ten years of service prior to retirement is the total present value of member's retirement paid in a lump sum.

Employees that are involuntarily terminated from County employment are eligible for a reduced annual retirement benefit after accumulating eight years of service under certain circumstances.

A plan member who leaves County service with less than five years of service may withdraw their contributions, plus any accrued interest.

The general annual benefit is from 0.833% to 1.25% (depending on the date the employee entered the Plan) of the employee's highest three-year salary times years of service.

On an ad hoc basis, cost-of-living adjustments (COLA) to each member's retirement allowance shall be reviewed at least once every three years subsequent to the member's retirement date. The adjustment, should the County elect to give one, is a percentage of the change in the Consumer Price Index.

Contributions

Covered employees are required by the Act to contribute to the Plan at a rate of 5% of their annual covered salary. Employees may contribute up to an additional 10% of gross pay, at their option. The contributions are recorded in an individually identified account which is also credited with interest, calculated to yield between 4.0% - 5.5% (as determined by the Retirement Board) compounded annually. Accumulated employee contributions and credited interest, which amounted to $77,900,179 as of December 31, 2020, vest immediately and are returned upon termination of service if the employee is not eligible for other benefits.

An actuarially determined contribution is recommended by the plan actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance an unfunded accrued liability. For the 2020 measurement period, the active member contribution rate was 5.0% of annual pay, and the County average contribution rate was 5.90% of annual payroll.

15. Employee Retirement Plan (Pension Trust Fund) (continued)

Contributions (continued)

The Plan's funding policy provides for periodic member contributions as discussed above and employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due.

The actuarial cost method used to determine the Plan's funding requirements is the entry age normal method. Under this method, an actuarial accrued liability is determined as the actuarial present value of projected benefits for all participants minus the actuarial present value of future normal costs. The normal cost is determined as the annual amount required to fund between entry age and assumed exit age the actuarial present value of projected benefits for each active participant under the assumed retirement age. Significant actuarial assumptions used to compute the annual employer required contributions for the current year are the same as those used to compute the net pension liability.

Discount Rate

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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation for the 2020 measurement period are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	5.4-6.4%
International equity	5.5-6.5%
Fixed income	1.3-3.3%
Real estate/Alternative	4.5-5.5%
Cash	0.0-1.0%

15. Employee Retirement Plan (Pension Trust Fund) (continued)

Discount Rate (continued)

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 plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the actuarially determined contribution rates. 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 Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
County's net pension liability	$41,244,606	$4,582,966	$(27,850,305)

15. Employee Retirement Plan (Pension Trust Fund) (continued)

Investments

The Plan's investments are held in a bank-administered trust fund. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Board's asset allocation policy for the 2020 measurement period:

Asset Class	Target Allocation
Domestic equity	48%
International equity	22%
Fixed income	22%
Real estate	7%
Cash	1%

The Plan's investment policy does not allow for an investment of 5% or more of Plan investments in any single corporation or group of affiliated corporations.

For the 2020 measurement period, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.99%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Total Pension Liability

The total pension liability was determined by an actuarial valuation for the 2020 measurement period as of January 1 and rolled-forward to December 31 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	4.00% average, including inflation
Investment rate of return	7.00% net of pension plan investment expense, including inflation
Postretirement benefit increases	none

Mortality rates were based on the PubG-2010 Mortality Table for males and females with generational mortality improvement using MP19.

15. Employee Retirement Plan (Pension Trust Fund) (continued)

Net Pension Liability

The components of the net pension liability (asset) of the County for the 2020 measurement period were as follows:

Total pension liability	$ 353,363,617
Plan fiduciary net pension	348,780,651
County's net pension liability	$ 4,582,966
Plan fiduciary net position as a percentage of the total pension liability	98.70%

The actuarial assumptions used in the valuation for the 2020 measurement period were based on past experience under the plan and reasonable future expectations, which represent our best estimate of anticipated experience under the plan. An actuarial experience study was performed during 2016; however, no modifications to assumptions were made as a result.

The amortization of the unfunded actuarial accrued liability is over a 30-year period on a closed basis. There are no legal or contractual funding limitations that would potentially affect the projection of benefits for financial accounting purposes.

15. Employee Retirement Plan (Pension Trust Fund) (continued)

Changes in Net Pension Liability (Asset)

During the year ended December 31, 2020, the following changes occurred in net pension liability (asset):

	Increases (Decreases)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances at 12/31/2019	$ 316,215,326	$ 317,312,323	$ (1,096,997)
Changes for the Year:			
Service Cost	5,911,178	-	5,911,178
Interest	23,703,120	-	23,703,120
Differences Between Expected and Actual Experience	41,328	-	41,328
Changes in Assumptions	25,105,791	-	25,105,791
Contributions – Employer	-	4,918,872	(4,918,872)
Contributions – Member	-	6,074,437	(6,074,437)
Net Investment Income	-	38,178,785	(38,178,785)
Benefit Payments, Including Refunds of Member Contributions	(17,613,126)	(17,613,126)	-
Administrative Expenses	-	(61,597)	61,597
Other	-	(29,043)	29,043
Net Changes	37,148,291	31,468,328	5,679,963
Balances at 12/31/2020	$ 353,363,617	$ 348,780,651	$ 4,582,966

Pension Expense and Deferred Outflows and Deferred Inflows of Resources

For the 2020 measurement period, the County recognized pension expense of $1,187,462 and reported deferred outflows of resources / (deferred inflows of resources) related to pensions from the following sources:

	Deferred Outflows	(Deferred Inflows)
Differences between expected and actual experience	$ 107,917	$ -
Change of assumptions	21,719,632	-
Net difference between projected and actual earnings on pension plan investments	-	(24,165,519)
Total	$ 21,827,549	$ (24,165,519)

15. Employee Retirement Plan (Pension Trust Fund) (continued)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources (continued)

Amounts reported as deferred outflows of resources and deferred (inflows) of resources related to pensions will be recognized in pension expense as follows:

Years ending:	
2021	$ (458,808)
2022	3,087,533
2023	(4,521,453)
2024	(445,242)
	$ (2,337,970)

For the 2020 measurement period, the County had no outstanding amount of contributions to the pension plan required for the year ended December 31, 2020.

Legally Required Reserves

As of December 31, 2020, the Plan has a balance of $77,900,179 in the Members' Annuity Reserve Account. This account is the total of the contributions deducted from the salaries of the active and terminated vested members of the retirement system and the IRC 414(h)(2) pickup contributions together with the interest additions as of December 31, 2020. Since these accumulations represent the present value as of December 31, 2020, of future benefits, the reserve balance and liability are identical.

The Plan has a balance of $40,168,679 in the County Annuity Reserve Account as of December 31, 2020. This balance and the amounts expected to be credited in the future, plus investment earnings, represent the reserves set aside for the payment of the County's share of the retirement allowances.

This is the account out of which regular interest is credited to the Members' Annuity Reserve Account and Retired Members' Reserve Account, administrative expenses may be paid, and the pension obligations of the County are funded.

When a County annuity is scheduled to commence for a particular member, sufficient monies are transferred from the County Annuity Reserve Account to the Retired Members' Reserve Account to provide for such County annuities actually entered upon.

The Retired Members' Reserve Account is the account out of which monthly retirement allowances including cost-of-living increases and death benefits are paid. The assets allocated to this reserve account as of December 31, 2020, amount to $161,504,718. The corresponding liability for those annuitants on the roll is identical.

16. Derivative Instruments

Objectives of the Interest Rate Swap

In order to take advantage of interest rate environments in the financial markets, the County has previously entered into a pay-fixed/receive-variable interest rate swap associated with the general obligation debt series listed below.

Significant Terms, Fair Values, and Credit Risk

The fair value of the interest rate swap was estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap. The fair value measurement level for the County's interest rate swap is considered Level 2 based on significant observable inputs.

The associated debt series (general obligation bonds or notes), terms, notional amounts, cash received at initiation, fair values, changes in fair values, classifications, and counterparty credit ratings of the outstanding swap as of December 31, 2020, are as follows. The swap agreement contains scheduled reductions to outstanding notional amounts that are expected to approximately follow scheduled or anticipated reductions in the associated original debt series.

Hedged Derivative Instruments – Floating to Fixed Swap

Associated Debt Series	Effective Date	Termination Date	Type	County Pays	County Receives	Swap Notional Amount	Cash Received at Initiation	Classification	Change in Fair Value	Classification	Fair Value 12/31/2020	Counterparty Credit Rating*
GON 2002A	1/1/2002	10/25/2030	Pay-fixed/ receive-variable swap	5.195%	60% 1m LIBOR +30.3bp	$24,697,000	$3,000,000	Deferred Outflows of Resources	$(169,496)	Debt	$(4,917,449)	Aa2 / A+ / AA

*Moody's, Standard & Poor's, and Fitch credit ratings

The unamortized portion of the up-front premium received by the County related to the swap or hedged derivative instrument is considered a borrowing for financial reporting purposes and is recorded as a liability in the government-wide financial statements in the amount of $1,026,086, with the balance of $3,891,362 recorded as an interest rate swap liability.

16. Derivative Instruments (continued)

Credit Risk

Because the hedged derivative has a negative fair value, the County is currently not exposed to credit risk. However, should interest rates change and the fair value of the swap become positive, the County would be exposed to credit risk in the amount of the derivative's fair value.

Basis Risk

Basis risk exists to the extent the County's variable rate debt coupon payments do not exactly equal the index on the associated swap. The swap exposes the County to basis risk, should there be a variance between the 1-Month LIBOR rate, the basis of the swap interest payments, and SIFMA, the basis of the associated debt's interest payments, converge, it will have an impact on the synthetic rate on the associated debt. The effect of this difference in basis is indicated by the differences between the intended synthetic rates and the actual synthetic rates as of December 31, 2020. As of December 31, 2020, the 1-Month LIBOR rate equaled .144% and SIFMA equaled .09%.

Interest Rate Risk

The County's interest rate swap serves to guard against a rise in variable interest rates associated with the outstanding variable rate debt series. However, if the LIBOR index decreases, the County's net payment on interest rate swap increases; therefore, the County is exposed to interest rate risk on its interest rate swap.

Termination Risk

The termination exposure of the County's swap agreement as of December 31, 2020 is limited only to the swap with negative fair values; the County would have to pay the respective amounts in order to terminate the associated swap. Either the County or the Counterparty can terminate the agreements if certain contractual events occur including the reduction of either party's credit rating below BBB+ as rated by Standard & Poor's or Baa1 as rated by Moody's.

16. Derivative Instruments (continued)

Swap Payments and Associated Debt

Using rates as of December 31, 2020, debt service requirements of the variable rate debt and net swap payments are illustrated as follows. As rates vary, variable rate debt interest payments and net swap payments will vary.

Fiscal Year Ending December 31	Variable Rate Debt Principal	Variable Rate Debt Interest	Interest Rate Swap, Net	Total
2021	$ 1,464,000	$ 15,876	$ 847,721	$ 2,327,597
2022	1,545,000	14,485	773,473	2,332,958
2023	1,635,000	13,014	694,900	2,342,914
2024	1,730,000	11,457	611,762	2,353,219
2025	1,830,000	9,810	523,818	2,363,628
2026-2030	10,900,000	20,754	1,108,188	12,028,942
Total	$ 19,104,000	$ 85,396	$ 4,559,862	$ 23,749,258

Discretely Presented Component Unit

Objective of the Interest Rate Swap

As a means to lower its borrowing costs, when compared against fixed rate bonds at the time of issuance in March 2007, the Convention Center Authority entered into an interest-rate swap in connection with Series of 2003 and Series of 2007 variable rate hotel room rental tax revenue bonds. The intention of the swap was effectively to change the Convention Center Authority's variable interest rate on that portion of the bonds to a synthetic rate of 3.65%. Pursuant to an amended and restated confirmation between the Convention Center Authority and the Counterparty, Wells Fargo Bank, dated September 28, 2011, the amortization, maturity dates, and fixed payment rates on the swap related to the bonds were amended. Effective October 3, 2011, the fixed payment on the swap related to the Series of 2003 bonds was 3.67% and the fixed payment on the swap related to the Series of 2007 bonds was 3.57%.

16. Derivative Instruments (continued)

Discretely Presented Component Unit (continued)

Objective of the Interest Rate Swap (continued)

Pursuant to an amended and restated confirmation between the Convention Center Authority and the bank, dated November 27, 2018, the fixed payment rates and the floating rates on the swap related to the bonds were amended. Effective December 3, 2018 through the mandatory tender date of December 1, 2023, in conjunction with the agreement and the First Supplemental Trust Indenture, the synthetic fixed rate on the swap related to the Series of 2003 bonds is 4.07%, the synthetic fixed rate on the swap related to the Series of 2007 bonds is 3.97%, and the floating rate for both the Series of 2003 bonds and Series of 2007 bonds is 80% of the one-month LIBOR. After the mandatory tender date of December 1, 2023, the fixed rate on the swap related to the Series of 2003 bonds and Series of 2007 bonds reverts to 3.67% and 3.57%, respectively. All other terms of the swap remained the same.

Terms

The bonds and the related swap agreements mature on December 1, 2042 (Series of 2003) and December 1, 2047 (Series of 2007), and the swap's notional amount of $40,000,000 and $23,920,000, respectively, was 100% of the total issue amount of the underlying bonds. The notional amount of the swap agreement decreases as the outstanding principal amount of the corresponding Series of 2003 bonds and Series of 2007 bonds were scheduled to decrease through maturing principal. The swap agreements were entered into in March 2007. Prior to October 3, 2011, under the swap agreements, the Convention Center Authority paid the counterparty a fixed payment of 3.65% and received a variable payment computed as 67% of the one-month LIBOR. Conversely, the bonds' variable-rate was based on the weekly rate determined by the remarketing agent. Effective October 3, 2011, the Convention Center Authority pays the counterparty a fixed payment of 3.67% related to the applicable notional amounts of the Series of 2003 bonds and 3.57% related to the applicable notional amounts of the Series of 2007 bonds. Effective December 1, 2018, the Convention Center Authority pays the counterparty a fixed payment of 4.07% related to the applicable notional amounts of the Series of 2003 bonds and 3.97% related to the applicable notional amounts of the Series of 2007 bonds.

16. Derivative Instruments (continued)

Discretely Presented Component Unit (continued)

Terms (continued)

Pursuant to the swap agreements, the Convention Center Authority pays or receives to/from the counterparty a monthly net swap payment. For the year ended December 31, 2020, the Convention Center Authority paid $1,520,148 and $949,624 fixed and received $228,483 and $146,306 variable with respect to the swap on the applicable notional amounts of the Series of 2003 bonds and the applicable notional amounts of the Series of 2007 bonds, respectively.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair values of the Convention Center Authority's financial statements. The swap is highly sensitive to changes in interest rates; changes in the variable rate will have a material effect on the swap's fair value.

Fair Value Risk

Fair value takes into consideration the prevailing interest rate environment, the specific terms and conditions of a given transaction, and any upfront payments that may have been received. The fair value is based upon mid-market quotations for the transactions. Mid-market quotations are based on bid/ask quotations shown on reliable electronic information screens as of close of business on the date specified. Such amounts represent the present value difference between the floating rate receipt and fixed rate payment as of December 31, 2020 and the termination value fluctuates as the interest rates fluctuate.

Because the 2011 amendment and restatement changed the critical terms of the swap agreements, the original swap was effectively terminated upon amendment. At the date of amendment, the swap liability was reclassified to a swap borrowing on the balance sheet. Governmental accounting standards require that the borrowing be amortized to offset interest expense over the life of the bonds.

16. Derivative Instruments (continued)

Discretely Presented Component Unit (continued)

Fair Value Risk (continued)

The change in fair value for the interest rate swaps is as follows:

Associated Debt Series	Notional Amount	January 1, 2020 Fair Value	Amortization of Swap Borrowing	Change in Fair Value Subsequent to Termination	December 31, 2020 Fair Value
Series of 2003 Bonds	$37,920,000	$(11,808,686)	$403,105	$(3,331,204)	$(14,736,785)
Series of 2007 Bonds	23,920,000	(11,439,171)	258,522	(3,555,250)	(14,735,899)
		$(23,247,857)	$661,627	$(6,886,454)	$(29,472,684)

Accounting and Risk Disclosures

As noted in the fair value table, the effect of the termination of the original swap resulted in a swap borrowing. As of December 31, 2020, current period changes in fair value for the swap are accounted for as an investment and are recorded on the statement of activities as unrestricted investment earnings (loss). The fair value of the outstanding swap as of December 31, 2020, is reported on the statement of net position as a combination of interest rate swap liability and swap borrowing.

Credit Risk

As of December 31, 2020, the Convention Center Authority's swap agreements were not exposed to credit risk, because they had a negative fair value. However, should interest rates change and the fair value of the swaps become positive, the Convention Center Authority would be exposed to credit risk in the amount of the swap agreement's fair value. As of December 31, 2020, the counterparty was rated Aa2 by Moody's, A+ by Standard & Poor's, and AA- by Fitch.

Swap Payments and Associated Debt

Using rates as of December 31, 2020, net swap payments on the applicable notional amounts of the Series of 2003 bonds and the applicable notional amounts of the Series of 2007 bonds, assuming current interest rates and floating rates under the swap agreement remain the same for their term, were as follows.

16. Derivative Instruments (continued)

Discretely Presented Component Unit (continued)

Swap Payments and Associated Debt (continued)

As these rates vary, net swap payments on the applicable notional amounts of the Series of 2003 Bonds and the applicable notional amounts of the Series of 2007 Bonds will vary.

Series of 2003, Hotel Room Rental Tax Revenue Bonds

Fiscal Years Ending December 31	Notional Amount	Swap Agreement Payments, Net
2021	$ 690,000	$ 1,452,276
2022	755,000	1,424,987
2023	830,000	1,395,126
2024	900,000	1,231,057
2025	980,000	1,198,898
2026-2030	6,245,000	5,406,919
2031-2035	8,990,000	4,105,448
2036-2040	12,515,000	2,256,439
2041-2042	4,815,000	261,439
	$ 36,720,000	$ 18,732,589

Series of 2007, Hotel Room Rental Tax Revenue Bonds

Fiscal Years Ending December 31	Notional Amount	Swap Agreement Payments, Net
2021	$ -	$ 922,116
2022	-	922,116
2023	-	922,116
2024	-	830,975
2025	-	830,981
2026-2030	-	4,154,899
2031-2035	-	4,154,899
2036-2040	-	4,154,893
2041-2045	14,185,000	3,398,610
2046-2047	9,735,000	549,239
	$ 23,920,000	$ 20,840,844

17. Negative Unrestricted Net Position

Discretely Presented Component Unit

The Convention Center Authority's negative unrestricted net position, as shown on the December 31, 2020 statement of net position, is due to a GAAP requirement for governmental entities to terminate hedge accounting when a termination event has occurred on a derivative instrument (interest rate swap). A termination event occurs when a significant change in a critical term of an interest rate swap is made.

Since the 2008 national financial crises, the Convention Center Authority has had a significant interest rate swap liability and understood that the liability would be realized if, or when, the Convention Center Authority refinanced its bonds or the hedge became ineffective. The October 2011 restructuring caused the Convention Center Authority to account for the termination of the hedge accounting as a liability on the statement of net position and recognize the swap loss on the statement of activities.

The December 31, 2020 fair value of the Convention Center Authority's interest rate swap was $(29,472,684), when compared to the December 31, 2019 fair value of $(23,247,857) for a negative change in valuation of $6,224,827. All changes, including this $6,224,827, in the fair value of the Convention Center Authority's interest rate swap is a reflection of market conditions and payments made under the swap agreement.

18. Subsequent Events

In early 2020, an outbreak of a novel strain of coronavirus was identified and infections were found in countries around the world, including the United States. The coronavirus pandemic has continued into 2021 and continues to have impacts on supply chains, travel, employee productivity, and other economic activities. The pandemic has had a material effect on financial markets and economic activity throughout the world. During 2020, the County received $95.2 million in federal CARES Act funds and in 2021, the County received half of the expected federal ARPA funds. During 2021, the County received approximately $53 million of ARPA funds, and the County expects to receive approximately $53 million of ARPA funds in 2022. In addition to the CARES and ARPA funds, the County has received other federal and state monies to assist in dealing with the coronavirus pandemic. A significant amount of these funds has been passed along to municipalities, school districts, businesses, and other organizations within Lancaster County to support them due to the impact of the pandemic. These funds have assisted the County in dealing with the pandemic and as a result there has not been a negative impact to the County's financial position; however, the extent of the final impact of the coronavirus pandemic on the County is currently uncertain and cannot be predicted.

Required Supplementary Information

County of Lancaster, Pennsylvania

Schedule of Changes in the County's Net

Other Post-Employment Benefits Liability and Related Ratios

	2018	2019	2020
Total OPEB liability			
Service cost	$ 4,564,894	$ 3,968,035	$ 3,701,022
Interest	5,305,611	5,955,015	3,755,842
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	(22,781,809)	(5,336,460)
Changes of assumptions	(16,305,682)	7,652,357	(24,163,728)
Benefit payments	(2,297,673)	(2,326,238)	(2,352,103)
Net change in total OPEB liability	(8,732,850)	(7,532,640)	(24,395,427)
Total OPEB liability - beginning	150,807,102	142,074,252	134,541,612
Total OPEB liability - ending (a)	$ 142,074,252	$ 134,541,612	$ 110,146,185
Plan fiduciary net position			
Contributions - employer	$ 2,297,673	$ 2,326,238	$ 2,352,103
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(2,297,673)	(2,326,238)	(2,352,103)
Administrative expenses	-	-	-
Net change in plan fiduciary net position	$ -	$ -	$ -
Plan fiduciary net position - beginning	-	-	-
Plan fiduciary net position - ending (b)	$ -	$ -	$ -
County's net OPEB liability (asset) - ending (a) - (b)	$ 142,074,252	$ 134,541,612	$ 110,146,185
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered payroll	$ 82,059,110	$ 79,099,450	$ 71,863,769
County's net OPEB liability as a percentage of covered payroll	173.14%	170.09%	153.27%

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

Notes To Schedule:

Effective 12/31/20, the discount rate assumption decreased from 2.74% to 2.12%.

County of Lancaster, Pennsylvania

Schedule of Changes in the County's Net

Pension Liability and Related Ratios

	2014	2015	2016	2017	2018	2019	2020
Total pension liability							
Service cost	$ 7,432,726	$ 7,406,881	$ 7,580,247	$ 7,837,482	$ 6,883,927	$ 7,045,808	$ 5,911,178
Interest	17,783,441	18,633,288	19,529,550	20,145,143	21,101,524	21,978,922	23,703,120
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	(1,208,250)	(737,485)	56,883	(1,685,093)	(958,324)	1,308,820	41,328
Changes of assumptions	-	-	-	3,718,617	4,712,326	-	25,105,791
Benefit of payments, including refunds of member contributions	(12,955,244)	(13,356,419)	(15,177,732)	(15,958,384)	(17,178,995)	(17,535,471)	(17,613,126)
Other	-	-	-	-	-	-	-
Net change in total pension liability	11,052,673	11,946,265	11,988,948	14,057,765	14,560,458	12,798,079	37,148,291
Total pension liability - beginning	239,811,138	250,863,811	262,810,076	274,799,024	288,856,789	303,417,247	316,215,326
Total pension liability - ending (a)	$ 250,863,811	$ 262,810,076	$ 274,799,024	$ 288,856,789	$ 303,417,247	$ 316,215,326	$ 353,363,617
Plan fiduciary net position							
Contributions - employer	$ 5,962,997	$ 5,228,813	$ 4,580,199	$ 4,424,334	$ 4,399,055	$ 5,048,537	$ 4,918,872
Contributions - member	5,034,095	4,973,865	5,110,678	5,401,676	5,597,884	5,762,873	6,074,437
Net investment income (loss)	13,976,986	(954,010)	18,635,668	39,274,752	(14,027,352)	54,392,796	38,178,785
Benefit payments, including refunds of member contributions	(12,955,244)	(13,356,419)	(15,177,732)	(15,958,384)	(17,178,995)	(17,535,471)	(17,613,126)
Administrative expense	(42,755)	(44,558)	(71,633)	(47,599)	(48,413)	(56,025)	(61,597)
Other	(21,557)	(22,027)	63,908	46,555	(42,173)	(30,910)	(29,043)
Net change in plan fiduciary net position	11,954,522	(4,174,336)	13,141,088	33,141,334	(21,299,994)	47,581,800	31,468,328
Plan fiduciary net position - beginning	236,967,909	248,922,431	244,748,095	257,889,183	291,030,517	269,730,523	317,312,323
Plan fiduciary net position - ending (b)	$ 248,922,431	$ 244,748,095	$ 257,889,183	$ 291,030,517	$ 269,730,523	$ 317,312,323	$ 348,780,651
County's net pension liability (asset) - ending (a) - (b)	$ 1,941,380	$ 18,061,981	$ 16,909,841	$ (2,173,728)	$ 33,686,724	$ (1,096,997)	$ 4,582,966
Plan fiduciary net position as a percentage of the total pension liability	99.23%	93.13%	93.85%	100.75%	88.90%	100.35%	98.70%
Covered payroll	$ 77,867,605	$ 79,478,129	$ 81,355,686	$ 80,039,687	$ 82,059,110	$ 83,892,412	$ 83,386,323
County's net pension liability as a percentage of covered payroll	2.49%	22.73%	20.79%	(2.72%)	41.05%	(1.31%)	5.50%

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

County of Lancaster, Pennsylvania

Schedule of County Contributions

	2014	2015	2016	2017	2018	2019	2020
Actuarially determined contribution	$ 5,962,997	$ 5,228,813	$ 4,580,199	$ 4,424,334	$ 4,399,055	$ 5,048,537	$ 4,918,872
Contributions in relation to the actuarially determined contribution	5,962,997	5,228,813	4,580,199	4,424,334	4,399,055	5,048,537	4,918,872
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 77,867,605	$ 79,478,129	$ 81,355,686	$ 80,039,687	$ 82,059,110	$ 83,892,412	$ 83,386,323
Contributions as a percentage of covered payroll	7.66%	6.58%	5.63%	5.53%	5.36%	6.02%	5.90%

Notes to schedule

Valuation date	January 1, 2014	January 1, 2015	January 1, 2016	January 1, 2017	January 1, 2018	January 1, 2019	January 1, 2020

Actuarially determined contribution rates are calculated as of January 1, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates.

Actuarial cost method	Entry age
Amortization method	Level dollar
Remaining amortization period	20 years
Asset valuation method	Market value adjusted for unrecognized gains and losses from prior years
Inflation	3.0%
Salary increases	4.00% average, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Retirement age	Age 60 or 55 with 20 years' service
Mortality	PubG-2010 Mortality Table for males and females with generational mortality improvement using MP19

Schedule of Investment Returns

	2014	2015	2016	2017	2018	2019	2020
Annual money-weighted rate of return, net of investment expense	6.50%	0.00%	8.10%	15.87%	(4.55%)	20.84%	12.99%

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

County of Lancaster, Pennsylvania

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Budgetary Basis - General Fund

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget -- Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Real estate taxes	$ 123,244,737	$ 123,244,737	$ 123,639,358	$ 394,621
Intergovernmental	5,354,109	101,451,598	85,669,913	(15,781,685)
Departmental	27,104,065	27,104,065	26,157,056	(947,009)
Fines and costs	3,824,650	3,824,650	2,990,146	(834,504)
Investment earnings	1,100,000	1,147,522	339,171	(808,351)
Other	4,764,683	5,238,885	4,697,375	(541,510)
Total revenues	165,392,244	262,011,457	243,493,019	(18,518,438)
EXPENDITURES				
Current:				
General government	34,105,351	129,764,429	95,919,972	33,844,457
Public Safety	12,723,687	12,748,404	12,149,800	598,604
Judicial	47,308,144	47,523,459	44,116,238	3,407,221
Corrections	31,356,642	31,406,955	25,487,479	5,919,476
Cultural and recreation	2,643,042	2,655,542	2,184,664	470,878
Capital outlay	2,814,544	3,839,834	4,998,864	(1,159,030)
Debt service:				
Principal retirement	16,896,400	16,896,400	17,026,400	(130,000)
Interest and fiscal charges	8,345,122	8,352,122	7,286,046	1,066,076
Total expenditures	156,192,932	253,187,145	209,169,463	44,017,682
Excess (deficiency) of revenues over (under) expenditures	9,199,312	8,824,312	34,323,556	25,499,244
Transfers out	(13,831,538)	(13,831,538)	(13,222,710)	608,828
Total other financing sources (uses)	(13,831,538)	(13,831,538)	(13,222,710)	608,828
Net change in fund balances	$ (4,632,226)	$ (5,007,226)	21,100,846	$ 26,108,072
Net increase in due from other funds			(238,653)	
Fund balance, January 1, cash basis			42,538,594	
Fund balance, December 31, cash basis			63,400,787	
Differences from modified accrual basis:				
Receivables:				
Taxes, net			2,243,940	
Fines and costs, net			4,967,765	
Accounts			2,580,607	
Due from other funds			1,629,208	
Due from other governments			5,751,021	
Accounts payable			(5,875,959)	
Retainage payable			(8,021)	
Deferred inflows of resources			(20,934,651)	
Payroll related accruals			(3,423,953)	
Fund balance at December 31, modified accrual basis			$ 50,330,744	

County of Lancaster, Pennsylvania

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Budgetary Basis - Children and Youth Services Fund

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental	$ 36,118,929	$ 36,118,929	$ 31,915,286	$ (4,203,643)
Departmental	851,953	851,953	580,296	(271,657)
Investment earnings	-	-	221	221
Total revenues	36,970,882	36,970,882	32,495,803	(4,475,079)
EXPENDITURES				
Current:				
Health, education, and welfare:				
Children and youth	47,346,220	47,257,220	43,158,804	4,098,416
Capital outlay	140,890	229,890	117,433	112,457
Total expenditures	47,487,110	47,487,110	43,276,237	4,210,873
Excess (deficiency) of revenues over (under) expenditures	(10,516,228)	(10,516,228)	(10,780,434)	(264,206)
OTHER FINANCING SOURCES (USES)				
Transfers in	10,294,062	10,294,062	9,325,750	(968,312)
Net change in fund balances	$ (222,166)	$ (222,166)	(1,454,684)	$ (1,232,518)
Fund balance, January 1, cash basis			3,798,008	
Fund balance, December 31, cash basis			2,343,324	
Differences from modified accrual basis:				
Due from other governments			3,603,291	
Accounts payable			(3,222,336)	
Payroll related accruals			(388,406)	
Fund balance at December 31, modified accrual basis			$ 2,335,873	

County of Lancaster, Pennsylvania

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Budgetary Basis - Behavioral Health and Developmental Services Fund

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental	$ 25,595,806	$ 26,760,806	$ 24,516,228	$ (2,244,578)
Departmental	1,986,558	1,986,558	2,398,325	411,767
Total revenues	27,582,364	28,747,364	26,914,553	(1,832,811)
EXPENDITURES				
Current:				
Health, education, and welfare:				
Behavioral Health & Developmental Services	28,465,433	29,187,331	27,563,291	1,624,040
Capital outlay	158,549	601,651	543,640	58,011
Total expenditures	28,623,982	29,788,982	28,106,931	1,682,051
Excess (deficiency) of revenues over (under) expenditures	(1,041,618)	(1,041,618)	(1,192,378)	(150,760)
OTHER FINANCING SOURCES (USES)				
Transfers in	957,000	957,000	993,538	36,538
Net change in fund balances	$ (84,618)	$ (84,618)	(198,840)	$ (114,222)
Net increase in due to other funds			238,653	
Fund balance, January 1, cash basis			132,607	
Fund balance, December 31, cash basis			172,420	
Differences from modified accrual basis:				
Due from other governments			3,428,401	
Other receivables			235,117	
Due to other funds			(1,629,208)	
Accounts payable			(1,904,787)	
Payroll related accruals			(301,943)	
Fund balance at December 31, modified accrual basis			$ -	

County of Lancaster, Pennsylvania

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Budgetary Basis - Domestic Relations Special Revenue Fund

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental	$ 4,407,522	$ 4,407,522	$ 4,655,153	$ 247,631
Departmental	58,500	58,500	30,351	(28,149)
Investment earnings	100,000	100,000	70,272	(29,728)
Total revenues	4,566,022	4,566,022	4,755,776	189,754
EXPENDITURES				
Current:				
Judicial	6,963,272	6,948,572	6,396,149	552,423
Capital outlay	15,645	30,345	22,064	8,281
Total expenditures	6,978,917	6,978,917	6,418,213	560,704
Excess (deficiency) of revenues over (under) expenditures	(2,412,895)	(2,412,895)	(1,662,437)	750,458
OTHER FINANCING SOURCES (USES)				
Transfers in	2,378,889	2,378,889	2,061,485	(317,404)
Net change in fund balances	$ (34,006)	$ (34,006)	399,048	$ 433,054
Fund balance, January 1, cash basis			13,043,426	
Fund balance, December 31, cash basis			13,442,474	
Differences from modified accrual basis:				
Due from other governments			1,260,027	
Accounts payable			(2,923)	
Payroll related accruals			(148,730)	
Fund balance at December 31, modified accrual basis			$ 14,550,848	

1. Budgetary Basis of Accounting

The County's budgetary basis is substantially on a cash basis but includes some payroll related accruals and related interfund transactions.

2. Budgetary Basis Differences

The County's basis of accounting for budgetary purposes differs from its basis of accounting for GAAP reporting purposes.

General Fund revenues per schedule of revenues, expenditures, and changes in fund balances – budget and actual – budgetary basis – General Fund	$	243,493,019
Net adjustment to General Fund revenues based on differences in revenue recognition between the budgetary basis and GAAP basis		653,204
General Fund revenues per statement of revenues, expenditures. and changes in fund balances – General Fund	$	244,146,223

General Fund expenditures per schedule of revenues, expenditures, and changes in fund balances – budget and actual – budgetary basis – General Fund	$	209,169,463
Net adjustment to General Fund expenditures based on differences in expenditure recognition between the budgetary basis and GAAP basis		14,947,619
General Fund expenditures per statement of revenues, expenditures, and changes in fund balances – General Fund	$	224,117,082

The following nonmajor governmental funds include special revenue funds used to account for revenues that are legally restricted to expenditures for particular purposes.

Office of Aging Fund

This fund is used to account for amounts received from various federal, state, and local sources. These funds are restricted to operate programs which assist citizens age 60 and older to maintain maximum independence and dignity in a home environment.

Drug and Alcohol Fund

This fund is used to account for amounts received from various federal, state, and local sources. These funds are restricted to plan, coordinate and administer service programs for the control of alcohol and drug abuse.

Liquid Fuels Fund

This fund is used to account for amounts received from the Commonwealth. These funds are restricted to building and improving local roads and bridges.

Agricultural Land Preservation Fund

This fund is used to account for amounts restricted for payments of easements to farmers within the County in efforts to preserve agricultural land.

Community Development Block Grant Fund

This fund is used to account for amounts received from various federal and state sources. These funds are restricted and passed through to the Lancaster County Redevelopment Authority to be used for the development of decent housing, a suitable living environment, and expanded economic opportunities within the County.

County of Lancaster, Pennsylvania

Combining Balance Sheet - Nonmajor Governmental Funds

December 31, 2020

	Office of Aging	Drug and Alcohol	Liquid Fuels	Agricultural Land Preservation	Community Development Block Grant	Total Nonmajor Governmental Funds
ASSETS						
Cash and investments:						
Operating	$ 2,528,759	$ 96,481	$ 1,383,218	$ 1,181,964	$ -	$ 5,190,422
Other	190,302	-	-	-	-	190,302
Other receivables	-	-	-	14,784	-	14,784
Due from other governments	267,114	410,563	102,657	-	-	780,334
Total assets	$ 2,986,175	$ 507,044	$ 1,485,875	$ 1,196,748	$ -	$ 6,175,842
LIABILITIES						
Liabilities:						
Accounts payable	$ 391,375	$ 488,568	$ 249,189	$ -	$ -	$ 1,129,132
Retainage payable	-	-	2,426	-	-	2,426
Unearned revenue-intergovernmental	-	-	1,234,260	-	-	1,234,260
Payroll related accruals	104,779	18,476	-	-	-	123,255
Total liabilities	496,154	507,044	1,485,875	-	-	2,489,073
FUND BALANCES						
Restricted						
Health,education, and welfare	2,490,021	-	-	-	-	2,490,021
Community development	-	-	-	1,196,748	-	1,196,748
Total fund balances	2,490,021	-	-	1,196,748	-	3,686,769
Total liabilities, deferred inflows of resources and fund balances (deficits)	$ 2,986,175	$ 507,044	$ 1,485,875	$ 1,196,748	$ -	$ 6,175,842

County of Lancaster, Pennsylvania

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds

For the Year Ended December 31, 2020

	Office of Aging	Drug and Alcohol	Liquid Fuels	Agricultural Land Preservation	Community Development Block Grant	Total Nonmajor Governmental Funds
REVENUES						
Intergovernmental	$ 9,858,406	$ 4,684,668	$ 1,460,292	$ -	$ 3,278,169	$ 19,281,535
Departmental	34,371	-	-	-	-	34,371
Investment earnings	-	892	6,812	-	-	7,704
Other	-	241,999	82,726	22,550	-	347,275
Total revenues	9,892,777	4,927,559	1,549,830	22,550	3,278,169	19,670,885
EXPENDITURES						
Current:						
Roads and bridges	-	-	217,992	-	-	217,992
Health, education, and welfare:						
Drug and alcohol	-	5,161,832	-	-	-	5,161,832
Office of aging	9,079,623	-	-	-	-	9,079,623
Community development	-	-	-	433,336	3,278,169	3,711,505
Capital outlay	19,261	4,587	1,331,838	-	-	1,355,686
Total expenditures	9,098,884	5,166,419	1,549,830	433,336	3,278,169	19,526,638
Excess (deficiency) of revenues over (under) expenditures	793,893	(238,860)	-	(410,786)	-	144,247
OTHER FINANCING SOURCES						
Transfers in	661,937	238,860	-	-	-	900,797
Total other financing sources	661,937	238,860	-	-	-	900,797
Net change in fund balances	1,455,830	-	-	(410,786)	-	1,045,044
Fund balances, January 1	1,034,191	-	-	1,607,534	-	2,641,725
Fund balances, December 31	$ 2,490,021	$ -	$ -	$ 1,196,748	$ -	$ 3,686,769

County of Lancaster, Pennsylvania

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Budgetary Basis - Office of Aging Special Revenue Fund

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental	$ 11,656,633	$ 13,152,985	$ 9,814,698	$ (3,338,287)
Departmental	53,237	53,237	34,371	(18,866)
Other	3,212	3,212	-	(3,212)
Total revenues	11,713,082	13,209,434	9,849,069	(3,360,365)
EXPENDITURES				
Current:				
Health, education, and welfare:				
Office of Aging	12,465,411	13,927,954	9,117,137	4,810,817
Capital outlay	32,000	65,809	19,261	46,548
Total expenditures	12,497,411	13,993,763	9,136,398	4,857,365
Excess (deficiency) of revenues over (under) expenditures	(784,329)	(784,329)	712,671	1,497,000
OTHER FINANCING SOURCES (USES)				
Transfers in	764,980	764,980	661,937	(103,043)
Net change in fund balances	$ (19,349)	$ (19,349)	1,374,608	$ 1,393,957
Fund balance, January 1, cash basis			1,344,453	
Fund balance, December 31, cash basis			2,719,061	
Differences from modified accrual basis:				
Due from other governments			267,114	
Accounts payable			(391,375)	
Payroll related accruals			(104,779)	
Fund balance at December 31, modified accrual basis			$ 2,490,021	

County of Lancaster, Pennsylvania

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Budgetary Basis - Drug and Alcohol Special Revenue Fund

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental	$ 5,258,832	$ 5,258,832	$ 4,330,162	$ (928,670)
Departmental	897,443	897,443	345,128	(552,315)
Investment earnings	4,372	4,372	892	(3,480)
Other	-	-	5,444	5,444
Total revenues	6,160,647	6,160,647	4,681,626	(1,479,021)
EXPENDITURES				
Current:				
Health, education, and welfare:				
Drug and alcohol	6,434,485	6,430,538	5,507,046	923,492
Capital outlay	1,000	4,947	4,587	360
Total expenditures	6,435,485	6,435,485	5,511,633	923,852
Excess (deficiency) of revenues over (under) expenditures	(274,838)	(274,838)	(830,007)	(555,169)
OTHER FINANCING SOURCES (USES)				
Transfers in	244,000	244,000	238,860	(5,140)
Net change in fund balances	$ (30,838)	$ (30,838)	(591,147)	$ (560,309)
Fund balance, January 1, cash basis			687,628	
Fund balance, December 31, cash basis			96,481	
Differences from modified accrual basis:				
Due from other governments			410,563	
Accounts payable			(488,568)	
Payroll related accruals			(18,476)	
Fund balance at December 31, modified accrual basis			$ -	

County of Lancaster, Pennsylvania

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Budgetary Basis - Liquid Fuels Special Revenue Fund

For the Year Ended December 31, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental	$ 3,396,065	$ 3,396,065	$ 1,638,036	$ (1,758,029)
Investment earnings	1,200	1,200	6,812	5,612
Other	-	-	82,726	82,726
Total revenues	3,397,265	3,397,265	1,727,574	(1,669,691)
EXPENDITURES				
Current:				
Roads and bridges	474,014	474,014	192,300	281,714
Capital outlay	8,353,576	8,353,576	2,205,263	6,148,313
Total expenditures	8,827,590	8,827,590	2,397,563	6,430,027
Net change in fund balances	$ (5,430,325)	$ (5,430,325)	(669,989)	$ 4,760,336
Fund balance, January 1, cash basis			2,053,207	
Fund balance, December 31, cash basis			1,383,218	
Differences from modified accrual basis:				
Due from other governments			102,657	
Accounts payable			(249,189)	
Retainage payable			(2,426)	
Unearned revenue - intergovernmental			(1,234,260)	
Fund balance at December 31, modified accrual basis			$ -	

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STATISTICAL SECTION

This section of the County of Lancaster's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents **Page No.**

Financial Trends 138

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity 142

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity 147

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information 153

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information 155

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Miscellaneous Information 160

These schedules contain principal officials, salaries, amounts of surety bonds, and insurance information.

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

County of Lancaster, Pennsylvania
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

Table 1

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	$ 40,056,693	$ 46,196,645	$ 49,226,216	$ 57,793,520	$ 64,556,495	$ 75,140,193	$ 80,877,957	$ 93,658,350	$ 109,267,372	$ 125,380,916
Restricted for:										
Federal and state grant programs	16,495,389	15,743,623	17,286,265	19,216,375	20,536,531	21,327,572	22,585,892	25,228,498	22,582,791	23,659,563
Capital projects	9,468,673	19,226,280	19,560,818	10,977,876	1,879,240	1,161,931	8,967,292	4,322,534	11,357,475	10,254,171
Public Safety	-	26,000,000	18,485,979	9,817,893	2,239,642	583,382	614,273	4,041,083	1,714,607	2,617,106
Community Development	-	1,884,223	1,883,214	1,725,871	1,880,814	1,468,899	1,698,379	1,878,548	1,607,534	1,196,748
Unrestricted (deficit)	(64,225,920)	(109,299,728)	(104,543,590)	(84,961,252)	(76,842,980)	(63,591,276)	(66,249,267)	(158,229,087)	(160,230,998)	(146,845,287)
Total governmental activities net position	$ 1,794,835	$ (248,957)	$ 1,898,902	$ 14,570,283	$ 14,249,742	$ 36,090,701	$ 48,494,526	$ (29,100,074)	$ (13,701,219)	$ 16,263,217

County of Lancaster, Pennsylvania
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

Table 2

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	$ 57,284,051	$ 53,090,406	$ 53,456,166	$ 47,688,115	$ 49,312,867	$ 49,177,536	$ 49,950,520	$ 55,746,397	$ 49,021,353	$ 121,743,085
Public Safety	12,543,485	14,403,729	21,902,476	14,921,490	15,845,032	9,599,612	8,350,879	13,440,839	13,768,065	13,221,475
Roads and bridges	939,766	629,269	391,992	675,825	1,287,186	669,583	1,211,032	793,224	870,158	1,041,649
Health, education, and welfare	158,356,532	158,906,330	154,045,202	156,191,063	156,728,546	177,315,144	188,162,861	186,450,247	141,006,233	72,878,166
Judicial	43,118,281	45,303,625	44,553,349	42,421,056	41,683,823	44,902,740	47,806,347	47,799,112	49,770,156	50,527,621
Corrections	24,834,919	28,052,063	26,707,583	26,397,549	26,710,816	28,250,573	30,680,241	28,560,290	29,626,093	27,053,428
Cultural and recreation	2,492,561	2,749,572	2,681,009	2,441,711	1,560,006	2,182,493	3,038,838	2,511,087	2,367,887	2,541,811
Community development	7,821,351	4,398,384	3,485,997	4,305,998	6,855,968	4,173,840	3,819,420	3,094,339	5,599,461	3,204,230
Bond issuance costs	–	–	282,181	127,854	–	–	82,135	–	–	–
Interest on long-term debt	10,774,790	10,298,347	10,599,734	10,605,535	9,539,788	8,665,991	7,993,434	7,988,477	7,516,540	7,230,109
Total governmental activities expenses	318,165,736	317,831,725	318,105,689	305,776,196	309,524,032	324,937,512	341,095,707	346,384,012	299,545,946	299,441,574
Program Revenues										
Governmental activities:										
Charges for services:										
General government	6,238,767	9,711,321	10,444,728	5,898,650	9,111,789	15,650,427	5,988,278	8,847,608	8,602,524	9,272,750
Public Safety	7,494,676	6,551,111	12,711,899	5,108,919	5,827,034	5,551,904	9,857,390	10,258,066	10,159,895	10,436,521
Roads and bridges	11,650	9,819	7,875	10,509	15,653	2,910	1,200	–	7,032	82,726
Health, education, and welfare	3,939,160	3,369,213	3,532,301	4,546,721	4,115,277	5,297,066	3,701,464	4,049,782	3,056,680	3,304,717
Judicial	7,701,804	9,154,345	7,948,172	8,267,853	6,851,144	7,862,100	7,900,002	8,637,187	8,600,636	6,186,625
Corrections	145,236	214,594	579,462	1,176,571	1,245,477	1,437,909	1,715,839	1,237,516	1,217,984	1,291,998
Cultural and recreation	323,385	279,979	411,646	293,848	305,651	298,106	315,900	312,231	337,464	110,679
Community development	–	1,884,223	–	–	145,882	11,062	229,480	180,169	21,860	22,550
Operating grants and contributions:										
General government	10,873,602	6,061,463	5,043,465	4,789,553	5,322,572	2,977,602	3,263,623	4,126,082	4,372,584	88,307,954
Public Safety	252,359	184,980	90,315	251,141	168,559	73,584	326,179	172,690	325,797	171,169
Roads and bridges	2,606,826	1,612,936	2,576,440	1,541,697	1,472,544	1,323,720	2,368,908	1,154,552	1,453,746	1,460,292
Health, education, and welfare	156,460,780	156,510,054	152,763,381	155,048,253	154,564,650	174,008,002	183,992,998	186,589,930	138,648,506	72,658,897
Judicial	8,672,125	8,198,497	8,105,142	7,874,568	6,758,492	8,771,902	8,847,099	8,174,387	7,518,974	8,217,494
Corrections	33,715	174,656	261,805	58,301	264,310	323,313	378,845	239,044	412,232	398,271
Cultural and recreation	–	197,605	–	122,600	33,057	–	–	–	–	–
Community development	7,821,351	4,398,384	3,484,987	3,901,912	6,468,065	3,730,895	3,866,225	2,976,983	5,416,618	3,278,169
Total governmental activities program revenues	212,575,436	208,513,180	207,961,618	198,891,096	202,670,156	227,320,502	232,753,430	236,956,227	190,152,532	205,200,812
Total government net expense	$ (105,590,300)	$ (109,318,545)	$ (110,144,071)	$ (106,885,100)	$ (106,853,876)	$ (97,617,010)	$ (108,342,277)	$ (109,427,785)	$ (109,393,414)	$ (94,240,762)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	$ 105,576,248	$ 106,177,196	$ 116,526,852	$ 117,215,756	$ 118,030,667	$ 119,276,761	$ 120,289,592	$ 121,588,905	$ 122,367,004	$ 123,724,847
Unrestricted investment earnings(loss)	1,129,759	1,097,557	(1,368,543)	2,340,725	158,622	181,209	628,929	1,671,559	2,425,265	480,351
Gain on sale of capital assets	–	–	134,501	–	–	–	(172,419)	–	–	–
Total governmental activities	$ 106,706,007	$ 107,274,753	$ 115,292,810	$ 119,556,481	$ 118,189,289	$ 119,457,970	$ 120,746,102	$ 123,260,464	$ 124,792,269	$ 124,205,198
Change in Net Position										
Governmental activities	$ 1,115,707	$ (2,043,792)	$ 5,148,739	$ 12,671,381	$ 11,335,413	$ 21,840,960	$ 12,403,825	$ 13,832,679	$ 15,398,855	$ 29,964,436

County of Lancaster, Pennsylvania
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 3

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund										
Nonspendable	$ 1,791,374	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –
Restricted:										
Roads and bridges	–	–	–	2,207,871	1,546,324	1,806,246	2,452,086	2,608,700	2,489,093	1,354,422
Capital Projects	–	–	–	–	–	–	–	–	46	–
General government	563,895	1,522,986	2,913,790	1,689,808	2,201,107	2,176,792	1,643,674	2,003,966	1,923,884	1,895,170
Public safety	532,145	26,540,769	18,485,979	9,817,893	2,239,642	583,382	614,273	4,041,083	1,714,607	2,617,106
Judicial	1,764,763	1,592,649	1,956,679	1,749,827	1,403,881	1,013,222	695,666	777,530	670,722	1,033,229
Committed:										
Capital projects	–	–	–	560,614	–	–	–	–	–	–
Assigned:										
Capital projects	–	–	–	–	560,614	560,614	2,668,380	627,051	–	–
Future benefits	–	–	–	3,000,000	1,500,000	1,183,724	1,106,718	1,014,267	1,030,640	1,029,327
Healthcare benefits	–	1,259,264	1,687,275	1,725,871	1,773,084	1,773,084	1,921,684	2,028,402	2,042,669	2,073,309
Corrections	–	–	–	–	–	–	–	1,380,972	1,408,387	1,832,801
Judicial	–	–	–	–	–	–	–	–	591,891	215,127
Postemployment benefits	6,518,968	2,275,734	1,220,973	1,212,719	4,387,135	2,522,436	559,689	–	–	–
Unassigned	–	–	–	–	2,482,025	13,992,905	20,809,820	24,206,010	31,265,754	38,280,253
Total general fund	$ 11,171,145	$ 33,191,402	$ 26,264,696	$ 21,964,603	$ 18,093,812	$ 25,612,405	$ 32,471,990	$ 38,687,981	$ 43,137,693	$ 50,330,744
All other governmental funds										
Restricted:										
Health, education, and welfare	$ 1,762,216	$ 814,824	$ 400,006	$ 966,041	$ 2,474,219	$ 2,114,191	$ 2,188,149	$ 4,251,854	$ 3,626,200	$ 4,825,894
Capital projects	9,468,673	19,226,280	19,560,818	10,417,262	1,879,240	1,161,931	6,298,912	3,695,483	11,357,429	10,254,171
Roads and bridges	4,536,103	2,897,306	2,909,938	2,716,233	2,314,828	2,988,751	3,262,585	2,476,305	–	–
Judicial	7,336,267	8,388,628	9,105,852	9,886,595	10,596,172	11,228,370	12,343,732	13,110,143	13,872,892	14,550,848
Community development	–	2,536,562	2,239,586	1,734,932	1,880,814	1,468,899	1,698,379	1,878,548	1,607,534	1,196,748
Total all other governmental funds	$ 23,103,259	$ 33,863,600	$ 34,216,200	$ 25,721,063	$ 19,145,273	$ 18,962,142	$ 25,791,757	$ 25,412,333	$ 30,464,055	$ 30,827,661
Total fund balances of all governmental funds	$ 34,274,404	$ 67,055,002	$ 60,480,896	$ 47,685,666	$ 37,239,085	$ 44,574,547	$ 58,263,747	$ 64,100,314	$ 73,601,748	$ 81,158,405

Note: The County implemented GASB 54 in 2011 and elected, as permitted by GASB 54, to not retroactively recharacterize fund balance in governmental funds prior to 2011.

County of Lancaster, Pennsylvania
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table 4

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	$105,717,718	$106,170,287	$116,611,483	$117,319,438	$118,053,482	$119,727,563	$120,155,825	$121,488,947	$122,914,746	$123,876,011
Intergovernmental	184,524,990	174,538,312	169,537,740	170,410,928	172,736,021	189,095,657	200,539,898	200,752,880	155,468,518	171,802,848
Departmental	20,567,399	24,736,156	31,744,650	20,681,144	24,720,276	24,923,631	25,194,997	28,324,797	27,088,191	27,120,132
Fines and costs	3,318,987	3,131,476	3,303,185	3,274,350	3,264,006	3,148,094	3,396,081	3,437,868	3,481,423	2,870,590
Interest	228,783	132,790	120,148	99,131	118,044	181,209	628,929	1,671,559	2,425,265	480,351
Other	2,100,366	4,132,985	1,169,894	1,037,730	1,889,819	5,250,330	2,401,533	2,008,674	1,762,615	1,867,080
Health Choices revenues	1,575,092	1,279,710	1,498,523	2,803,213	1,611,549	2,274,595	1,408,862	1,987,630	1,883,259	2,161,469
Total revenues	318,033,335	314,121,716	323,985,623	315,625,934	322,393,197	344,601,079	353,726,125	359,672,355	315,024,017	330,178,481
Expenditures										
General government	32,689,512	28,262,996	30,129,669	26,630,285	33,341,399	29,230,902	26,558,053	28,814,022	29,586,708	110,879,887
Public safety	11,006,988	12,548,142	26,192,813	12,912,527	12,835,662	10,545,603	11,451,563	11,315,166	9,246,079	12,132,068
Roads and bridges	670,175	274,373	–	228,635	764,722	133,735	643,259	172,458	155,629	217,992
Health, education and welfare	170,064,660	169,963,493	165,705,416	167,944,070	167,453,600	189,992,167	199,452,208	199,005,660	153,133,757	85,291,824
Judicial	45,399,663	47,317,507	46,435,758	44,702,380	43,756,961	47,064,579	48,650,871	49,639,857	50,853,793	50,898,826
Corrections	23,107,431	24,234,937	27,577,716	24,952,042	25,234,661	26,668,718	28,789,244	26,883,888	27,766,818	25,279,538
Cultural and recreation	2,212,981	2,475,240	2,360,554	2,185,938	1,343,717	2,084,548	2,226,828	2,168,802	2,233,046	2,195,785
Community development	7,821,351	4,398,384	3,781,963	4,406,566	6,468,065	4,153,872	3,866,225	2,976,983	5,709,492	3,711,505
Capital outlay	21,106,757	20,087,950	11,152,496	20,766,965	17,751,098	3,485,951	2,937,498	8,173,866	17,738,263	20,388,573
Debt service (1):										
Principal	12,219,700	13,102,700	13,751,800	13,651,000	14,633,587	15,361,100	17,053,400	17,009,700	16,549,400	17,026,400
Interest and fiscal charges	10,557,676	10,053,952	10,643,324	10,601,370	9,656,490	8,901,565	8,176,693	7,845,689	7,473,374	7,286,046
Bond issuance costs	200,721	997,526	282,181	127,854	–	–	82,135	–	123,691	115,927
Total expenditures	337,057,615	333,717,200	338,013,690	329,109,632	333,239,962	337,622,740	349,887,977	354,006,091	320,570,050	335,424,371
Excess (deficiency) of revenues over (under) expenditures	(19,024,280)	(19,595,484)	(14,028,067)	(13,483,698)	(10,846,765)	6,978,339	3,838,148	5,666,264	(5,546,033)	(5,245,890)
Other financing sources (uses)										
Transfers in	12,335,157	12,974,005	12,221,130	12,365,605	11,651,165	13,642,251	15,595,569	13,194,524	13,337,856	13,867,285
Transfers out	(12,335,157)	(12,974,005)	(12,221,130)	(12,365,605)	(11,651,165)	(13,642,251)	(15,595,569)	(13,194,524)	(13,337,856)	(13,867,285)
Discount on refunding bonds issued	(128,404)	(166,353)	–	–	–	–	–	–	–	–
Premium on refunding bonds issued	–	2,842,564	27,149	8,487	2,170,372	3,087,988	3,202,917	860,303	571,904	4,543,478
Face amount of refunding bonds issued	10,000,000	52,830,000	28,380,000	8,185,000	28,900,000	26,495,000	40,620,000	13,320,000	8,455,000	28,550,000
Payment to refunded bond escrow agent	(9,670,875)	(54,855,913)	(28,205,000)	(8,065,633)	(30,670,188)	(29,225,865)	(43,337,812)	(14,010,000)	(8,935,285)	(32,767,153)
Premium on bonds issued	–	2,042,228	697	–	–	–	–	–	353,691	1,855,927
Face amount of bonds issued	–	23,305,000	6,795,000	–	–	–	6,255,000	–	11,770,000	10,560,000
Discount on bonds issued	–	–	–	–	–	–	(61,161)	–	–	–
Premium on swaption issued	–	–	1,865,000	–	–	–	–	–	–	–
Payment for refunded swaption issued	–	–	(1,757,500)	–	–	–	–	–	–	–
Issuance of capital leases	–	26,378,556	–	–	–	–	–	–	2,832,157	60,295
Sale of capital assets	–	–	348,615	560,614	–	–	3,172,108	–	–	–
Total other financing sources (uses)	200,721	52,376,082	7,453,961	688,468	400,184	357,123	9,851,052	170,303	15,047,467	12,802,547
Net change in fund balances	$ (18,823,559)	$ 32,780,598	$ (6,574,106)	$ (12,795,230)	$ (10,446,581)	$ 7,335,462	$ 13,689,200	$ 5,836,567	$ 9,501,434	$ 7,556,657
Debt service as a percentage of noncapital expenditures	7.2%	7.4%	7.5%	7.9%	7.7%	7.3%	7.3%	7.2%	7.9%	7.7%

(1) Amounts do not include debt service payments for bond issues refunded pursuant to advance refunding.

County of Lancaster, Pennsylvania
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Table 5

Year	Assessed Value	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value As A Percentage of Actual Value
2011	$ 34,967,657,000	$ 3,692,444,500	$ 31,275,212,500	3.416	$ 31,275,212,500	100%
2012	35,179,488,300	3,762,996,600	31,416,491,700	3.416	31,416,491,700	100%
2013	35,533,876,800	3,833,025,400	31,700,851,400	3.735	31,700,851,400	100%
2014	35,781,687,200	3,845,418,300	31,936,268,900	3.735	31,936,268,900	100%
2015	36,156,664,400	3,917,166,800	32,239,497,600	3.735	32,239,497,600	100%
2016	36,426,137,300	3,937,204,000	32,488,933,300	3.735	32,488,933,300	100%
2017	36,503,647,800	3,974,265,300	32,529,382,500	3.735	32,529,382,500	100%
2018	47,551,615,300	5,060,205,600	42,491,409,700	2.911	42,491,409,700	100%
2019	48,013,465,300	5,082,549,700	42,930,915,600	2.911	42,930,915,600	100%
2020	48,441,156,100	5,133,330,300	43,307,825,800	2.911	43,307,825,800	100%

Source: County of Lancaster Assessment Office

Note: Property in Lancaster County is assessed based upon 100 percent of the base year estimated market value.

Note: Assessed value by major component not available.

Real Property Assessment Data

Year	Market Value	Assessed Value	Common Level Ratio
2011	$ 40,882,630,719	$ 31,275,212,500	.7650
2012	39,868,644,289	31,416,491,700	.7880
2013	39,331,081,141	31,700,851,400	.8060
2014	40,374,549,810	31,936,268,900	.7910
2015	41,599,351,742	32,239,497,600	.7750
2016	43,031,699,735	32,488,933,300	.7550
2017	44,137,561,058	32,529,382,500	.7370
2018	42,491,409,700	42,491,409,700	.0000
2019	42,930,915,600	42,930,915,600	.0000
2020	43,307,825,800	43,307,825,800	.0000

Source: County of Lancaster Assessment Office

County of Lancaster, Pennsylvania
Property Tax Rates
Direct and Overlapping Governments (1)
Last Ten Fiscal Years
(In Mills)

Table 6

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total Direct Rate:	3.4160	3.4160	3.7350	3.7350	3.7350	3.7350	3.7350	2.9110	2.9110	2.9110
City rate:										
Lancaster	12.0400	12.0400	13.0400	13.0400	14.0200	14.0200	14.4400	10.7000	11.7000	11.7000
Borough rates:										
Adamstown	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000	2.0410	2.0410	2.0410
Akron	2.0000	2.5000	2.5000	2.5000	2.7500	2.7500	2.7500	2.3200	3.0000	3.0000
Christiana	4.5000	5.0000	5.0000	5.0000	5.0000	5.0000	5.0000	3.6110	3.6110	3.6110
Columbia	8.0000	8.0000	8.0000	8.0000	8.0000	8.0000	8.0000	6.6000	8.0000	8.0000
Denver	2.7500	3.0000	3.0000	3.0000	3.0000	3.0000	3.1500	2.5270	2.5300	2.6600
East Petersburg	1.8940	2.3940	2.3940	2.3940	3.3940	3.3940	3.3940	2.7470	4.7470	4.7470
Elizabethtown	5.0000	5.0000	5.0000	5.0000	5.2000	5.5000	5.6000	4.3000	4.4000	4.6000
Ephrata	1.8800	2.0700	2.0700	2.0700	2.0700	2.0700	2.2800	1.7625	1.7625	1.7625
Lititz	2.1000	2.1000	2.1000	2.1000	2.6000	2.6000	2.6000	2.0000	2.0000	2.0000
Manheim	3.5000	4.0000	4.7500	4.7500	4.8500	5.0500	5.8500	4.6400	4.6400	4.8900
Marietta	5.5000	5.5000	6.5000	6.5000	6.5000	6.5000	6.5000	5.1500	5.1500	6.1500
Millersville	5.2400	5.4500	5.4500	5.4500	5.7200	6.2000	6.4000	4.9000	5.1500	5.5000
Mount Joy	4.2000	4.4600	4.7000	4.9100	4.9100	4.9100	4.9100	3.7540	3.7540	3.9800
Mountville	2.6000	2.6000	2.6000	2.6000	2.6000	2.6000	2.6000	2.0700	2.0700	2.0700
New Holland	2.4800	3.4000	3.4000	3.4000	3.4000	3.4000	3.4000	2.7500	2.7500	3.2500
Quarryville	4.7500	4.7500	4.7500	4.7500	4.7500	6.0000	6.0000	4.6300	4.6300	4.6300
Strasburg	2.8300	3.0800	3.0800	3.0800	3.2800	3.2800	3.2800	2.6500	2.8600	3.0300
Terre Hill	4.2000	4.7000	5.0000	5.0000	5.0000	5.0000	5.0000	4.2500	4.2500	4.2500
Township rates:										
Bart	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.4750	0.4750	0.4750
Brecknock	0.2690	0.2690	0.2690	0.2690	0.2690	0.2690	0.2690	0.2330	0.2563	0.4063
Caernarvon	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0117	0.0117	0.0117
Clay	1.3000	1.3000	1.3000	1.3000	1.3000	1.3000	1.3000	1.1700	1.1700	1.1700
Colerain	0.6120	0.6120	0.6620	0.6620	0.6620	0.6620	0.6620	0.5180	0.5180	0.5180
Conestoga	0.6930	1.1000	1.1000	1.1000	1.1000	1.1000	1.1000	0.8710	0.8710	0.8710
Drumore	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.8459	0.8459	0.8459
Earl	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	0.9780	0.9780	0.9780
East Cocalico	1.6250	1.7000	2.0500	2.0500	2.0500	2.0500	2.0500	1.6460	1.7330	1.7330
East Donegal	2.9500	3.7500	3.7500	3.9500	3.9500	3.9500	3.9500	3.1165	3.1165	3.1165
East Drumore	0.3900	0.3900	0.3900	0.3900	0.3900	0.3900	0.3900	0.3300	0.3300	0.3300
East Earl	1.6000	1.8000	1.9000	1.9000	1.9000	2.0500	2.0500	1.7000	1.7000	1.7000
East Hempfield	1.1200	1.1200	1.1200	1.1200	1.1200	1.1200	1.1200	0.8500	0.8500	0.8500
East Lampeter	1.4620	1.4620	1.6000	1.6000	1.6000	1.7300	1.9900	1.7500	1.9000	1.9000
Eden	0.7000	0.7000	0.8000	0.8000	0.9500	1.0500	1.1500	0.9320	0.9500	1.0000
Elizabeth	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.5000	0.5000
Ephrata	1.3700	1.3700	1.3700	1.3700	1.3700	1.3700	1.4700	1.1700	1.1700	1.2700
Fulton	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100	0.1648	0.2100	0.2100
Lancaster	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	1.2000	0.9100	0.9100	0.9100
Leacock	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300
Little Britian	0.3900	0.3900	0.3900	0.3900	0.3900	0.3900	0.3900	0.3010	0.3010	0.3010

(Continued)

County of Lancaster, Pennsylvania
Property Tax Rates
Direct and Overlapping Governments (1)
Last Ten Fiscal Years
(In Mills)

Table 6 (Cont.)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Manheim	2.2300	2.2300	2.2300	2.2300	2.2300	2.2300	2.2300	1.7173	1.7173	1.7173
Manor	0.7800	0.7800	0.7800	0.7800	0.7800	0.7800	0.7800	0.6100	0.6100	0.6100
Martic	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.5100	0.5100
Mount Joy Part (2)	1.3500	1.6000	1.8500	1.7500	1.7500	1.7500	2.2500	1.7400	1.8400	2.0400
Mount Joy Part (3)	1.3500	1.6000	1.8500	1.7500	1.7500	1.7500	2.2500	1.7400	1.8400	2.0400
Paradise	1.3200	1.3200	1.3200	1.3200	1.3200	1.3200	1.3200	1.1082	1.1082	1.1082
Penn	0.8120	1.6000	1.4500	1.8000	1.8000	1.8000	1.8000	1.4326	1.4326	1.4326
Pequea	1.7000	1.7000	1.9000	1.9000	1.9000	1.9000	1.9000	1.5670	1.5670	1.5670
Providence	0.1580	0.1580	0.1580	0.1580	0.9500	0.8075	0.6300	0.3810	0.3810	0.3810
Rapho	0.0000	1.7500	1.7500	1.7500	1.7500	1.7500	1.7500	1.3700	1.3700	1.5000
Sadsbury	0.8000	0.8000	0.8000	0.8000	0.8000	0.8000	0.8500	0.7760	0.7760	0.7760
Salisbury	0.1800	0.1800	0.1800	0.1800	0.1800	0.1800	0.1800	0.0000	0.0000	0.0000
Strasburg	0.4400	0.4400	0.4400	0.6000	0.6000	0.7000	0.7000	0.5550	0.5550	0.5550
Upper Leacock	1.3000	1.5000	1.7000	1.7000	1.7000	1.7000	2.0000	1.6950	1.6950	1.6950
Warwick	0.2740	0.2740	0.2740	0.2740	0.2740	0.2740	0.2740	0.2325	0.2325	0.2325
West Cocalico	2.0000	2.0000	2.0000	2.1750	2.1750	2.1750	2.1750	1.8200	1.9100	1.9100
West Donegal	1.6000	1.6000	1.6000	1.6000	1.6000	2.0000	2.0000	1.6000	1.6000	1.8000
West Earl	1.3900	1.5900	1.5900	1.5900	1.5900	1.5900	1.5900	1.2666	1.2666	1.2666
West Hempfield	0.6800	0.6800	0.6800	0.6800	1.3400	1.3400	1.8500	1.4500	1.7500	1.7500
West Lampeter	0.9000	1.0000	1.0000	1.1000	1.1000	1.2000	1.2000	0.9689	0.9689	1.1500
School district rates:										
Cocalico	20.8900	21.3200	21.7600	22.3200	22.8200	22.8200	23.1600	18.6935	18.9739	18.9739
Columbia Borough	25.3700	26.0000	27.3700	28.2000	28.2000	29.3400	30.1910	25.8163	26.4600	26.4600
Conestoga Valley	14.0480	14.2860	14.5280	14.8330	15.2064	15.9240	16.3220	13.3940	13.7940	14.1526
Donegal	20.1690	20.9837	21.4453	22.0243	22.0243	22.4640	22.8790	18.1670	18.6211	19.0866
Eastern Lancaster County	13.4470	13.8410	14.1177	14.4141	14.6879	15.0404	15.3850	12.3854	12.5711	12.5711
Elizabethtown Area	17.5800	17.8900	17.8900	18.3700	19.1048	19.9000	20.8450	16.6063	17.0878	16.6068
Ephrata Area	19.0200	19.4100	19.6000	19.6000	19.6000	20.4500	20.4500	16.9500	16.9500	16.9500
Hempfield	18.2660	18.6310	19.0030	19.4590	19.6530	20.1246	20.3260	16.0034	16.3474	16.3474
Lampeter-Strasburg	18.7573	19.0760	19.4384	19.6133	19.8683	20.2458	20.5490	16.6440	16.9269	16.9269
Lancaster	24.6972	24.6972	25.9224	26.6793	26.6793	26.6793	28.2570	28.2568	21.8734	21.8734
Manheim Central	16.2500	16.6900	16.9726	17.1848	17.3566	17.3566	17.7730	17.7731	17.7731	17.7731
Manheim Township	17.2680	17.9525	18.2575	18.6409	18.6409	19.0509	19.4130	19.4128	19.4128	19.4128
Octorara Area	28.3700	27.4900	27.7100	26.4300	27.2000	28.7300	29.4500	25.3500	25.6600	25.5500
Penn Manor	16.6900	16.9700	17.2500	17.6100	18.0100	19.2700	20.0600	16.4000	16.9800	16.9800
Pequea Valley	20.4080	16.8898	17.3866	17.4735	17.4735	18.1217	18.4840	14.6806	14.9225	15.1463
Solanco	10.8500	11.2243	11.5161	11.8040	12.0990	12.4499	12.8110	10.4590	10.8251	10.9604
Warwick	17.9000	18.5900	19.2100	19.7094	20.1627	20.1627	21.1620	16.3711	16.3711	16.3711

Source: www.dced.state.pa.us website; County of Lancaster Assessment Office

Note: There are no components of the County's total direct rate.

(1) Includes millage for municipal, school, and county real estate tax per $1,000 of assessed value.
(2) Applicable to the portion of Mount Joy situated in the Donegal School District.
(3) Applicable to the portion of Mount Joy situated in the Elizabethtown School District.

County of Lancaster, Pennsylvania
Principal Property Taxpayers
December 31, 2020

Table 7

Taxpayer	2020 Taxable Assessed Value	2020 Rank	2020 Percentage of Total Taxable Assessed Value	2011 Taxable Assessed Value	2011 Rank	2011 Percentage of Total Taxable Assessed Value
Willow Valley Communities	$ 230,071,500	1	0.53%	$ 109,067,800	3	0.35%
High Properties Et Al	167,549,900	2	0.39%	119,617,500	2	0.38%
Lancaster General	159,813,800	3	0.37%	104,001,900	4	0.33%
Park City Center Business Trust	142,325,700	4	0.33%	139,083,200	1	0.44%
High Properties	103,614,500	5	0.24%	84,619,300	6	0.27%
Granite Properties	70,730,400	6	0.16%	63,520,200	8	0.20%
Mennonite Home	65,168,700	7	0.15%	*		
Garden Spot Village Inc	61,948,100	8	0.14%	58,374,000	9	0.19%
Dart Container Corp of PA	54,094,900	9	0.12%	70,589,200	7	0.23%
Landis Homes Retirement Community	47,997,900	10	0.11%	*		
Willow Valley Manor	*			85,540,300	5	0.27%
Rockvale Group	*			58,186,700	10	0.19%
Total	$ 1,103,315,400		2.54%	$ 892,600,100		2.85%

Source: County of Lancaster Assessment Office

* Company not included in top 10 ranking for the year

County of Lancaster, Pennsylvania
Property Tax Levies and Collections
Last Ten Fiscal Years

Table 8

Fiscal Years Ended December-31	Tax Levy for Fiscal Year	Interim Tax Levy for Fiscal Year	Total Tax Levy for Fiscal Year (1)	Amount of Taxes Collected	Percent of Levy	Delinquent Tax Collections (2)	Total Tax Collections (3)	Ratio of Total Tax Collections to Total Tax Levy
2011	$ 106,290,327	$ 603,550	$ 106,893,877	$ 103,293,221	96.63%	$ 2,443,940	$ 105,737,161	98.92%
2012	106,836,125	572,535	107,408,660	103,802,744	96.64%	2,476,144	106,278,888	98.95%
2013	117,340,645	733,378	118,074,023	114,128,781	96.66%	2,459,459	116,588,240	98.74%
2014	118,402,728	523,875	118,926,603	115,041,984	96.73%	2,203,190	117,245,174	98.59%
2015	119,282,012	637,417	119,919,429	115,819,600	96.58%	2,203,937	118,023,537	98.42%
2016	120,414,571	660,834	121,075,405	117,104,809	96.72%	2,272,903	119,377,712	98.60%
2017	121,346,214	485,908	121,832,122	118,253,252	97.06%	2,161,249	120,414,501	98.84%
2018	121,915,364	1,383,688	123,299,052	119,572,950	96.98%	2,075,150	121,648,100	98.66%
2019	123,692,509	810,424	124,502,933	120,780,705	97.01%	1,931,491	122,712,196	98.56%
2020	126,069,096	784,599	126,853,695	121,794,520	96.01%	1,844,838	123,639,358	97.47%

Source: County of Lancaster Assessment Office, Controller's Office, and Tax Claim Bureau

Notes:
(1) Does not include discounts, penalties, and exonerations.
(2) Delinquent tax collections include collections for multiple years; software currently in use does not make it possible to identify collections by the year in which it was levied.
(3) Includes penalties and other adjustments.

Assessment by Land Use

Years	Residential	Industrial	Commercial	Agriculture	Other	Total
2011	$ 21,900,404,100	$ 1,299,205,800	$ 5,846,643,600	$ 1,880,128,000	$ 189,054,300	$ 31,115,435,800
2012	22,065,761,600	1,284,714,100	5,883,540,100	1,850,363,000	190,833,700	31,275,212,500
2013	22,205,789,400	1,278,246,000	5,838,144,300	1,901,865,600	192,446,400	31,416,491,700
2014	22,372,143,300	1,236,168,900	5,943,822,400	1,951,938,100	196,778,700	31,700,851,400
2015	22,537,454,000	1,240,765,800	5,977,568,600	1,985,879,600	194,600,900	31,936,268,900
2016	22,726,338,100	1,241,110,300	6,040,992,400	2,036,483,100	194,573,700	32,239,497,600
2017	22,878,084,500	1,212,154,200	6,128,189,800	2,071,116,200	199,388,600	32,488,933,300
2018	29,803,108,000	1,538,224,900	8,117,791,700	2,185,193,100	236,598,900	41,880,916,600
2019	30,213,741,300	1,542,891,000	8,287,542,700	2,200,825,200	246,409,500	42,491,409,700
2020	30,721,161,500	1,504,339,000	8,565,489,000	2,253,294,600	263,541,700	43,307,825,800

Source: County of Lancaster Assessment Office

County of Lancaster, Pennsylvania
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Table 9

Years	Governmental Activities: General Obligation Bonds Payable	Net Premium on Bonds Payable	General Obligation Notes and Direct Borrowings Payable	Installment Purchase Agreements Payable	Capital Leases	Total Primary Government	Percentage of Personal Income (1)	Debt Per Capita (1)
2011	$ 198,945,000	$ 4,550,190	$ 60,776,873	$ 829,000	$ -	$ 265,101,063	1.35%	$ 506.31
2012	235,485,000	8,792,414	34,686,500	814,000	26,378,556	306,156,470	1.45%	581.14
2013	228,930,000	8,056,390	34,474,700	799,000	25,039,710	297,299,800	1.37%	561.37
2014	215,660,000	6,823,323	34,208,700	799,000	23,592,400	281,083,423	1.26%	527.04
2015	200,455,000	7,916,958	33,929,400	799,000	22,099,009	265,199,367	1.10%	494.20
2016	185,135,000	9,113,173	33,215,500	436,000	18,826,729	246,726,402	1.00%	458.17
2017	177,885,000	8,580,239	30,367,100	436,000	17,181,601	234,449,940	0.88%	431.84
2018	163,160,000	8,357,567	27,392,400	436,000	15,484,093	214,830,060	0.75%	395.23
2019	161,175,000	7,842,642	24,283,000	436,000	16,564,695	210,301,337	0.71%	385.36
2020	154,680,000	13,051,121	21,036,600	436,000	14,284,206	203,487,927	*	371.68

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule of Demographic and Economic Statistics for personal income and population data; data reflects updated estimates by Bureau of Economic Analysis, U.S. Department of Commerce.

* Data not available.

County of Lancaster, Pennsylvania
Ratio of General Debt Outstanding
Last Ten Fiscal Years

Table 10

Years	Total General Obligation Debt	Percentage of Estimated Actual Taxable Value of Property (1)	Debt Per Capita (2)
2011	$ 265,101,063	0.85%	$ 506.31
2012	306,156,470	0.97%	581.14
2013	297,299,800	0.94%	561.37
2014	281,083,423	0.88%	527.04
2015	265,199,367	0.82%	494.20
2016	246,726,402	0.76%	458.17
2017	234,449,940	0.72%	431.84
2018	214,830,060	0.51%	395.23
2019	210,301,337	0.49%	385.36
2020	203,487,927	0.47%	371.68

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Assessed and Estimated Actual Value of Taxable Property for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics.

County of Lancaster, Pennsylvania
Direct and Overlapping Governmental Activities Debt
As of December 31, 2020

Table 11

Jurisdiction:	(1) Total Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
County of Lancaster	$ 182,015,327	100%	$ 182,015,327
Overlapping:			
City of Lancaster	*		
School Districts:			
Cocalico	1,126,884	100%	1,126,884
Columbia Borough	11,217,293	100%	11,217,293
Conestoga Valley	54,300,008	100%	54,300,008
Donegal	39,410	100%	39,410
Eastern Lancaster County	3,838,384	100%	3,838,384
Elizabethtown Area	74,973,853	100%	74,973,853
Ephrata Area	12,345,000	100%	12,345,000
Hempfield	80,759,514	100%	80,759,514
Lampeter-Strasburg	7,739,403	100%	7,739,403
Lancaster	158,963,780	100%	158,963,780
Manheim Central	68,851,438	100%	68,851,438
Manheim Township	118,717,790	100%	118,717,790
Octorara	41,407,388	100%	41,407,388
Penn Manor	96,679,376	100%	96,679,376
Pequea Valley	2,935,350	100%	2,935,350
Solanco	20,804,500	100%	20,804,500
Warwick	46,085,000	100%	46,085,000
Total School Districts			800,784,371
Municipal Authorities:			
Akron Borough	546,376	100%	546,376
Christiana Borough Authority	207,603	100%	207,603
Columbia Borough	18,405,000	100%	18,405,000
Denver Borough	105,125	100%	105,125
Earl Township Sewer Authority	4,005,051	100%	4,005,051
East Cocalico Township Water & Sewer Authority	2,615,000	100%	2,615,000
East Lampeter Sewer Authority	6,580,000	100%	6,580,000
East Lampeter Township	13,325,848	100%	13,325,848
Elizabethtown Regional Sewer Authority	7,981,362	100%	7,981,362
Ephrata Area Joint Authority	2,700,000	100%	2,700,000
Ephrata Borough Authority	20,277,976	100%	20,277,976
Ephrata Township Sewer Authority	3,095,425	100%	3,095,425
Lancaster Area Sewer Authority	70,095,000	100%	70,095,000
Lancaster County Hospital Authority	822,380,839	100%	822,380,839

(Continued)

County of Lancaster, Pennsylvania
Direct and Overlapping Governmental Activities Debt
As of December 31, 2020

Table 11 (Cont.)

Jurisdiction:	(1) Total Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Lancaster County Solid Waste Management Authority	$ 84,435,000	100%	$ 84,435,000
Lancaster County Vo-Tech School Authority	18,000,000	100%	18,000,000
Leacock Township Municipal Authority	3,922,340	100%	3,922,340
Manheim Area Water and Sewer Authority	9,980,301	100%	9,980,301
Manheim Township	3,733,220	100%	3,733,220
Manheim Township Authority	1,380,780	100%	1,380,780
Marietta-Donegal Joint Authority	3,292,837	100%	3,292,837
Mount Joy Borough Authority	21,940,000	100%	21,940,000
Northern Lancaster County Sewer Authority	5,173,865	100%	5,173,865
Paradise Township Sewer Authority	4,920,000	100%	4,920,000
Penn Township	1,636,616	100%	1,636,616
Quarryville Borough	1,795,657	100%	1,795,657
Redevelopment Authority	*		
Sadsbury Township Municipal Authority	1,101,322	100%	1,101,322
Suburban Lancaster Sewer Authority	22,235,000	100%	22,235,000
Warwick Township Municipal Authority	4,050,000	100%	4,050,000
Weaverland Valley Authority	1,974,552	100%	1,974,552
West Cocalico Township Authority	144,183	100%	144,183
West Earl Water Authority	685,000	100%	685,000
Total Municipalities			1,162,721,279
Total Overlapping Debt			1,963,505,650
Total direct and overlapping debt			$ 2,145,520,977

Source: Individual school districts, municipal authorities, and City of Lancaster; percent applicable to the County of Lancaster is 100 percent.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Lancaster County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government. Percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the County's boundaries and dividing it by each unit's total taxable assessed value.

(1) The debt of the city and school districts is tax based and the majority of the municipal authorities are self-supporting.

* Data not available.

County of Lancaster, Pennsylvania
Legal Debt Margin Information
Last Ten Fiscal Years

Table 12

	2011	2012	2013	2014	2015
Borrowing base revenues (1):					
Two years prior	$ 130,291,338	$ 132,014,815	$ 133,405,844	$ 139,531,382	$ 154,407,832
Prior year	132,014,815	133,405,844	139,531,382	154,407,832	145,177,124
Current year	133,405,844	139,531,382	154,407,832	145,177,124	149,627,502
Total borrowing base revenues	$ 395,711,997	$ 404,952,041	$ 427,345,058	$ 439,116,338	$ 449,212,458
Average borrowing base revenues	$ 131,903,999	$ 134,984,014	$ 142,448,353	$ 146,372,113	$ 149,737,486
Net Nonelectoral Debt Limit:					
Average borrowing base revenues	$ 131,903,999	$ 134,984,014	$ 142,448,353	$ 146,372,113	$ 149,737,486
Debt limit percentage	300%	300%	300%	300%	300%
Net Nonelectoral Debt Limit	395,711,997	404,952,041	427,345,058	439,116,338	449,212,458
Total amount of debt applicable to debt limit	259,721,873	270,171,500	263,404,700	249,868,700	234,384,400
Total Remaining Nonelectoral Debt Capacity	$ 135,990,124	$ 134,780,541	$ 163,940,358	$ 189,247,638	$ 214,828,058
Total net debt applicable to the limit as a percentage of debt limit	65.63%	66.72%	61.64%	56.90%	52.18%
Combined Net Nonelectoral Debt and Net Lease Rental Debt Limit					
Average borrowing base revenues	$ 131,903,999	$ 134,984,014	$ 142,448,353	$ 146,372,113	$ 149,737,486
Debt limit percentage	400%	400%	400%	400%	400%
Combined Net Nonelectoral Debt and Net Lease Rental Debt Limit	527,615,996	539,936,055	569,793,411	585,488,451	598,949,944
Less: Non-electoral Debt and Lease Rental Debt	260,550,873	270,985,500	264,203,700	250,667,700	235,183,400
Remaining Nonelectoral Debt and Lease Rental Debt Capacity	$ 267,065,123	$ 268,950,555	$ 305,589,711	$ 334,820,751	$ 363,766,544
Total net debt applicable to the limit as a percentage of debt limit	49.38%	50.19%	46.37%	42.81%	39.27%

Source: Lancaster County Controller's Office

Note: Under state finance law, the County of Lancaster's outstanding non-electoral debt should not exceed 300% of the three-year average of General, Special Revenue, and Permanent funds' revenue. The outstanding net non-electoral and lease rental debt should not exceed 400% of the three-year average of General, Special Revenue, and Permanent funds' revenue. By law, the net non-electoral and lease rental debt may be offset by amounts set aside for repaying general obligation bonds.

(1) Borrowing base revenues represents total revenues less governmental grants received for a specific purpose.

(Continued)

County of Lancaster, Pennsylvania
Legal Debt Margin Information
Last Ten Fiscal Years

Table 12 (Cont.)

	2016	2017	2018	2019	2020
Borrowing base revenues (1):					
Two years prior	$ 145,177,124	$ 149,627,502	$ 155,464,284	$ 153,011,136	$ 158,457,096
Prior year	149,627,502	155,464,285	153,011,136	158,457,096	158,785,543
Current year	155,464,285	153,011,136	158,457,096	158,785,543	158,159,443
Total borrowing base revenues	$ 450,268,911	$ 458,102,923	$ 466,932,516	$ 470,253,775	$ 475,402,082
Average borrowing base revenues	$ 150,089,637	$ 152,700,974	$ 155,644,172	$ 156,751,258	$ 158,467,361
Net Nonelectoral Debt Limit:					
Average borrowing base revenues	$ 150,089,637	$ 152,700,974	$ 155,644,172	$ 156,751,258	$ 158,467,361
Debt limit percentage	300%	300%	300%	300%	300%
Net Nonelectoral Debt Limit	450,268,911	458,102,923	466,932,516	470,253,775	475,402,082
Total amount of debt applicable to debt limit	218,350,500	208,252,100	190,552,400	185,458,000	175,716,600
Total Remaining Nonelectoral Debt Capacity	$ 231,918,411	$ 249,850,823	$ 276,380,116	$ 284,795,775	$ 299,685,482
Total net debt applicable to the limit as a percentage of debt limit	48.49%	45.46%	40.81%	39.44%	36.96%
Combined Net Nonelectoral Debt and Net Lease Rental Debt Limit					
Average borrowing base revenues	$ 150,089,637	$ 152,700,974	$ 155,644,172	$ 156,751,258	$ 158,467,361
Debt limit percentage	400%	400%	400%	400%	400%
Combined Net Nonelectoral Debt and Net Lease Rental Debt Limit	600,358,548	610,803,897	622,576,688	627,005,033	633,869,443
Less: Non-electoral Debt and Lease Rental Debt	218,786,500	208,688,100	190,988,400	185,894,000	176,152,600
Remaining Nonelectoral Debt and Lease Rental Debt Capacity	$ 381,572,048	$ 402,115,797	$ 431,588,288	$ 441,111,033	$ 457,716,843
Total net debt applicable to the limit as a percentage of debt limit	36.44%	34.17%	30.68%	29.65%	27.79%

Source: Lancaster County Controller's Office

Note: Under state finance law, the County of Lancaster's outstanding non-electoral debt should not exceed 300% of the three-year average of General, Special Revenue, and Permanent funds' revenue. The outstanding net non-electoral and lease rental debt should not exceed 400% of the three-year average of General, Special Revenue, and Permanent funds' revenue. By law, the net non-electoral and lease rental debt may be offset by amounts set aside for repaying general obligation bonds.

(1) Borrowing base revenues represents total revenues less governmental grants received for a specific purpose.

County of Lancaster, Pennsylvania
Demographic and Economic Statistics
Last Ten Fiscal Years

Table 13

Years	Population (1)	Personal Income (amounts expressed in thousands) (2)	Per Capita Personal Income (3)	Median Age (4)	School Enrollment (5)	Local Unemployment Rate (6)
2011	523,594	$ 19,653,012	$ 37,535	38.2	85,537	6.2%
2012	526,823	21,119,188	40,088	38.5	85,180	6.6%
2013	529,600	21,774,881	41,116	38.7	85,491	4.9%
2014	533,320	22,245,595	41,712	38.3	84,678	3.6%
2015	536,624	24,145,511	44,995	38.4	84,634	3.0%
2016	538,500	24,684,347	45,839	38.5	84,481	3.7%
2017	542,903	26,714,515	49,207	38.5	84,824	3.3%
2018	543,557	28,625,770	52,664	38.7	85,249	3.4%
2019	545,724	29,640,682	54,314	38.6	84,808	3.3%
2020	547,479	*	*	*	85,157	5.2%

Sources:

(1) Population: US Cenus Bureau
(2) Personal Income: Bureau of Economic Analysis
(3) Per Capita Personal Income: Bureau of Economic Anlysis
(4) Median Age: Population Estimates, US Census Bureau; based on Fiscal Year
(5) School Enrollment: PA Department of Education
(6) Local Unemployment Rate: U.S. Department of Labor, Bureau of Labor Statistics

Note: Prior year data has been updated to the most current information available.

* Data not available.

County of Lancaster, Pennsylvania
Principal Employers
December 31, 2020

Table 14

Employer (1)	2020 Employees (2)	2020 Rank (1)	2020 Percentage of Total County Employment	2011 Employees (2)	2011 Rank (1)	2011 Percentage of Total County Employment
Lancaster General Hospital	7,970	1	3.75%	7,154	1	3.29%
Giant Food Stores	**	2		*		
County of Lancaster	1,815	3	0.85%	1,983	3	0.91%
Dart Container Corporation	**	4		1,453	9	0.67%
School District of Lancaster	1,672	5	0.79%	1,584	5	0.73%
Eurofins Lancaster Laboratories Inc	**	6		*		
Masonic Villages of the Grand Lodge	1,815	7	0.85%	1,503	8	0.69%
Fulton Bank NA	1,320	8	0.62%	*		
Nordstrom Inc	1,645	9	0.77%	*		
LCS Communications (formerly RR Donnelley)	**	10		2,696	2	1.24%
Ephrata Community Hospital Inc.	*			1,875	4	0.86%
QVC Network Inc	*			1,447	10	0.67%
Manheim Remarketing Inc	*			1,557	6	0.72%
Turkey Hill	*			1,545	7	0.71%
Total	16,237			22,797		
Total Employees in County	212,524 (1)			217,497 (1)		

Source: (1) Center for Workforce Information & Analysis, PA Department of Labor & Industry
(2) Individual Employers

* Company not included in top 10 ranking for the year
** Data not available

County of Lancaster, Pennsylvania
Full-time County Government Employees by Function
Last Ten Fiscal Years

Table 15

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function/Program:										
Governmental Activities										
General government	263	254	251	251	234	233	232	240	194	235
Public safety	103	103	104	102	102	98	102	96	128	96
Health, education, and welfare	354	337	355	351	349	357	369	376	367	352
Judicial	605	620	599	598	586	608	608	608	598	594
Corrections	294	285	307	321	318	334	334	334	316	302
Cultural and recreation	15	15	14	13	13	12	13	13	13	12
Community development	–	6	6	5	5	5	5	6	6	6
Total governmental activities	1,634	1,620	1,636	1,641	1,607	1,647	1,663	1,673	1,622	1,597

Source: County of Lancaster Controller's Office

County of Lancaster, Pennsylvania
Operating Indicators by Function
Last Ten Fiscal Years

Table 16

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
General Election Information:										
Registered voters	301,562	314,567	307,478	311,498	309,581	335,791	321,046	329,492	325,296	354,296
Votes cast	49,946	224,670	51,322	142,298	65,388	246,938	72,326	203,944	88,660	282,538
Percent of votes cast	16.56%	71.42%	16.69%	45.68%	21.12%	73.54%	22.53%	61.90%	27.26%	79.75%
Property transfers recorded	9,879	11,031	11,718	11,184	11,985	12,604	13,087	12,609	12,806	12,093
9-1-1 calls	236,810	240,195	233,994	245,293	231,151	274,898	215,369	218,201	216,511	226,350
Text to 9-1-1	*	*	6	97	179	345	195	147	114	198
County ordinances approved	26	29	44	54	57	13	***	***	***	***
Municipal ordinances reviewed	184	168	193	221	226	306	275	297	316	343
Judicial										
Estates and wills probated	1,717	1,841	1,876	1,698	1,778	1,761	1,743	1,754	1,692	1,562
Marriage licenses issued	3,298	3,337	3,427	3,485	3,487	3,629	3,527	3,512	3,317	2,093
Child adoptions	242	249	232	245	230	249	246	246	199	166
Child relinquishments	175	133	167	145	163	143	181	45	52	95
Criminal cases filed	5,901	6,104	6,086	6,066	6,176	6,483	6,645	7,500	7,001	7,015
Criminal cases disposed	5,125	5,702	5,736	5,335	5,003	5,474	5,289	5,086	5,271	3,829
Civil suits filed	10,845	8,396	7,751	4,072	3,248	3,084	2,899	2,634	3,143	2,299
Civil judgments filed	7,031	9,449	12,565	8,542	7,922	11,110	10,818	9,363	9,595	6,003
Divorces filed	1,428	1,369	1,355	1,265	1,839	1,438	1,439	1,335	1,379	1,071
Protection from abuse cases filed	1,169	1,260	1,042	1,045	1,018	1,017	1,004	1,181	1,180	1,161
Naturalizations	166	182	225	169	261	193	200	207	255	68
Real estate executions (mortgage foreclosures) filed	632	777	980	952	755	705	721	296	375	204
District judge case filings	105,574	101,290	97,242	88,782	87,889	93,076	104,211	111,469	104,393	73,570
Domestic relations active cases	18,050	18,061	18,106	17,955	17,357	16,897	16,512	15,800	15,341	14,218
New juvenile probation cases	1,239	1,170	1,199	937	948	957	999	917	941	619
Juvenile probation placement days	48,359	35,313	34,121	28,012	22,797	20,711	18,476	17,135	15,943	7,728
New adult probation and parole cases	3,418	4,251	3,787	3,771	3,426	4,565	4,379	4,350	4,596	3,441
Corrections										
Average daily population	1,144	1,198	1,022	997	978	963	898	871	785	675
Annual admissions	6,263	6,145	5,913	5,715	5,454	5,110	5,742	6,206	6,006	3,462
Culture and Recreation										
Pool attendance	25,739	27,771	26,646	23,858	27,186	27,163	24,774	23,095	22,391	2,666
Community Development										
Easements added	13	26	33	20	23	26	21	16	23	18
Easement acreage added	1,396	1,931	1,851	1,362	1,560	1,781	1,534	1,250	1,902	1,422

Source: Various County Departments.

Note: * Data not available.
** Effective July 1, 2011, Employment and Training is no longer considered a function of the County.
*** Effective January 1, 2017, the County no longer has the authority to approve ordinances.
**** Starting in 2018, the county also pays for Suboxone.
***** Effective January 1, 2020, the County has withdrawn from the Aging Waiver Program

(Continued)

County of Lancaster, Pennsylvania
Operating Indicators by Function
Last Ten Fiscal Years

Table 16 (Cont.)

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Health, education, and welfare										
Employment and Training										
Customers served	5,710	**	**	**	**	**	**	**	**	**
Drug and Alcohol:										
Information and referral contacts	852	858	801	708	709	1,084	663	466	409	-
Inpatient non-hospital detox clients	447	403	460	499	428	206	257	313	375	13
Inpatient non-hospital rehab clients	381	129	463	413	327	197	226	319	393	13
Inpatient non-hospital halfway house clients	7	5	14	10	15	19	7	9	8	-
Inpatient hospital detox clients	1	2	1	1	1	1	1	1	-	2
Partial hospitalization clients	61	25	29	30	39	17	16	27	11	-
Outpatient drug free clients	1,421	1,153	1,190	1,088	964	628	619	631	645	2
Methadone maintenance clients	20	16	17	16	34	12	12	16	15	-
Suboxone maintenance clients	****	****	****	****	****	****	****	17	1	*
Intensive outpatient clients	197	179	147	133	155	117	113	137	134	2
Website visitors	146,411	143,170	117,917	131,381	13,297	14,356	*	*	*	1
Mental Health:										
Emergency/crisis intervention hours	3,589	4,197	141	6,649	3,436	11,677	3,450	3,105	5,065	4,295
Community residential days	48,463	29,211	27,805	28,066	27,801	27,404	27,371	28,094	25,960	30,821
Community employment hours	4,760	37,747	7,001	32,016	18,365	4,554	4,523	8,368	7,688	7,132
Service case management clients	3,924	3,193	2,618	2,932	3,387	3,231	3,363	3,985	3,391	2,503
Day treatment hours	2,214	4,197	4,704	3,013	366	347	417	392	841	1,994
Outpatient hours	6,744	4,395	3,042	5,677	1,727	1,201	1,245	885	748	408
Family based hours	1,556	3,542	166	-	-	-	275	204	94	335
Psychiatric rehab hours	27,406	33,743	2,808	118,770	23,345	20,129	23,719	7,824	8,075	5,713
Social rehab hours	44,950	28,099	31,960	96,113	24,475	21,195	22,360	25,125	25,600	19,982
Drop-in-Center hours	41,321	60,740	*	*	63,709	60,122	53,663	43,477	40,651	29,606
Supported housing hours	17,085	9,147	9,209	38,424	9,221	9,190	9,483	8,858	8,083	8,446
Mental Retardation:										
Specialized support hours	9,704	1,168	6,458	6,828	3,167	2,944	1,148	393	123	191
Transportation trips	4,734	4,848	1,013	9,807	5,241	4,877	4,324	3,898	3,290	2,780
Employment hours	5,301	3,768	606	3,337	3,363	2,711	3,501	4,557	1,404	1,148
Residential services clients	610	22	24	32	33	32	40	34	33	32
Early intervention clients	2,470	1,189	2,419	1,250	1,201	1,234	1,273	1,225	1,937	2,200
Pre-Vocational hours	18,845	11,485	2,028	11,927	10,497	9,974	8,436	11,333	6,949	3,510
Respite clients	235	47	45	37	120	105	44	18	20	14
Home & community service hours	96,959	9,896	15,179	40,406	4,876	3,570	3,554	3,246	4,850	6,458
Family driven clients	58	8	2	-	132	194	171	7	141	75
Community habilitation hours	8,672	3,993	916	2,938	4,945	4,615	4,522	4,758	5,320	2,381

Source: Various County Departments.

Note: * Data not available.
** Effective July 1, 2011, Employment and Training is no longer considered a function of the County.
*** Effective January 1, 2017, the County no longer has the authority to approve ordnances.
**** Starting in 2018, the county also pays for Suboxone.
***** Effective January 1, 2020, the County has withdrawn from the Aging Waiver Program

(Continued)

County of Lancaster, Pennsylvania
Operating Indicators by Function
Last Ten Fiscal Years

Table 16 (Cont.)

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Health Choices										
Inpatient psychiatric:										
Members served	948	1,016	1,241	1,165	1,257	1,452	1,383	1,393	1,376	1,410
Days of service	12,784	15,904	16,824	17,473	21,556	23,163	20,339	25,416	28,491	33,975
Outpatient psychiatric:										
Members served	10,724	12,094	13,100	15,018	14,707	17,695	18,398	16,363	16,169	17,151
Units of service	178,870	240,775	252,287	263,741	286,814	307,581	346,721	348,233	282,709	289,397
Inpatient drug and alcohol:										
Members served	22	22	28	34	53	105	99	68	66	27
Days of service	117	236	325	270	453	949	828	541	436	242
Non-hospital drug and alcohol:										
Members served	763	786	790	1,327	940	2,004	2,169	1,444	1,511	1,512
Days of service	31,060	35,189	33,396	36,280	35,983	52,162	57,297	57,852	58,534	60,357
Outpatient drug and alcohol:										
Members served	1,874	2,041	2,140	2,253	2,386	3,698	3,947	3,400	3,350	2,818
Units of service	153,361	164,481	169,966	169,270	199,395	239,576	265,777	269,309	251,955	234,225
Behavioral health rehabilitation:										
Members served	2,484	2,671	2,735	5,651	2,426	5,552	6,509	2,630	2,346	2,040
Units of service	2,210,853	2,536,176	2,567,426	2,221,555	2,106,614	1,800,425	1,646,757	1,741,514	1,605,640	1,099,290
Residential treatment facility:										
JCAHO:										
Members served	110	121	121	122	98	108	97	92	85	74
Days of service	22,231	22,826	21,952	22,256	16,880	18,734	17,666	12,194	17,440	13,832
Non JCAHO:										
Members served	13	15	9	10	15	17	21	24	19	17
Days of service	2,662	2,417	2,270	2,493	3,333	3,765	4,840	5,374	3,972	4,479
Office of Aging:										
Case management clients	1,012	796	701	771	833	606	744	1,089	999	812
Protective services clients	983	1,268	1,237	1,360	1,690	1,594	1,857	2,039	2,543	2,455
Transportation clients	470	463	474	486	374	474	483	488	421	283
Meals provided	140,724	105,847	108,698	112,164	114,665	132,493	153,305	174,143	155,743	135,183
In-home services clients	534	647	511	635	555	497	589	639	521	503
Adult day care clients	44	47	50	69	55	96	117	110	84	54
PDA waiver clients	236	265	296	319	350	273	217	179	174	*****
Children and Youth:										
Children served	4,870	4,966	5,155	5,309	6,966	10,548	10,825	11,576	12,272	10,881
Placement days	190,217	173,999	156,618	162,789	177,027	183,822	192,760	186,924	165,722	145,842
Child abuse reports	881	1,218	1,192	1,191	1,744	2,391	2,506	2,509	1,825	1,749
Intake reports	1,300	1,057	1,348	1,233	1,967	2,830	3,257	3,369	3,448	2,952

Source: Various County Departments.

Note: * Data not available.
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County of Lancaster, Pennsylvania
Capital Asset by Function
Last Ten Fiscal Years

Table 17

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function/Program:										
Governmental Activities										
General government										
Motor vehicles	9	9	10	9	8	6	4	3	3	3
Office buildings	2	1	1	3	3	3	1	1	1	1
Public safety										
Motor vehicles	25	26	26	26	20	19	17	14	13	13
Office buildings	1	1	1	1	1	1	1	1	1	1
Roads and bridges										
Motor vehicles	12	13	12	12	8	5	6	6	5	5
County-owned bridges	64	64	64	64	64	63	63	62	62	60
Health, education, and welfare										
Motor vehicles	6	6	5	5	5	5	3	3	3	1
Office buildings	3	3	3	–	–	–	–	–	–	–
Judicial										
Motor vehicles	114	120	119	121	65	52	38	30	17	14
Office buildings	3	4	4	4	4	4	3	3	3	3
Corrections										
Motor vehicles	7	7	7	8	8	8	7	7	4	3
Office buildings	2	2	2	2	2	2	2	2	2	2
Cultural and recreation										
Motor vehicles	48	48	48	48	39	34	29	26	23	24
Number of parks	9	9	9	9	9	9	9	9	9	9
Park acreage	2,055	2,055	2,055	2,055	1,995	1,995	1,995	1,995	1,996	1,996
Pavilions	12	12	12	12	11	11	11	11	11	11
Swimming pools	1	1	1	1	1	1	1	1	1	1
Environmental/Educational buildings	1	1	1	1	1	1	1	1	1	1
Office buildings	4	4	4	4	3	3	3	3	3	3
Storage buildings	8	8	8	8	5	5	5	5	5	5
Tenant Properties	5	5	5	5	5	5	5	5	5	5
Community development										
Easement acreage	43,428	45,359	47,211	48,573	50,133	51,914	53,448	54,698	56,600	58,022

Source: Various County Departments.

Note: Numbers have been updated to reflect the most current data available.

County of Lancaster, Pennsylvania
Salaries and Surety Bonds of Principal Officials
For the year ended December 31, 2020

Table 18

Name and Title of Official	Annual Salary	Amount of Surety Bond
Joshua G. Parsons, Commissioner	$ 100,410	(1)
Ray D'Agostino, Commissioner	99,410	(1)
Craig E. Lehman, Commissioner	99,410	(1)
Lawrence M. George, Chief Clerk	107,311	(1)
Jacquelyn E. Pfursich, Clerk of Courts	86,527	(1)
Brian K. Hurter, Controller	86,527	(1)
Stephen Diamantoni, Coroner	86,527	(1)
Heather L. Adams, District Attorney	182,184	(2)
Andrew E. Spade, Prothonotary	86,527	(1)
Ann M. Hess, Recorder of Deeds	86,527	(1)
Anne L. Cooper, Register of Wills	88,527	(1)
Christopher R. Leppler, Sheriff	86,527	(1)
Amber L. Martin, Treasurer	86,527	$ 1,000,000
23 bonded tax collectors	$0.75 per parcel collected	$ 55,095,550 (3)

Source: Lancaster County Commissioner's Office

(1) Effective November 2011, Act 106 authorized counties to obtain crime insurance covering county officers, replacing prior requirements that certain individual officers of the County have separate bonds. The Travelers Crime policy meets the required bond limits for county officers; the full limit of $2,000,000 is available for loss.

(2) No bond required under Title 16, Section 420 of the County Code.

(3) The dollar value is stated at 75% of total county and municipal tax levied in 2019 for those districts with tax collectors and is updated annually. Bonds are valid for the tax collector's term, January 2018 - January 2022.

County of Lancaster, Pennsylvania
Schedule of Insurance In-Force
December 31, 2020

Table 19

Name of Company/ Type of Coverage	Policy Number	Policy Period	Premium	Details of Coverage and Co-Insurance %		Liability Limit
One Beacon Package Policy	791-00-18-70-0001	April 1, 2020 to	$ 66,978	General liability	$ 2,000,000	Aggregate
General Liability		April 1, 2021	$ 7,436	Package policyterrorism coverage	$ 2,000,000	Products And Completed Work Total Limit
					$ 1,000,000	Bodily injury
					$ 1,000,000	Personal and Advertising Injury
					$ 1,000,000	Each Occurence Limit
					not covered	Medical Expense
					$ 1,000,000	Rented Property Limit
					$ -	Deductible
				Sexual Abuse Liability	$ 1,000,000	Each Occurrence
				Employee Benefit Plans Administration Liability	$ 1,000,000	Claims Made/Each Wrongful Act
				Employee Benefit Plans Administration Liab.	$ 2,000,000	Aggregate
					$ 1,000	Deductible
One Beacon Package Policy	791-00-18-70-0001	April 1, 2020 to	$ 78,845	Auto Liability	$ 1,000,000	
Auto Coverages		April 1, 2021		Hired/Non Owned Liability	$ 1,000,000	
				Underinsured, Uninsured	$ 35,000	
				Medical Expense Benefit	$ 5,000	
				Comprehensive/Collision	per schedule	
One Beacon Package Policy	791-00-18-70-0001	April 1, 2020 to	$ 142,168			
Commercial Property		April 1, 2021				
Building Blanket Limit					$ 247,177,586	Per occurrence
Business Personal Property Blanket					$ 37,329,288	Per occurrence
Blanket EDP coverage					$ 20,101,562	Per occurrence
Business Income/Extra Expense					$ 2,500,000	Waiting period 72 hours, Period of Indemnity
						90 days, Civil Authority 4 weeks
Earthquake					$ 25,000,000	Per occurrence/aggregate,$25,000 deductible
Flood				Prescribed Location only	$ 25,000,000	Per occurrence/aggregate,$25,000 deductible
Additional Flood - Selective	FLD1287908	September 18, 2020 to	$ 4,509	Robert Mower Dr and Furnace Rd, Marietta, PA	$ 324,700	This location only, $25,000 deductible
		September 18, 2021				
Ordinance and Law				Scheduled buildings	$10,000,000	
Additional Commercial Coverage Highlights				Claims Expense	$ 25,000	
				Electronic data	$ 50,000	
				Propertyoff Premise - other locations	$ 100,000	
				Propertyoff Premise - trade show	$ 50,000	
				Valuable papers	$ 1,000,000	
				Outdoor Property	$ 25,000	
Equipment Breakdown					$ 100,000,000	
				Expediting expense	$ 100,000	
				Hazardous Substances	$ 100,000	
				Public Relations Coverage	$ 5,000	
				Spoilage	$ 100,000	
Cyber Vandalism - Employee					$ 50,000	
Cyber Business Income/Extra Expense					$ 50,000	
Cyber Vandalism - non Employee					$ 10,000	
Cyber Business Income/Extra Expense					$ 10,000	

(Continued)

County of Lancaster, Pennsylvania
Schedule of Insurance In-Force
December 31, 2020

Table 19 (Cont.)

Name of Company/ Type of Coverage	Policy Number	Policy Period	Premium	Details of Coverage and Co-Insurance %	Liability Limit	
One Beacon Package Policy (continued)	791-00-18-70-0001	April 1, 2020 to	$ 142,168			
Streetlights		April 1, 2021			$ 50,000	per occurrence, $25,000 deductible
					$ 2,500	Per item
Traffic Signals					$ 50,000	per occurrence, $25,000 deductible
					$ 2,500	Per item
Utility Services				Direct Damage	$ 25,000	Overhead transmission lines excluded
				Business Income/Extra Expense	$ 25,000	
Paved Surfaces					$ 250,000	
One Beacon Package Policy	791-00-18-70-0001	April 1, 2020 to	$ 125,875		$ 30,163,049	Miscellaneous Artides
Inland Marine		April 1, 2021			$ 1,000	Deductible
					$ 656,884	Contractors Equipment/ACV value
	Policy Change 1		$ 109		$ 250,000	Additionally Acquired Equipment
	Policy Change 2		$ 63		$ 1,000	Deductible
	Policy Change 3		$ 93		$ 1,000	Leased, Rental or Borrowed (Any 1 Item)
	Policy Change 4		$ -			
	Policy Change 5		$ 18		$ 25,000	Law Enforcement Dog, limit per dog
					$ 200,000	Law Enforcement Dog, aggregate
	New 2020/2021 Premium		$ 125,972		$ 1,000	Deductible
One Beacon Package Policy	791-00-18-70-0001	April 1, 2020 to	$ 118,673	Underlying coverages: General Liability	$ 10,000,000	Each Claim/Aggregate
Excess Liability		April 1, 2021		Public Officials Liability, Law Enforcement Liability		
				Business Auto. Employers Liability non included		
Gerber Life Insurance Company	38-077670-20	October 1, 2020 to	$ 378	Accidental Medical Expense	$ 25,000	Each Accident
Volunteer Accident		October 1, 2021		Accident Death and Dismemberment	$ 5,000	Each Accident
Travelers	106788704	August 16, 2020 to	$ 21,000	Privacy and Security	$ 1,000,000	Aggregate
Cyber Liability with Crime		August 16, 2021		Media	$ 25,000	Retention
				Breach		
				Cyber Extortion		
				Crime/Fraud		
				Social Engineering	$ 100,000	Sub-Limit (Part of Agg) - $5,000 Retention
				Telecom Fraud	$ 100,000	Sub-Limit (Part of Agg) - $5,000 Retention
				Business Interruption/Extra Expense	$ 1,000,000	
Federal Insurance Company				Fiduciary Liability		
Fiduciary liability Employee Retirement Plan	8223-9266	June 13, 2020 to	$ 9,485	Estates and Legal Representative and Spousal Liability	$ 1,000,000	Each Loss
		June 13, 2021		Defense within the limits	$ 1,000,000	Each Policy Period
				Territory - Worldwide	$ 15,000	deductible
MIDWEST EMPLOYERS CASUALTY CO						
Workers Compensation	EWC009808	January 1, 2020 to	$ 126,762	Excess Workers Compensation	Statutory	Each Accident/Limit Each Employee Per Disease
		January 1, 2021		Employers Liability	$ 1,000,000	Each Accident/Limit Each Employee Per Disease
					$ 500,000	Self insured retention

(Continued)

County of Lancaster, Pennsylvania
Schedule of Insurance In-Force
December 31, 2020

Table 19 (Cont.)

Name of Company/ Type of Coverage	Policy Number	Policy Period	Premium	Details of Coverage and Co-Insurance %	Liability Limit	
One Beacon Package Policy	791-00-18-70-0001	April 1, 2020 to	$ 296,453	Public Officials E&O	$ 1,000,000	Each Wrongful Ace
Professional Liability		April 1, 2021		Retro Date: 02/01/94	$ 2,000,000	Aggregate
					$ 100,000	Retention
				Public Officials Employment Practices	$ 1,000,000	Each Wrongful Ace
				Retro Date: 02/01/94	$ 2,000,000	Aggregate
					$ 100,000	Retention
				Law Enforcement Liability	$ 1,000,000	Each Wrongful Ace
					$ 2,000,000	Aggregate
					$ 100,000	Retention
One Beacon	790-02-87-04-0000	September 16, 2019 to	$ 13,590	Construction /Equipment Breakdown	$ 16,000,000	Limit
Builder's Risk		May 16, 2021		Soft Costs	$ 1,500,000	
				Earthquake	$ 1,500,000	
				Flood	$ 1,500,000	
					$ 25,000	Deductible
BROTEMARKLE (1)						
Rockwood Casualty Insurance Company	FPL-136	July 1, 2020 to	$ 11,430	Pension Liability Insurance for foster parents	$ 300,000	Per Person, Per Occurrence
		June 30, 2021				

(1) Contracted directly by Children and Youth Agency

Source: Lancaster County Commissioner's Office

Note: Safety Training Facility General Liability and Umbrella included in current Insurance Program.

DISCLAIMER - GENERAL

This document is for illustrative purposes. It contains generalized information and is not to be a full and complete description of the actual insurance policies. You must read the policies for any specific policy provisions or details.

(Conclusion of the report)