

County of Lancaster
PENNSYLVANIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended December 31, 2022

COUNTY OF LANCASTER, PENNSYLVANIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended December 31, 2022

PREPARED BY THE CONTROLLER'S OFFICE

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George D. Alspach

COVER PHOTOGRAPH
Longs Park Water Feature, Lancaster
Photo by Kathleen A. Harrison Photography

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COUNTY OF LANCASTER, PENNSYLVANIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the year ended December 31, 2022

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Lisa K. Colón

Controller

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INTRODUCTORY

Controller's Office

150 North Queen Street
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Lancaster, PA 17603
Phone: 717-299-8262
www.lancastercountypa.gov

Controller
Lisa Colón

June 29, 2023

To the Citizens of the County of Lancaster, Pennsylvania:

The Annual Comprehensive Financial Report of the County of Lancaster, Pennsylvania (the County), for the year ended December 31, 2022, 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 2022 will be completed by September 30, 2023. 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

Becoming the fourth County in the Commonwealth of Pennsylvania, Lancaster County was formed on May 10, 1729. It was named for Lancashire in England and was originally a part of Chester County. Lancaster consists of 60 municipal divisions including the City of Lancaster, 18 boroughs, and 41 townships and became a second-class A county in 2022. The County is in the south-central part of the state approximately 60 miles west of Philadelphia and 240 miles east of Pittsburgh, it occupies a land area of 946 miles. Lancaster County is the sixth most populous in the state behind only Philadelphia, Allegheny, Montgomery, Bucks and Delaware counties with approximately 556,629 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

For the most part, Lancaster County's economy remains healthy. The economy has always been very resilient and does not rely on one main sector or company. The County has experienced strong job recovery; almost all of the jobs people had before the pandemic are filled. Businesses experienced solid demand this year which has led to more jobs and higher employment. The County's aging demographics have strained the labor supply, resulting in fewer workers. High employment mixed with a shortage in the labor supply has resulted in a low unemployment rate and a tight labor market. The County's unemployment rate of 2.9% remains consistently lower than both the state and national averages of 4.3% and 3.5% respectively. Along with its diverse economy, the County is within 500 miles of half the buying power in the nation. Lancaster County's proximity to major metropolitan markets and the ports of Baltimore, Philadelphia, and Wilmington make it an ideal location for businesses to grow and succeed.

With a heritage rooted in agriculture, Lancaster County has some of the richest, most productive, non-irrigated agricultural soils in the world. Agriculture plays a major role in the local economy and the over 5,600 farm families provide fresh, local food for Lancaster residents and Americans across the United States. The fields and pastures that make up these farms are a valuable natural resource that enhance the quality of life and beauty of the county. These farms do much more than produce ears of corn and cows. They also protect watersheds, recharge groundwater, and control flooding. Open farm fields improve air quality and provide food and cover for wildlife. The County is also home to many agribusinesses that help support the thriving farming community. From on-farm production to equipment repair, veterinarians, law firms, bankers, and accountants, all the way to food processing, the economic impact of agriculture is widespread.

Tourism plays a major role in Lancaster County's economy. It is an important source of tax revenue and a key economic development tool. It produces more than $3 billion in total economic impact annually and is expected to increase in the coming years. The industry struggled during the pandemic but has exceeded pre-pandemic levels for the past two years. According to the respected analysis firm Tourism Economics, an estimated 9.77 million people visited Lancaster County in 2022 and directly spent $2.45 billion. That represents a gain of 7.1% and 15.5%, respectively, over 2021. Hundreds of companies in the County benefit from travel and tourism through direct interaction with visitors at places like attractions, restaurants, shops, gas stations, and lodging properties. Be it a family vacation, bus trip or annual convention, people spend money when they travel. That spending translates into sales for Lancaster County businesses, jobs for our residents,

and crucial tax revenue for county and local businesses. Continued product development of new attractions, experiences, tours, and more will ensure both new and returning visitors get to experience all that Lancaster County has to offer.

Major Initiatives

For the Year

- Lancaster County received the second half of the approximately $106 million in federal funding they were expecting under the American Rescue Plan Act (ARPA). The Lancaster County Board of Commissioners came up with guidelines for proposals from both County agencies and the public on how the County will spend a portion of the money. Eligible proposals for ARPA funds need to focus on water, sewer, broadband, clean water, public safety projects, as well as technology modernization, workforce training, affordable housing, and public health improvements at hospitals or nursing homes. The County intends to use some of the funds for hiring and staff retention, as well as infrastructure projects, as stated in the approved guidelines. The first round of proposals was due by the end of August and was reviewed by County staff with recommendations made to the County Commissioners on which projects met funding criteria. The County must approve proposals and allocate its full ARPA budget by the end of 2024, but payments can continue until the end of 2026.

- The County Commissioners closed on the purchase of a 78-acre tract of land along the Conestoga River in February. The land was purchased from the Kreider family for $3 million and will be used to build a new prison to replace the existing facility, portions of which were built in the 19th century. In July, the County Commissioners approved an agreement with a national corrections facility consulting firm, Miami-based CGL Cos. The agreement covers work over the next two years for a price of $2.4 million. The company will act as the “owner’s representative”, essentially an advocate and project manager for the County’s design and construction process. The company will also play a critical role in steering the county’s public communications on the prison, in addition to advising on operational considerations, like forecasting future inmate populations, providing spaces for divisionary programs, and detailing how the facility’s designs could help with long-term maintenance.

- In February, Lancaster County Commissioners approved elevating the County’s class status under Pennsylvania’s local government code. The decision moves Lancaster County to “second class A”, the same class that includes the three Philadelphia adjacent counties of Bucks, Montgomery, and Delaware. The change has little effect on residents and simply denotes that the County’s population falls in the 500,000 to 999,999 range. A few practical effects of the class change are a requirement to create an investment board, the option to create an airport authority, and the need to add citizen input to its Youth Intervention Center Advisory Board.

For the Future

- To avoid inflated property value assessments that could unfairly burden some taxpayers, Lancaster County Commissioners voted in August to push back the regularly scheduled countywide reassessment from 2025 to 2027. Property assessment analyzes three years of housing sales to determine new property values, which in turn affect property tax rates. The 2025 data would include prices from 2020 to 2022, the peak years of the pandemic, when housing prices spiked. Pushing the assessment date back gives the market a chance to stabilize from "artificial" housing prices and reflect a truer value of county real estate. County properties are reassessed every eight years, most recently in 2017.

- A plan was approved by the County Commissioners in February of 2023 to solicit bids from engineers and architects for the design of the new prison. The approval unofficially marks a new phase in the massive project with an estimated price tag of $163 million. Interested architects, engineers and design firms must attend a meeting in March 2023 where county officials will answer questions. They then have until April 2023 to submit their proposals. An eight-person evaluation committee made up of mostly County officials will review the submitted proposals and rank them. The committee will refer the top three proposals to the Board of Commissioners. The proposers will be required to give a public presentation of their proposals at a commissioner's meeting. After receiving feedback from the commissioners and the public, the evaluation committee will make a final recommendation on its top choice. That will likely take place in early July 2023.

- Lancaster County has marked some of the $16 million it will receive over the next eight years from its share of a national opioid settlement on a program to help inmates with opioid disorders manage their recovery. Currently, people with an opioid disorder undergo a standard detoxification protocol when they are admitted to prison, regardless of whether they have been taking prescribed medication to treat their disorder on the outside. The detox protocol typically involves administering Subutex or Tylenol with codeine to help the person taper and avoid harsh withdrawal symptoms. Under the medication-assisted treatment program, inmates who are taking prescribed medication to treat their disorder on the outside can continue with it in prison. Counseling and behavioral therapy will also be provided to help them maintain recovery. Medication-assisted treatment programs are starting to be considered best-practices.

Financial Policies

The Lancaster County Investment Board has formally adopted an investment policy governing County 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 annual comprehensive financial report for the year ended December 31, 2021. To be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized annual comprehensive financial report, which conformed to program standards. This report satisfied both GAAP and applicable legal requirements. This is the 33rd 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 Annual Comprehensive 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 Annual Comprehensive 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.

Lisa K. Colón

Lisa K. Colón
Controller

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Lancaster
Pennsylvania

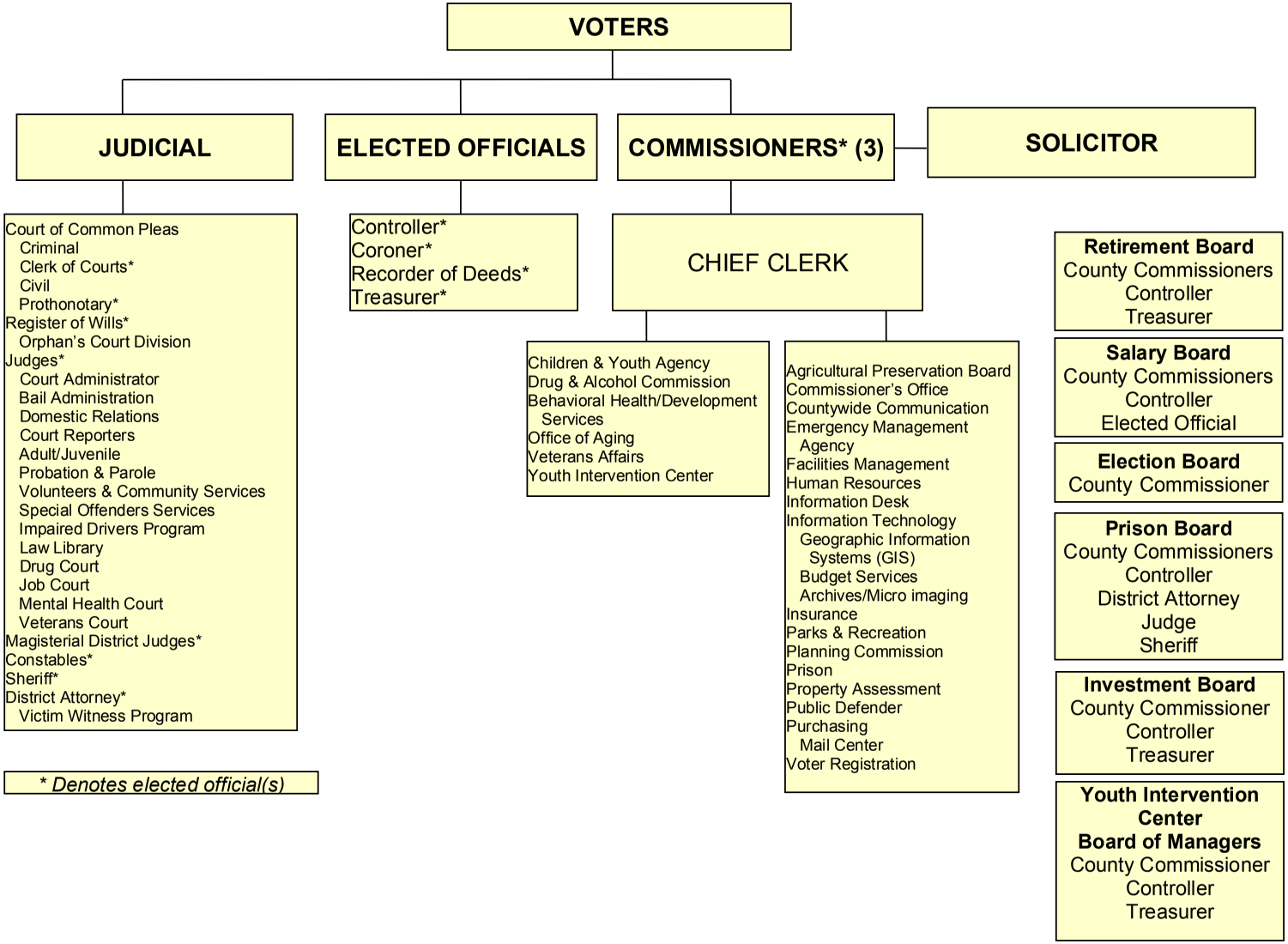
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morrill

Executive Director/CEO

LANCASTER COUNTY ORGANIZATIONAL CHART – 2A CLASS COUNTY



2022
County of Lancaster
List of Principal Officials

Elected Officials

COMMISSIONERS
Ray D'Agostino, Chairman
Joshua G. Parsons, Vice Chairman
John Trescot, Appointed

CLERK OF COURTS OF COMMON PLEAS
Mary Anater

CONTROLLER
Lisa K. Colón

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
Shawn M. Long, Appointed
Karen Maisano, Appointed
Margaret C. Miller
JoAnne Murphy
Jeffrey J. Reich
Dennis E. Reinaker
Merrill M. Spahn, Jr.
Thomas B. Sponaugle
Craig W. Stedman
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 Audit of the Financial Statements

Opinions

We have audited the 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, Pennsylvania (the County), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in the County's net other post-employment benefits liability and related ratios, 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, 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 Fund, Office of Aging Fund, Drug and Alcohol Fund, Liquid Fuels, and notes to required supplementary information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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.

SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

The combining and individual fund financial statements and schedules are the responsibility of management and are derived from and relates 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the ACFR

Management is responsible for the other information included in the ACFR. The other information comprises the introductory and statistical sections but does not include the financial statements and our report of independent public accountants thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Owings Mills, Maryland
June 29, 2023

SB & Company, LLC

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MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

This section of the County of Lancaster's (the County) Annual Comprehensive Financial Report presents a narrative overview and analysis of the County's financial performance for the fiscal year ended December 31, 2022. 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, 2022.

FINANCIAL HIGHLIGHTS

- ✓ The County's 2022 real estate property tax millage rate remained unchanged at 2.911.
- ✓ The County's adopted budget for 2022 was a balanced budget for the tenth consecutive year.
- ✓ The County maintained a bond rating of Aa2 during 2022.
- ✓ The County's net position increased $36.1 million in 2022 to $113.1 million.
- ✓ The County's unrestricted deficit was $72.5 million as of December 31, 2022, compared to an unrestricted deficit of $93.8 million as of December 31, 2021.
- ✓ The County's total General Fund balance increased $5.6 million during 2022 to $66.8 million.
- ✓ The County's total General Fund balance on December 31, 2022, included an unassigned fund balance of $53.4 million. The unassigned fund balance increased $3.8 million during 2022.
- ✓ As of December 31, 2022, the County had $146.6 million of total debt service commitments outstanding. This represents a decrease of $15.2 million, or 9.4%, 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 Annual Comprehensive 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.

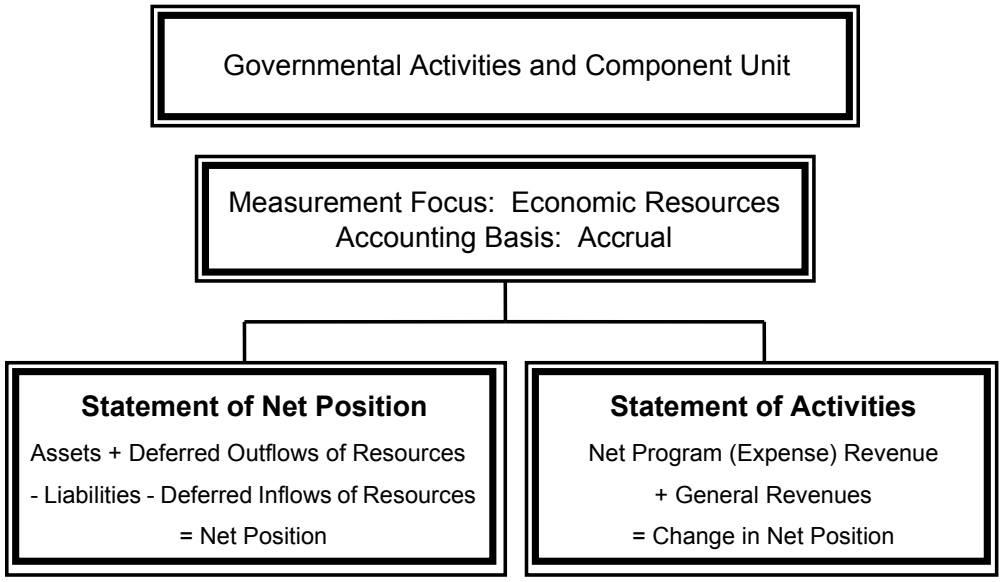
The basic financial statements also include notes to the financial statements that provide additional information essential to a full understanding of the financial data provided in the government-wide and fund financial statements. In addition to the basic financial statements and notes, the required 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.

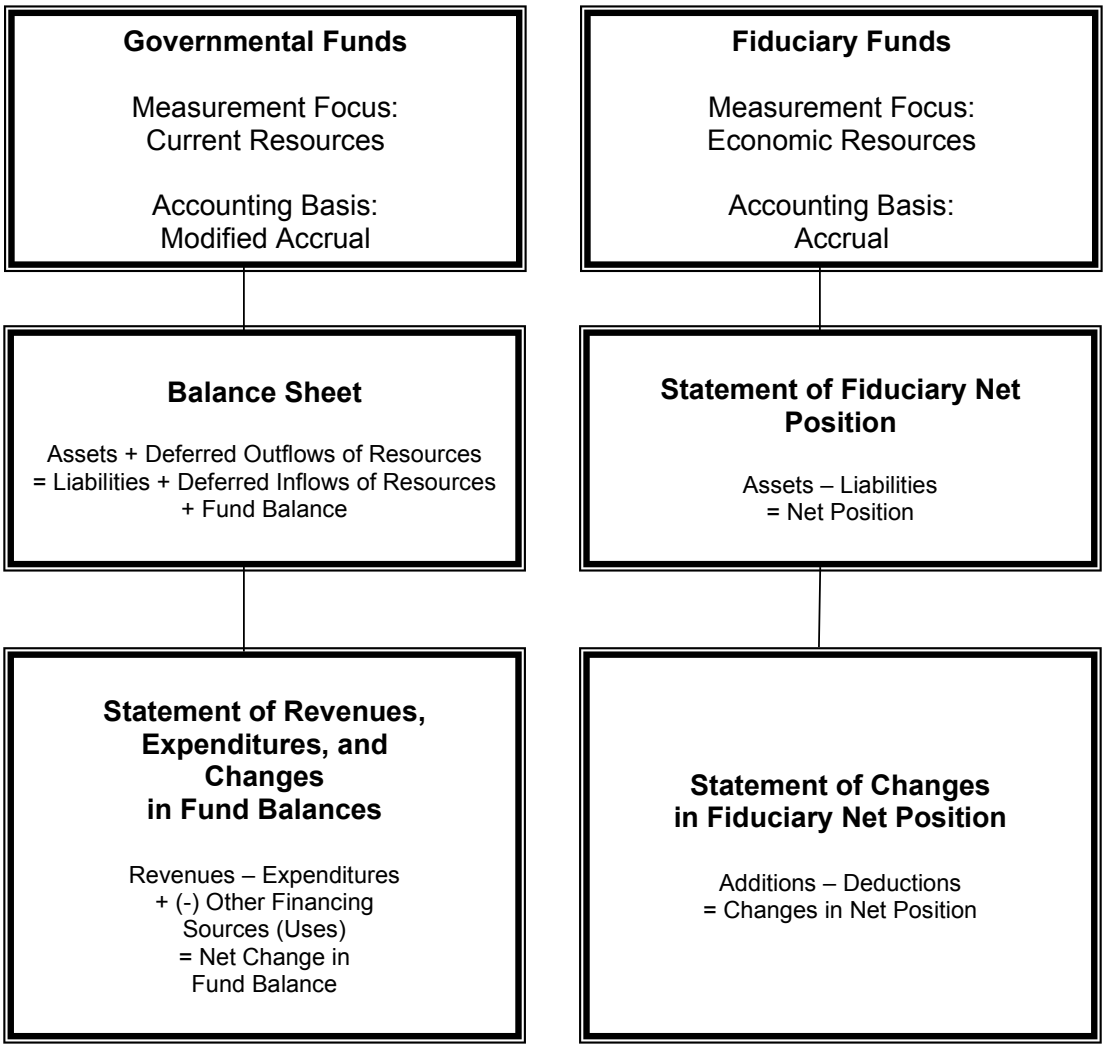
- *Component Unit* – The County includes one other entity – the Lancaster County Convention Center Authority. *

*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, 2022, and 2021 is presented below:

Table A-1
County Net Position as of December 31, 2022, and 2021
(amounts in millions)

	2022	2021
Capital assets, net	$ 315.7	$ 303.0
Other assets	212.8	235.3
Total assets	**528.5**	**538.3**
Deferred outflows of resources	50.9	27.2
Total deferred outflows of resources	**50.9**	**27.2**
Other liabilities	96.9	103.8
Long-term liabilities	291.5	269.6
Total liabilities	**388.4**	**373.4**
Deferred inflows of resources	77.9	115.1
Total deferred inflows of resources	**77.9**	**115.1**
Net position (deficit):		
Net investment in capital assets	153.2	138.6
Restricted	32.4	32.2
Unrestricted (deficit)	(72.5)	(93.8)
Total net position	**$ 113.1**	**$ 77.0**

Net position of the County's governmental activities increased $36.1 million to $113.1 million. This increase was primarily the result of a decrease in general obligation bonds payable along with a decrease in the County's net other postemployment benefits (OPEB), accounts payable, and unearned revenue.

Of the $113.1 million, $153.2 million represents the balance of net investments in capital assets, while $32.4 million is restricted for various purposes. The County has an unrestricted deficit balance of $72.5 million at the end of the year. Lancaster County's total assets stand at $528.5 million and deferred outflows of resources stand at $50.9 million as of December 31, 2022. Of the total assets, $315.7 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, 2022, and 2021:

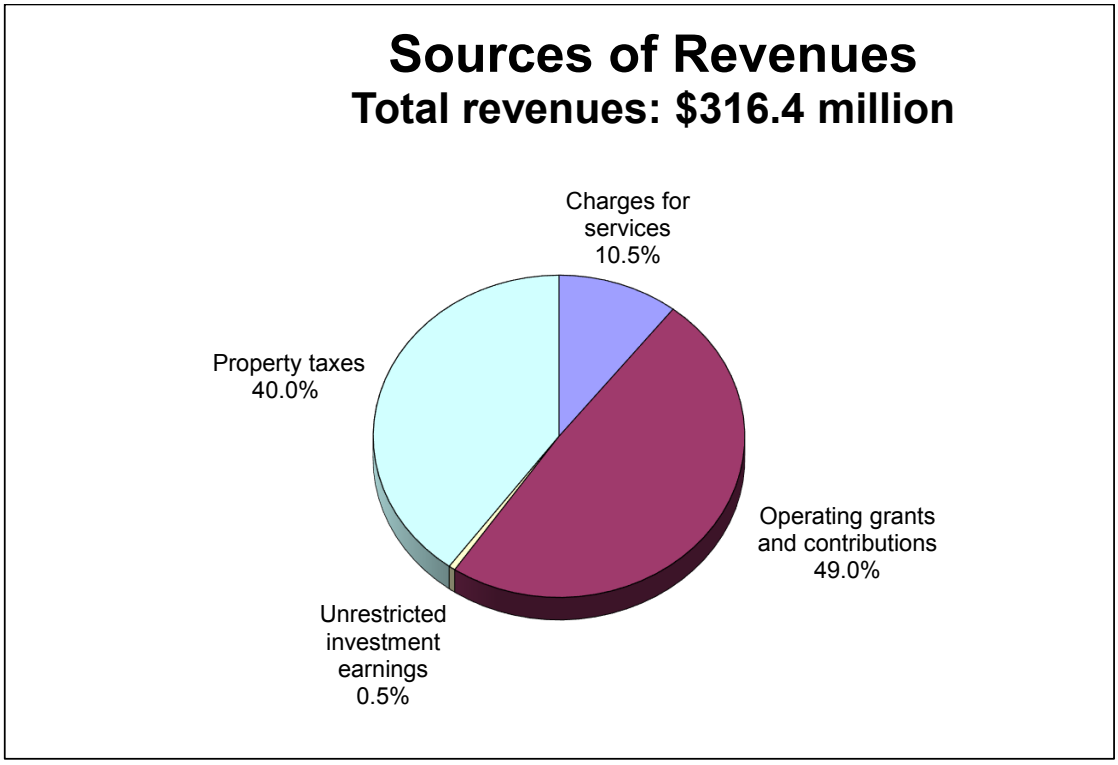
Table A-2
County's Changes in Net Position for the years ending December 31, 2022, and 2021
(amounts in millions)

	2022	2021
Revenues:		
Program revenues:		
Charges for services	$ 33.3	$ 32.7
Operating grants and contributions	154.9	148.6
General revenues:		
Property taxes	126.4	125.5
Unrestricted investment earnings	1.8	0.3
Total revenues	**316.4**	**307.1**
Expenses:		
General government	84.4	62.5
Public safety	14.1	12.4
Roads and bridges	1.2	1.1
Health, education, and welfare	76.9	73.4
Judicial	53.1	50.3
Corrections	34.2	30.8
Cultural and recreation	2.9	2.7
Community development	6.0	6.2
Interest on long-term debt	7.5	7.0
Total expenses	**280.3**	**246.4**
Change in net position	**36.1**	**60.7**
Net position – beginning	**77.0**	**16.3**
Net position – ending	**$ 113.1**	**$ 77.0**

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, 2022:

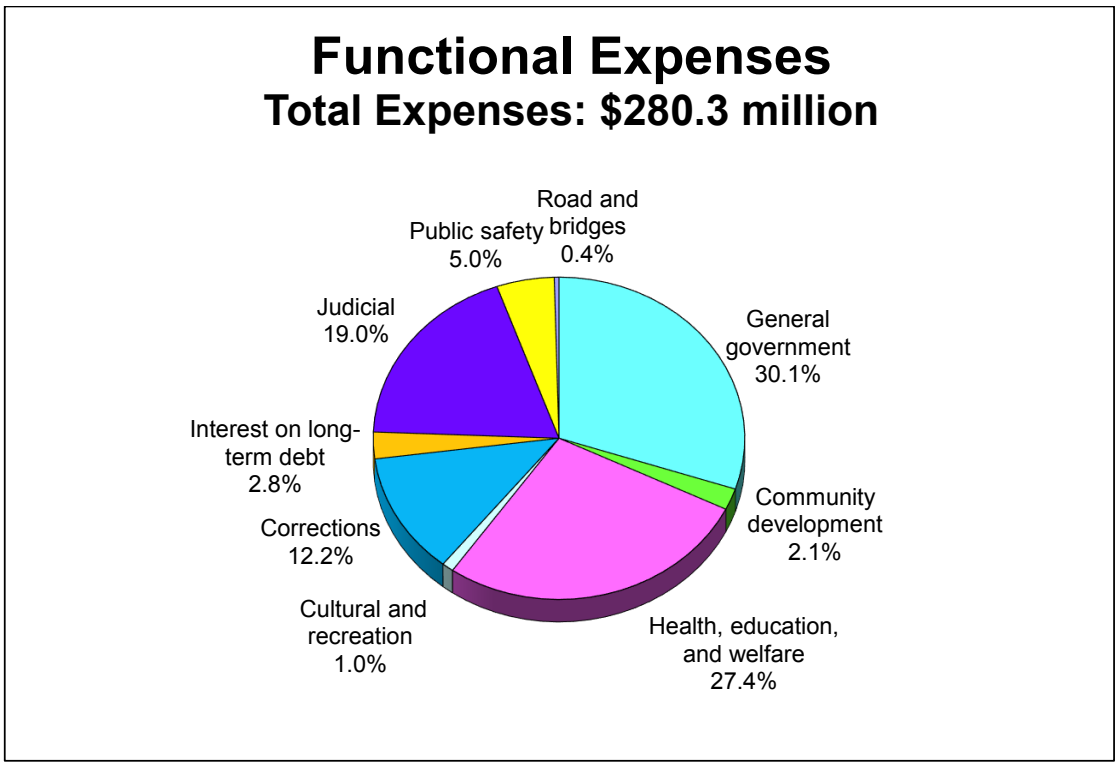


Total government-wide revenues of $316.4 million were derived primarily from operating grants and contributions, representing 49.0% of the total. Property taxes made up the second largest source of revenue at 40.0%, followed by charges for services at 10.5%, and unrestricted investment earnings at 0.5%.

See pages 25 through 28 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, 2022:



Total expenses for all programs in 2022 were $280.3 million. The expenses cover a wide range of services, with the largest being general government at 30.1%. The second largest program area was health, education, and welfare at 27.4%, followed by judicial at 19.0%, corrections at 12.2%, public safety at 5.0%, interest on long term debt at 2.8%, community development at 2.1%, cultural and recreation at 1.0%, and road and bridges at 0.4%.

See pages 25 through 28 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, 2022, the General Fund reported a fund balance of $66.8 million, which was a $5.6 million or 9.2% increase over the previous year's balance of $61.2 million. This increase was the result of 86.3% of budgeted revenues being collected while only 76.3% of budgeted expenditures were spent. Revenues increased from $217.3 million to $225.6 million, an $8.3 million or 3.8% increase. This increase was the result of an increase in ARPA revenue as well as an increase in investment earnings due to higher interest rates. Expenditures increased from $180.2 million to $195.3 million, which was a $15.1 million or 8.4% increase. This increase was the result of an increase in both ARPA and ERAP expenditures.

The fund balance in the Children and Youth Services special revenue fund decreased to $0.8 million as of December 31, 2022, from $2.0 million, a $1.2 million or 60.0% decrease. This decrease was the result of Children and Youth Agency collecting 77.7% of their budgeted revenues while spending 88.3% of their budgeted expenses. Revenues decreased from $33.2 million to $31.5 million, a $1.7 million or 5.1% decrease. This decrease was the result of less Act 148 monies received from the state. Expenditures increased from $42.5 million to $43.4 million, an increase of $0.9 million or 2.1%. The increase is the result of higher payroll expenses as well as higher per diem charges from providers.

The Behavioral Health and Developmental Services special revenue fund has no fund balance to report. Revenues in this fund increased to $31.1 million from $29.2 million, an increase of $1.9 million or 6.5%. Expenditures increased from $30.1 million to $32.1 million, a $2.0 million or 6.6% increase. The increase in both the revenues and expenditures is due to increased activity in both federal and state grants.

As of December 31, 2022, the Domestic Relations special revenue fund balance was $16.5 million, as compared to $15.6 million last year, an increase of $0.9 million or 5.8%. This increase was the result of Domestic Relations receiving 94.0% of their budgeted

revenue while only spending 90.7% 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 increased to $21.8 million as of December 31, 2022, from $18.6 million, a $3.2 million or 17.2% increase. This increase was the result of a transfer from the general fund for the Capital Improvement Plan (CIP). Revenues increased from $0.0 million to $0.2 million, a $0.2 million or 200.0% increase. This increase was due to an increase in interest earned for the year. Expenditures increased from $5.0 million to $6.9 million, an increase of $1.9 million or 38.0%. This increase was due to the purchase of land for the new prison.

The Human Services Block Grant special revenue fund has no fund balance to report. The revenues decreased from $0.4 million on December 31, 2021, to $0.07 million on December 31, 2022, a decrease of $0.33 million or 82.5%. This reduction was the result of a decrease in the amount that transfers out of the Human Services Block Grant fund exceeded transfers into the fund and the interest earned. Expenditures were unchanged at $0.0 million.

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 $168.8 million to $266.8 million, an increase of $98.0 million or 58.1%. This was the result of the County recognizing $43.6 million in ARPA funds and $52.1 million in ERAP funds. Actual revenues received totaled $230.2 million or 86.3% of the final budget. Intergovernmental revenues were $36.3 million lower than the final budgeted amounts due to not all the ARPA and ERAP funds being spent during the year. Departmental revenues were $1.1 million lower than the final budgeted amounts due to a decrease in revenues in both the Sheriff and Recorder of Deeds offices. Fines and costs were $1.2 million lower than the final budgeted amounts due to a reduction in fines and costs assessed and collected by various Magisterial District Judges Offices, Sheriff's Office, Clerk of Courts, and Legal Services.

The County's original operating expenditure budget, excluding transfers, increased from $159.9 million to $263.0 million, an increase of $103.1 million or 64.5%. This was the result of the County recognizing $49.3 million in ARPA funds, and $52.1 million in ERAP funds. Actual expenditures were $200.7 million or 76.3% of the final budget due to not all the ARPA and ERAP funds being spent during the year, as well as cost saving measures implemented during 2022. 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, 2022, net of accumulated depreciation, amounted to $315.7 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, 2022, and 2021:

Summary of Capital Assets

	2022	2021
Land	$ 8,502,850	$ 5,375,585
Buildings and improvements	234,240,083	232,716,851
Improvements other than buildings	1,849,019	1,849,019
Furniture and equipment	60,691,492	59,210,513
Infrastructure	39,784,098	37,253,962
Easements	112,641,457	110,711,133
Right to use leased buildings	12,508,132	12,508,132
Right to use leased equipment	964,109	523,712
Less accumulated depreciation/amortization	(155,505,026)	(144,124,572)
Total	$ 315,676,214	$ 316,024,335

Total capital assets decreased from $316.0 million to $315.7 million, an overall decrease of $0.3 million. While there was a $3.1 million increase in land due to the purchase of land for the new prison, this was offset by regularly scheduled depreciation/amortization.

As of December 31, 2022, the County had $4,507,863 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, 2022, the County had $146.6 million of general obligation bonds, general obligation notes and direct borrowings, and installment purchase agreements outstanding. This was a decrease of $15.2 million or 9.4% from the previous year. The following details activity related to general obligation bonds, general obligation notes and direct borrowings, and installment purchase agreements during 2022:

Summary of General Obligation Bond, General Obligation Note and Direct Borrowing, and Installment Purchase Agreement Activity	
Beginning balance at 1/1/2022	$ 161,761,000
Debt issued	-
Less principal refunded	-
Less principal payments	(15,150,000)
Ending balance at 12/31/2022	$ 146,611,000

BOND RATING:

The County maintained a bond rating of Aa2 during 2022.

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 2.9%, which is a 12.1% decrease over the previous year's rate of 3.3%. This rate compares favorably with the state rate of 4.3% and the national rate of 3.5%. The decrease over the prior year is a result of people returning to work after the coronavirus pandemic.

These factors were considered in preparing the County's 2023 budget. Amounts available for appropriation in the General Fund budget are $178.6 million, an increase of 5.8% over the final 2022 budget of $168.8 million. Real estate tax receipts were budgeted to increase by $1.3 million due to natural growth. State and federal grants were budgeted to increase by $1.9 million due to new election grants awarded to Voter Registration. Interest earnings were budgeted to increase by $6.9 million due to higher interest rates and interest earnings on unspent ARPA funds.

Budgeted operating expenditures, excluding transfers, were increased 7.8% for 2023, to $173.3 million, from $160.7 million in 2022. This is due primarily to the increase in payroll and fringe benefits as well as operating expenses.

For the 2023 budget year the Board of County Commissioners approved a balanced budget for the eleventh consecutive year.

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, 2022

	Primary Government	Component Unit
	Governmental Activities	Lancaster County Convention Center Authority
ASSETS		
Cash and investments:		
Operating	$ 183,465,322	$ 2,482,540
Other	505,720	-
Cash with fiscal agents	136	-
Restricted cash and investments	-	18,598,276
Receivables:		
Room rental tax	-	1,239,354
Taxes, net of allowance for uncollectibles of $50,698	1,639,226	-
Fines and costs, net of allowance for uncollectibles of $33,448,224	3,957,891	-
Accounts	3,346,988	-
Due from other governments	18,334,183	-
Other	1,583,354	255,947
Prepaid items	-	196,279
Capital assets not being depreciated/amortized:		
Land	8,502,850	1,607,517
Easements	112,641,457	-
Capital assets being depreciated/amortized:		
Buildings and improvements	234,240,083	76,461,640
Improvements other than buildings	1,849,019	-
Furniture and equipment	60,691,492	6,361,320
Infrastructure	39,784,098	-
Right to use leased buildings	12,508,132	-
Right to use leased equipment	964,109	-
Less accumulated depreciation/amortization	(155,505,026)	(32,288,190)
Total assets	528,509,034	74,914,683
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	3,070,962	-
Deferred outflows related to pensions	38,968,133	-
Deferred outflows related to OPEB	8,905,182	-
Total deferred outflows of resources	50,944,277	-
LIABILITIES		
Accounts payable	10,666,544	2,212,124
Contracts payable	612,640	-
Retainage payable	173,803	-
Accrued interest payable	970,987	240,898
Unearned revenue	79,389,604	162,212
Payroll related accruals	5,098,765	483
Long-term liabilities:		
Due within one year	21,506,458	1,000,000
Due in more than one year	268,273,650	66,635,982
Derivative instruments - interest rate swap liability	886,675	-
Borrowing payable	817,390	-
Total liabilities	388,396,516	70,251,699
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to OPEB	77,288,025	-
Accumulated increase in the fair value of hedging derivatives	633,513	-
Total deferred inflows of resources	77,921,538	-
NET POSITION		
Net investment in capital assets	153,202,347	(1,720,392)
Restricted for:		
Federal and state grant programs	25,677,799	-
Capital projects	2,677,499	-
Public safety	2,822,083	-
Community development	1,234,044	-
Other	-	12,578,221
Unrestricted (deficit)	(72,478,515)	(6,194,845)
Total net position	$ 113,135,257	$ 4,662,984

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, 2022

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	$ 84,392,730	$ 10,974,601	$ 63,793,407	$ (9,624,722)	$ -
Public safety	14,083,456	10,279,893	164,912	(3,638,651)	-
Roads and bridges	1,144,439	-	2,613,634	1,469,195	-
Health, education, and welfare:					
Drug and alcohol	5,169,659	262,740	4,977,429	70,510	-
Behavioral health and developmental services	30,850,771	3,264,893	27,864,284	278,406	-
Office of aging	9,062,079	53,286	9,516,837	508,044	-
Children and youth	31,852,855	285,573	31,182,350	(384,932)	-
Other	2,000	311	-	(1,689)	-
Judicial	53,105,998	5,480,788	9,011,929	(38,613,281)	-
Corrections	34,233,373	2,418,358	283,737	(31,531,278)	-
Cultural and recreation	2,868,264	271,645	-	(2,596,619)	-
Community development	6,034,625	-	5,509,912	(524,713)	-
Interest on long-term debt	7,504,799	-	-	(7,504,799)	-
Total government activities	$ 280,305,048	$ 33,292,088	$ 154,918,431	(92,094,529)	-
Component Unit:					
Convention center	$ 9,441,764	$ 2,327,841	$ 4,220,366		(2,893,557)
Total component unit	$ 9,441,764	$ 2,327,841	$ 4,220,366		(2,893,557)
General Revenues:					
Property taxes				126,380,559	-
Unrestricted investment earnings				1,811,543	14,392,895
Room rental tax				-	7,385,526
Total general revenues				128,192,102	21,778,421
Change in net position				36,097,573	18,884,864
Net position - beginning				77,037,684	(14,221,880)
Net position - ending				$ 113,135,257	$ 4,662,984

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

County of Lancaster, Pennsylvania

Balance Sheet - Governmental Funds

December 31, 2022

	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	$ 136,545,525	$ -	$ -	$ 15,147,465	$ 22,570,081	$ 4,882,395	$ 4,319,856	$ 183,465,322
Other	-	105,822	190,164	-	-	-	209,734	505,720
Cash with fiscal agents	136	-	-	-	-	-	-	136
Receivables:								
Taxes	1,689,924	-	-	-	-	-	-	1,689,924
Less allowance for uncollectible taxes	(50,698)	-	-	-	-	-	-	(50,698)
Fines and costs	37,406,115	-	-	-	-	-	-	37,406,115
Less allowance for uncollectible fines and costs	(33,448,224)	-	-	-	-	-	-	(33,448,224)
Accounts	3,346,988	-	-	-	-	-	-	3,346,988
Due from other funds	4,225,981	-	-	-	-	-	-	4,225,981
Due from other governments	3,050,634	6,325,091	3,776,213	1,520,181	-	-	3,662,064	18,334,183
Other	-	-	263,570	-	-	-	14,784	278,354
Total assets	$ 152,766,381	$ 6,430,913	$ 4,229,947	$ 16,667,646	$ 22,570,081	$ 4,882,395	$ 8,206,438	$ 215,753,801
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities:								
Accounts payable	$ 4,486,144	$ 2,795,052	$ 2,091,559	$ 4,853	$ -	$ -	$ 1,288,936	$ 10,666,544
Contracts payable	-	-	-	-	612,640	-	-	612,640
Retainage payable	-	-	-	-	135,404	-	38,399	173,803
Due to other funds	-	2,316,594	1,731,388	-	-	-	177,999	4,225,981
Unearned revenue - intergovernmental	73,210,065	-	-	-	-	4,882,395	1,297,144	79,389,604
Payroll related accruals	3,786,475	541,492	407,000	175,252	-	-	188,546	5,098,765
Total liabilities	81,482,684	5,653,138	4,229,947	180,105	748,044	4,882,395	2,991,024	100,167,337
Deferred inflows of resources:								
Unavailable revenue-property taxes and fines & costs	4,498,713	-	-	-	-	-	-	4,498,713
Total deferred inflows of resources	4,498,713	-	-	-	-	-	-	4,498,713
Fund Balances:								
Restricted:								
Health, education, and welfare	-	777,775	-	-	-	-	2,783,044	3,560,819
Capital projects	-	-	-	-	2,677,499	-	-	2,677,499
Roads and bridges	769,030	-	-	-	-	-	1,198,326	1,967,356
General government	2,186,948	-	-	-	-	-	-	2,186,948
Public safety	2,822,083	-	-	-	-	-	-	2,822,083
Judicial	1,475,135	-	-	16,487,541	-	-	-	17,962,676
Community development	-	-	-	-	-	-	1,234,044	1,234,044
Committed:								
Capital projects	-	-	-	-	19,144,538	-	-	19,144,538
Assigned:								
Future benefits	1,236,409	-	-	-	-	-	-	1,236,409
Healthcare benefits	2,172,819	-	-	-	-	-	-	2,172,819
Corrections	2,102,934	-	-	-	-	-	-	2,102,934
Postemployment benefits	600,000	-	-	-	-	-	-	600,000
Unassigned	53,419,626	-	-	-	-	-	-	53,419,626
Total fund balances	66,784,984	777,775	-	16,487,541	21,822,037	-	5,215,414	111,087,751
Total liabilities, deferred inflows of resources, and fund balances	$ 152,766,381	$ 6,430,913	$ 4,229,947	$ 16,667,646	$ 22,570,081	$ 4,882,395	$ 8,206,438	$ 215,753,801

Total fund balances	$ 111,087,751
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)	315,676,214
Certain receivables are not available to pay for current-period expenditures and, therefore, are not recognized or unearned in the funds.	4,498,713
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)	(319,432,421)
Other long-term note receivable	1,305,000
Total net position of governmental activities	$ 113,135,257

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, 2022

	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	$ 126,284,829	$ -	$ -	$ -	$ -	$ -	$ -	$ 126,284,829
Intergovernmental	65,709,696	31,182,350	27,864,284	4,921,479	-	-	22,617,812	152,295,621
Departmental	28,067,760	285,568	408,366	16,360	-	-	24,578	28,802,632
Fines and costs	2,496,213	-	-	-	-	-	-	2,496,213
Investment earnings	1,435,121	-	-	140,399	150,860	69,939	15,224	1,811,543
Other	1,559,993	5	-	-	-	311	679,929	2,240,238
Health Choices revenues	-	-	2,856,527	-	-	-	-	2,856,527
Total revenues	225,553,612	31,467,923	31,129,177	5,078,238	150,860	70,250	23,337,543	316,787,603
EXPENDITURES								
Current:								
General government	72,587,518	-	-	-	-	-	-	72,587,518
Public safety	9,238,584	-	-	-	-	-	-	9,238,584
Roads and bridges	-	-	-	-	-	-	203,589	203,589
Health, education, and welfare:								
Drug and alcohol	-	-	-	-	-	-	5,473,078	5,473,078
Behavioral Health and Developmental Services	-	-	31,146,045	-	-	-	-	31,146,045
Office of aging	-	-	-	-	-	-	9,841,390	9,841,390
Children and youth	-	43,225,949	-	-	-	-	-	43,225,949
Judicial	47,928,790	-	-	6,765,149	-	-	-	54,693,939
Corrections	32,461,941	-	-	-	-	-	-	32,461,941
Cultural and recreation	2,462,628	-	-	-	-	-	-	2,462,628
Community development	-	-	-	-	-	-	5,700,911	5,700,911
Capital outlay	4,679,344	218,004	453,912	67,300	6,949,213	-	1,532,662	13,900,435
Debt Service:								
Principal retirement	18,665,264	-	179,856	-	-	-	-	18,845,120
Interest and fiscal charges	7,239,692	-	320,168	-	-	-	-	7,559,860
Total expenditures	195,263,761	43,443,953	32,099,981	6,832,449	6,949,213	-	22,751,630	307,340,987
Excess (deficiency) of revenues over (under) expenditures	30,289,851	(11,976,030)	(970,804)	(1,754,211)	(6,798,353)	70,250	585,913	9,446,616
OTHER FINANCING SOURCES (USES)								
Transfers in	-	10,717,442	970,804	2,611,505	10,000,000	566,700	950,123	25,816,574
Transfers out	(25,179,624)	-	-	-	-	(636,950)	-	(25,816,574)
Leases (as lessee)	440,397	-	-	-	-	-	-	440,397
Total other financing sources (uses)	(24,739,227)	10,717,442	970,804	2,611,505	10,000,000	(70,250)	950,123	440,397
Net change in fund balances	5,550,624	(1,258,588)	-	857,294	3,201,647	-	1,536,036	9,887,013
Fund balances, January 1	61,234,360	2,036,363	-	15,630,247	18,620,390	-	3,679,378	101,200,738
Fund balances, December 31	$ 66,784,984	$ 777,775	$ -	$ 16,487,541	$ 21,822,037	$ -	$ 5,215,414	$ 111,087,751

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, 2022

Net change in fund balances - total governmental funds	$	9,887,013
The change in net assets reported for *governmental activities* in the statement of activities is different because:		
Governmental funds report capital outlays (including easements) as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amotization expense. This is the amount by which depreciation/amortization expense exceeded capital outlays in the current period. (Note 3)		(348,121)
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.		(384,982)
The issuance of long-term debt (i.e., bonds, notes) 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)		18,404,723
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.		1,263,946
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)		7,595,789
The repayment of a long-term note receivable provides current financial resources to governmental funds. This transaction, however, does not have any effect on net position. (Note 3)		(320,795)
Change in net position of governmental activities	$	36,097,573

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, 2022

	Pension Trust Fund	Custodial Fund
ASSETS		
Cash and temporary investments-operating	$ 946,021	$ 15,371,612
Investments, at fair value:		
U.S. Government securities	15,658,611	–
Domestic corporate bonds	9,585,986	–
International corporate bonds	1,498,232	–
Collateralized mortgage obligations	3,067,996	–
Real estate	27,249,256	–
Defensive equity	16,985,498	–
Private equity	15,514,432	–
Infrastructure	25,447,532	–
Private credit	12,243,024	–
Equity mutual funds	97,457,904	–
Global mutual funds	50,004,765	–
International equity mutual funds	34,352,138	–
Fixed income mutual funds	25,441,942	–
Brokered CDs	2,053,515	–
Total investments	336,560,831	–
Receivables	516,423	–
Total assets	338,023,275	15,371,612
LIABILITIES		
Deposits and advances	–	1,741,208
Escrow liability	–	4,350,754
Other liabilities	–	1,517,713
Due to other governments	–	3,778,007
Total liabilities	–	11,387,682
TOTAL NET POSITION	$ 338,023,275	$ 3,983,930

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

County of Lancaster, Pennsylvania

Statement of Changes in Fiduciary Net Position

For the Year Ended December 31, 2022

	Pension Trust Fund	Custodial Fund
ADDITIONS		
Contributions:		
Employer	$ 3,903,385	$ –
Plan members	6,924,354	–
Taxes	–	225,962,529
Fees, fines, and costs	–	28,112,936
Bail and advanced costs	–	1,267,700
Inmate funds	–	2,546,861
Child support	–	1,506,271
Miscellaneous	–	4,716,887
Total contributions	10,827,739	264,113,184
Investment loss:		
Net depreciation in fair value of investments	(46,640,664)	–
Interest and dividends	5,900,691	–
Less investment expenses	(192,251)	–
Net investment loss	(40,932,224)	–
Total additions	(30,104,485)	264,113,184
DEDUCTIONS		
Benefit payments, including refunds of member contributions	21,751,236	–
Administrative expenses	57,475	–
Taxes	–	225,962,529
Fees, fines, and costs	–	27,853,668
Bail and advanced costs	–	1,267,700
Inmate funds	–	2,546,861
Child support	–	1,506,271
Miscellaneous	32,201	992,225
Total deductions	21,840,912	260,129,254
Net (decrease)/increase in net position	(51,945,397)	3,983,930
NET POSITION		
Beginning of year	389,968,672	–
End of year	$ 338,023,275	$ 3,983,930

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

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.

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. 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.

1. Summary of Significant Accounting Policies (continued)

Hotel Room Rental Tax (continued)

Discretely Presented Component Unit (continued)

In July 2022, the Authority and Discover Lancaster entered into a memorandum of understanding which extended Discover Lancaster's commitment to directing its 20% of the hotel room rental tax revenues to the Authority through December 31, 2057.

For the year ended December 31, 2022, the Authority's funds on deposit with the trustee under the terms of the trust indenture exceed the established thresholds, and $1,840,498 of the hotel room rental tax revenue was payable to Discover Lancaster under the terms of the Collaboration Agreement.

During the year ended December 31, 2022, the Authority also received $4,220,366 from the County for lost hotel tax revenues during the COVID pandemic.

New Accounting Pronouncements

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 implemented this standard during the year ended December 31, 2022, and it did not have a material impact on the statements.

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

1. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements (continued)

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 are effective for reporting periods beginning after December 15, 2021. The County implemented this standard during the year ended December 31, 2022, and it did not have a material impact on the financial statements.

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

1. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements (continued)

effective upon issuance. The remaining requirements of this statement will be effective for reporting periods beginning after June 15, 2021. The County implemented this standard during the year ended December 31, 2022, and it did not have a material impact on the 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 implemented this standard during the year ended December 31, 2022, and it did not have a material impact on the financial statements.

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 a material effect on the County's financial statements.

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.

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

1. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements (continued)

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 implemented this standard during the year ended December 31, 2022, and it did not have a material impact on the financial statements.

In April 2022, the GASB issued Statement No. 99, “Omnibus 2022”. The issues addressed by this statement are as follows: Classification and reporting of derivative instruments within the scope of Statement No. 53, “Accounting and Financial Reporting for Derivative Instruments”, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument; Clarification of provisions in Statement No. 87, “Leases”, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives; Clarification of provisions in Statement No. 94, “Public-Private and Public-Public Partnerships and Availability

1. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements (continued)

Payment Arrangements", related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset; Clarification of provisions in Statement No. 96, "Subscription-Based Information Technology Arrangements", related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability; Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt; Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP); Disclosures related to nonmonetary transactions; Pledges of future revenues when resources are not received by the pledging government; Clarification of provisions in Statement No. 34, "Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments", as amended, related to the focus of the government-wide financial statements; Terminology updates related to certain provisions of Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position"; Terminology used in Statement 53 to refer to resource flows statements. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. This statement is not expected to have a material effect on the County's financial statements.

In June 2022, the GASB issued Statement No. 100, "Accounting Changes and Error Corrections". This statement improves the clarity of the accounting and financial reporting requirements for accounting changes and error corrections. This statement is not expected to have a material effect on the County's financial statements.

In June 2022, the GASB issued Statement No. 101, "Compensated Absences". This statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. This statement is not expected to have a material effect on the County's financial statements.

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 from 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.

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,

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

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.

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, 2022, restricted assets included cash and investments in the amount of $18,598,276.

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

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

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.

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

Capital Assets (continued)

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.

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.

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

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, 2022.

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.

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 financed purchases 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 $(319,432,421) difference is as follows:

General obligation bonds and notes payable	$ (130,290,000)
Plus: Issuance premium (amortized as income)	(10,495,952)
General obligation notes and direct borrowings payable	(16,095,000)
Installment purchase agreements payable	(226,000)
Accrued vacation and sick pay	(6,583,220)
Net pension liability	(42,896,223)
Net OPEB liability	(60,855,913)
Accrued interest payable	(970,987)
Deferred outflow from refundings	3,070,962
Deferred inflow from interest rate swap	(633,513)
Net deferred outflows related to pensions	38,968,133
Net deferred inflows related to OPEB	(68,382,843)
Derivative instrument – interest rate swap/swaption liability	(886,675)
Borrowing payable	(817,390)
Financed purchases	(9,372,354)
Lease liability	(12,271,619)
Contracts payable	(364,827)
Workers' compensation	(329,000)
Net adjustment to *total fund balance – total governmental funds* to arrive at *net position – governmental activities*	$ (319,432,421)

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 $(348,121) difference is as follows:

Capitalized outlay	$ 11,205,342
Depreciation/amortization expense	(11,493,083)
Loss on disposal	(60,380)
Net adjustment to decrease net changes in fund balance - total governmental funds to arrive at changes in net position - governmental activities	$ (348,121)

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 $18,404,723 difference is as follows:

Debt issued or incurred:		
Issuance of general obligation bonds	$	-
Capital leases		-
Right to use leased assets		(440,397)
Principal repayments:		
Financed purchases		2,494,498
Lease liability		1,200,622
General obligation debt		15,150,000
Net adjustment to increase *net changes in fund balance – total governmental funds* to arrive at *changes in net position – governmental activities*	$	18,404,723

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 $1,263,946 difference is as follows:

Bond premiums and discounts	
Amortization of net bond premiums	$ 1,263,946
Net adjustment to increase net changes in fund balance - total governmental funds to arrive at changes in net position - governmental activities	$ 1,263,946

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 $7,595,789 difference is as follows:

Accrued vacation and sick pay	$ 72,009
Contracts payable	(333,714)
Net pension liability	(67,292,718)
Net OPEB liability	12,188,098
Deferred outflows related to pensions	22,332,351
Deferred inflows related to pensions	37,910,758
Deferred outflows related to OPEB	2,991,526
Deferred inflows related to OPEB	(88,079)
Accrued interest payable	55,061
Amortization of loss on refunding	(326,247)
Workers' compensation	86,744
Net adjustment to decrease net changes in fund balance - total governmental funds to arrive at changes in net position - governmental activities	$ 7,595,789

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

The repayment of a long-term note receivable provides current financial resources to governmental funds. This transaction, however, does not have any effect on net position. The detail of this $(320,795) difference is as follows:

Stadium loan receivable	$(320,795)

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, 2022, the County's book balance was $57,281,079 and the bank balances totaled $74,674,908. Of the bank balances, $2,021,213 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, 2022, the County's non-pension investments included $142,061,611 invested in U.S. Treasury Strips, U.S. Treasury Mutual Funds, U.S. Treasury Notes & Bonds, U.S. Agency CMBS, 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, 2022, the County's non-pension investments included $142,061,611 invested in U.S. Treasury Strips, U.S. Treasury Mutual Funds, U.S. Treasury Notes & Bonds, U.S. Agency CMBS, 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, 2022, the County's non-pension investments included $142,061,611 invested in U.S. Treasury Strips, U.S. Treasury Mutual Funds, U.S. Treasury Notes & Bonds, U.S. Agency CMBS, 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. The County follows the Pennsylvania County Code and has 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, 2022, 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	$ 217,001	$ 217,001	$ -	$ -	$ -
U.S. Treasury Mutual Funds	101,899	101,899	-	-	-
U.S. Treasury Notes & Bonds	114,287,094	-	114,287,094	-	-
U.S. Agency CMBS	12,427,601	-	12,279,347	-	148,254
Certificates of Deposit	15,028,016	15,028,016	-	-	-
Total Non-Pension Investments	$142,061,611	$ 15,346,916	$126,566,441	$ -	$ 148,254

As of December 31, 2022, 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, 2022	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	$ 217,001	$ 217,001	$ -	$ -
U.S. Treasury Mutual Funds	101,899	101,899	-	-
U.S. Treasury Notes & Bonds	114,287,094	114,287,094	-	-
U.S Agency CMBS	12,427,601	-	12,427,601	-
Certificates of Deposit	15,028,016	15,028,016	-	-
Total Non-Pension Investments	$142,061,611	$129,634,010	$ 12,427,601	$ -

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, 2022, the County's non-pension investments include U.S. Treasury Strips with a fair value of $217,001; U.S. Treasury Mutual Funds with a fair value of $101,899; U.S. Treasury Notes & Bonds with a fair value of $114,287,094; U.S. Agency CMBS with a fair value of $12,427,601; and Certificates of Deposit with a fair value of $15,028,016, which are not rated.

Pension Investments

The County utilizes various investment options for the County's Pension Plan. As of December 31, 2022, the County's pension investments had a fair value of $336,560,831. In addition to the pension investments, the County maintains Money Market Funds with a fair value of $946,021, for the County's Pension Plan, which are reported as cash and cash equivalents and investments in the Statement of Fiduciary Net Position.

5. Deposits and Investments (continued)

Pension Investments (continued)

Custodial Credit Risk

As of December 31, 2022, the County's pension investments were subject to custodial credit risk except for $946,021 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, 2022, 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	$ 15,658,611	$ -	$ 7,858,310	$ 5,806,324	$ 1,993,977
Domestic Corporate Bonds	9,585,986	-	4,676,937	4,591,709	317,340
International Corporate Bonds	1,498,232	-	1,018,599	177,055	302,578
Collateralized Mortgage Obligations	3,067,996	-	1,292,819	93,120	1,682,057
Brokered CDs	2,053,515	-	2,053,515	-	-
Fixed Income Mutual Funds	25,441,942	25,441,942	-	-	-
Total Pension Investments	$ 57,306,282	$ 25,441,942	$ 16,900,180	$ 10,668,208	$ 4,295,952

5. Deposits and Investments (continued)

Pension Investments (continued)

Interest Rate Risk (continued)

As of December 31, 2022, 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, 2022	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	$ 15,658,611	$ 15,593,993	$ 64,618	$ -
Domestic Corporate Bonds	9,585,986	9,585,986	-	-
International Corporate Bonds	1,498,232	1,498,232	-	-
Collateralized Mortgage Obligations	3,067,996	52,007	3,015,989	-
Brokered CDs	2,053,515	2,053,515	-	-
Fixed Income Mutual Funds	25,441,942	25,441,942	-	-
Equity Mutual Funds	97,457,904	97,457,904	-	-
Real Estate Funds	27,249,256	27,249,256	-	-
Global Mutual Funds	50,004,765	50,004,765	-	-
International Equity Mutual Funds	34,352,138	34,352,138	-	-
Defensive Equity	16,985,498	-	16,985,498	-
Private Equity	15,514,432	-	15,514,432	-
Infrastructure	25,447,532	-	25,447,532	-
Private Credit	12,243,024	-	12,243,024	-
Total Pension Investments	$ 336,560,831	$ 263,289,738	$ 73,271,093	$ -

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.

5. Deposits and Investments (continued)

Pension Investments (continued)

Interest Rate Risk (continued)

Finally, Level 3 inputs are unobservable inputs, such as management's assumptions and information about market participant assumptions that are reasonably available.

In addition to the pension investments, the County maintains Money Market Funds with a fair value of $946,021 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, 2022:

Investment Type	Fair Value	Credit Rating*
Pension Investments		
U.S. Government Securities	$ 15,658,611	Aaa
Total U.S. Government Securities	15,658,611	
Domestic Corporate Bonds	113,283	Aa
Domestic Corporate Bonds	5,532,578	A
Domestic Corporate Bonds	3,940,125	Baa
Total Domestic Corporate Bonds	9,585,986	
International Corporate Bonds	451,687	Aa
International Corporate Bonds	818,462	A
International Corporate Bonds	228,083	Baa
Total International Corporate Bonds	1,498,232	
Collateralized Mortgage Obligations	1,653,181	Aaa
Collateralized Mortgage Obligations	140,262	Aa
Collateralized Mortgage Obligations	147,515	A
Collateralized Mortgage Obligations	1,127,038	NR
Total Collateralized Mortgage Obligations	3,067,996	
Brokered CDs	2,053,515	Aaa
Total Brokered CDs	2,053,515	
Fixed Income Mutual Funds	25,441,942	N/A
Equity Mutual Funds	97,457,904	N/A
Real Estate Funds	27,249,256	N/A
Global Mutual Funds	50,004,765	N/A
International Equity Mutual Funds	34,352,138	N/A
Defensive Equity	16,985,498	N/A
Private Equity	15,514,432	N/A
Infrastructure	25,447,532	N/A
Private Credit	12,243,024	N/A
Total Pension Investments	$ 336,560,831	

*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 $946,021 which are rated Aaa 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, 2022, $34,352,138 of the County's pension investments were held in international equity mutual funds, $50,004,765 of the County's pension investments were held in global mutual funds, and $1,498,232 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, 2022, the Convention Center Authority's book balance was $9,052,393 and the bank balance was $8,884,713. Of the bank balance, $500,000 was covered by federal depository insurance as of December 31, 2022. As of December 31, 2022, 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, 2022, the Convention Center Authority's investments included $12,028,423 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, 2022, 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, 2022, 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, 2022, 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 2022 was 2.911 mills.

County property tax revenues were reduced by $273,961 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
- 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 $273,961 for the year ended December 31, 2022.

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.

There was no County forgone real estate tax revenue as a result of KOZ tax abatement agreements entered into by the Commonwealth of Pennsylvania for the year ended December 31, 2022.

7. Capital Assets

A summary of capital asset activity for the year ended December 31, 2022, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 5,375,585	$ 3,127,265	$ –	$ 8,502,850
Easements	110,711,133	1,930,324	–	112,641,457
Total capital assets, not being depreciated	116,086,718	5,057,589	–	121,144,307
Capital assets, being depreciated:				
Buildings and improvements	232,716,851	1,523,232	–	234,240,083
Improvements other than buildings	1,849,019	–	–	1,849,019
Furniture and equipment	59,210,513	1,653,988	(173,009)	60,691,492
Infrastructure	37,253,962	2,530,136	–	39,784,098
Right to use leased buildings	12,508,132	–	–	12,508,132
Right to use leased equipment	523,712	440,397	–	964,109
Total capital assets being depreciated	344,062,189	6,147,753	(173,009)	350,036,933
Less accumulated depreciation /amortization for:				
Buildings and improvements	103,374,188	5,469,060	–	108,843,248
Improvements other than buildings	1,027,436	60,642	–	1,088,078
Furniture and equipment	31,250,823	3,501,090	(112,629)	34,639,284
Infrastructure	8,472,125	977,171	–	9,449,296
Right to use leased buildings	–	1,113,165	–	1,113,165
Right to use leased equipment	–	371,955	–	371,955
Total accumulated depreciation /amortization	144,124,572	11,493,083	(112,629)	155,505,026
Total capital assets, being depreciated, net	199,937,617	(5,345,330)	(60,380)	194,531,907
Governmental activities capital assets, net	$ 316,024,335	$ (287,741)	$ (60,380)	$ 315,676,214

7. Capital Assets (continued)

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

Governmental activities:	
General government	$ 3,345,628
Public safety	3,437,953
Roads and bridges	951,719
Health, education, and welfare	585,752
Judicial	1,287,821
Corrections	1,633,926
Cultural and recreation	250,284
Total depreciation / amortization expense – governmental activities	$ 11,493,083

Commitment amounts of $4,507,863 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, 2022, 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	76,293,976	167,664	-	76,461,640
Furniture and equipment	6,338,238	23,082	-	6,361,320
Total capital assets, being depreciated	82,632,214	190,746	-	82,822,960
Less accumulated depreciation for:				
Building	24,609,326	2,053,744	-	26,663,070
Furniture and equipment	5,248,781	376,339	-	5,625,120
Total accumulated depreciation	29,858,107	2,430,083	-	32,288,190
Total capital assets, being depreciated, net	52,774,107	(2,239,337)	-	50,534,770
Capital assets, net	$ 54,381,624	$ (2,239,337)	$ -	$ 52,142,287

8. 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, 2022, was $484,137,159. The total amount of debt applicable to the debt limit, which does not include lease rental debt, is $146,385,000. The remaining legal debt margin of the County as of December 31, 2022, was $337,752,159. Refer to Statistical Table 12 for a detailed calculation.

8. 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, 2022:

4.207% - 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 $315,000 to $630,000 from November 1, 2023, to November 1, 2033.	$ 5,040,000
4.00% - 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 $1,640,000 to $1,875,000 from May 1, 2023, to May 1, 2026.	7,040,000
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 $1,180,000 to $1,640,000 from May 1, 2023, to May 1, 2031.	12,670,000
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 $1,455,000 to $1,635,000 from November 1, 2023, to November 1, 2027.	7,725,000
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, 2023, to November 1, 2033.	14,360,000
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 $300,000 to $470,000 from November 1, 2023, to November 1, 2037.	5,655,000
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 $1,230,000 to $1,755,000 from November 1, 2023, to November 1, 2032.	14,825,000
2.25% - 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 $1,025,000 to $1,370,000 from March 1, 2023, to March 1, 2030.	9,530,000

8. 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, 2023, to November 1, 2044.	16,495,000
2.00% - 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 $1,630,000 to $2,115,000 from November 1, 2023, to November 1, 2030.	14,910,000
1.10% - 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, 2023, to November 1, 2035.	10,550,000
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 $550,000 to $1,405,000 from November 1, 2023, to November 1, 2032.	11,490,000

General obligation notes and direct borrowings consisted of the following as of December 31, 2022:

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 $1,635,000 to $2,439,000 from October 25, 2023, 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%.	16,095,000

Installment purchase agreements consisted of the following as of December 31, 2022:

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, 2022	$ 146,611,000

8. 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
2023	$ 13,700,000	$ 5,058,128	$ 18,764,738
2024	12,510,000	4,508,352	17,018,352
2025	13,030,000	4,004,288	17,034,288
2026	13,545,000	3,476,390	17,021,390
2027	13,165,000	2,951,611	16,116,611
2028-2032	49,745,000	7,780,471	57,525,471
2033-2037	10,000,000	1,785,925	11,785,925
2038-2042	3,160,000	614,457	3,774,457
2043-2044	1,435,000	78,481	1,513,481
	$ 130,290,000	$ 30,264,713	$ 160,554,713

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

Years	Principal	Interest	Total
2023	$ 1,635,000	$ 472,133	$ 2,107,133
2024	1,730,000	422,717	2,152,717
2025	1,830,000	370,433	2,200,433
2026	1,934,000	315,137	2,249,137
2027	2,053,000	256,647	2,309,647
2028-2030	6,913,000	382,903	7,295,903
	$ 16,095,000	$ 2,219,970	$ 18,314,970

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

Years	Principal	Interest	Total
2023	$ 226,000	$ 13,221	$ 232,611
	$ 226,000	$ 13,221	$ 232,611

8. 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
2023	$ 15,561,000	$ 5,543,482	$ 21,104,482
2024	14,240,000	4,931,069	19,171,069
2025	14,860,000	4,374,722	19,234,722
2026	15,479,000	3,791,527	19,270,527
2027	15,218,000	3,208,258	18,426,258
2028-2032	56,658,000	8,163,373	64,821,373
2033-2037	10,000,000	1,785,925	11,785,925
2038-2042	3,160,000	614,457	3,774,457
2043-2044	1,435,000	78,481	1,513,481
	$ 146,611,000	$ 32,491,294	$ 179,102,294

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, losses, 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.

8. Long-Term Liabilities (continued)

Changes in Long-Term Liabilities

During the year ended December 31, 2022, the following changes occurred in long-term liabilities:

	Balance January 1, 2022	Additions	Reductions	Balance December 31, 2022	Due Within One Year
Governmental Activities					
General obligation bonds payable	$ 143,685,000	$ -	$ 13,395,000	$ 130,290,000	$ 13,700,000
Net premiums (discounts) on bonds	11,759,898	-	1,263,946	10,495,952	1,263,946
General obligation notes payable	17,640,000	-	1,545,000	16,095,000	1,635,000
Installment purchase agreements payable	436,000	-	210,000	226,000	226,000
Accrued vacation and sick pay	6,655,229	478,411	550,420	6,583,220	550,420
Net pension liability	-	42,896,223	-	42,896,223	-
Net OPEB liability	73,044,011	8,902,529	21,090,627	60,855,913	-
Workers' comp reserve	415,744	346,048	432,792	329,000	99,339
Financed purchases	11,866,852	-	2,494,498	9,372,354	2,574,105
Lease liability	13,031,844	440,397	1,200,622	12,271,619	1,200,863
Contracts payable	31,113	362,732	29,018	364,827	256,785
Stadium loan payable	450,000	-	450,000	-	-
Governmental activities long-term liabilities	$ 279,015,691	$ 53,426,340	$ 42,661,923	$ 289,780,108	$ 21,506,458

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

Financed Purchases

The County of Lancaster has entered into various financed purchase agreements for equipment. The principal and interest payments are detailed below:

Year ended December 31,	Principal	Interest	Total Payment
2023	$ 2,574,105	$ 281,287	$ 2,855,392
2024	2,656,252	199,139	2,855,391
2025	2,134,749	114,499	2,249,248
2026	2,007,248	46,458	2,053,706
	$ 9,372,354	$ 641,383	$ 10,013,737

8. Long-Term Liabilities (continued)

Lease Liabilities

The County of Lancaster has entered into various lease agreements for equipment and office space. The principal and interest payments are detailed below:

Year ended December 31,	Principal	Interest	Total Payment
2023	$ 1,200,863	$ 589,327	$ 1,790,190
2024	1,008,556	533,105	1,541,661
2025	1,070,435	481,394	1,551,829
2026	1,017,396	426,520	1,443,916
2027	1,080,271	374,222	1,454,493
2028 - 2032	3,516,136	1,177,495	4,693,631
2033 - 2037	2,619,019	542,618	3,161,637
2038 - 2039	758,943	23,986	782,929
	$ 12,271,619	$ 4,148,667	$ 16,420,286

Discretely Presented Component Unit

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.

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 remain above certain thresholds. Finally, under the indenture, the mandatory tender date was modified to December 1, 2023.

On December 1, 2022, the 2014 Bonds were refunded through the issuance of the Hotel Room Rental Tax Revenue Bonds, Series A and B of 2022 (2022 A and B Bonds) in the amount of $6,755,000 and $62,730,000, respectively. The 2022 A Bonds will be used to pay a portion of the costs of terminating certain interest rate swap agreements, fund the debt service reserve funds for the 2022 A Bonds, and pay certain expenses in connection with the issuance of the 2022 A Bonds. The proceeds from the 2022 B Bonds, together with other funds from the Authority, will be used to currently refund the 2014 Bonds, pay a portion of the costs of terminating certain interest rate swap agreements, fund a debt

8. Long-Term Liabilities (continued)

Discretely Presented Component Unit (continued)

service reserve fund for the 2022 B Bonds and pay certain expenses in connection with the issuance of the 2022 B Bonds.

The 2022 A Bonds are due in annual installments of $45,000 to $1,000,000 beginning in 2023 through 2030 with interest rates ranging from 4.73% to 5.17%. The 2022 B Bonds are due in annual installments of $1,080,000 to $3,860,000 beginning in 2030 and continuing through 2057 with interest rates ranging from 4.00% to 5.00%.

The purpose of the refunding was to terminate the risk of the swap and to fix the annual debt service payments. Fixing the debt service payments for the life of the 2022 A and B Bonds alleviated the need for renegotiating the terms of the 2014 Bonds every five years at the mandatory tender date. Refinancing the 2014 bonds at the mandatory tender date of December 31, 2023, without terminating the swap was not an option provided by the lender.

Based on the interest rates in effect at the time of refunding, total debt service was increased by $31,851,801 through the year 2057. This increase in total debt service does not take into account any new or revised debt service requirements had the 2014 Bonds been held through the mandatory tender date of December 1, 2023. The economic loss (difference between present values of the old and new debt service payments) in the amount of $8,445,280 is primarily the result of the $9,338,000 value of the swaps at the date of termination. Additionally, the 2022 A and B Bonds have optional redemption terms which are more favorable then the 2014 Bonds which, if exercised, could decrease the overall debt service. The optional redemption terms are at the discretion of the Authority.

In conjunction with the issuance of the 2022 A and B Bonds, the Authority entered into a guaranty agreement with the County. Under the guaranty agreement, the County guarantees the payment of the Authority's obligation under the Debt Service Reserve Fund Replenishment Note.

In accordance with Section 6.02 of the 2022 A and B Bonds Trust Indenture (Trust Indenture), if an event of default, such as failure to pay principal and interest on bonds when due, or any other events as defined by Section 6.01 of the Trust Indenture, the Trustee may 1) if the Authority is not collecting 100% of the hotel tax revenues, notify the County Treasurer (Treasurer) that an event of default has occurred and is continuing; and 2) pursue any available remedy to enforce the performance or compliance with any other obligation or requirement of this Trust Indenture or any of the security documents.

8. Long-Term Liabilities (continued)

Discretely Presented Component Unit (continued)

Upon the occurrence and continuance of an event of default under Section 6.01(c) of the Trust Indenture, the Trustee may, and if requested to do so by the holders of at least twenty-five percent (25%) in aggregate principal amount of 2022 A and B Bonds then outstanding, and if the Trustee is indemnified, the Trustee shall, exercise such of the rights and remedies conferred by the provision of Local Government Unit Debt Act.

Debt service requirements are as follows:

	Principal	Interest	Total
2023	$ 1,000,000	$ 2,890,774	$ 3,890,774
2024	840,000	3,110,771	3,950,771
2025	885,000	3,069,133	3,954,133
2026	925,000	3,026,282	3,951,282
2027	970,000	2,981,222	3,951,222
2028-2032	4,530,000	14,081,295	18,611,295
2033-2037	8,320,000	12,536,373	20,856,373
2038-2042	9,215,000	10,591,733	19,806,733
2043-2047	11,305,000	8,451,750	19,756,750
2048-2052	13,910,000	5,848,269	19,758,269
2053-2057	17,585,000	2,167,780	19,752,780
	$ 69,485,000	$ 68,755,382	$ 138,240,382

During the year ended December 31, 2022, the following changes occurred with the Convention Center Authority's revenue bonds payable:

	Balance 1/1/2022	Additions	Reductions	Balance 12/31/2022	Due Within One Year
Revenue bonds payable	$ 58,990,000	$ 67,385,982	$58,990,000	$ 67,385,982	$1,000,000

9. 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 October 4, 2021.

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, 2022, and 2021 were as follows:

	Reserve Balance as of January 1, 2022	Current Year Claims	Claim Payments	Reserve Balance as of December 31, 2022
Workers' Compensation	$ 415,744	$ 346,048	$ 432,792	$ 329,000

	Reserve Balance as of January 1, 2021	Current Year Claims	Claim Payments	Reserve Balance as of December 31, 2021
Workers' Compensation	$ 316,636	$ 607,088	$ 507,980	$ 415,744

10. Interfund Balances

Individual fund receivable and payable balances as of December 31, 2022, were as follows:

	Interfund Receivables	Interfund Payables
General Fund	$ 4,225,981	$ –
Children & Youth Services Fund	–	2,316,594
Behavioral Health and Developmental Services Fund	–	1,731,388
Office of Aging Fund	–	177,999
Total	$ 4,225,981	$ 4,225,981

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

11. Interfund Transfers

Interfund transfers for the year ended December 31, 2022, consisted of the following:

	Interfund Transfers-In	Interfund Transfers-Out
General Fund	$ –	$ 25,179,624
Children and Youth Services Fund	10,717,442	–
Behavioral Health and Developmental Services Fund	970,804	–
Capital Projects Fund	10,000,000	–
Domestic Relations Fund	2,611,505	–
Human Services Block Grant	566,700	636,950
Nonmajor Governmental Funds	950,123	–
Total	$ 25,816,574	$ 25,816,574

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.

12. 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 were guaranteed by the County. With the Authority's 2022 bond issuance, all of the 2014 Collaboration Agreement obligations and deliverables have been satisfied.

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, 2022, $3,060,000 of the bonds remained outstanding. The County guaranteed lease rental debt of the Redevelopment Authority for the stadium. As of December 31, 2022, the County's guarantee equaled a maximum annual debt service amount of $1,097,590.

12. 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 $145,000 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.

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.

12. 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.

13. 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.

13. 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, 2022, the plan's membership consisted of the following:

Retirees receiving benefits	677
Active members	1,276
Total membership	1,953

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.

13. 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 2022, contribution rates for plan members under 65 equaled $28.82 per participant per month. Contribution rates for plan members 65 and over equaled $55.50 per participant per month. For the year ended December 31, 2022, plan members receiving benefits paid $423,803, which was used to offset the County's total outlays to insurance carriers equaling $2,426,438 for current year premiums due. The net outlay from the County, which equaled $2,002,635 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 4.31% 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 4.31% as of December 31, 2022.

13. 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 2.05%, 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 (1.05%) or one-percentage-point higher (3.05%) than the current rate:

	1% Decrease (3.31%)	Current Discount Rate (4.31%)	1% Increase (5.31%)
County's net OPEB liability	$68,361,514	$60,855,913	$54,526,096

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
2022	5.65%
2023	5.50%
2024	5.40%
2025	5.36%
2026	5.33%
2030	5.18%
2040	5.18%
2050	5.18%
2060	4.83%
2070	4.38%
2075 & Ultimate	4.04%

13. 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	$52,331,374	$60,855,913	$71,504,398

Total OPEB Liability

The total OPEB liability was determined by an actuarial valuation as of January 1, 2022, and projected forward to December 31, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	2.50%
Discount rate	4.31% measurement date
Mortality table	Pub-2010 General Employees / Retirees Headcount-Weighted projected fully generationally using MP-2019 improvement scale.
Healthcare cost trends	5.50% for 2023, decreasing to an ultimate rate of 4.04% by 2075.

13. Other Post-Employment Benefits (continued)

Changes in Net OPEB Liability

During the year ended December 31, 2022, 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 12/31/2021	$ 73,044,011	$ -	$ 73,044,011
Changes for the Year:			
Service Cost	2,171,200	-	2,171,200
Interest	1,521,489	-	1,521,489
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	5,209,840	-	5,209,840
Changes in Assumptions or Other Inputs	(19,087,992)	-	(19,087,992)
Contributions	-	2,002,635	(2,002,635)
Benefit Payments	(2,002,635)	(2,002,635)	-
Administrative Expenses	-	-	-
Net Changes	(12,188,098)	-	(12,188,098)
Balances at 12/31/2022	$ 60,855,913	$ -	$ 60,855,913

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources

For the 2022 measurement period, the County recognized pension expense of $(13,088,910) 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	$ 4,341,533	$ (42,914,753)
Change of assumptions or other inputs	4,563,649	(34,373,272)
Total	$ 8,905,182	$ (77,288,025)

13. 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:	
2023	$ (16,781,599)
2024	(16,781,600)
2025	(14,452,218)
2026	(12,290,870)
2027	(8,076,556)
Thereafter	(-)
	$ (68,382,843)

For the 2022 measurement period, the County had no outstanding amount of contributions for the OPEB required for the year ended December 31, 2022.

14. 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 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.

14. 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 2022, administrative costs totaling $89,677 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, 2022, the Plan's membership consisted of the following:

Retirees and beneficiaries receiving benefits	1,467
Terminated Plan members enrolled but not yet receiving benefits	308
Active Plan members	1,602
Total members	3,377

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.

14. 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 $80,768,257 as of December 31, 2022, 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 2022 measurement period, the active member contribution rate was 5.0% of annual pay, and the County average contribution rate was 4.77% of annual payroll.

14. 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 2022 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%

14. 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	$88,950,640	$42,896,223	$6,734,872

14. 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 2022 measurement period:

Asset Class	Target Allocation
Domestic equity	48%
International equity	22%
Fixed income	22%
Real estate / Alternative	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 2022 measurement period, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -11.18%. 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 2022 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.

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

Net Pension Liability

The components of the net pension liability (asset) of the County for the 2022 measurement period were as follows:

Total pension liability	$ 380,919,498
Plan fiduciary net pension	338,023,275
County's net pension liability (asset)	$ 42,896,223
Plan fiduciary net position as a percentage of the total pension liability	88.74%

The actuarial assumptions used in the valuation for the 2022 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.

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

Changes in Net Pension Liability (Asset)

During the year ended December 31, 2022, 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 12/31/2021	$ 365,572,177	$ 389,968,672	$ (24,396,495)
Changes for the Year:			
Service Cost	5,856,013	-	5,856,013
Interest	25,643,490	-	25,643,490
Differences Between Expected and Actual Experience	5,599,054	-	5,599,054
Changes in Assumptions	-	-	-
Contributions – Employer	-	3,903,385	(3,903,385)
Contributions – Member	-	6,924,354	(6,924,354)
Net Investment loss	-	(40,946,244)	40,946,244
Benefit Payments, Including Refunds of Member Contributions	(21,751,236)	(21,751,236)	-
Administrative Expenses	-	(57,475)	57,475
Other	-	(18,181)	18,181
Net Changes	15,347,321	(51,945,397)	67,292,718
Balances at 12/31/2022	$ 380,919,498	$ 338,023,275	$ 42,896,223

Pension Expense and Deferred Outflows and Deferred Inflows of Resources

For the 2022 measurement period, the County recognized pension expense of $10,952,994 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	$ 5,652,843	$ -
Change of assumptions	8,368,596	-
Net difference between projected and actual earnings on pension plan investments	24,946,694	-
Total	$ 38,968,133	$ -

14. 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:	
2023	$ 5,612,551
2024	9,688,762
2025	9,827,078
2026	13,839,742
	$ 38,968,133

For the 2022 measurement period, the County had no outstanding amount of contributions to the pension plan required for the year ended December 31, 2022.

Legally Required Reserves

As of December 31, 2022, the Plan has a balance of $80,768,257 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, 2022. Since these accumulations represent the present value as of December 31, 2022, of future benefits, the reserve balance and liability are identical.

The Plan has a balance of $76,009,567 in the County Annuity Reserve Account as of December 31, 2022. 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, 2022, amount to $187,214,356. The corresponding liability for those annuitants on the roll is identical.

15. 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, 2022, 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 12/31/2022	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	$1,934,457	Debt	$(1,704,065)	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 $817,390, with the balance of $886,675 recorded as an interest rate swap liability.

15. 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, 2022. As of December 31, 2022, the 1-Month LIBOR rate equaled 4.369% and SIFMA equaled 3.66%.

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, 2022, 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.

15. Derivative Instruments (continued)

Swap Payments and Associated Debt

Using rates as of December 31, 2022, 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
2023	$ 1,635,000	$ 529,236	$ 328,354	$ 2,492,590
2024	1,730,000	465,918	289,070	2,484,988
2025	1,830,000	398,940	247,514	2,476,454
2026	1,934,000	328,155	203,598	2,465,753
2027	2,053,000	253,016	156,978	2,462,994
2028-2030	6,913,000	262,825	163,064	7,338,889
Total	$ 16,095,000	$ 2,238,090	$ 1,388,578	$ 19,721,668

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.

Terms

The bonds and the related swap agreements were to 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 Authority pays the counterparty a fixed payment related to the applicable notional amounts for the bonds and receives a computed variable payment.

15. Derivative Instruments (continued)

Discretely Presented Component Unit (continued)

Terms (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 1, 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. All other terms of the swap remained the same.

Pursuant to the Swap agreements, the Authority pays or receives to/from the counterparty, a monthly net swap payment. For the period of January 1, 2022, through the date of termination, the Authority paid $1,344,219 and $870,489 fixed and received $310,033 and $205,828 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.

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 the specified dates, 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.

The Swap agreements were terminated in November 2022. The termination fee related to the 2003 and 2007 swap agreements was $4,471,000 and $4,867,000, respectively and was financed through the issuance of the 2022 Bonds.

15. 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, 2022 Fair Value	Amortization of Swap Borrowing	Change in Fair Value	Termination	December 31, 2022 Fair Value
Series of 2003 Bonds	$36,030,000	$ (11,768,589)	$ 369,513	$ 6,928,076	$ 4,471,000	$ -
Series of 2007 Bonds	23,920,000	(12,424,944)	236,978	7,320,966	4,867,000	-
		$ (24,193,533)	$ 606,491	$ 14,249,042	$ 9,338,000	$ -

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, 2022, current period changes in fair value for the swap are accounted for as an investment and are recorded on the statements of revenues, expenses, and change in net position as change in fair value of interest rate swap. The fair value of the outstanding swap as of December 31, 2022, is reported on the statement of net position as a combination of interest rate swap liability and swap borrowing.

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	2021	2022
Total OPEB liability					
Service cost	$ 4,564,894	$ 3,968,035	$ 3,701,022	$ 2,874,612	$ 2,171,200
Interest	5,305,611	5,955,015	3,755,842	2,374,879	1,521,489
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	(22,781,809)	(5,336,460)	(42,142,397)	5,209,840
Changes of assumptions	(16,305,682)	7,652,357	(24,163,728)	1,797,694	(19,087,992)
Benefit payments	(2,297,673)	(2,326,238)	(2,352,103)	(2,006,962)	(2,002,635)
Net change in total OPEB liability	(8,732,850)	(7,532,640)	(24,395,427)	(37,102,174)	(12,188,098)
Total OPEB liability - beginning	150,807,102	142,074,252	134,541,612	110,146,185	73,044,011
Total OPEB liability - ending (a)	$ 142,074,252	$ 134,541,612	$ 110,146,185	$ 73,044,011	$ 60,855,913
Plan fiduciary net position					
Contributions - employer	$ 2,297,673	$ 2,326,238	$ 2,352,103	$ 2,006,962	$ 2,002,635
Contributions - member	-	-	-	-	-
Net investment income	-	-	-	-	-
Benefit payments	(2,297,673)	(2,326,238)	(2,352,103)	(2,006,962)	(2,002,635)
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	$ 73,044,011	$ 60,855,913
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	$ 82,059,110	$ 79,099,450	$ 71,863,769	$ 67,403,970	$ 64,642,458
County's net OPEB liability as a percentage of covered employee payroll	173.14%	170.09%	153.27%	108.37%	94.14%

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 12/31/22, the discount rate assumption increased from 2.05% to 4.31%.

There are no assets accumulated in a trust to pay related benefits for the OPEB plan.

County of Lancaster, Pennsylvania

Schedule of Changes in the County's Net

Pension Liability and Related Ratios

	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	$ 5,996,330	$ 5,856,013
Interest	17,783,441	18,633,288	19,529,550	20,145,143	21,101,524	21,978,922	23,703,120	24,602,532	25,643,490
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	2,250,779	5,599,054
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)	(20,641,081)	(21,751,236)
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	12,208,560	15,347,321
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	353,363,617	365,572,177
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	$ 365,572,177	$ 380,919,498
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	$ 5,142,723	$ 3,903,385
Contributions - member	5,034,095	4,973,865	5,110,678	5,401,676	5,597,884	5,762,873	6,074,437	6,270,764	6,924,354
Net investment income (loss)	13,976,986	(954,010)	18,635,668	39,274,752	(14,027,352)	54,392,796	38,178,785	50,512,619	(40,946,244)
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)	(20,641,081)	(21,751,236)
Administrative expense	(42,755)	(44,558)	(71,633)	(47,599)	(48,413)	(56,025)	(61,597)	(43,928)	(57,475)
Other	(21,557)	(22,027)	63,908	46,555	(42,173)	(30,910)	(29,043)	(53,076)	(18,181)
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	41,188,021	(51,945,397)
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	348,780,651	389,968,672
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	$ 389,968,672	$ 338,023,275
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	$ (24,396,495)	$ 42,896,223
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%	106.67%	88.74%
Covered payroll	$ 77,867,605	$ 79,478,129	$ 81,355,686	$ 80,039,687	$ 82,059,110	$ 83,892,412	$ 83,386,323	$ 84,337,086	$ 81,800,905
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%	(28.93%)	52.44%

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	2021	2022
Actuarially determined contribution	$ 5,962,997	$ 5,228,813	$ 4,580,199	$ 4,424,334	$ 4,399,055	$ 5,048,537	$ 4,918,872	$ 5,142,723	$ 3,903,385
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	5,142,723	3,903,385
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	$ 84,337,086	$ 81,800,905
Contributions as a percentage of covered payroll	7.66%	6.58%	5.63%	5.53%	5.36%	6.02%	5.90%	6.10%	4.77%

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	January 1, 2021	January 1, 2022

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	18 years
Asset valuation method	Fair 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	2021	2022
Annual money-weighted rate of return, net of investment expense	6.50%	0.00%	8.10%	15.87%	(4.55%)	20.84%	12.99%	14.86%	(11.18%)

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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget -- Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Real estate taxes	$ 126,043,026	$ 126,043,026	$ 126,461,638	$ 418,612
Intergovernmental	5,534,852	103,582,767	67,330,893	(36,251,874)
Departmental	29,168,388	29,168,388	28,089,064	(1,079,324)
Fines and costs	3,711,100	3,711,100	2,512,152	(1,198,948)
Investment earnings	110,000	110,000	1,106,994	996,994
Other	4,233,334	4,233,334	4,650,195	416,861
Total revenues	168,800,700	266,848,615	230,150,936	(36,697,679)
EXPENDITURES				
Current:				
General government	35,877,089	135,743,147	80,101,544	55,641,603
Public Safety	13,539,270	13,553,014	12,197,965	1,355,049
Judicial	49,295,507	49,796,281	47,381,463	2,414,818
Corrections	32,644,498	32,704,135	31,997,519	706,616
Cultural and recreation	2,424,596	2,451,533	2,477,177	(25,644)
Capital outlay	3,970,716	6,793,109	3,532,487	3,260,622
Debt service:				
Principal retirement	14,940,000	14,940,000	16,170,766	(1,230,766)
Interest and fiscal charges	7,185,561	7,034,428	6,878,799	155,629
Total expenditures	159,877,237	263,015,647	200,737,720	62,277,927
Excess (deficiency) of revenues over (under) expenditures	8,923,463	3,832,968	29,413,216	25,580,248
Transfers out	(14,512,834)	(15,179,624)	(25,179,624)	(10,000,000)
Total other financing sources (uses)	(14,512,834)	(15,179,624)	(25,179,624)	(10,000,000)
Net change in fund balances	$ (5,589,371)	$ (11,346,656)	4,233,592	$ 15,580,248
Net increase in due from other funds			(2,620,936)	
Fund balance, January 1, cash basis			61,722,940	
Fund balance, December 31, cash basis			63,335,596	
Differences from modified accrual basis:				
Receivables:				
Taxes, net			1,639,226	
Fines and costs, net			3,957,891	
Accounts			3,346,988	
Due from other funds			4,225,981	
Due from other governments			3,050,634	
Accounts payable			(4,486,144)	
Deferred inflows of resources			(4,498,713)	
Payroll related accruals			(3,786,475)	
Fund balance at December 31, modified accrual basis			$ 66,784,984	

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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental	$ 37,832,363	$ 37,832,363	$ 29,751,537	$ (8,080,826)
Departmental	775,027	775,027	285,568	(489,459)
Other	-	-	5	5
Total revenues	38,607,390	38,607,390	30,037,110	(8,570,280)
EXPENDITURES				
Current:				
Health, education, and welfare:				
Children and youth	49,212,567	49,134,382	43,486,560	5,647,822
Capital outlay	237,863	316,048	218,004	98,044
Total expenditures	49,450,430	49,450,430	43,704,564	5,745,866
Excess (deficiency) of revenues over (under) expenditures	(10,843,040)	(10,843,040)	(13,667,454)	(2,824,414)
OTHER FINANCING SOURCES (USES)				
Transfers in	10,480,086	10,480,086	10,717,442	237,356
Net change in fund balances	$ (362,954)	$ (362,954)	(2,950,012)	$ (2,587,058)
Net increase in due to other funds			2,316,594	
Fund balance, January 1, cash basis			739,240	
Fund balance, December 31, cash basis			105,822	
Differences from modified accrual basis:				
Due from other governments			6,325,091	
Due to other funds			(2,316,594)	
Accounts payable			(2,795,052)	
Payroll related accruals			(541,492)	
Fund balance at December 31, modified accrual basis			$ 777,775	

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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental	$ 29,111,840	$ 31,591,840	$ 28,792,826	$ (2,799,014)
Departmental	2,438,026	2,438,026	3,265,437	827,411
Total revenues	31,549,866	34,029,866	32,058,263	(1,971,603)
EXPENDITURES				
Current:				
Health, education, and welfare:				
Behavioral Health & Developmental Services	31,888,841	34,447,794	32,702,585	1,745,209
Capital outlay	828,023	749,070	453,912	295,158
Total expenditures	32,716,864	35,196,864	33,156,497	2,040,367
Excess (deficiency) of revenues over (under) expenditures	(1,166,998)	(1,166,998)	(1,098,234)	68,764
OTHER FINANCING SOURCES (USES)				
Transfers in	945,000	945,000	970,804	25,804
Net change in fund balances	$ (221,998)	$ (221,998)	(127,430)	$ 94,568
Net increase in due to other funds			126,343	
Fund balance, January 1, cash basis			191,251	
Fund balance, December 31, cash basis			190,164	
Differences from modified accrual basis:				
Due from other governments			3,776,213	
Other receivables			263,570	
Due to other funds			(1,731,388)	
Accounts payable			(2,091,559)	
Payroll related accruals			(407,000)	
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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental	$ 4,991,047	$ 4,991,047	$ 4,541,895	$ (449,152)
Departmental	33,000	33,000	16,360	(16,640)
Investment earnings	16,000	16,000	140,399	124,399
Total revenues	5,040,047	5,040,047	4,698,654	(341,393)
EXPENDITURES				
Current:				
Judicial	7,453,076	7,433,076	6,756,646	676,430
Capital outlay	95,554	115,554	67,300	48,254
Total expenditures	7,548,630	7,548,630	6,823,946	724,684
Excess (deficiency) of revenues over (under) expenditures	(2,508,583)	(2,508,583)	(2,125,292)	383,291
OTHER FINANCING SOURCES (USES)				
Transfers in	2,378,889	2,378,889	2,611,505	232,616
Net change in fund balances	$ (129,694)	$ (129,694)	486,213	$ 615,907
Fund balance, January 1, cash basis			14,661,252	
Fund balance, December 31, cash basis			15,147,465	
Differences from modified accrual basis:				
Due from other governments			1,520,181	
Accounts payable			(4,853)	
Payroll related accruals			(175,252)	
Fund balance at December 31, modified accrual basis			$ 16,487,541	

Notes to Required Supplementary Information

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	$	230,150,936
Net adjustment to General Fund revenues based on differences in revenue recognition between the budgetary basis and GAAP basis		(4,597,324)
General Fund revenues per statement of revenues, expenditures. and changes in fund balances – General Fund	$	225,553,612

General Fund expenditures per schedule of revenues, expenditures, and changes in fund balances – budget and actual – budgetary basis – General Fund	$	200,737,720
Net adjustment to General Fund expenditures based on differences in expenditure recognition between the budgetary basis and GAAP basis		(5,473,959)
General Fund expenditures per statement of revenues, expenditures, and changes in fund balances – General Fund	$	195,263,761

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, 2022

	Office of Aging	Drug and Alcohol	Liquid Fuels	Agricultural Land Preservation	Community Development Block Grant	Total Nonmajor Governmental Funds
ASSETS						
Cash and investments:						
Operating	$ -	$ 219,228	$ 2,881,368	$ 1,219,260	$ -	$ 4,319,856
Other	209,734	-	-	-	-	209,734
Other receivables	-	-	-	14,784	-	14,784
Due from other governments	3,279,549	254,771	127,744	-	-	3,662,064
Total assets	$ 3,489,283	$ 473,999	$ 3,009,112	$ 1,234,044	$ -	$ 8,206,438
LIABILITIES						
Liabilities:						
Accounts payable	$ 368,554	$ 445,139	$ 475,243	$ -	$ -	$ 1,288,936
Retainage payable	-	-	38,399	-	-	38,399
Due to other funds	177,999	-	-	-	-	177,999
Unearned revenue-intergovernmental	-	-	1,297,144	-	-	1,297,144
Payroll related accruals	159,686	28,860	-	-	-	188,546
Total liabilities	706,239	473,999	1,810,786	-	-	2,991,024
FUND BALANCES						
Restricted						
Health,education, and welfare	2,783,044	-	-	-	-	2,783,044
Roads and bridges	-	-	1,198,326	-	-	1,198,326
Community development	-	-	-	1,234,044	-	1,234,044
Total fund balances	2,783,044	-	1,198,326	1,234,044	-	5,215,414
Total liabilities, deferred inflows of resources and fund balances (deficits)	$ 3,489,283	$ 473,999	$ 3,009,112	$ 1,234,044	$ -	$ 8,206,438

County of Lancaster, Pennsylvania

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

For the Year Ended December 31, 2022

	Office of Aging	Drug and Alcohol	Liquid Fuels	Agricultural Land Preservation	Community Development Block Grant	Total Nonmajor Governmental Funds
REVENUES						
Intergovernmental	$ 9,516,837	$ 4,977,429	$ 2,613,634	$ -	$ 5,509,912	$ 22,617,812
Departmental	24,578	-	-	-	-	24,578
Investment earnings	-	2,659	12,565	-	-	15,224
Other	28,708	262,740	-	388,481	-	679,929
Total revenues	9,570,123	5,242,828	2,626,199	388,481	5,509,912	23,337,543
EXPENDITURES						
Current:						
Roads and bridges	-	-	203,589	-	-	203,589
Health, education, and welfare:						
Drug and alcohol	-	5,473,078	-	-	-	5,473,078
Office of aging	9,841,390	-	-	-	-	9,841,390
Community development	-	-	-	190,999	5,509,912	5,700,911
Capital outlay	225,027	-	1,307,635	-	-	1,532,662
Total expenditures	10,066,417	5,473,078	1,511,224	190,999	5,509,912	22,751,630
Excess (deficiency) of revenues over (under) expenditures	(496,294)	(230,250)	1,114,975	197,482	-	585,913
OTHER FINANCING SOURCES						
Transfers in	719,873	230,250	-	-	-	950,123
Total other financing sources	719,873	230,250	-	-	-	950,123
Net change in fund balances	223,579	-	1,114,975	197,482	-	1,536,036
Fund balances, January 1	2,559,465	-	83,351	1,036,562	-	3,679,378
Fund balances, December 31	$ 2,783,044	$ -	$ 1,198,326	$ 1,234,044	$ -	$ 5,215,414

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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental	$ 11,927,690	$ 11,927,690	$ 8,125,676	$ (3,802,014)
Departmental	24,578	24,578	24,578	-
Other	548,239	548,239	28,708	(519,531)
Total revenues	12,500,507	12,500,507	8,178,962	(4,321,545)
EXPENDITURES				
Current:				
Health, education, and welfare:				
Office of Aging	13,696,687	13,457,474	9,785,605	3,671,869
Capital outlay	32,000	271,213	225,027	46,186
Total expenditures	13,728,687	13,728,687	10,010,632	3,718,055
Excess (deficiency) of revenues over (under) expenditures	(1,228,180)	(1,228,180)	(1,831,670)	(603,490)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,214,873	1,214,873	719,873	(495,000)
Net change in fund balances	$ (13,307)	$ (13,307)	(1,111,797)	$ (1,098,490)
Net increase in due to other funds			177,999	
Fund balance, January 1, cash basis			1,143,532	
Fund balance, December 31, cash basis			209,734	
Differences from modified accrual basis:				
Due from other governments			3,279,549	
Accounts payable			(368,554)	
Due to other funds			(177,999)	
Payroll related accruals			(159,686)	
Fund balance at December 31, modified accrual basis			$ 2,783,044	

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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental	$ 5,614,988	$ 5,614,988	$ 4,635,501	$ (979,487)
Departmental	797,964	797,964	350,498	(447,466)
Investment earnings	10,000	10,000	2,659	(7,341)
Other	33,000	33,000	60	(32,940)
Total revenues	6,455,952	6,455,952	4,988,718	(1,467,234)
EXPENDITURES				
Current:				
Health, education, and welfare:				
Drug and alcohol	6,719,809	6,719,809	5,350,809	1,369,000
Capital outlay	470	470	-	470
Total expenditures	6,720,279	6,720,279	5,350,809	1,369,470
Excess (deficiency) of revenues over (under) expenditures	(264,327)	(264,327)	(362,091)	(97,764)
OTHER FINANCING SOURCES (USES)				
Transfers in	244,000	244,000	230,250	(13,750)
Net change in fund balances	$ (20,327)	$ (20,327)	(131,841)	$ (111,514)
Fund balance, January 1, cash basis			351,069	
Fund balance, December 31, cash basis			219,228	
Differences from modified accrual basis:				
Due from other governments			254,771	
Accounts payable			(445,139)	
Payroll related accruals			(28,860)	
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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental	$ 1,869,217	$ 1,869,217	$ 2,746,971	$ 877,754
Investment earnings	1,000	1,000	12,565	11,565
Total revenues	1,870,217	1,870,217	2,759,536	889,319
EXPENDITURES				
Current:				
Roads and bridges	407,490	407,490	148,771	258,719
Capital outlay	5,159,155	5,159,155	1,123,295	4,035,860
Total expenditures	5,566,645	5,566,645	1,272,066	4,294,579
Net change in fund balances	$ (3,696,428)	$ (3,696,428)	1,487,470	$ 5,183,898
Fund balance, January 1, cash basis			1,393,898	
Fund balance, December 31, cash basis			2,881,368	
Differences from modified accrual basis:				
Due from other governments			127,744	
Accounts payable			(475,243)	
Retainage payable			(38,399)	
Unearned revenue - intergovernmental			(1,297,144)	
Fund balance at December 31, modified accrual basis			$ 1,198,326	

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 130

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 134

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

Debt Capacity 139

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 145

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 147

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 152

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	$ 49,226,216	$ 57,793,520	$ 64,556,495	$ 75,140,193	$ 80,877,957	$ 93,658,350	$ 109,267,372	$ 125,380,916	$ 138,618,561	$ 153,202,347
Restricted for:										
Federal and state grant programs	17,286,265	19,216,375	20,536,531	21,327,572	22,585,892	25,228,498	22,582,791	23,659,563	23,894,084	25,677,799
Capital projects	19,560,818	10,977,876	1,879,240	1,161,931	8,967,292	4,322,534	11,357,475	10,254,171	5,302,635	2,677,499
Public Safety	18,485,979	9,817,893	2,239,642	583,382	614,273	4,041,083	1,714,607	2,617,106	1,962,353	2,822,083
Community Development	1,883,214	1,725,871	1,880,814	1,468,899	1,698,379	1,878,548	1,607,534	1,196,748	1,036,562	1,234,044
Unrestricted (deficit)	(104,543,590)	(84,961,252)	(76,842,980)	(63,591,276)	(66,249,267)	(158,229,087)	(160,230,998)	(146,845,287)	(93,776,511)	(72,478,515)
Total governmental activities net position	$ 1,898,902	$ 14,570,283	$ 14,249,742	$ 36,090,701	$ 48,494,526	$ (29,100,074)	$ (13,701,219)	$ 16,263,217	$ 77,037,684	$ 113,135,257

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

Table 2

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	$ 53,456,166	$ 47,688,115	$ 49,312,867	$ 49,177,536	$ 49,950,520	$ 55,746,397	$ 49,021,353	$ 121,743,085	$ 62,541,277	$ 84,392,730
Public Safety	21,902,476	14,921,490	15,845,032	9,599,612	8,350,879	13,440,839	13,768,065	13,221,475	12,353,393	14,083,456
Roads and bridges	391,992	675,825	1,287,186	669,583	1,211,032	793,224	870,158	1,041,649	1,073,484	1,144,439
Health, education, and welfare	154,045,202	156,191,063	156,728,546	177,315,144	188,162,861	186,450,247	141,006,233	72,878,166	73,356,007	76,937,364
Judicial	44,553,349	42,421,056	41,683,823	44,902,740	47,806,347	47,799,112	49,770,156	50,527,621	50,334,968	53,105,998
Corrections	26,707,583	26,397,549	26,710,816	28,250,573	30,680,241	28,560,290	29,626,093	27,053,428	30,764,447	34,233,373
Cultural and recreation	2,681,009	2,441,711	1,560,006	2,182,493	3,038,838	2,511,087	2,367,887	2,541,811	2,718,435	2,868,264
Community development	3,485,997	4,305,998	6,855,968	4,173,840	3,819,420	3,094,339	5,599,461	3,204,230	6,184,668	6,034,625
Bond issuance costs	282,181	127,854	–	–	82,135	–	–	–	–	–
Interest on long-term debt	10,599,734	10,605,535	9,539,788	8,665,991	7,993,434	7,988,477	7,516,540	7,230,109	7,044,609	7,504,799
Total governmental activities expenses	318,105,689	305,776,196	309,524,032	324,937,512	341,095,707	346,384,012	299,545,946	299,441,574	246,371,288	280,305,048
Program Revenues										
Governmental activities:										
Charges for services:										
General government	10,444,728	5,898,650	9,111,789	15,650,427	5,988,278	8,847,608	8,602,524	9,272,750	10,656,561	10,974,601
Public Safety	12,711,899	5,108,919	5,827,034	5,551,904	9,857,390	10,258,066	10,159,895	10,436,521	10,541,822	10,279,893
Roads and bridges	7,875	10,509	15,653	2,910	1,200	–	7,032	82,726	–	–
Health, education, and welfare	3,532,301	4,546,721	4,115,277	5,297,066	3,701,464	4,049,782	3,056,680	3,304,717	3,277,698	3,866,803
Judicial	7,948,172	8,267,853	6,851,144	7,862,100	7,900,002	8,637,187	8,600,636	6,186,625	6,284,040	5,480,788
Corrections	579,462	1,176,571	1,245,477	1,437,909	1,715,839	1,237,516	1,217,984	1,291,998	1,732,120	2,418,358
Cultural and recreation	411,646	293,848	305,651	298,106	315,900	312,231	337,464	110,679	248,279	271,645
Community development	–	–	145,882	11,062	229,480	180,169	21,860	22,550	–	–
Operating grants and contributions:										
General government	5,043,465	4,789,553	5,322,572	2,977,602	3,263,623	4,126,082	4,372,584	88,307,954	58,874,886	63,793,407
Public Safety	90,315	251,141	168,559	73,584	326,179	172,690	325,797	171,169	283,015	164,912
Roads and bridges	2,576,440	1,541,697	1,472,544	1,323,720	2,368,908	1,154,552	1,453,746	1,460,292	3,062,132	2,613,634
Health, education, and welfare	152,763,381	155,048,253	154,564,650	174,008,002	183,992,998	186,589,930	138,648,506	72,658,897	72,764,143	73,540,900
Judicial	8,105,142	7,874,568	6,758,492	8,771,902	8,847,099	8,174,387	7,518,974	8,217,494	7,531,473	9,011,929
Corrections	261,805	58,301	264,310	323,313	378,845	239,044	412,232	398,271	16,325	283,737
Cultural and recreation	–	122,600	33,057	–	–	–	–	–	–	–
Community development	3,484,987	3,901,912	6,468,065	3,730,895	3,866,225	2,976,983	5,416,618	3,278,169	6,110,290	5,509,912
Total governmental activities program revenues	207,961,618	198,891,096	202,670,156	227,320,502	232,753,430	236,956,227	190,152,532	205,200,812	181,382,784	188,210,519
Total government net expense	$ (110,144,071)	$ (106,885,100)	$ (106,853,876)	$ (97,617,010)	$ (108,342,277)	$ (109,427,785)	$ (109,393,414)	$ (94,240,762)	$ (64,988,504)	$ (92,094,529)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	$ 116,526,852	$ 117,215,756	$ 118,030,667	$ 119,276,761	$ 120,289,592	$ 121,588,905	$ 122,367,004	$ 123,724,847	$ 125,470,686	$ 126,380,559
Unrestricted investment earnings(loss)	(1,368,543)	2,340,725	158,622	181,209	628,929	1,671,559	2,425,265	480,351	292,285	1,811,543
Gain on sale of capital assets	134,501	–	–	–	(172,419)	–	–	–	–	–
Total governmental activities	$ 115,292,810	$ 119,556,481	$ 118,189,289	$ 119,457,970	$ 120,746,102	$ 123,260,464	$ 124,792,269	$ 124,205,198	$ 125,762,971	$ 128,192,102
Change in Net Position										
Governmental activities	$ 5,148,739	$ 12,671,381	$ 11,335,413	$ 21,840,960	$ 12,403,825	$ 13,832,679	$ 15,398,855	$ 29,964,436	$ 60,774,467	$ 36,097,573

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

Table 3

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund										
Nonspendable	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –
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	1,188,605	769,030
Capital Projects	–	–	–	–	–	–	46	–	–	–
General government	2,913,790	1,689,808	2,201,107	2,176,792	1,643,674	2,003,966	1,923,884	1,895,170	1,210,463	2,186,948
Public safety	18,485,979	9,817,893	2,239,642	583,382	614,273	4,041,083	1,714,607	2,617,106	1,962,353	2,822,083
Judicial	1,956,679	1,749,827	1,403,881	1,013,222	695,666	777,530	670,722	1,033,229	1,185,590	1,475,135
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	1,070,183	1,236,409
Healthcare benefits	1,687,275	1,725,871	1,773,084	1,773,084	1,921,684	2,028,402	2,042,669	2,073,309	2,102,636	2,172,819
Corrections	–	–	–	–	–	1,380,972	1,408,387	1,832,801	2,482,794	2,102,934
Judicial	–	–	–	–	–	–	591,891	215,127	381,862	–
Postemployment benefits	1,220,973	1,212,719	4,387,135	2,522,436	559,689	–	–	–	–	600,000
Unassigned	–	–	2,482,025	13,992,905	20,809,820	24,206,010	31,265,754	38,280,253	49,649,874	53,419,626
Total general fund	$ 26,264,696	$ 21,964,603	$ 18,093,812	$ 25,612,405	$ 32,471,990	$ 38,687,981	$ 43,137,693	$ 50,330,744	$ 61,234,360	$ 66,784,984
All other governmental funds										
Restricted:										
Health, education, and welfare	$ 400,006	$ 966,041	$ 2,474,219	$ 2,114,191	$ 2,188,149	$ 4,251,854	$ 3,626,200	$ 4,825,894	$ 4,595,828	$ 3,560,819
Capital projects	19,560,818	10,417,262	1,879,240	1,161,931	6,298,912	3,695,483	11,357,429	10,254,171	5,302,635	2,677,499
Roads and bridges	2,909,938	2,716,233	2,314,828	2,988,751	3,262,585	2,476,305	–	–	83,351	1,198,326
Judicial	9,105,852	9,886,595	10,596,172	11,228,370	12,343,732	13,110,143	13,872,892	14,550,848	15,630,247	16,487,541
Community development	2,239,586	1,734,932	1,880,814	1,468,899	1,698,379	1,878,548	1,607,534	1,196,748	1,036,562	1,234,044
Committed:										
Capital projects	–	–	–	–	–	–	–	–	13,317,755	19,144,538
Total all other governmental funds	$ 34,216,200	$ 25,721,063	$ 19,145,273	$ 18,962,142	$ 25,791,757	$ 25,412,333	$ 30,464,055	$ 30,827,661	$ 39,966,378	$ 44,302,767
Total fund balances of all governmental funds	$ 60,480,896	$ 47,685,666	$ 37,239,085	$ 44,574,547	$ 58,263,747	$ 64,100,314	$ 73,601,748	$ 81,158,405	$ 101,200,738	$ 111,087,751

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	$ 116,611,483	$ 117,319,438	$ 118,053,482	$ 119,727,563	$ 120,155,825	$ 121,488,947	$ 122,914,746	$ 123,876,011	$ 125,593,195	$ 126,284,829
Intergovernmental	169,537,740	170,410,928	172,736,021	189,095,657	200,539,898	200,752,880	155,468,518	171,802,848	145,860,330	152,295,621
Departmental	31,744,650	20,681,144	24,720,276	24,923,631	25,194,997	28,324,797	27,088,191	27,120,132	29,236,641	28,802,632
Fines and costs	3,303,185	3,274,350	3,264,006	3,148,094	3,396,081	3,437,868	3,481,423	2,870,590	2,950,879	2,496,213
Interest	120,148	99,131	118,044	181,209	628,929	1,671,559	2,425,265	480,351	292,285	1,811,543
Other	1,169,894	1,037,730	1,889,819	5,250,330	2,401,533	2,008,674	1,762,615	1,867,080	1,938,888	2,240,238
Health Choices revenues	1,498,523	2,803,213	1,611,549	2,274,595	1,408,862	1,987,630	1,883,259	2,161,469	1,887,711	2,856,527
Total revenues	323,985,623	315,625,934	322,393,197	344,601,079	353,726,125	359,672,355	315,024,017	330,178,481	307,759,929	316,787,603
Expenditures										
General government	30,129,669	26,630,285	33,341,399	29,230,902	26,558,053	28,814,022	29,586,708	110,879,887	66,721,272	72,587,518
Public safety	26,192,813	12,912,527	12,835,662	10,545,603	11,451,563	11,315,166	9,246,079	12,132,068	11,166,686	9,238,584
Roads and bridges	–	228,635	764,722	133,735	643,259	172,458	155,629	217,992	189,086	203,589
Health, education and welfare	165,705,416	167,944,070	167,453,600	189,992,167	199,452,208	199,005,660	153,133,757	85,291,824	86,408,826	89,686,462
Judicial	46,435,758	44,702,380	43,756,961	47,064,579	48,650,871	49,639,857	50,853,793	50,898,826	52,456,995	54,693,939
Corrections	27,577,716	24,952,042	25,234,661	26,668,718	28,789,244	26,883,888	27,766,818	25,279,538	29,325,948	32,461,941
Cultural and recreation	2,360,554	2,185,938	1,343,717	2,084,548	2,226,828	2,168,802	2,233,046	2,195,785	2,427,147	2,462,628
Community development	3,781,963	4,406,566	6,468,065	4,153,872	3,866,225	2,976,983	5,709,492	3,711,505	6,270,476	5,700,911
Capital outlay	11,152,496	20,766,965	17,751,098	3,485,951	2,937,498	8,173,866	17,738,263	20,388,573	11,233,198	13,900,435
Debt service (1):										
Principal	13,751,800	13,651,000	14,633,587	15,361,100	17,053,400	17,009,700	16,549,400	17,026,400	14,391,600	18,845,120
Interest and fiscal charges	10,643,324	10,601,370	9,656,490	8,901,565	8,176,693	7,845,689	7,473,374	7,286,046	7,126,362	7,559,860
Bond issuance costs	282,181	127,854	–	–	82,135	–	123,691	115,927	–	–
Total expenditures	338,013,690	329,109,632	333,239,962	337,622,740	349,887,977	354,006,091	320,570,050	335,424,371	287,717,596	307,340,987
Excess (deficiency) of revenues over (under) expenditures	(14,028,067)	(13,483,698)	(10,846,765)	6,978,339	3,838,148	5,666,264	(5,546,033)	(5,245,890)	20,042,333	9,446,616
Other financing sources (uses)										
Transfers in	12,221,130	12,365,605	11,651,165	13,642,251	15,595,569	13,194,524	13,337,856	13,867,285	26,844,024	25,816,574
Transfers out	(12,221,130)	(12,365,605)	(11,651,165)	(13,642,251)	(15,595,569)	(13,194,524)	(13,337,856)	(13,867,285)	(26,844,024)	(25,816,574)
Discount on refunding bonds issued	–	–	–	–	–	–	–	–	–	–
Premium on refunding bonds issued	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	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	(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	697	–	–	–	–	–	353,691	1,855,927	–	–
Face amount of bonds issued	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)	–	–	–	–	–	–	–	–	–
Leases (as lessee)	–	–	–	–	–	–	2,832,157	60,295	–	440,397
Sale of capital assets	348,615	560,614	–	–	3,172,108	–	–	–	–	–
Total other financing sources (uses)	7,453,961	688,468	400,184	357,123	9,851,052	170,303	15,047,467	12,802,547	–	440,397
Net change in fund balances	$ (6,574,106)	$ (12,795,230)	$ (10,446,581)	$ 7,335,462	$ 13,689,200	$ 5,836,567	$ 9,501,434	$ 7,556,657	$ 20,042,333	$ 9,887,013
Debt service as a percentage of noncapital expenditures	7.5%	7.9%	7.7%	7.3%	7.3%	7.2%	7.9%	7.7%	7.8%	9.0%

(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
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%
2021	48,944,945,500	5,143,200,000	43,801,745,500	2.911	43,801,745,500	100%
2022	49,592,201,000	5,271,312,800	44,320,888,200	2.911	44,320,888,200	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
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**	49,402,664,672	42,930,915,600	.8690
2020**	51,990,187,035	43,307,825,800	.8330
2021	56,084,181,178	43,801,745,500	.7810
2022	65,149,034,544	44,320,888,200	.6803

Source: County of Lancaster Assessment Office

**Corrected Common Level Ratio from 2019 & 2020

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

Table 6

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Direct Rate:	3.7350	3.7350	3.7350	3.7350	3.7350	2.9110	2.9110	2.9110	2.9110	2.9110
City rate:										
Lancaster	13.0400	13.0400	14.0200	14.0200	14.4400	10.7000	11.7000	11.7000	11.7000	11.7000
Borough rates:										
Adamstown	2.5000	2.5000	2.5000	2.5000	2.5000	2.0410	2.0410	2.0410	2.0410	2.0410
Akron	2.5000	2.5000	2.7500	2.7500	2.7500	2.3200	3.0000	3.0000	3.0000	3.0000
Christiana	5.0000	5.0000	5.0000	5.0000	5.0000	3.6110	3.6110	3.6110	3.6110	3.6110
Columbia	8.0000	8.0000	8.0000	8.0000	8.0000	6.6000	8.0000	8.0000	8.0000	8.0000
Denver	3.0000	3.0000	3.0000	3.0000	3.1500	2.5270	2.5300	2.6600	2.7900	2.7900
East Petersburg	2.3940	2.3940	3.3940	3.3940	3.3940	2.7470	4.7470	4.7470	4.7470	4.7470
Elizabethtown	5.0000	5.0000	5.2000	5.5000	5.6000	4.3000	4.4000	4.6000	4.6000	5.1000
Ephrata	2.0700	2.0700	2.0700	2.0700	2.2800	1.7625	1.7625	1.7625	1.7625	1.7625
Lititz	2.1000	2.1000	2.6000	2.6000	2.6000	2.0000	2.0000	2.0000	2.0000	2.0000
Manheim	4.7500	4.7500	4.8500	5.0500	5.8500	4.6400	4.6400	4.8900	4.8900	4.8900
Marietta	6.5000	6.5000	6.5000	6.5000	6.5000	5.1500	5.1500	6.1500	6.1500	6.1500
Millersville	5.4500	5.4500	5.7200	6.2000	6.4000	4.9000	5.1500	5.5000	5.5000	5.8000
Mount Joy	4.7000	4.9100	4.9100	4.9100	4.9100	3.7540	3.7540	3.9800	3.9800	3.9800
Mountville	2.6000	2.6000	2.6000	2.6000	2.6000	2.0700	2.0700	2.0700	2.0700	2.0700
New Holland	3.4000	3.4000	3.4000	3.4000	3.4000	2.7500	2.7500	3.2500	3.2500	3.2500
Quarryville	4.7500	4.7500	4.7500	6.0000	6.0000	4.6300	4.6300	4.6300	4.6300	4.8800
Strasburg	3.0800	3.0800	3.2800	3.2800	3.2800	2.6500	2.8600	3.0300	3.0300	3.0300
Terre Hill	5.0000	5.0000	5.0000	5.0000	5.0000	4.2500	4.2500	4.2500	4.2500	4.2500
Township rates:										
Bart	0.6000	0.6000	0.6000	0.6000	0.6000	0.4750	0.4750	0.4750	0.4750	0.4750
Brecknock	0.2690	0.2690	0.2690	0.2690	0.2690	0.2330	0.2563	0.4063	0.5563	0.8063
Caernarvon	0.0150	0.0150	0.0150	0.0150	0.0150	0.0117	0.0117	0.0117	0.0117	0.0117
Clay	1.3000	1.3000	1.3000	1.3000	1.3000	1.1700	1.1700	1.1700	1.1700	1.1700
Colerain	0.6620	0.6620	0.6620	0.6620	0.6620	0.5180	0.5180	0.5180	0.5180	0.5180
Conestoga	1.1000	1.1000	1.1000	1.1000	1.1000	0.8710	0.8710	0.8710	0.8710	0.8710
Drumore	1.0000	1.0000	1.0000	1.0000	1.0000	0.8459	0.8459	0.8459	0.8459	0.8459
Earl	1.2500	1.2500	1.2500	1.2500	1.2500	0.9780	0.9780	0.9780	0.9780	0.9780
East Cocalico	2.0500	2.0500	2.0500	2.0500	2.0500	1.6460	1.7330	1.7330	1.7680	1.7680
East Donegal	3.7500	3.9500	3.9500	3.9500	3.9500	3.1165	3.1165	3.1165	3.1165	3.1165
East Drumore	0.3900	0.3900	0.3900	0.3900	0.3900	0.3300	0.3300	0.3300	0.3300	0.3300
East Earl	1.9000	1.9000	1.9000	2.0500	2.0500	1.7000	1.7000	1.7000	1.7000	1.7000
East Hempfield	1.1200	1.1200	1.1200	1.1200	1.1200	0.8500	0.8500	0.8500	0.8500	0.8500
East Lampeter	1.6000	1.6000	1.6000	1.7300	1.9900	1.7500	1.9000	1.9000	1.9000	1.9000
Eden	0.8000	0.8000	0.9500	1.0500	1.1500	0.9320	0.9500	1.0000	1.0200	1.0500
Elizabeth	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.5000	0.5000	0.5000	0.5000
Ephrata	1.3700	1.3700	1.3700	1.3700	1.4700	1.1700	1.1700	1.2700	1.2700	1.2700
Fulton	0.2100	0.2100	0.2100	0.2100	0.2100	0.1648	0.2100	0.2100	0.2100	0.2100
Lancaster	0.6000	0.6000	0.6000	0.6000	1.2000	0.9100	0.9100	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	0.3010	0.3010	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.)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Manheim	2.2300	2.2300	2.2300	2.2300	2.2300	1.7173	1.7173	1.7173	1.7173	1.7173
Manor	0.7800	0.7800	0.7800	0.7800	0.7800	0.6100	0.6100	0.6100	0.6100	0.6100
Martic	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.5100	0.5100	0.5100	0.5100
Mount Joy Part (2)	1.8500	1.7500	1.7500	1.7500	2.2500	1.7400	1.8400	2.0400	2.0400	2.0400
Mount Joy Part (3)	1.8500	1.7500	1.7500	1.7500	2.2500	1.7400	1.8400	2.0400	2.0400	2.0400
Paradise	1.3200	1.3200	1.3200	1.3200	1.3200	1.1082	1.1082	1.1082	1.1082	1.1082
Penn	1.4500	1.8000	1.8000	1.8000	1.8000	1.4326	1.4326	1.4326	1.4326	1.4326
Pequea	1.9000	1.9000	1.9000	1.9000	1.9000	1.5670	1.5670	1.5670	1.5670	1.5670
Providence	0.1580	0.1580	0.9500	0.8075	0.6300	0.3810	0.3810	0.3810	0.3810	0.3810
Rapho	1.7500	1.7500	1.7500	1.7500	1.7500	1.3700	1.3700	1.5000	1.5000	1.5000
Sadsbury	0.8000	0.8000	0.8000	0.8000	0.8500	0.7760	0.7760	0.7760	0.7760	0.7760
Salisbury	0.1800	0.1800	0.1800	0.1800	0.1800	0.0000	0.0000	0.0000	0.0000	0.0000
Strasburg	0.4400	0.6000	0.6000	0.7000	0.7000	0.5550	0.5550	0.5550	0.5550	0.5550
Upper Leacock	1.7000	1.7000	1.7000	1.7000	2.0000	1.6950	1.6950	1.6950	1.6950	1.6950
Warwick	0.2740	0.2740	0.2740	0.2740	0.2740	0.2325	0.2325	0.2325	0.2325	0.2325
West Cocalico	2.0000	2.1750	2.1750	2.1750	2.1750	1.8200	1.9100	1.9100	1.9100	1.9100
West Donegal	1.6000	1.6000	1.6000	2.0000	2.0000	1.6000	1.6000	1.8000	1.8000	1.8000
West Earl	1.5900	1.5900	1.5900	1.5900	1.5900	1.2666	1.2666	1.2666	1.2666	1.2666
West Hempfield	0.6800	0.6800	1.3400	1.3400	1.8500	1.4500	1.7500	1.7500	1.7500	1.7500
West Lampeter	1.0000	1.1000	1.1000	1.2000	1.2000	0.9689	0.9689	1.1500	1.1500	1.1500
School district rates:										
Cocalico	21.7600	22.3200	22.8200	22.8200	23.1600	18.6935	18.9739	18.9739	18.9739	19.6190
Columbia Borough	27.3700	28.2000	28.2000	29.3400	30.1910	25.8163	26.4600	26.4600	26.4600	26.4600
Conestoga Valley	14.5280	14.8330	15.2064	15.9240	16.3220	13.3940	13.7940	14.1526	14.4739	14.9660
Donegal	21.4453	22.0243	22.0243	22.4640	22.8790	18.1670	18.6211	19.0866	19.0866	19.2774
Eastern Lancaster County	14.1177	14.4141	14.6879	15.0404	15.3850	12.3854	12.5711	12.5711	12.8500	13.0400
Elizabethtown Area	17.8900	18.3700	19.1048	19.9000	20.8450	16.6063	17.0878	16.6068	16.6063	18.6089
Ephrata Area	19.6000	19.6000	19.6000	20.4500	20.4500	16.9500	16.9500	16.9500	16.9500	21.2300
Hempfield	19.0030	19.4590	19.6530	20.1246	20.3260	16.0034	16.3474	16.3474	16.6743	18.1079
Lampeter-Strasburg	19.4384	19.6133	19.8683	20.2458	20.5490	16.6440	16.9269	16.9269	17.2485	17.5762
Lancaster	25.9224	26.6793	26.6793	26.6793	28.2570	28.2568	21.8734	21.8734	22.6731	23.3531
Manheim Central	16.9726	17.1848	17.3566	17.3566	17.7730	17.7731	17.7731	17.7731	17.7731	17.7731
Manheim Township	18.2575	18.6409	18.6409	19.0509	19.4130	19.4128	19.4128	19.4128	15.7729	16.1277
Octorara Area	27.7100	26.4300	27.2000	28.7300	29.4500	25.3500	25.6600	25.5500	25.8000	26.0600
Penn Manor	17.2500	17.6100	18.0100	19.2700	20.0600	16.4000	16.9800	16.9800	17.5230	17.9363
Pequea Valley	17.3866	17.4735	17.4735	18.1217	18.4840	14.6806	14.9225	15.1463	15.2933	15.6797
Solanco	11.5161	11.8040	12.0990	12.4499	12.8110	10.4590	10.8251	10.9604	11.3440	11.7977
Warwick	19.2100	19.7094	20.1627	20.1627	21.1620	16.3711	16.3711	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, 2022

Table 7

Taxpayer	2022 Taxable Assessed Value	2022 Rank	2022 Percentage of Total Taxable Assessed Value	2013 Taxable Assessed Value	2013 Rank	2013 Percentage of Total Taxable Assessed Value
Willow Valley Communities	$ 254,549,800	1	0.57%	$ 109,020,500	3	0.34%
Lancaster General	159,813,800	2	0.36%	104,307,900	4	0.33%
High Properties Et Al	144,409,100	3	0.33%	125,930,500	2	0.40%
Park City Center Business Trust	142,325,700	4	0.32%	139,083,200	1	0.44%
High Properties	141,646,500	5	0.32%	80,366,700	6	0.25%
Mennonite Home	76,723,400	6	0.17%	*		
Granite Properties	65,998,400	7	0.15%	59,245,200	7	0.19%
Garden Spot Village Inc	61,948,100	8	0.14%	52,829,200	8	0.17%
Dart Container Corp of PA	54,094,900	9	0.12%	50,938,200	9	0.16%
Landis Homes Retirement Community	47,997,900	10	0.11%	*		
Willow Valley Manor	*			91,040,000	5	0.29%
Rockvale Group	*			48,663,800	10	0.15%
Total	$ 1,149,507,600		2.59%	$ 861,425,200		2.75%

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
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%
2021	127,506,896	850,576	128,357,471	123,332,935	96.09%	2,661,385	125,994,320	98.16%
2022	128,703,211	752,100	129,455,311	124,576,922	96.23%	1,884,716	126,461,638	97.69%

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
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
2021	30,985,098,900	1,536,559,000	8,743,718,900	2,266,371,800	269,996,900	43,801,745,500
2022	31,233,963,900	1,542,885,600	8,882,616,100	2,278,232,800	275,010,900	44,212,709,300

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	** Financed Purchases	Total Primary Government	Percentage of Personal Income (1)	Debt Per Capita (1)
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	0.64%	371.68
2021	143,685,000	11,759,898	17,640,000	436,000	11,866,853	185,387,751	0.54%	334.85
2022	130,290,000	10,495,952	16,095,000	226,000	9,372,354	166,479,306	*	299.08

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.
**GASB 87 Implemented in 2022; Capital Leases now Financed Purchases

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)
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
2021	185,387,750	0.42%	354.07
2022	166,479,306	0.38%	317.95

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, 2022

Table 11

Jurisdiction:	(1) Total Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
County of Lancaster	$ 178,750,925	100%	$ 178,750,925
Overlapping:			
City of Lancaster	*		–
School Districts:			
Cocalico School District	13,745,000	100%	13,745,000
Columbia Borough	8,229,411	100%	8,229,411
Conestoga Valley	134,451,686	100%	134,451,686
Donegal	34,373,610	100%	34,373,610
Elizabethtown Area	47,348,965	100%	47,348,965
Ephrata Area	31,640,000	100%	31,640,000
Hempfield	62,289,640	100%	62,289,640
Lampeter-Strasburg	25,647,471	100%	25,647,471
Lancaster	169,329,661	100%	169,329,661
Manheim Central	95,000,369	100%	95,000,369
Manheim Township	127,540,637	100%	127,540,637
Octorara	*	100%	–
Penn Manor	92,488,988	100%	92,488,988
Pequea Valley	81,153,905	100%	81,153,905
Solanco	16,324,500	100%	16,324,500
Warwick	28,800,000	100%	28,800,000
Total School Districts			968,363,843
Municipal Authorities:			
Akron Borough	593,122	100%	593,122
Christiana Borough Authority	646,191	100%	646,191
Columbia Borough	8,480,000	100%	8,480,000
Earl Township Sewer Authority	3,404,940	100%	3,404,940
East Cocalico Township Water & Sewer Authority	2,165,000	100%	2,165,000
East Lampeter Sewer Authority	9,080,000	100%	9,080,000
East Lampeter Township	7,025,000	100%	7,025,000
Elizabethtown Regional Sewer Authority	1,117,428	100%	1,117,428
Ephrata Area Joint Authority	4,025,000	100%	4,025,000
Ephrata Borough Authority	28,540,000	100%	28,540,000
Ephrata Township Sewer Authority	4,218,583	100%	4,218,583
Lancaster Area Sewer Authority	65,624,184	100%	65,624,184
Lancaster County Hospital Authority**	991,948,347	100%	991,948,347

(Continued)

County of Lancaster, Pennsylvania
Direct and Overlapping Governmental Activities Debt
As of December 31, 2022

Table 11 (continued)

Jurisdiction:	(1) Total Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Lancaster County Solid Waste Management Authority	$ 87,350,650	100%	$ 87,350,650
Lancaster County Vo-Tech School Authority	16,105,000	100%	16,105,000
Lancaster Parking Authority	49,585,000	100%	49,585,000
Leacock Township Municipal Authority	3,890,452	100%	3,890,452
Manheim Area Water and Sewer Authority	13,002,620	100%	13,002,620
Manheim Township	2,664,500	100%	2,664,500
Manheim Township Authority	985,500	100%	985,500
Marietta-Donegal Joint Authority	2,835,000	100%	2,835,000
Mount Joy Borough Authority	19,519,000	100%	19,519,000
Northern Lancaster County Sewer Authority	4,132,654	100%	4,132,654
Paradise Township Sewer Authority	4,890,000	100%	4,890,000
Penn Township	7,872,950	100%	7,872,950
Quarryville Borough	707,815	100%	707,815
Redevelopment Authority	*	100%	–
Sadsbury Township Municipal Authority	*	100%	–
Suburban Lancaster Sewer Authority	19,260,000	100%	19,260,000
Warwick Township Municipal Authority	3,055,000	100%	3,055,000
Weaverland Valley Authority	7,570,880	100%	7,570,880
West Cocalico Township Authority	14,927,382	100%	14,927,382
West Earl Water Authority	450,000	100%	450,000
Total Municipalities			1,385,672,197
Total Overlapping Debt			2,354,036,041
Total direct and overlapping debt			$ 2,532,786,966

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.
** Balance is as of June 30, 2022

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

Table 12

	2013	2014	2015	2016	2017
Borrowing base revenues (1):					
Two years prior	$ 133,405,844	$ 139,531,382	$ 154,407,832	$ 145,177,124	$ 149,627,502
Prior year	139,531,382	154,407,832	145,177,124	149,627,502	155,464,285
Current year	154,407,832	145,177,124	149,627,502	155,464,285	153,011,136
Total borrowing base revenues	$ 427,345,058	$ 439,116,338	$ 449,212,458	$ 450,268,911	$ 458,102,923
Average borrowing base revenues	$ 142,448,353	$ 146,372,113	$ 149,737,486	$ 150,089,637	$ 152,700,974
Net Nonelectoral Debt Limit:					
Average borrowing base revenues	$ 142,448,353	$ 146,372,113	$ 149,737,486	$ 150,089,637	$ 152,700,974
Debt limit percentage	300%	300%	300%	300%	300%
Net Nonelectoral Debt Limit	427,345,058	439,116,338	449,212,458	450,268,911	458,102,923
Total amount of debt applicable to debt limit	263,404,700	249,868,700	234,384,400	218,350,500	208,252,100
Total Remaining Nonelectoral Debt Capacity	$ 163,940,358	$ 189,247,638	$ 214,828,058	$ 231,918,411	$ 249,850,823
Total net debt applicable to the limit as a percentage of debt limit	61.64%	56.90%	52.18%	48.49%	45.46%
Combined Net Nonelectoral Debt and Net Lease Rental Debt Limit					
Average borrowing base revenues	$ 142,448,353	$ 146,372,113	$ 149,737,486	$ 150,089,637	$ 152,700,974
Debt limit percentage	400%	400%	400%	400%	400%
Combined Net Nonelectoral Debt and Net Lease Rental Debt Limit	569,793,411	585,488,451	598,949,944	600,358,548	610,803,897
Less: Non-electoral Debt and Lease Rental Debt	264,203,700	250,667,700	235,183,400	218,786,500	208,688,100
Remaining Nonelectoral Debt and Lease Rental Debt Capacity	$ 305,589,711	$ 334,820,751	$ 363,766,544	$ 381,572,048	$ 402,115,797
Total net debt applicable to the limit as a percentage of debt limit	46.37%	42.81%	39.27%	36.44%	34.17%

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.)

	2018	2019	2020	2021	2022
Borrowing base revenues (1):					
Two years prior	$ 155,464,284	$ 153,011,136	$ 158,457,096	$ 158,785,543	$ 158,159,443
Prior year	153,011,136	158,457,096	158,785,543	158,159,443	161,862,156
Current year	158,457,096	158,785,543	158,159,443	161,862,156	164,115,560
Total borrowing base revenues	$ 466,932,516	$ 470,253,775	$ 475,402,082	$ 478,807,142	$ 484,137,159
Average borrowing base revenues	$ 155,644,172	$ 156,751,258	$ 158,467,361	$ 159,602,381	$ 161,379,053
Net Nonelectoral Debt Limit:					
Average borrowing base revenues	$ 155,644,172	$ 156,751,258	$ 158,467,361	$ 159,602,381	$ 161,379,053
Debt limit percentage	300%	300%	300%	300%	300%
Net Nonelectoral Debt Limit	466,932,516	470,253,775	475,402,082	478,807,142	484,137,159
Total amount of debt applicable to debt limit	190,552,400	185,458,000	175,716,600	161,325,000	146,385,000
Total Remaining Nonelectoral Debt Capacity	$ 276,380,116	$ 284,795,775	$ 299,685,482	$ 317,482,142	$ 337,752,159
Total net debt applicable to the limit as a percentage of debt limit	40.81%	39.44%	36.96%	33.69%	30.24%
Combined Net Nonelectoral Debt and Net Lease Rental Debt Limit					
Average borrowing base revenues	$ 155,644,172	$ 156,751,258	$ 158,467,361	$ 159,602,381	$ 161,379,053
Debt limit percentage	400%	400%	400%	400%	400%
Combined Net Nonelectoral Debt and Net Lease Rental Debt Limit	622,576,688	627,005,033	633,869,443	638,409,523	645,516,212
Less: Non-electoral Debt and Lease Rental Debt	190,988,400	185,894,000	176,152,600	161,761,000	146,611,000
Remaining Nonelectoral Debt and Lease Rental Debt Capacity	$ 431,588,288	$ 441,111,033	$ 457,716,843	$ 476,648,523	$ 498,905,212
Total net debt applicable to the limit as a percentage of debt limit	30.68%	29.65%	27.79%	25.34%	22.71%

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)
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	546,192	31,916,314	58,434	38.7	85,157	5.2%
2021	553,652	34,075,719	61,547	38.7	81,003	3.3%
2022	556,629	*	*	38.7	82,418	2.9%

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, 2022

Table 14

Employer (1)	2022 Employees (2)	2022 Rank (1)	2022 Percentage of Total County Employment	2013 Employees (2)	2013 Rank (1)	2013 Percentage of Total County Employment
Lancaster General Hospital	9,680	1	4.18%	7,301	1	3.29%
Giant Food Stores	**	2			*	
County of Lancaster	1,732	3	0.75%	1,966	2	0.88%
Eurofins Lancaster Laboratories Inc	**	4			*	
Nordstrom Inc	**	5			*	
Lancaster School District	1,653	6	0.71%	1,580	6	0.71%
Dart Container Corporation	**	7		1,548	7	0.70%
Masonic Villages of the Grand Lodge	1,529	8	0.66%	1,336	10	0.60%
Lancaster Lebanon Intermediate Unit	1,605	9			*	
Fulton Bank NA	1,270	10			*	
Ephrata Community Hospital Inc.				1,872	3	0.84%
R.R. Donnely & Sons Company				**	4	
Armstrong World Industries				1,500	9	0.67%
Manheim Remarketing Inc				**	8	
Turkey Hill				1,652	5	0.74%
Total	**			**		
Total Employees in County	231,635 (1)			222,252 (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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function/Program:										
Governmental Activities										
General government	251	251	234	233	232	240	194	235	229	229
Public safety	104	102	102	98	102	96	128	96	89	97
Health, education, and welfare	355	351	349	357	369	376	367	352	333	352
Judicial	599	598	586	608	608	608	598	594	572	559
Corrections	307	321	318	334	334	334	316	302	253	310
Cultural and recreation	14	13	13	12	13	13	13	12	13	12
Community development	6	5	5	5	5	6	6	6	5	6
Total governmental activities	1,636	1,641	1,607	1,647	1,663	1,673	1,622	1,597	1,494	1,565

Source: County of Lancaster Controller's Office

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

Table 16

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
General Election Information:										
Registered voters	307,478	311,498	309,581	335,791	321,046	329,492	325,296	354,296	344,202	352,895
Votes cast	51,322	142,298	65,388	246,938	72,326	203,944	88,660	282,538	96,840	223,684
Percent of votes cast	16.69%	45.68%	21.12%	73.54%	22.53%	61.90%	27.26%	79.75%	28.17%	63.40%
Property transfers recorded	11,718	11,184	11,985	12,604	13,087	12,609	12,806	12,093	13,832	11,759
9-1-1 calls	233,994	245,293	231,151	274,898	215,369	218,201	216,511	226,350	165,449	218,229
Text to 9-1-1	6	97	179	345	195	147	114	198	171	175
10-Digit 9-1-1 Calls	*	*	*	*	*	*	*	*	175,448	239,423
County ordinances approved	44	54	57	13	***	***	***	***	***	***
Municipal ordinances reviewed	193	221	226	306	275	297	316	343	327	357
Judicial										
Estates and wills probated	1,876	1,698	1,778	1,761	1,743	1,754	1,692	1,562	3,040	2,551
Marriage licenses issued	3,427	3,485	3,487	3,629	3,527	3,512	3,317	2,093	3,072	3,631
Child adoptions	232	245	230	249	246	246	199	166	154	198
Child relinquishments	167	145	163	143	181	45	52	95	112	66
Criminal cases filed	6,086	6,066	6,176	6,483	6,645	7,500	7,001	7,015	7,461	7,085
Criminal cases disposed	5,736	5,335	5,003	5,474	5,289	5,086	5,271	3,829	4,332	4,498
Civil suits filed	7,751	4,072	3,248	3,084	2,899	2,634	3,143	2,299	2,527	1,583
Civil judgments filed	12,565	8,542	7,922	11,110	10,818	9,363	9,595	6,003	6,551	6,245
Divorces filed	1,355	1,265	1,839	1,438	1,439	1,335	1,379	1,071	1,161	1,054
Protection from abuse cases filed	1,042	1,045	1,018	1,017	1,004	1,181	1,180	1,161	1,205	1,161
Naturalizations	225	169	261	193	200	207	255	68	107	158
Real estate executions (mortgage foreclosures) filed	980	952	755	705	721	296	375	204	125	22
District judge case filings	97,242	88,782	87,889	93,076	104,211	111,469	104,393	73,570	86,987	92,650
Domestic relations active cases	18,106	17,955	17,357	16,897	16,512	15,800	15,341	14,218	13,162	12,306
New juvenile probation cases	1,199	937	948	957	999	917	941	619	572	858
Juvenile probation placement days	34,121	28,012	22,797	20,711	18,476	17,135	15,943	7,728	5,422	4,774
New adult probation and parole cases	3,787	3,771	3,426	4,565	4,379	4,350	4,596	3,441	2,215	3,688
Corrections										
Average daily population	1,022	997	978	963	898	871	785	675	699	756
Annual admissions	5,913	5,715	5,454	5,110	5,742	6,206	6,006	3,462	3,750	3,863
Culture and Recreation										
Pool attendance	26,646	23,858	27,186	27,163	24,774	23,095	22,391	2,666	8,920	6,679
Community Development										
Easements added	33	20	23	26	21	16	23	18	18	24
Easement acreage added	1,851	1,362	1,560	1,781	1,534	1,250	1,902	1,422	1,337	1,392

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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Health, education, and welfare										
Employment and Training										
Customers served	**	**	**	**	**	**	**	**	**	**
Drug and Alcohol:										
Information and referral contacts	801	708	709	1,084	663	466	409	-	258	260
Inpatient non-hospital detox clients	460	499	428	206	257	313	375	13	170	124
Inpatient non-hospital rehab clients	463	413	327	197	226	319	393	13	170	124
Inpatient non-hospital halfway house clients	14	10	15	19	7	9	8	-	2	4
Inpatient hospital detox clients	1	1	1	1	1	1	-	2	1	-
Partial hospitalization clients	29	30	39	17	16	27	11	-	36	55
Outpatient drug free clients	1,190	1,088	964	628	619	631	645	2	320	274
Methadone maintenance clients	17	16	34	12	12	16	15	-	24	15
Suboxone maintenance clients	****	****	****	****	****	17	1	*	-	*
Intensive outpatient clients	147	133	155	117	113	137	134	2	68	52
Website visitors	117,917	131,381	13,297	14,356	*	*	*	1	*	*
Mental Health:										
Emergency/crisis intervention hours	141	6,649	3,436	11,677	3,450	3,105	5,065	4,295	3,165	4,019
Community residential days	27,805	28,066	27,801	27,404	27,371	28,094	25,960	30,821	26,362	22,771
Community employment hours	7,001	32,016	18,365	4,554	4,523	8,368	7,688	7,132	3,577	3,339
Service case management clients	2,618	2,932	3,387	3,231	3,363	3,985	3,391	2,503	3,280	2,385
Day treatment hours	4,704	3,013	366	347	417	392	841	1,994	150	15
Outpatient hours	3,042	5,677	1,727	1,201	1,245	885	748	408	372	546
Family based hours	166	-	-	-	275	204	94	335	78	101
Psychiatric rehab hours	2,808	118,770	23,345	20,129	23,719	7,824	8,075	5,713	3,820	4,337
Social rehab hours	31,960	96,113	24,475	21,195	22,360	25,125	25,600	19,982	12,028	16,208
Drop-in-Center hours	*	*	63,709	60,122	53,663	43,477	40,651	29,606	6,890	20,133
Supported housing hours	9,209	38,424	9,221	9,190	9,483	8,858	8,083	8,446	6,624	7,025
Intellectual Disabilities										
Specialized support hours	6,458	6,828	3,167	2,944	1,148	393	123	191	222	340
Transportation trips	1,013	9,807	5,241	4,877	4,324	3,898	3,290	2,780	790	680
Employment hours	606	3,337	3,363	2,711	3,501	4,557	1,404	1,148	230	144
Residential services clients	24	32	33	32	40	34	33	32	30	34
Early intervention clients	2,419	1,250	1,201	1,234	1,273	1,225	1,937	2,200	2,144	2,154
Pre-Vocational hours	2,028	11,927	10,497	9,974	8,436	11,333	6,949	3,510	1,356	2,774
Respite clients	45	37	120	105	44	18	20	14	4	4
Home & community service hours	15,179	40,406	4,876	3,570	3,554	3,246	4,850	6,458	5,501	4,544
Family driven clients	2	-	132	194	171	7	141	75	53	90
Community habilitation hours	916	2,938	4,945	4,615	4,522	4,758	5,320	2,381	2,489	2,650

Source: Various County Departments.

Note: * Data not available.
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***** 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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Health Choices										
Inpatient psychiatric:										
Members served	1,241	1,165	1,257	1,452	1,383	1,393	1,376	1,410	1,431	1,432
Days of service	16,824	17,473	21,556	23,163	20,339	25,416	28,491	33,975	33,922	32,587
Outpatient psychiatric:										
Members served	13,100	15,018	14,707	17,695	18,398	16,363	16,169	17,151	15,148	15,513
Units of service	252,287	263,741	286,814	307,581	346,721	348,233	282,709	289,397	288,111	399,083
Inpatient drug and alcohol:										
Members served	28	34	53	105	99	68	66	27	18	44
Days of service	325	270	453	949	828	541	436	242	216	386
Non-hospital drug and alcohol:										
Members served	790	1,327	940	2,004	2,169	1,444	1,511	1,512	1,408	1,403
Days of service	33,396	36,280	35,983	52,162	57,297	57,852	58,534	60,357	56,083	55,694
Outpatient drug and alcohol:										
Members served	2,140	2,253	2,386	3,698	3,947	3,400	3,350	2,818	2,738	2,888
Units of service	169,966	169,270	199,395	239,576	265,777	269,309	251,955	234,225	230,408	238,439
Behavioral health rehabilitation:										
Members served	2,735	5,651	2,426	5,552	6,509	2,630	2,346	2,040	2,002	1,648
Units of service	2,567,426	2,221,555	2,106,614	1,800,425	1,646,757	1,741,514	1,605,640	1,099,290	861,241	1,045,115
Residential treatment facility:										
JCAHO:										
Members served	121	122	98	108	97	92	85	74	74	75
Days of service	21,952	22,256	16,880	18,734	17,666	12,194	17,440	13,832	12,601	14,523
Non JCAHO:										
Members served	9	10	15	17	21	24	19	17	17	15
Days of service	2,270	2,493	3,333	3,765	4,840	5,374	3,972	4,479	4,292	3,775
Office of Aging:										
Case management clients	701	771	833	606	744	1,089	999	812	910	717
Protective services clients	1,237	1,360	1,690	1,594	1,857	2,039	2,543	2,455	2,631	2,575
Transportation clients	474	486	374	474	483	488	421	283	188	238
Meals provided	108,698	112,164	114,665	132,493	153,305	174,143	155,743	135,183	147,035	176,865
In-home services clients	511	635	555	497	589	639	521	503	441	361
Adult day care clients	50	69	55	96	117	110	84	54	51	55
PDA waiver clients	296	319	350	273	217	179	174	*****	*****	*****
Children and Youth:										
Children served	5,155	5,309	6,966	10,548	10,825	11,576	12,272	10,881	10,762	10,104
Placement days	156,618	162,789	177,027	183,822	192,760	186,924	165,722	145,842	123,030	120,201
Child abuse reports	1,192	1,191	1,744	2,391	2,506	2,509	1,825	1,749	1,855	1,897
Intake reports	1,348	1,233	1,967	2,830	3,257	3,369	3,448	2,952	3,653	2,523

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

Function/Program:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
General government										
Motor vehicles	10	9	8	6	4	3	3	3	3	2
Office buildings	1	3	3	3	1	1	1	1	1	1
Public safety										
Motor vehicles	26	26	20	19	17	14	13	13	13	11
Office buildings	1	1	1	1	1	1	1	1	1	1
Roads and bridges										
Motor vehicles	12	12	8	5	6	6	5	5	5	5
County-owned bridges	64	64	64	63	63	62	62	60	60	59
Health, education, and welfare										
Motor vehicles	5	5	5	5	3	3	3	1	–	–
Office buildings	3	–	–	–	–	–	–	–	–	–
Judicial										
Motor vehicles	119	121	65	52	38	30	17	14	12	12
Office buildings	4	4	4	4	3	3	3	3	3	3
Corrections										
Motor vehicles	7	8	8	8	7	7	4	3	3	3
Office buildings	2	2	2	2	2	2	2	2	2	2
Cultural and recreation										
Motor vehicles	48	48	39	34	29	26	23	24	16	24
Number of parks	9	9	9	9	9	9	9	9	9	9
Park acreage	2,055	2,055	1,995	1,995	1,995	1,995	1,996	1,996	1,966	1,966
Pavilions	12	12	11	11	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	3	3	3	3	3	3	3	3
Storage buildings	8	8	5	5	5	5	5	5	5	5
Tenant Properties	5	5	5	5	5	5	5	5	4	4
Community development										
Easement acreage	47,211	48,573	50,133	51,914	53,448	54,698	56,600	58,022	59,389	60,781

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, 2022

Table 18

Name and Title of Official	Annual Salary	Amount of Surety Bond
Joshua G. Parsons, Commissioner	$ 99,410	(1)
Ray D'Agostino, Commissioner	100,410	(1)
John B. Trescot, Commissioner (Appointed)	99,410	(1)
Lawrence M. George, Chief Clerk	116,342	(1)
Mary E. Peters Anatar, Clerk of Courts	86,527	(1)
Lisa K. Colón, Controller	86,527	(1)
Stephen Diamantoni, Coroner	86,527	(1)
Heather L. Adams, District Attorney	196,119	(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
	$0.75 per parcel collected	$ 55,363,380 (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 2022 - January 2026.

County of Lancaster, Pennsylvania
Schedule of Insurance In-Force
December 31, 2022

Table 19

Name of Company/ Type of Coverage	Policy Number	Policy Period	Premium	Details of Coverage and Co-Insurance %		Liability Limit
PGU Package Policy	AMRPE00001-01	June 1, 2022 to	$ 145,989	General liability	$ 5,000,000	Aggregate
General Liability		June 1, 2023	$ 4,380	Package policy terrorism coverage	$ 5,000,000	Products And Completed Work Total Limit
					$ 5,000,000	Bodily injury
					$ 5,000,000	Personal and Advertising Injury
					$ 5,000,000	Each Occurence Limit
					not covered	Medical Expense
					$ 100,000	Rented Property Limit
					$ 500,000	Deductible
				Sexual Abuse Liability	$ 1,000,000	Each Occurrence
				Employee Benefit Plans Administration Liability	$ 5,000,000	Claims Made/Each Wrongful Act
				Employee Benefit Plans Administration Liab.	$ 5,000,000	Aggregate
					$ 500,000	Deductible
PGU Package Policy	AMRPE00001-01	June 1, 2022 to	$ 74,905	Public Officials E&O	$ 5,000,000	Each Wrongful Act
Public Officials		June 1, 2023		Retro Date: 02/01/94	$ 5,000,000	Aggregate
					$ 500,000	Retention
PGU Package Policy	AMRPE00001-01	June 1, 2022 to	$ 77,246	Public Officials Employment Practices	$ 5,000,000	Each Wrongful Act
Employee Practie Liability		June 1, 2023		Retro Date: 02/01/94	$ 5,000,000	Aggregate
					$ 500,000	Retention
PGU Package Policy	AMRPE00001-01	June 1, 2022 to	$ 134,121	Auto Liability	$ 5,000,000	
Auto Liability		June 1, 2023		Hired/Non Owned Liability	$ 5,000,000	
Selective Auto Policy	S2556117	June 1, 2022 to	$ 44,545			
Physical Damage		January 1, 2023		Comprehensive/Collision	per schedule	
CAN Property Policy	7034834332	June 1, 2022 to	$ 337,500			
Commercial Property		June 1, 2023				
Building Blanket Limit					$ 300,000,000	Per occurrence
Business Personal Property Blanket					$ 300,000,000	Per occurrence
Blanket EDP coverage					$ 300,000,000	Per occurrence
Business Income					$ 300,000,000	Waiting period 48 hours, Period of Indemnity
						12 Months, Civil Authority 30 days
Extra Expense					$ 2,500,000	
Earthquake					$ 25,000,000	Per occurrence/aggregate,$100,000 deductible
Flood				Prescribed Location only	$ 25,000,000	Per occurrence/aggregate,$250,000 deductible
Ordinance and Law				Scheduled buildings	$ 300,000,000	
Additional Commercial Coverage Highlights				Property off Premise - other locations	$ 100,000	
				Property off Premise - trade show	$ 100,000	
				Valuable papers	$ 1,000,000	
Equipment Breakdown					$ 300,000,000	
				Expediting expense	$ 500,000	
				Spoilage	$ 100,000	
Travelers Cyber Policy	106788704	October 16, 2021 to	$ 36,436			
Cyber Insurance		January 1, 2023		Cyber Liability	$ 1,000,000	Retention $25,000
				Breach	$ 1,000,000	
				Extortion	$ 1,000,000	
				Funds Transfer Fraud	$ 1,000,000	

(Continued)

County of Lancaster, Pennsylvania
Schedule of Insurance In-Force
December 31, 2022

Table 19 (Cont.)

Name of Company/ Type of Coverage	Policy Number	Policy Period	Premium	Details of Coverage and Co-Insurance %	Liability Limit	
Travelers Cyber Policy (continued)				Social Engineering	$ 100,000	
				Privacy and Security	$ 1,000,000	
				Media	$ 1,000,000	
				Computer Fraud	$ 1,000,000	
				Telecom Fraud	$ 100,000	
				Business Interruption/Extra Expense	$ 1,000,000	
Travelers Crime Policy	105562115	February 2, 2022 to	$ 8,673			
Fidelity		January 1, 2023		Employee Theft	$ 2,000,000	$30,000 Retention
				On Premises	$ 100,000	$30,000 Retention
				In Transit	$ 100,000	$30,000 Retention
				Claims Expense	$ 5,000	
QBE Law Enforcement Policy	QLO01353-00	June 1, 2022 to	$ 350,526	Law Enforcement Liability	$ 5,000,000	Each Claim/Aggregate
Law Enforcement Liability		June 1, 2023				$100,000 Deductible
National Fire Drone Policy	UM662845339-01	June 1, 2022 to	$ 1,700	Drone Liaibility	$ 1,000,000	Each Claim/Aggregate
Drone Liability		June 1, 2023		Medical Expense	$ 5,000	
Federal Insurance Company	8223-9266	January 1, 2022 to	$ 10,539	Fiduciary Liability		
Fiduciary liability Employee Retirement Plan		January 1, 2023		Estates and Legal Representative and Spousal Liability	$ 1,000,000	Each Loss
				Defense within the limits	$ 1,000,000	Each Policy Period
				Territory - Worldwide	$ 15,000	Deductible
MIDWEST EMPLOYERS CASUALTY CO	EWC009808	January 1, 2021 to	$ 136,942			
Workers Compensation		January 1, 2023		Excess Workers Compensation	Statutory	Each Accident/Limit Each Employee Per Disease
				Employers Liability	$ 1,000,000	Each Accident/Limit Each Employee Per Disease
					$ 500,000	Self insured retention

(Continued)

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)