

County of Lancaster

PENNSYLVANIA



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended December 31, 2023

COUNTY OF LANCASTER, PENNSYLVANIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended December 31, 2023

PREPARED BY THE CONTROLLER'S OFFICE

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George D. Alspach

COVER PHOTOGRAPH
Paradise & New Holland Engines, Lancaster County
Photo by Robert R. Devonshire, Jr. Photography

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COUNTY OF LANCASTER, PENNSYLVANIA
 ANNUAL COMPREHENSIVE FINANCIAL REPORT
 For the year ended December 31, 2023

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Lisa K. Colón

Controller

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INTRODUCTORY



Controller's Office

150 North Queen Street
Suite # 710
Lancaster, PA 17603
Phone: 717-299-8262
www.lancastercountypa.gov

Controller
Lisa Colón

June 28, 2024

To the Citizens and Governing Body 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, 2023, 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 2023 will be completed by September 30, 2024. Information related to this single audit, including the supplementary schedule of expenditures of federal awards, findings, and recommendations; independent public accountants' reports on internal control and compliance with applicable laws and regulations; and major program requirements, will be included in a separately issued single audit report.



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

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

Profile of the Government

Originally a part of Chester County, Lancaster County was formed on May 10, 1729. Named for Lancashire in England, it became the fourth County in the Commonwealth of Pennsylvania. Lancaster is a second-class A county and consists of 60 municipal divisions including the City of Lancaster, 18 boroughs, and 41 townships. The County occupies a land area of 946 miles and is in the south-central part of the state approximately 60 miles west of Philadelphia and 240 east of Pittsburgh. Home to approximately 558,589 people, Lancaster is the sixth most populous county in the state behind only Philadelphia, Allegheny, Montgomery, Bucks and Delaware counties.

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

Lancaster County has a well-diversified economy, ranking as one of the top 15 Metropolitan Statistical Areas (MAS) in the Northeast for manufacturing. The County also has strong hospitality, health, and education sectors. Low unemployment along with a population that continues to grow have also helped the economy to remain strong. The County's record unemployment rate of 2.3% remains consistently lower than both the state and national averages of 3.4% and 3.7% respectively. The County has not seen an unemployment rate that low since December of 1999. Recovery from the pandemic continues with Lancaster outpacing the state and many surrounding counties. The labor market continues to be tight and that will be the challenge for the future, making sure the County continues to attract qualified workers so businesses can continue to grow and prosper.

Lancaster County has some of the richest, most productive, non-irrigated agricultural soils in the world. The local economy relies on farms and the hard-working farmers who provide fresh, local food for Lancaster residents as well as people across the United States. The rising cost of farmland along with increased pressure for development has pushed down the number of farms in the County, while improved production efficiencies and inflation have pushed up the market value of agricultural products. According to data from the federal Census of Agriculture, Lancaster County lost 428 farms and 15,375 acres of farmland between 2017 and 2022. During that same period, the market value of the County's agricultural products rose from \$1.5 billion to \$1.85 billion, a 23% increase. Livestock dominates the County's agricultural production. With improved production methods and genetics, farmers are producing more per acre. Row crops like corn, soybeans, and wheat are the backbone of farmed acreage, with vegetables and fruits growing in popularity.

An integral part of Lancaster County's economy, tourism generates significant economic benefits to households, businesses and government. In 2023, visitor volumes and spending grew modestly following two years of strong growth after the pandemic. Visitor volumes grew 1.5% to reach 9.9 million boosting visitors spending 4.3% to \$2.6 billion. Hundreds of companies in the County benefit from travel and tourism through direct interaction with visitors at places such as attractions, restaurants, shops, gas stations, and lodging properties. People spend money when they travel and that spending translates to sales for Lancaster County businesses, jobs for our residents, and crucial tax revenue for county and local businesses. State and local tax revenue generated by the tourism industry saved each Lancaster County household from paying an additional estimated \$1,169 annually in such taxes to maintain current services. The County has much to offer

and continues to develop new attractions, experiences, tours and more to attract both new and returning visitors.

Major Initiatives

For the Year

- In September, Lancaster County Commissioners voted to approve a contract with Kansas City based Transystems to design the new prison. An eight-member evaluation committee made up of county officials vetted proposals submitted by four design teams and the top three gave presentations on their services to the commissioners in May. The vote ushers in a more dynamic phase of the new prison project. County officials will be reviewing physical designs for the new facility as well as making critical decisions regarding how big it will be, what services it will offer and how much it will cost to build and operate. The contract breaks Transystems design work into two phases. In the initial phase which covers October 2023 to January 2024, Transystems will be paid \$1.4 million to create conceptual designs for the new facility followed by two schematic designs that will include cost estimates for the entire project. The second phase covers the rest of the project over the next four years through construction. For that period of the contract, they will receive 3.5% of the final cost of the project.
- The Medication-Assisted Treatment (MAT) program used to treat opioid use disorder at the Lancaster County Prison became more widely available. County Commissioners approved a \$500,000 state grant to pay for the expanded program. Under the program, inmates who are already receiving treatment upon their incarceration can continue their treatment. The grant covers a year's worth of salaries for two addiction counselors, a nurse, and a consultant to supervise the program, as well as the cost of addiction medications such as naltrexone, methadone, and buprenorphine. The expanded program offers counseling and continued drug treatment after incarceration through the Mount Joy based Donegal Substance Abuse Alliance.
- The Youth Intervention Center began implementation of Trust Based Relational Intervention (TBRI) into their various programs. TBRI is an attachment-based, trauma-informed intervention that is designed to meet the complex needs of vulnerable children. It uses Empowering Principles to address physical needs, Connecting Principles for attachment needs, and Correcting Principles to disarm fear-based behaviors. The intervention is based on years of attachment, sensory processing, and neuroscience research. A TBRI council that meets monthly was formed to allow staff to give input on how TBRI is being implemented.

For the Future

- The Lancaster County Recorder of Deeds office has been offering electronic recording (e-recording) of documents since 2002. 80% of documents are e-recorded which saves document turnaround time, postage, and courier fees. The current system, which has been in place since 2009, is dated and the cost is expected to increase 50% at the end of the current contract period in August of 2024. The office is switching to Tyler Technologies with an expected go live date of May 2024. The Tyler e-recording system is much newer with an updated interface and is more user-friendly. This new system will make the recording process easier for the public as well as county employees.
- In February of 2024, the County Commissioners approved a report from consultant CGL, which is managing the new prison project, that outlines the specifications for the new prison. The report lays out proposals for space, size, and how the new facility would operate internally, from the intake of new prisoners to their release. It details the size and scope of the prison's infrastructure and operations, including housing units, classrooms, medical facilities, laundry services and much more. After the Commissioners approve a final version of the report, Transystems, the prison design team, will use it as a guide to produce early designs of the new facility. The new prison is tentatively scheduled to be completed by the start of 2027, but that may change. The Commissioners want to take their time and get the project right rather than rush to meet a self-imposed deadline.
- The County is switching to an Enterprise Resource Planning (ERP) system. After looking at a couple of different systems, the County decided to go with Workday. ERP systems tie together a multitude of business processes including accounting, procurement, human resources, project management, risk management and compliance, and supply chain operations and enable the flow of data between them. It is a cloud-based system that provides integrated management of main business processes in real time mediated by software and technology. Workday will eliminate data duplication and provide data integrity with a single source of truth. The new system will be operational by the end of 2024.

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, 2022. 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 34th 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**

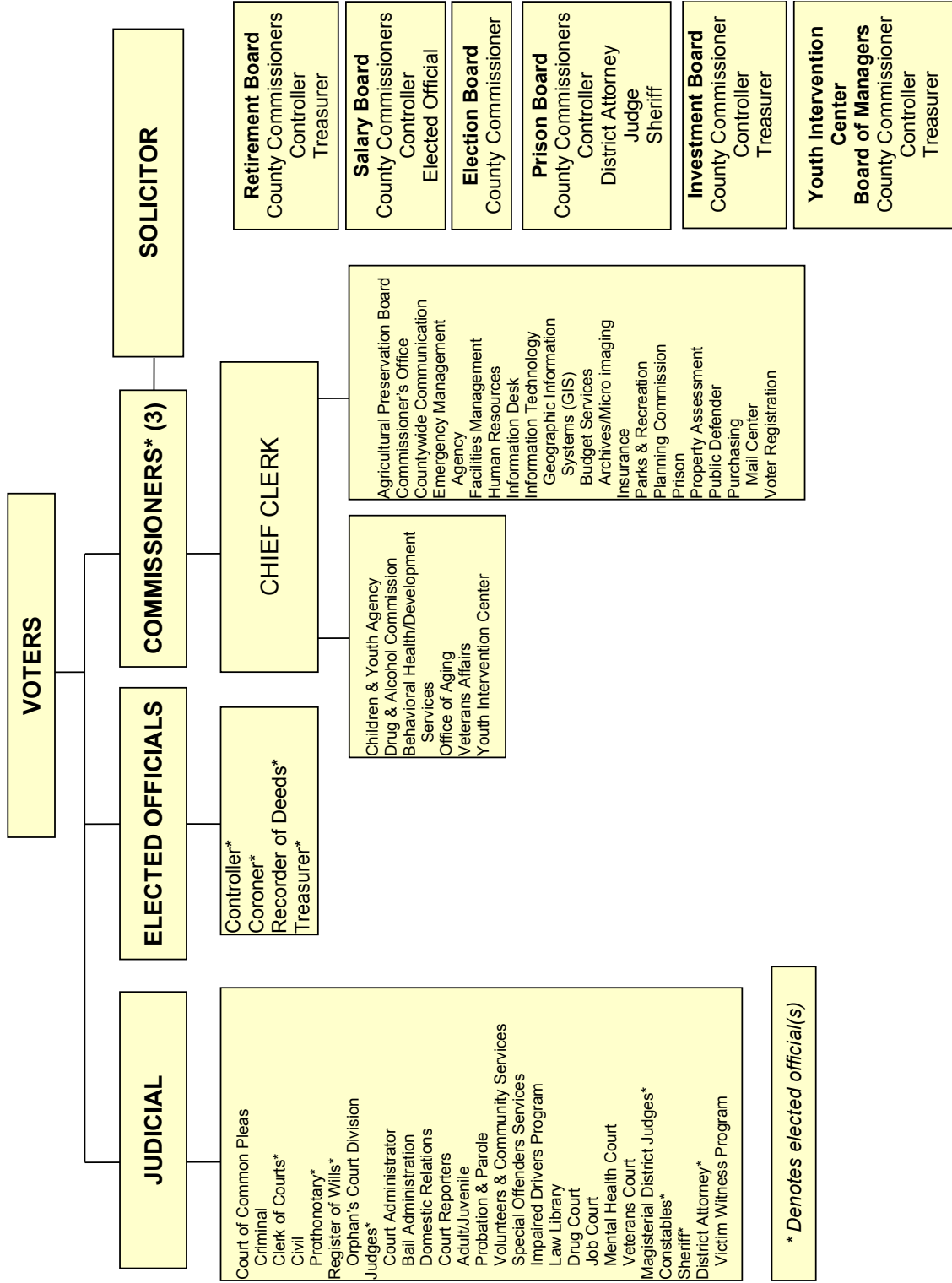
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

LANCASTER COUNTY ORGANIZATIONAL CHART – 2A CLASS COUNTY



* Denotes elected official(s)

**2023
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

Dimary Serrano, Acting

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. Sponaule
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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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, 2023, 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, based on our audit and the report of the other auditors, 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, 2023, 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.

We did not audit the financial statements of the Lancaster County Convention Center Authority (the Authority). Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Authority, is based solely on the report of the other auditors.

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 combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules 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 are 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 27, 2024

SBC + 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, 2023. 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, 2023.

FINANCIAL HIGHLIGHTS

- ✓ The County's 2023 real estate property tax millage rate remained unchanged at 2.911.
- ✓ The County's adopted budget for 2023 was a balanced budget for the eleventh consecutive year.
- ✓ The County maintained a bond rating of Aa2 during 2023.
- ✓ The County's net position increased \$36.9 million in 2023 to \$150.0 million.
- ✓ The County's unrestricted deficit was \$57.2 million as of December 31, 2023, compared to an unrestricted deficit of \$72.5 million as of December 31, 2022.
- ✓ The County's total General Fund balance increased \$2.4 million during 2023 to \$69.2 million.
- ✓ The County's total General Fund balance on December 31, 2023, included an unassigned fund balance of \$55.4 million. The unassigned fund balance increased \$2.0 million during 2023.
- ✓ As of December 31, 2023, the County had \$129.6 million of total debt service commitments outstanding. This represents a decrease of \$17.0 million, or 11.6%, 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:

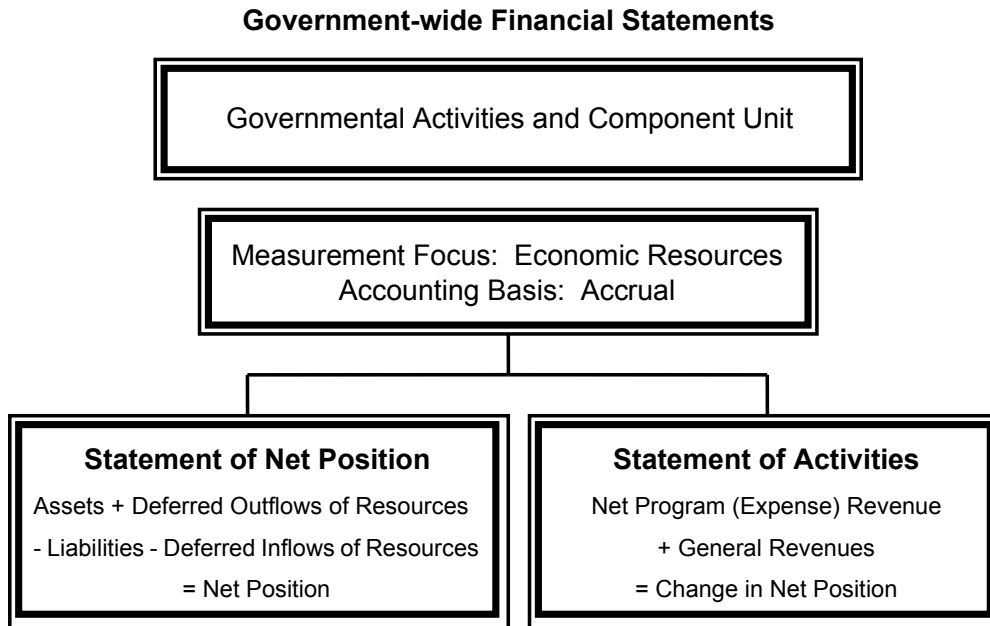
- ◆ *Governmental funds financial statements* which explain how services such as public safety were financed in the short term, as well as what remains for future spending.
- ◆ *Fiduciary funds financial statements* that reflect activities involving resources that are held by the County as a trustee 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.



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:

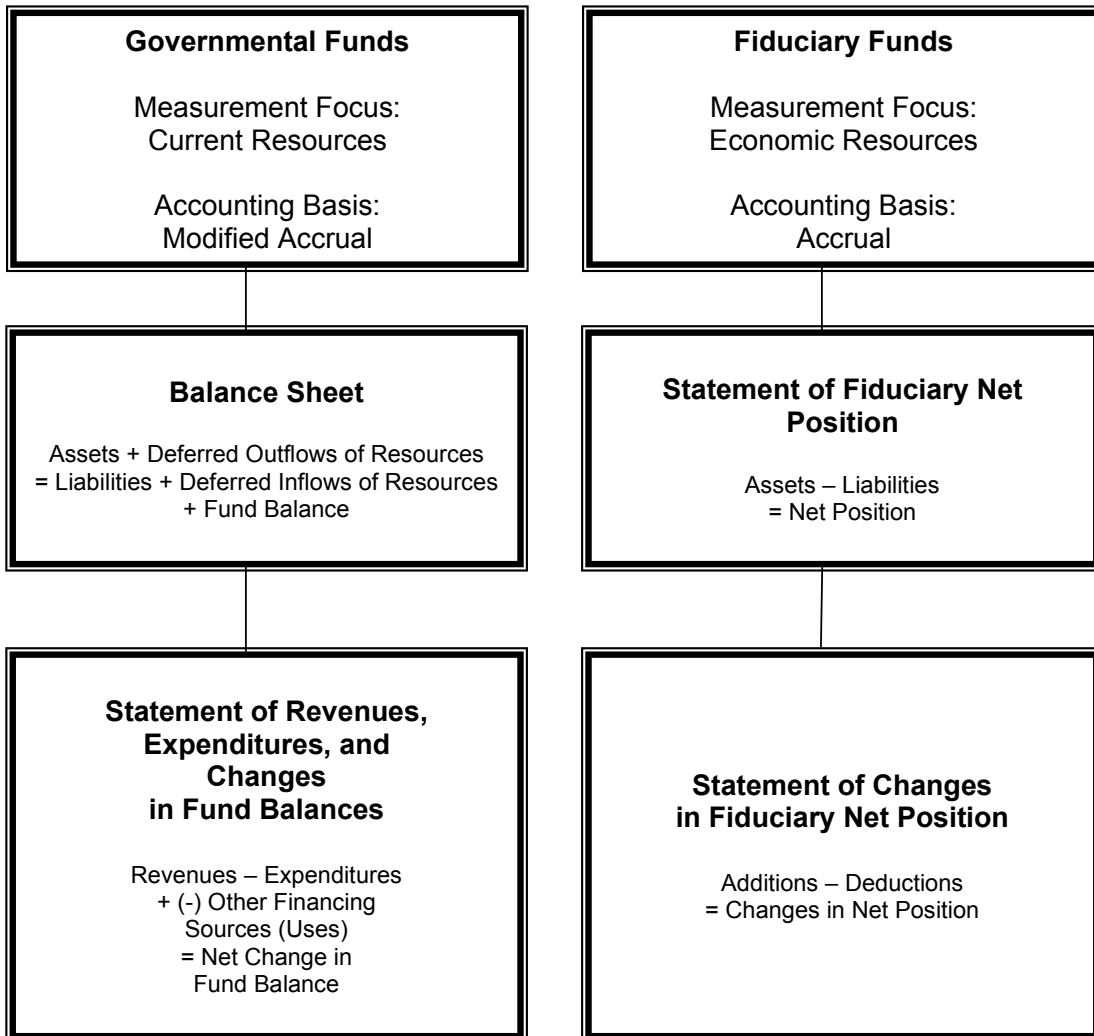
- ◆ *Governmental activities* – All the County's basic services are included here, such as public safety, roads and bridges, health and welfare, and general government administration. Property and other such taxes, state and federal grants, and charges for services are the primary funding source of these 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, 2023, and 2022 is presented below:

Table A-1 County Net Position as of December 31, 2023, and 2022 (amounts in millions)
--

	<u>2023</u>	<u>2022</u>
Capital assets, net	\$ 316.4	\$ 315.7
Other assets	189.3	212.8
Total assets	505.7	528.5
Deferred outflows of resources	35.4	50.9
Total deferred outflows of resources	35.4	50.9
Other liabilities	72.4	96.9
Long-term liabilities	249.5	291.5
Total liabilities	321.9	388.4
Deferred inflows of resources	69.1	77.9
Total deferred inflows of resources	69.1	77.9
Net position (deficit):		
Net investment in capital assets	174.2	153.2
Restricted	33.0	32.4
Unrestricted (deficit)	(57.2)	(72.5)
Total net position	\$ 150.0	\$ 113.1

Net position of the County's governmental activities increased \$36.9 million to \$150.0 million. This increase was primarily the result of a decrease in general obligation bonds and notes payable along with a decrease in the total pension liability as well as the County's total other postemployment benefits liability (OPEB).

Of the \$150.0 million, \$174.2 million represents the balance of net investments in capital assets, while \$33.0 million is restricted for various purposes. The County has an unrestricted deficit balance of \$57.2 million at the end of the year. Lancaster County's total assets stand at \$505.7 million and deferred outflows of resources stand at \$35.4 million as of December 31, 2023. Of the total assets, \$316.4 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, 2023, and 2022:

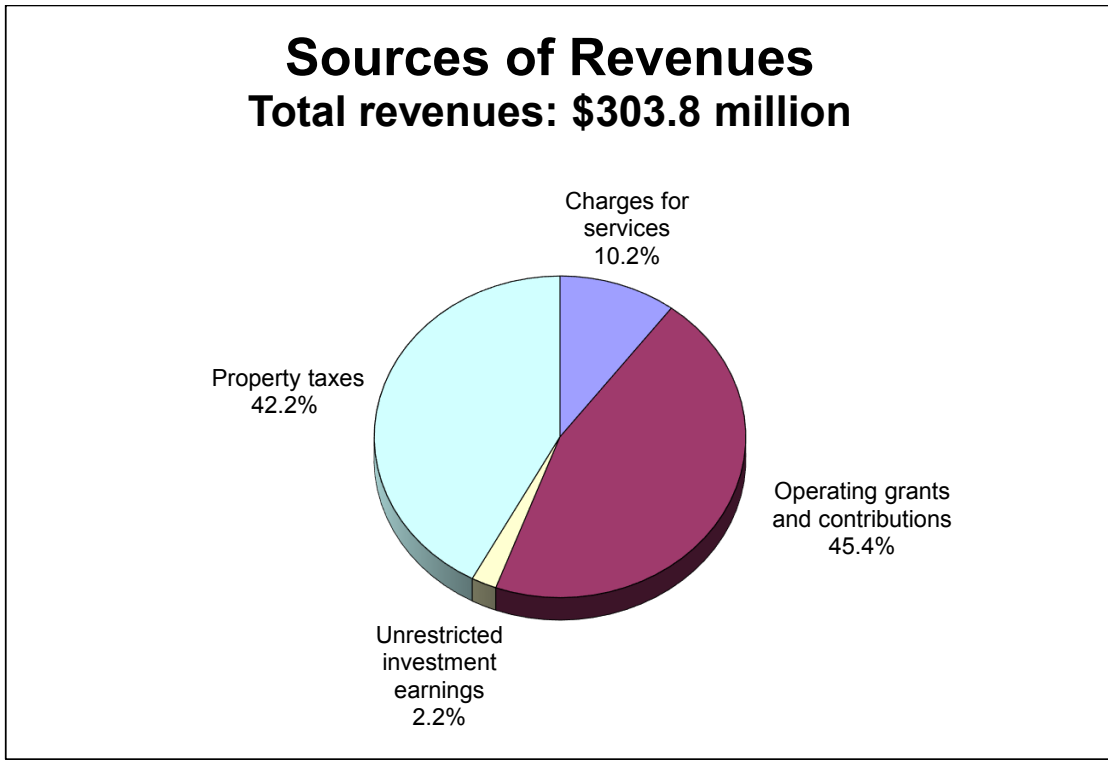
Table A-2
**County's Changes in Net Position for
the years ending December 31, 2023, and 2022**
(amounts in millions)

	2023	2022
Revenues:		
Program revenues:		
Charges for services	\$ 31.1	\$ 33.3
Operating grants and contributions	137.9	154.9
General revenues:		
Property taxes	128.1	126.4
Unrestricted investment earnings	6.7	1.8
Total revenues	303.8	316.4
Expenses:		
General government	54.5	84.4
Public safety	15.4	14.1
Roads and bridges	0.9	1.2
Health, education, and welfare	84.6	76.9
Judicial	56.3	53.1
Corrections	37.9	34.2
Cultural and recreation	2.9	2.9
Community development	7.8	6.0
Interest on long-term debt	6.6	7.5
Total expenses	266.9	280.3
Change in net position	36.9	36.1
Net position – beginning	113.1	77.0
Net position – ending	\$ 150.0	\$ 113.1

See pages 23 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, 2023:

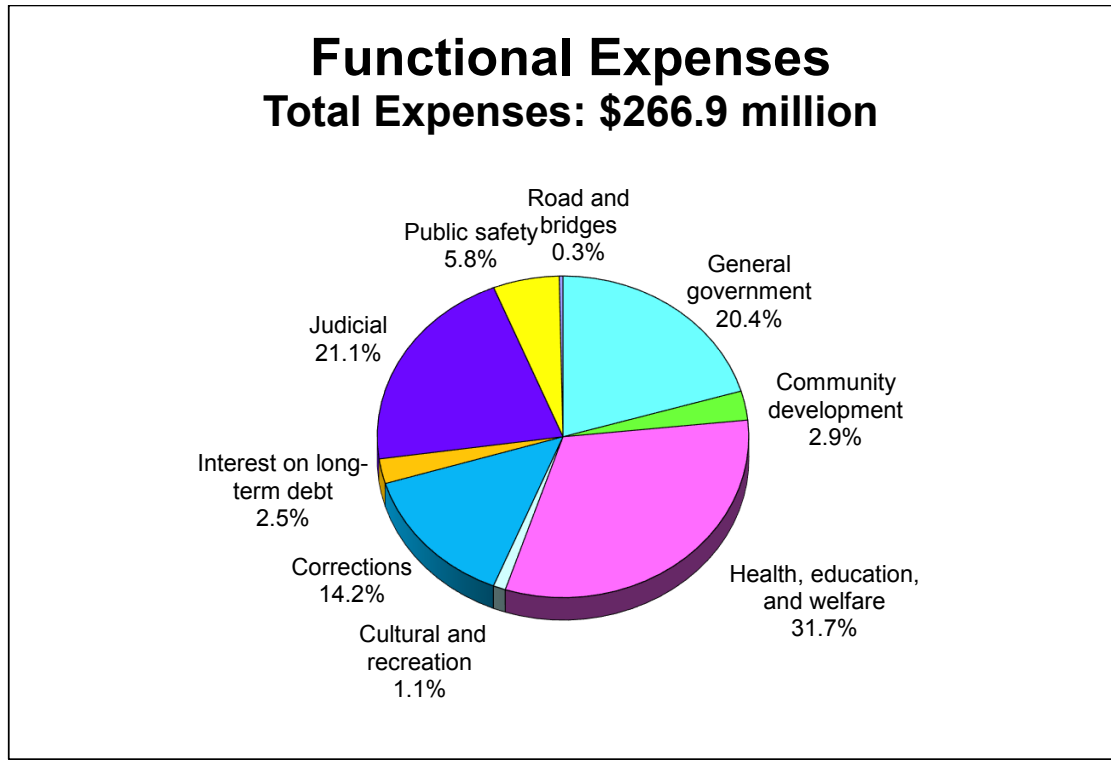


Total government-wide revenues of \$303.8 million were derived primarily from operating grants and contributions, representing 45.4% of the total. Property taxes made up the second largest source of revenue at 42.2%, followed by charges for services at 10.2%, and unrestricted investment earnings at 2.2%.

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, 2023:



Total expenses for all programs in 2023 were \$266.9 million. The expenses cover a wide range of services, with the largest being health, education, and welfare at 31.7%. The second largest program area was judicial at 21.1%, followed by general government at 20.4%, corrections at 14.2%, public safety at 5.8%, community development at 2.9%, interest on long term debt at 2.5%, cultural and recreation at 1.1%, and road and bridges at 0.3%.

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, 2023, the General Fund reported a fund balance of \$69.2 million, which was a \$2.4 million or 3.6% increase over the previous year's balance of \$66.8 million. This increase was the result of 83.3% of budgeted revenues being collected while only 75.8% of budgeted expenditures were spent. Revenues decreased from \$225.6 million to \$201.3 million, a \$24.3 million or 10.8% decrease. This decrease was the result of a decrease in ERAP revenue. Expenditures decreased from \$195.3 million to \$182.3 million, which was a \$13.0 million or 6.7% decrease. This decrease was the result of a decrease in ERAP expenditures.

The fund balance in the Children and Youth Services special revenue fund decreased to \$0.2 million as of December 31, 2023, from \$0.8 million, a \$0.6 million or 75.0% decrease. This decrease was the result of Children and Youth Agency collecting 75.4% of their budgeted revenues while spending 99.8% of their budgeted expenses. Revenues increased from \$31.5 million to \$36.6 million, a \$5.1 million or 16.2% increase. This increase was the result of an increase in Act 148 monies received from the state along with an increase in County match. Expenditures increased from \$43.4 million to \$50.8 million, an increase of \$7.4 million or 17.1%. The increase is the result of higher payroll expenses as well as an increase in boarding and group home costs.

The Behavioral Health and Developmental Services special revenue fund has no fund balance to report. Revenues in this fund increased to \$32.5 million from \$31.1 million, an increase of \$1.4 million or 4.5%. This increase was due to an increase in state funding along with an increase in medical assistance. Expenditures increased from \$32.1 million to \$33.5 million, a \$1.4 million or 4.4% increase. The increase is the result of higher payroll expenses.

As of December 31, 2023, the Domestic Relations special revenue fund balance was \$18.1 million, as compared to \$16.5 million last year, an increase of \$1.6 million or 9.7%. This increase was the result of Domestic Relations receiving over 100.0% of their

budgeted revenue while only spending 94.1% of their budgeted expenses. The revenues and expenses remained basically unchanged compared to the prior year.

The fund balance in the Capital Projects special revenue fund decreased to \$19.3 million as of December 31, 2023, from \$21.8 million, a \$2.5 million or 11.5% decrease. This decrease was due to the capital outlay expense exceeding the Capital Improvement Plan (CIP) transfer and interest. Revenues remained the same at \$0.2 million. Expenditures decreased from \$6.9 million to \$3.7 million, a decrease of \$3.2 million or 46.4%. This decrease was due to the purchase of land for the new prison in 2022.

The Human Services Block Grant special revenue fund has no fund balance to report. The revenues increased from \$0.07 million on December 31, 2022, to \$0.4 million on December 31, 2023, an increase of \$0.33 million or 471.4%. This increase was the result of higher interest earnings. Expenditures increased from \$0.0 million to \$0.3 million, an increase of 100.0%. This increase was the result of transfers into the fund along with interest exceeding transfers out of the fund.

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 \$178.6 million to \$246.5 million, an increase of \$67.9 million or 38.0%. This was the result of the County recognizing \$51.3 million in ARPA funds and \$15.7 million in ERAP funds. Actual revenues received totaled \$205.4 million or 83.3% of the final budget. Intergovernmental revenues were \$37.0 million lower than the final budgeted amounts due to not all the ARPA and ERAP funds being spent during the year. Departmental revenues were \$2.0 million lower than the final budgeted amounts due to a decrease in revenues in the Sheriff, Recorder of Deeds, Prison, and Prothonotary offices. Fines and costs were \$1.1 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. Investment earnings were \$1.6 million lower than final budgeted amounts due to lower than anticipated interest earnings.

The County's original operating expenditure budget, excluding transfers, increased from \$172.4 million to \$241.5 million, an increase of \$69.1 million or 40.1%. This was the result of an additional \$51.3 million in ARPA expenses as well as \$15.7 in ERAP expenses. Actual expenditures were \$183.0 million or 75.8% 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 2023. 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, 2023, net of accumulated depreciation, amounted to \$316.4 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, 2023, and 2022:

Summary of Capital Assets		
	2023	2022
Land	\$ 8,978,026	\$ 8,502,850
Buildings and improvements	235,634,692	234,240,083
Improvements other than buildings	1,849,019	1,849,019
Furniture and equipment	65,901,496	60,691,492
Infrastructure	41,957,626	39,784,098
Easements	114,013,792	112,641,457
Right to use leased buildings	12,508,132	12,508,132
Right to use leased equipment	1,396,505	964,109
Subscription assets	1,890,077	228,293
Less accumulated depreciation/amortization	<u>(167,738,000)</u>	<u>(155,505,026)</u>
Total	<u>\$ 316,391,365</u>	<u>\$ 315,904,507</u>

Total capital assets increased from \$315.9 million to \$316.4 million, an overall increase of \$0.5 million. There was a \$5.2 million increase in furniture and equipment due to a refresh of the County's 911 radio system as well as the purchase of portable radios for various departments along with body cameras and new body armor for the Sheriff's department. Subscription assets increased by \$1.7 million due to the implementation of GASB 96. These increases were offset by regularly scheduled depreciation/amortization.

As of December 31, 2023, the County had \$8,437,760 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, 2023, the County had \$129.6 million of general obligation bonds. This was a decrease of \$17.0 million or 11.6% from the previous year. The following details activity related to general obligation bonds, general obligation notes and direct borrowings, and installment purchase agreements during 2023:

Summary of General Obligation Bond, General Obligation Note and Direct Borrowing, and Installment Purchase Agreement Activity
--

Beginning balance at 1/1/2023	\$ 146,611,000
Debt issued	14,695,000
Less principal refunded	(16,095,000)
Less principal payments	<u>(15,566,000)</u>
Ending balance at 12/31/2023	<u>\$ 129,645,000</u>

BOND RATING:

The County's General Obligation Bonds, Series of 2023 were issued to refund General Obligation Note, Series A of 2002. The series of 2023 General Obligation Bonds have been assigned an Aa3 rating by Moody's Investors Service.

The County continues to aggressively reduce long-term debt.

More detailed information about the County's long-term debt can be found in Note 8 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 2.3%, which is a 20.7% decrease over the previous year's rate of 2.9%. This rate compares favorably with the state rate of 3.4% and the national rate of 3.7%. The decrease over the prior year is a result of the county's continuing recovery from the pandemic.

These factors were considered in preparing the County's 2024 budget. Amounts available for appropriation in the General Fund budget are \$182.7 million, an increase of 2.3% over the final 2023 budget of \$178.6 million. Real estate tax receipts were budgeted to increase by \$2.0 million due to natural growth. Interest earnings were budgeted to increase by \$2.7 million due to higher interest rates and interest earnings on unspent ARPA funds.

Budgeted operating expenditures, excluding transfers, were increased 6.9% for 2024, to \$185.3 million, from \$173.3 million in 2023. This is due primarily to the increase in payroll and fringe benefits as well as operating expenses.

For the 2024 budget year the Board of County Commissioners approved a balanced budget for the twelfth 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, 2023

	Primary Government	Component Unit
	Governmental Activities	Lancaster County Convention Center Authority
ASSETS		
Cash and investments:		
Operating	\$ 161,768,507	\$ 1,970,101
Other	509,140	-
Cash with fiscal agents	136	-
Restricted cash and investments	-	21,142,055
Receivables:		
Room rental tax	-	1,429,192
Taxes, net of allowance for uncollectibles of \$53,244	1,721,559	-
Fines and costs, net of allowance for uncollectibles of \$35,791,953	4,323,680	-
Accounts	3,356,423	-
Due from other governments	16,489,101	-
Other	1,174,784	828,215
Prepaid items	-	198,254
Capital assets not being depreciated/amortized:		
Land	8,978,026	1,607,517
Easements	114,013,792	-
Capital assets being depreciated/amortized:		
Buildings and improvements	235,634,692	76,657,196
Improvements other than buildings	1,849,019	-
Furniture and equipment	65,901,496	6,579,558
Infrastructure	41,957,626	-
Right to use leased buildings	12,508,132	-
Right to use leased equipment	1,396,505	-
Subscription assets	1,890,077	-
Less accumulated depreciation/amortization	(167,738,000)	(34,556,116)
Total assets	<u>505,734,695</u>	<u>75,855,972</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	2,762,587	-
Deferred outflows related to pensions	24,572,003	-
Deferred outflows related to OPEB	8,036,737	-
Total deferred outflows of resources	<u>35,371,327</u>	<u>-</u>
LIABILITIES		
Accounts payable	12,369,556	2,281,505
Contracts payable	778,674	-
Accrued interest payable	1,019,621	259,231
Unearned revenue	53,118,659	237,820
Payroll related accruals	5,171,308	4,792
Long-term liabilities:		
Due within one year	22,406,266	840,000
Due in more than one year	227,059,749	65,827,149
Total liabilities	<u>321,923,833</u>	<u>69,450,497</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to OPEB	69,126,630	-
Total deferred inflows of resources	<u>69,126,630</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	174,227,914	(2,018,221)
Restricted for:		
Federal and state grant programs	27,864,335	-
Capital projects	813,704	3,911,142
Public safety	3,289,583	-
Community development	1,081,203	-
Debt service	-	8,456,851
Other	-	1,614,945
Unrestricted (deficit)	(57,221,180)	(5,559,242)
Total net position	<u>\$ 150,055,559</u>	<u>\$ 6,405,475</u>

County of Lancaster, Pennsylvania

Statement of Activities

For the Year Ended December 31, 2023

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government	Component Unit
				Governmental Activities	Lancaster County Convention Center Authority
Functions/Programs					
Primary Government:					
Governmental activities:					
General government	\$ 54,486,681	\$ 9,682,450	\$ 27,667,691	\$ (17,136,540)	\$ -
Public safety	15,381,520	10,523,613	1,275,846	(3,582,061)	-
Roads and bridges	876,524	-	1,980,193	1,103,669	-
Health, education, and welfare:					
Drug and alcohol	5,804,151	226,783	5,681,256	103,888	-
Behavioral health and developmental services	32,066,889	1,457,844	31,011,973	402,928	-
Office of aging	10,258,674	68,142	10,614,627	424,095	-
Children and youth	36,112,983	276,770	36,329,603	493,390	-
Other	318,854	-	-	(318,854)	-
Judicial	56,344,706	6,690,145	8,840,471	(40,814,090)	-
Corrections	37,861,182	1,792,057	7,101,876	(28,967,249)	-
Cultural and recreation	2,884,511	362,307	-	(2,522,204)	-
Community development	7,795,948	-	7,373,198	(422,750)	-
Interest on long-term debt	6,659,240	-	-	(6,659,240)	-
Total government activities	\$ 266,851,863	\$ 31,080,111	\$ 137,876,734	(97,895,018)	-
Component Unit:					
Convention center	\$ 9,922,130	\$ 2,780,716	\$ -	-	(7,141,414)
Total component unit	\$ 9,922,130	\$ 2,780,716	\$ -	-	(7,141,414)
General Revenues:					
Property taxes				128,111,579	-
Unrestricted investment earnings				6,703,741	886,249
Room rental tax				-	7,997,656
Total general revenues				134,815,320	8,883,905
Change in net position				36,920,302	1,742,491
Net position - beginning				113,135,257	4,662,984
Net position - ending				\$ 150,055,559	\$ 6,405,475

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

County of Lancaster, Pennsylvania

Balance Sheet - Governmental Funds

December 31, 2023

	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	\$ 113,723,593	\$ -	\$ 2,727,696	\$ 16,833,133	\$ 20,070,117	\$ 813,469	\$ 7,600,499	\$ 161,768,507
Other	-	85,467	194,990	-	-	-	228,683	509,140
Cash with fiscal agents	136	-	-	-	-	-	-	136
Receivables:								
Taxes	1,774,803	-	-	-	-	-	-	1,774,803
Less allowance for uncollectible taxes	(53,244)	-	-	-	-	-	-	(53,244)
Fines and costs	40,115,633	-	-	-	-	-	-	40,115,633
Less allowance for uncollectible fines and costs	(35,791,953)	-	-	-	-	-	-	(35,791,953)
Accounts	3,356,423	-	-	-	-	-	-	3,356,423
Due from other funds	8,075,584	-	-	-	-	-	-	8,075,584
Due from other governments	1,821,012	12,808,145	152,435	1,437,063	-	-	270,446	16,489,101
Other	-	-	-	-	-	-	14,784	14,784
Total assets	\$ 133,021,987	\$ 12,893,612	\$ 3,075,121	\$ 18,270,196	\$ 20,070,117	\$ 813,469	\$ 8,114,412	\$ 196,258,914
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 4,509,032	\$ 4,038,795	\$ 2,673,396	\$ 28,051	\$ -	\$ -	\$ 1,120,282	\$ 12,369,556
Contracts payable	-	-	-	-	778,674	-	-	778,674
Due to other funds	-	8,075,584	-	-	-	-	-	8,075,584
Unearned revenue - intergovernmental	50,814,053	-	-	-	-	813,469	1,491,137	53,118,659
Payroll related accruals	3,845,714	553,678	401,725	182,739	-	-	187,452	5,171,308
Total liabilities	59,168,799	12,668,057	3,075,121	210,790	778,674	813,469	2,798,871	79,513,781
Deferred inflows of resources:								
Unavailable revenue-property taxes and fines & costs	4,697,322	-	-	-	-	-	-	4,697,322
Total deferred inflows of resources	4,697,322	-	-	-	-	-	-	4,697,322
Fund Balances:								
Restricted:								
Health, education, and welfare	-	225,555	-	-	-	-	2,395,695	2,621,250
Capital projects	-	-	-	-	813,704	-	-	813,704
Roads and bridges	1,848,600	-	-	-	-	-	1,838,643	3,687,243
General government	1,836,061	-	-	-	-	-	-	1,836,061
Public safety	3,289,583	-	-	-	-	-	-	3,289,583
Judicial	1,660,375	-	-	18,059,406	-	-	-	19,719,781
Community development	-	-	-	-	-	-	1,081,203	1,081,203
Committed:								
Capital projects	-	-	-	-	18,477,739	-	-	18,477,739
Assigned:								
Future benefits	945,880	-	-	-	-	-	-	945,880
Healthcare benefits	2,409,228	-	-	-	-	-	-	2,409,228
Corrections	1,815,760	-	-	-	-	-	-	1,815,760
Unassigned	55,350,379	-	-	-	-	-	-	55,350,379
Total fund balances	69,155,866	225,555	-	18,059,406	19,291,443	-	5,315,541	112,047,811
Total liabilities, deferred inflows of resources, and fund balances	\$ 133,021,987	\$ 12,893,612	\$ 3,075,121	\$ 18,270,196	\$ 20,070,117	\$ 813,469	\$ 8,114,412	\$ 196,258,914
Total fund balances								\$ 112,047,811
Amounts reported for governmental activities in the statement of net position 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)								316,391,365
Certain receivables are not available to pay for current-period expenditures and, therefore, are not recognized or unearned in the funds.								4,697,322
Long-term liabilities, including general obligation bonds, notes payable, total pension liabilities, total 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)								(284,240,939)
Other long-term note receivable								1,160,000
Total net position of governmental activities								\$ 150,055,559

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, 2023

	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	\$ 128,107,427	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128,107,427
Intergovernmental	37,007,414	36,329,803	31,011,973	5,124,875	-	5,980	25,649,274	135,129,119
Departmental	27,158,366	276,770	516,360	16,114	-	-	48,082	28,015,682
Fines and costs	2,493,959	-	-	-	-	-	-	2,493,959
Investment earnings	4,938,299	-	-	716,744	159,790	347,122	90,208	6,252,163
Other	1,635,423	-	-	-	-	-	537,918	2,173,341
Health Choices revenues	-	-	950,287	-	-	-	-	950,287
Total revenues	\$ 201,340,878	\$ 36,606,373	\$ 32,478,620	\$ 5,857,733	\$ 159,790	\$ 353,102	\$ 26,325,482	\$ 303,121,978
EXPENDITURES								
Current:								
General government	\$ 48,325,109	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,325,109
Public safety	9,657,885	-	-	-	-	-	-	9,657,885
Roads and bridges	-	-	-	-	-	-	96,991	96,991
Health, education, and welfare:								
Drug and alcohol	-	-	-	-	-	-	6,110,496	6,110,496
Behavioral Health and Developmental Services	-	-	32,932,313	-	-	-	-	32,932,313
Office of aging	-	-	-	-	-	-	10,965,346	10,965,346
Children and youth	-	50,691,016	-	-	-	-	-	50,691,016
Other	-	-	-	-	-	316,854	-	316,854
Judicial	51,082,803	-	-	7,055,278	-	-	-	58,138,081
Corrections	35,893,263	-	-	-	-	-	-	35,893,263
Cultural and recreation	2,616,744	-	-	-	-	-	-	2,616,744
Community development	-	-	-	-	-	-	7,817,114	7,817,114
Capital outlay	8,720,423	127,750	86,092	107,047	3,690,384	-	1,658,089	14,389,785
Debt Service:								
Principal retirement	19,703,729	-	189,058	-	-	-	-	19,892,787
Interest and fiscal charges	6,299,640	-	310,966	-	-	-	-	6,610,606
Total expenditures	\$ 182,299,596	\$ 50,818,766	\$ 33,518,429	\$ 7,162,325	\$ 3,690,384	\$ 316,854	\$ 26,648,036	\$ 304,454,390
Excess (deficiency) of revenues over (under) expenditures	\$ 19,041,282	\$ (14,212,393)	\$ (1,039,809)	\$ (1,304,592)	\$ (3,530,594)	\$ 36,248	\$ (322,554)	\$ (1,332,412)
OTHER FINANCING SOURCES (USES)								
Transfers in	\$ -	\$ 13,660,173	\$ 1,039,809	\$ 2,876,457	\$ 1,000,000	\$ 566,831	\$ 422,681	\$ 19,565,951
Transfers out	(18,962,872)	-	-	-	-	(603,079)	-	(19,565,951)
Face amount of refunding bonds issued	14,695,000	-	-	-	-	-	-	14,695,000
Payment to refunded bond escrow agent	(16,095,000)	-	-	-	-	-	-	(16,095,000)
Premium on refunding bonds issued	1,598,292	-	-	-	-	-	-	1,598,292
Leases (as lessee)	2,094,180	-	-	-	-	-	-	2,094,180
Total other financing sources (uses)	(16,670,400)	13,660,173	1,039,809	2,876,457	1,000,000	(36,248)	422,681	2,292,472
Net change in fund balances	2,370,882	(552,220)	-	1,571,865	(2,530,594)	-	100,127	960,060
Fund balances, January 1	66,784,984	777,775	-	16,487,541	21,822,037	-	5,215,414	111,087,751
Fund balances, December 31	\$ 69,155,866	\$ 225,555	\$ -	\$ 18,059,406	\$ 19,291,443	\$ -	\$ 5,315,541	\$ 112,047,811

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, 2023

Net change in fund balances - total governmental funds	\$ 960,060
The change in net position reported for <i>governmental activities</i> 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/amortization expense. This is the amount by which depreciation/amortization expense exceeded capital outlays in the current period. (Note 3)	486,858
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.	198,609
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)	19,198,607
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.	2,122,070
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)	14,099,098
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)	<u>(145,000)</u>
Change in net position of governmental activities	<u>\$ 36,920,302</u>

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, 2023

	Pension Trust Fund	Custodial Fund
ASSETS		
Cash and temporary investments-operating	\$ 1,935,592	\$ 22,627,310
Investments, at fair value:		
U.S. Government securities	21,294,462	–
Domestic corporate bonds	13,211,355	–
International corporate bonds	1,605,047	–
Collateralized mortgage obligations	3,516,407	–
Real estate	23,351,944	–
Defensive equity	17,958,573	–
Private equity	16,994,019	–
Infrastructure	27,902,912	–
Private credit	23,585,854	–
Equity mutual funds	93,182,350	–
Global mutual funds	54,121,777	–
International equity mutual funds	30,220,078	–
Fixed income mutual funds	40,776,703	–
Brokered CDs	236,885	–
Total investments	367,958,366	–
Receivables	727,408	–
Total assets	370,621,366	22,627,310
LIABILITIES		
Due to other funds		
Deferred revenue-net pension obligation		
Deposits and advances	–	6,110,986
Escrow liability	–	4,973,421
Other liabilities	–	1,502,782
Due to other governments	–	5,890,879
Total liabilities	–	18,478,068
Available for benefits		
TOTAL NET POSITION	\$ 370,621,366	\$ 4,149,242

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, 2023

	Pension Trust Fund	Custodial Fund
ADDITIONS		
Contributions:		
Employer	\$ 5,159,368	\$ -
Plan members	7,703,397	-
Taxes	-	209,987,397
Fees, fines, and costs	-	29,198,888
Bail and advanced costs	-	4,391,316
Inmate funds	-	2,612,795
Child support	-	1,540,967
Miscellaneous	-	2,901,184
Total contributions	12,862,765	250,632,547
Investment income:		
Net appreciation in fair value of investments	33,480,776	-
Interest and dividends	9,285,575	-
Less investment expenses	(168,191)	-
Net investment income	42,598,160	-
Total additions	55,460,925	250,632,547
DEDUCTIONS		
Benefit payments, including refunds of member contributions	22,751,247	-
Administrative expenses	80,520	-
Taxes	-	209,987,397
Fees, fines, and costs	-	29,114,386
Bail and advanced costs	-	4,391,316
Inmate funds	-	2,612,795
Child support	-	1,540,967
Miscellaneous	31,067	2,820,374
Total deductions	22,862,834	250,467,235
Net increase in net position	32,598,091	165,312
NET POSITION		
Beginning of year	338,023,275	3,983,930
End of year	\$ 370,621,366	\$ 4,149,242

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

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County of Lancaster, Pennsylvania

Notes to Financial Statements

December 31, 2023

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.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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 discreetly 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.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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 does 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

County of Lancaster, Pennsylvania
Notes to Financial Statements (continued)

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.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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

County of Lancaster, Pennsylvania
Notes to Financial Statements (continued)

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.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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, 2023, the Authority's funds on deposit with the trustee under the terms of the trust indenture exceed the established thresholds, and \$1,951,955 of the hotel room rental tax revenue was payable to Discover Lancaster under the terms of the Collaboration Agreement.

New Accounting Pronouncements

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. The County implemented this standard during the year ended December 31, 2023, and it did not have a material impact on the 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 implemented this standard during the year ended December 31, 2023, and it did not have a material impact on the financial statements.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements (continued)

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 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 ending June 30, 2023, and all reporting periods thereafter. These requirements did not have a material effect on the County's financial statements. 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 ending June 30, 2024, and all reporting periods thereafter. This statement is not expected to have a material effect on the County's financial statements.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements (continued)

The GASB has issued Statement No. 100, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2024, and all reporting periods thereafter. The County will be analyzing the effects of this pronouncement and plans to adopt it, as applicable, by its effective date.

The GASB has issued Statement No. 101, Compensated Absences. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2024, and all reporting periods thereafter. The County will be analyzing the effects of this pronouncement and plans to adopt it, as applicable, by its effective date.

The GASB has issued Statement No. 102, Certain Risk Disclosures, which will require adoption in the future, if applicable. The County will be analyzing the effects of this pronouncement and plans to adopt it, as applicable, by its effective date.

The GASB has issued Statement No. 103, Financial Reporting Model Improvements, which will require adoption in the future, if applicable. The County will be analyzing the effects of this pronouncement and plans to adopt it, as applicable, by its effective date.

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.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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

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, 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.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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

Investments (continued)

Discretely Presented Component Unit (continued)

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, 2023, restricted assets included cash and investments in the amount of \$21,142,055.

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.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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

Capital Assets

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.

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.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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

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.

Discretely Presented Component Unit

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

Deferred Outflows/Inflows of Resources

In accordance with GAAP, the County reports a deferred outflow of resources in the statement of net position resulting from the 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.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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

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.

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.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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

Fund Balance (continued)

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.

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, 2023.

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.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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

Fund Balance (continued)

Restricted Fund Balance (continued)

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.

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.

Assigned Fund Balance

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.

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.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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 \$(284,240,939) difference is as follows:

General obligation bonds and notes payable	\$ (129,645,000)
Plus: Issuance premium (amortized as income)	(10,711,460)
Accrued vacation and sick pay	(6,978,116)
Total pension liability	(30,014,024)
Total OPEB liability	(51,631,180)
Accrued interest payable	(1,019,621)
Deferred outflow from refundings	2,762,587
Net deferred outflows related to pensions	24,572,003
Net deferred inflows related to OPEB	(61,089,893)
Financed purchases	(6,798,249)
Right to use leased liability	(11,337,295)
Subscription liability	(1,504,115)
Contracts payable	(343,661)
Workers' compensation	(502,915)
Net adjustment to total fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>\$ (284,240,939)</u></u>

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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 \$486,858 difference is as follows:

Capitalized outlay	\$ 12,784,705
Depreciation/amortization expense	(12,274,346)
Loss on disposal	<u>(23,501)</u>
Net adjustment to decrease net changes in fund balance - total governmental funds to arrive at changes in net position - governmental activities	<u>\$ 486,858</u>

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 \$19,198,607 difference is as follows:

Debt issued or incurred:	
Issuance of general obligation bonds	\$ (14,695,000)
Right to use leased liability	(432,396)
Subscription liability	(1,661,784)
Principal repayments:	
Financed purchases	2,574,105
Right to use leased liability	1,366,720
Subscription liability	385,962
General obligation debt	15,566,000
Payment to escrow agent for refunding	<u>16,095,000</u>
Net adjustment to increase net changes in fund balance - total governmental funds to arrive at changes in net position - governmental activities	<u>\$ 19,198,607</u>

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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 \$2,122,070 difference is as follows:

Bond premiums and discounts	\$(1,598,292)
Amortization of net bond premiums	1,382,784
Gain on the termination of a hedge	<u>2,337,578</u>
Net adjustment to increase net changes in fund balance - total governmental funds to arrive at changes in net position - governmental activities	<u>\$ 2,122,070</u>

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 \$14,099,098 difference is as follows:

Accrued vacation and sick pay	\$ (394,896)
Contracts payable	21,166
Total pension liability	12,882,199
Total OPEB liability	9,224,733
Deferred outflows related to pensions	(14,396,130)
Deferred outflows related to OPEB	(868,445)
Deferred inflows related to OPEB	8,161,395
Accrued interest payable	(48,634)
Amortization of loss on refunding	(308,375)
Workers' compensation	<u>(173,915)</u>
Net adjustment to decrease net changes in fund balance - total governmental funds to arrive at changes in net position - governmental activities	<u>\$14,099,098</u>

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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 \$(145,000) difference is as follows:

Stadium loan receivable	\$(145,000)
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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, 2023, the County's book balance was \$36,240,428 and the bank balances totaled \$46,763,518. Of the bank balances, \$1,862,550 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.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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, 2023, the County's non-pension investments included \$148,664,665 invested in 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, 2023, the County's non-pension investments included \$148,664,665 invested in 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, 2023, the County's non-pension investments included \$148,664,665 invested in 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.

County of Lancaster, Pennsylvania
Notes to Financial Statements (continued)

5. Deposits and Investments (continued)

Non-Pension Investments (continued)

Interest Rate Risk (continued)

As of December 31, 2023, the County's non-pension investments were subject to interest rate risk as follows:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1 – 5	6 – 10	More Than 10 Years
Non-Pension Investments					
U.S. Treasury Mutual Funds	\$ 102,351	\$ 102,351	\$ -	\$ -	\$ -
U.S. Treasury Notes & Bonds	132,149,742	132,149,742	-	-	-
U.S. Agency CMBS	760,880	690,660	-	-	70,220
Certificates of Deposit	15,651,692	15,651,692	-	-	-
Total Non-Pension Investments	<u>\$148,664,665</u>	<u>\$ 148,594,445</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,220</u>

As of December 31, 2023, the County's non-pension investments had the following fair value measurements:

Investments by Fair Value Level	Fair Value as of December 31, 2023	Fair Value Measurement Using		
		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 Mutual Funds	\$ 102,351	\$ 102,351	\$ -	\$ -
U.S. Treasury Notes & Bonds	132,149,742	132,149,742	-	-
U.S. Agency CMBS	760,880	-	760,880	-
Certificates of Deposit	15,651,692	15,651,692	-	-
Total Non-Pension Investments	<u>\$148,664,665</u>	<u>\$147,903,785</u>	<u>\$ 760,880</u>	<u>\$ -</u>

County of Lancaster, Pennsylvania
Notes to Financial Statements (continued)

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. Debt and equity 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. Debt securities classified as Level 2 are normally valued based on price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors.

Finally, Level 3 inputs are unobservable inputs, such as management's assumptions and information about market participant assumptions that are reasonably available. Securities classified as Level 3 have limited trade information, these securities are priced using the last trade price or estimated using recent trade prices.

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, 2023, the County's non-pension investments include U.S. Treasury Mutual Funds with a fair value of \$102,351; U.S. Treasury Notes & Bonds with a fair value of \$132,149,742; U.S. Agency CMBS with a fair value of \$760,880; and Certificates of Deposit with a fair value of \$15,651,692, which are not rated.

County of Lancaster, Pennsylvania
Notes to Financial Statements (continued)

5. Deposits and Investments (continued)

Pension Investments

The County utilizes various investment options for the County's Pension Plan. As of December 31, 2023, the County's pension investments had a fair value of \$367,958,366. In addition to the pension investments, the County maintains Money Market Funds with a fair value of \$1,935,592, for the County's Pension Plan, which are reported as cash and cash equivalents and investments in the Statement of Fiduciary Net Position.

Custodial Credit Risk

As of December 31, 2023, the County's pension investments were subject to custodial credit risk except for \$1,935,592 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, 2023, the County's pension investments were subject to interest rate risk as follows:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1 Year	1 – 5	6 – 10	More Than 10 Years
Pension Investments					
U.S. Government Securities	\$ 21,294,462	\$ -	\$ 5,128,831	\$ 11,192,645	\$ 4,972,986
Domestic Corporate Bonds	13,211,355	-	6,573,897	5,700,919	936,539
International Corporate Bonds	1,605,047	-	522,284	551,821	530,942
Collateralized Mortgage Obligations	3,516,407	-	1,854,601	170,743	1,491,063
Brokered CDs	236,885	-	236,885	-	-
Fixed Income Mutual Funds	40,776,703	40,776,703	-	-	-
Total Pension Investments	\$ 80,640,859	\$ 40,776,703	\$ 14,316,498	\$ 17,616,128	\$ 7,931,530

County of Lancaster, Pennsylvania
Notes to Financial Statements (continued)

5. Deposits and Investments (continued)

Pension Investments (continued)

Interest Rate Risk (continued)

As of December 31, 2023, the County's pension investments had the following fair value measurements:

Investments by Fair Value Level	Fair Value as of December 31, 2023	Fair Value Measurement Using		
		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	\$ 21,294,462	\$ 17,978,787	\$ 3,315,675	\$ -
Domestic Corporate Bonds	13,211,355	12,876,012	335,343	-
International Corporate Bonds	1,605,047	1,296,517	308,530	-
Collateralized Mortgage Obligations	3,516,407	-	3,516,407	-
Brokered CDs	236,885	236,885	-	-
Fixed Income Mutual Funds	40,776,703	40,776,703	-	-
Equity Mutual Funds	93,182,350	93,182,350	-	-
Real Estate Funds	23,351,944	23,351,944	-	-
Global Mutual Funds	54,121,777	54,121,777	-	-
International Equity Mutual Funds	30,220,078	30,220,078	-	-
Defensive Equity	17,958,573	-	17,958,573	-
Private Equity	16,994,019	-	16,994,019	-
Infrastructure	27,902,912	-	27,902,912	-
Private Credit	23,585,854	-	23,585,854	-
Total Pension Investments	<u>\$ 367,958,366</u>	<u>\$ 274,041,053</u>	<u>\$ 93,917,313</u>	<u>\$ -</u>

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.

County of Lancaster, Pennsylvania
Notes to Financial Statements (continued)

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 \$1,935,592. 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.

County of Lancaster, Pennsylvania
Notes to Financial Statements (continued)

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, 2023:

Investment Type	Fair Value	Credit Rating*
Pension Investments		
U.S. Government Securities	\$ 21,005,703	Aaa
U.S. Government Securities	288,759	A
Total U.S. Government Securities	<u>21,294,462</u>	
Domestic Corporate Bonds	750,198	Aaa
Domestic Corporate Bonds	611,118	Aa
Domestic Corporate Bonds	7,192,338	A
Domestic Corporate Bonds	4,458,753	Baa
Domestic Corporate Bonds	198,948	Ba
Total Domestic Corporate Bonds	<u>13,211,355</u>	
International Corporate Bonds	308,530	Aa
International Corporate Bonds	1,267,496	A
International Corporate Bonds	29,021	Baa
Total International Corporate Bonds	<u>1,605,047</u>	
Collateralized Mortgage Obligations	3,051,073	Aaa
Collateralized Mortgage Obligations	69,356	Aa
Collateralized Mortgage Obligations	395,978	A
Total Collateralized Mortgage Obligations	<u>3,516,407</u>	
Brokered CDs	236,885	Aaa
Total Brokered CDs	<u>236,885</u>	
Fixed Income Mutual Funds	40,776,703	N/A
Equity Mutual Funds	93,182,350	N/A
Real Estate Funds	23,351,944	N/A
Global Mutual Funds	54,121,777	N/A
International Equity Mutual Funds	30,220,078	N/A
Defensive Equity	17,958,573	N/A
Private Equity	16,994,019	N/A
Infrastructure	27,902,912	N/A
Private Credit	23,585,854	N/A
Total Pension Investments	<u>\$ 367,958,366</u>	

*expressed as Moody's quality ratings

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

5. Deposits and Investments (continued)

Pension Investments (continued)

Credit Risk (continued)

Additionally, for the pension plan the County maintains Money Market Funds with a fair value of \$1,935,592 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 20% 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, 2023, \$30,220,078 of the County's pension investments were held in international equity mutual funds, \$54,121,777 of the County's pension investments were held in global mutual funds, and \$1,605,047 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.

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, 2023, the Convention Center Authority's book balance was \$1,190,772 and the bank balance was \$1,004,464. Of the bank balance, \$500,000 was covered by federal depository insurance as of December 31, 2023.

County of Lancaster, Pennsylvania
Notes to Financial Statements (continued)

5. Deposits and Investments (continued)

Deposits (continued)

Discretely Presented Component Unit (continued)

Custodial Credit Risk (continued)

As of December 31, 2023, 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, 2023, the Convention Center Authority's investments included \$2,862,217 invested in money market funds, \$6,503,748 in U.S. Treasury Bills and \$12,555,419 in U.S. Treasury Bonds and Notes, for a total of \$21,921,384.

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.

Interest Rate Risk

The Convention Center Authority investment policy limits investment maturities to short-term U.S. Treasury obligations or other eligible investments as defined in the indenture as a means of managing its exposure to fair value losses arising from increasing interest rates.

County of Lancaster, Pennsylvania
Notes to Financial Statements (continued)

5. Deposits and Investments (continued)

Investments (continued)

Discretely Presented Component Unit (continued)

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, 2023, the Convention Center Authority's investment in money market funds, and U.S. Treasury bonds and notes and were rated AAAm and AAA, respectively by Moody'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, 2023, 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.

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 2023 was 2.911 mills.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

6. Property Taxes (continued)

County property tax revenues were reduced by \$432,269 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.

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.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

6. Property Taxes (continued)

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

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 \$432,269 for the year ended December 31, 2023.

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.

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

County of Lancaster, Pennsylvania
Notes to Financial Statements (continued)

6. Property Taxes (continued)

Keystone Opportunity Zone (KOZ) Program (continued)

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, 2023.

7. Capital Assets

A summary of capital asset activity for the year ended December 31, 2023, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 8,502,850	\$ 475,176	\$ —	\$ 8,978,026
Easements	112,641,457	1,372,335	—	114,013,792
Total capital assets, not being depreciated	121,144,307	1,847,511	—	122,991,818
Capital assets, being depreciated:				
Buildings and improvements	234,240,083	1,394,609	—	235,634,692
Improvements other than buildings	1,849,019	—	—	1,849,019
Furniture and equipment	60,691,492	5,274,877	(64,873)	65,901,496
Infrastructure	39,784,098	2,173,528	—	41,957,626
Right to use leased buildings	12,508,132	—	—	12,508,132
Right to use leased equipment	964,109	432,396	—	1,396,505
Subscription assets	228,293	1,661,784	—	1,890,077
Total capital assets being depreciated	350,265,226	10,937,194	(64,873)	361,137,547
Less accumulated depreciation /amortization for:				
Buildings and improvements	108,843,248	5,359,904	—	114,203,152
Improvements other than buildings	1,088,078	60,642	—	1,148,720
Furniture and equipment	34,639,284	3,928,822	(41,372)	38,526,734
Infrastructure	9,449,296	1,031,509	—	10,480,805
Right to use leased buildings	1,113,165	1,113,165	—	2,226,330
Right to use leased equipment	371,955	458,434	—	830,389
Subscription assets	—	321,870	—	321,870
Total accumulated depreciation /amortization	155,505,026	12,274,346	(41,372)	167,738,000
Total capital assets, being depreciated, net	194,760,200	(1,337,152)	(23,501)	193,399,547
Governmental activities capital assets, net	\$ 315,904,507	\$ 510,359	\$ (23,501)	\$ 316,391,365

County of Lancaster, Pennsylvania
Notes to Financial Statements (continued)

7. Capital Assets (continued)

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

Governmental activities:	
General government	\$ 3,537,260
Public safety	3,785,620
Roads and bridges	1,006,057
Health, education, and welfare	591,878
Judicial	1,258,867
Corrections	1,852,955
Cultural and recreation	241,709
Total depreciation / amortization expense – governmental activities	<u>\$ 12,274,346</u>

Commitment amounts of \$8,437,760 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, 2023, 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	76,461,640	195,556	-	76,657,196
Furniture and equipment	6,361,320	218,238	-	6,579,558
Total capital assets, being depreciated	82,822,960	413,794	-	83,236,754
Less accumulated depreciation for:				
Building	26,663,070	2,072,885	-	28,735,955
Furniture and equipment	5,625,120	195,041	-	5,820,161
Total accumulated depreciation	32,288,190	2,267,926	-	34,556,116
Total capital assets, being depreciated, net	50,534,770	(1,854,132)	-	48,680,638
Capital assets, net	<u>\$ 52,142,287</u>	<u>\$ (1,854,132)</u>	<u>\$ -</u>	<u>\$ 50,288,155</u>

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

8. Long-Term Liabilities

General Obligation Bonds

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, 2023, was \$492,656,711. The total amount of debt applicable to the debt limit, which does not include lease rental debt, is \$129,645,000. The remaining legal debt margin of the County as of December 31, 2023, was \$363,011,711. Refer to Statistical Table 12 for a detailed calculation.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

8. Long-Term Liabilities (continued)

General Obligation Bonds (continued)

General obligation bonds consisted of the following as of December 31, 2023:

5.107% - 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 \$335,000 to \$630,000 from November 1, 2024, to November 1, 2033.	\$ 4,725,000
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 \$1,725,000 to \$1,875,000 from May 1, 2024, to May 1, 2026.	5,400,000
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 \$1,240,000 to \$1,640,000 from May 1, 2024, to May 1, 2031.	11,490,000
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 \$1,500,000 to \$1,635,000 from November 1, 2024, to November 1, 2027.	6,270,000
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, 2024, to November 1, 2033.	12,830,000
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 \$310,000 to \$470,000 from November 1, 2024, to November 1, 2037.	5,355,000
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 \$1,270,000 to \$1,755,000 from November 1, 2024, to November 1, 2032.	13,595,000
3.00% - 5.00% General Obligation Bonds, Series of 2018 in the principal amount of \$13,320,000 to refund the outstanding General Obligation Bonds, Series C of 2013 of the County dated March 21, 2018, principal payable annually, varying in amounts from \$1,065,000 to \$1,370,000 from March 1, 2024, to March 1, 2030.	8,505,000
2.50% - 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 \$850,000 from November 1, 2024, to November 1, 2044.	13,660,000
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 \$1,695,000 to \$2,115,000 from November 1, 2024, to November 1, 2030.	13,280,000
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, 2024, to November 1, 2035.	10,545,000
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 \$1,040,000 to \$1,405,000 from November 1, 2024, to November 1, 2032.	10,935,000
5.00% - General Obligation Bonds, Series of 2023, in the principal amount of \$14,695,000 to currently refund the County's General Obligation Note, Series A of 2002, principal payable annually, varying in amounts from \$1,635,000 to \$2,115,000 from November 1, 2024, to November 1, 2030.	13,055,000
Total general obligation bonds, general obligation notes and direct borrowings, and installment purchase agreements as of December 31, 2023	\$ 129,645,000

County of Lancaster, Pennsylvania
Notes to Financial Statements (continued)

8. Long-Term Liabilities (continued)

General Obligation Bonds (continued)

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

Years	Principal	Interest	Total
2024	\$ 14,145,000	\$ 5,161,102	\$ 19,306,102
2025	14,735,000	4,575,288	19,310,288
2026	15,320,000	3,962,140	19,282,140
2027	15,025,000	3,348,611	18,373,611
2028	13,935,000	2,742,111	16,677,111
2029-2033	45,305,000	6,222,335	51,527,335
2034-2038	7,170,000	1,387,463	8,557,463
2039-2044	4,010,000	524,175	4,534,175
	<u>\$ 129,645,000</u>	<u>\$ 27,923,225</u>	<u>\$ 157,568,225</u>

On February 2, 2023, the County issued General Obligation Bonds, Series of 2023. The Series of 2023 Bonds were issued in the amount of \$14,695,000 to refund General Obligation Note, Series A of 2002. The Series of 2023 Bonds have principal payable annually beginning November 1, 2023, varying in amounts from \$1,635,000 to \$2,115,000, with a final maturity date of November 1, 2030. The Series of 2023 Bonds bears interest at a fixed rate of 5.00%. The current refunding reduced the total debt service payments by \$2,757,405 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$646,589.

County of Lancaster, Pennsylvania
Notes to Financial Statements (continued)

8. Long-Term Liabilities (continued)

Changes in Long-Term Liabilities

During the year ended December 31, 2023, the following changes occurred in long-term liabilities:

	Balance January 1, 2023	Additions	Reductions	Balance December 31, 2023	Due Within One Year
<i>Governmental Activities</i>					
General obligation bonds payable	\$ 130,290,000	\$ 14,695,000	\$ 15,340,000	\$ 129,645,000	\$ 14,145,000
Net premiums (discounts) on bonds	10,495,952	1,598,292	1,382,784	10,711,460	1,382,784
General obligation notes payable	16,095,000	-	16,095,000	-	-
Installment purchase agreements payable	226,000	-	226,000	-	-
Accrued vacation and sick pay	6,583,220	904,910	510,014	6,978,116	510,014
Total pension liability	42,896,223	-	12,882,199	30,014,024	-
Total OPEB liability	60,855,913	5,734,943	14,959,676	51,631,180	1,974,880
Workers' comp reserve	329,000	834,681	660,766	502,915	98,539
Financed purchases	9,372,354	-	2,574,105	6,798,249	2,656,253
Lease liability	12,271,619	432,396	1,366,720	11,337,295	1,070,396
Subscription liability	228,293	1,661,784	385,962	1,504,115	283,263
Contracts payable	364,827	198,240	219,406	343,661	285,137
Governmental activities long-term liabilities	<u>\$ 290,008,401</u>	<u>\$ 26,060,246</u>	<u>\$ 66,602,632</u>	<u>\$ 249,466,015</u>	<u>\$ 22,406,266</u>

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
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
	<u>\$ 6,798,249</u>	<u>\$ 360,096</u>	<u>\$ 7,158,345</u>

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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
2024	\$ 1,070,396	\$ 546,432	\$ 1,616,828
2025	1,135,367	491,629	1,626,996
2026	1,085,575	433,508	1,519,083
2027	1,151,859	377,801	1,529,660
2028	1,146,580	318,704	1,465,284
2029 - 2033	2,818,344	1,017,539	3,835,883
2034 - 2038	2,817,710	407,159	3,224,869
2039	111,464	697	112,161
	<u>\$ 11,337,295</u>	<u>\$ 3,593,469</u>	<u>\$ 14,930,764</u>

Subscription Liabilities

The County of Lancaster has entered into various lease agreements for subscription-based information technology arrangements.

Year ended December 31,	Principal	Interest	Total Payment
2024	\$ 283,263	\$ 71,238	\$ 354,501
2025	176,650	61,043	237,693
2026	181,024	52,210	233,234
2027	190,075	43,159	233,234
2028	208,792	33,655	242,447
2029 - 2030	464,311	35,227	499,538
	<u>\$ 1,504,115</u>	<u>\$ 296,532</u>	<u>\$ 1,800,647</u>

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

8. Long-Term Liabilities (continued)

Discretely Presented Component Unit

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 were 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, were used to refund the 2014 Bonds, pay a portion of the costs of terminating certain interest rate swap agreements, fund a debt 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 than 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.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

8. Long-Term Liabilities (continued)

Discretely Presented Component Unit (continued)

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.

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
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	2,981,223	3,951,223
2028	1,020,000	2,932,846	3,952,846
2029-2033	5,935,000	13,821,784	19,756,784
2034-2038	7,610,000	12,143,663	19,753,663
2039-2043	9,585,000	10,178,656	19,763,656
2044-2048	11,765,000	7,990,350	19,755,350
2049-2053	14,555,000	5,201,644	19,756,644
2054-2057	14,395,000	1,408,256	15,803,256
	<u>\$ 68,485,000</u>	<u>\$ 65,864,608</u>	<u>\$ 134,349,608</u>

During the year ended December 31, 2023, the following changes occurred with the Convention Center Authority's revenue bonds payable:

	Balance 1/1/2023	Additions	Reductions	Balance 12/31/2023	Due Within One Year
Revenue bonds payable	<u>\$ 67,385,982</u>	<u>\$ -</u>	<u>\$ 918,833</u>	<u>\$ 66,467,149</u>	<u>\$ 840,000</u>

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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 January 13, 2023.

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, 2023, and 2022 were as follows:

	Reserve Balance as of January 1, 2023	Current Year Claims	Claim Payments	Reserve Balance as of December 31, 2023
Workers' Compensation	\$ 329,000	\$ 834,681	\$ 660,766	\$ 502,915

	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

10. Interfund Balances

Individual fund receivable and payable balances as of December 31, 2023, were as follows:

	Interfund Receivables	Interfund Payables
General Fund	\$ 8,075,584	\$ -
Children & Youth Services Fund	-	8,075,584
Total	\$ 8,075,584	\$ 8,075,584

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

County of Lancaster, Pennsylvania
Notes to Financial Statements (continued)

11. Interfund Transfers

Interfund transfers for the year ended December 31, 2023, consisted of the following:

	Interfund Transfers-In	Interfund Transfers-Out
General Fund	\$ —	\$ 18,962,872
Children and Youth Services Fund	13,660,173	—
Behavioral Health and Developmental Services Fund	1,039,809	—
Capital Projects Fund	1,000,000	—
Domestic Relations Fund	2,876,457	—
Human Services Block Grant	566,831	603,079
Nonmajor Governmental Funds	422,681	—
Total	\$ 19,565,951	\$ 19,565,951

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 estimable claims against the County that would materially affect the financial position of the County.

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, 2023, \$2,075,000 of the bonds remained outstanding.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

12. Commitments and Contingent Liabilities (continued)

The County guaranteed lease rental debt of the Redevelopment Authority for the stadium. As of December 31, 2023, the County's guarantee equaled a maximum annual debt service amount of \$1,097,590.

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 assumed 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.

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.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

13. Other Post-Employment Benefits

Summary of Significant Accounting Policies

The County has committed to providing 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 and without a qualified trust for the purposes of reporting under GASB 75.

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.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

13. Other Post-Employment Benefits (continued)

Plan Membership

As of December 31, 2023, the plan's membership consisted of the following:

Retirees receiving benefits	716
Active members	<u>945</u>
Total membership	<u><u>1,661</u></u>

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.

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 2023, contribution rates for plan members under 65 equaled \$57.74 per participant per month. Contribution rates for plan members 65 and over equaled \$55.50 per participant per month.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

13. Other Post-Employment Benefits (continued)

Contributions (continued)

For the year ended December 31, 2023, plan members receiving benefits paid \$451,402, which was used to offset the County's total outlays to insurance carriers equaling \$2,426,282 for current year premiums due. The net outlay from the County, which equaled \$1,974,880, represents the County's net cost paid for the current year premiums due.

Discount Rate

The discount rate used to measure the total OPEB liability was 4.00% 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 4.00% as of December 31, 2023.

Sensitivity of Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the County, calculated using the discount rate of 4.00%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (3.00%) or one-percentage-point higher (5.00%) than the current rate:

	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% Increase (5.00%)
County's total OPEB liability	\$57,311,501	\$51,631,180	\$46,750,966

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

13. Other Post-Employment Benefits (continued)

Sensitivity of Total 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:

<u>Year</u>	<u>Annual Trend</u>
2023	7.94%
2024	6.50%
2025	6.20%
2026	5.60%
2027	5.50%
2028	5.39%
2030	5.18%
2040	4.73%
2050	4.65%
2060	4.60%
2070	4.35%
2075 & Ultimate	4.14%

The following presents the total OPEB liability of the County, calculated using the annual healthcare cost trend assumption noted, as well as what the County's total 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:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
County's total OPEB liability	\$45,399,478	\$51,631,180	\$59,258,059

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

13. Other Post-Employment Benefits (continued)

Total OPEB Liability

The total OPEB liability was determined by an actuarial valuation as of January 1, 2023, and projected forward to December 31, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	4.00%
Discount rate	4.00% measurement date
Mortality table	Pub-2010 General Employees / Retirees Headcount-Weighted projected fully generationally using MP-2021.
Healthcare cost trends	6.50% for 2023, decreasing to an ultimate rate of 4.14% by 2075.

Changes in Total OPEB Liability

During the year ended December 31, 2023, the following changes occurred in total OPEB liability:

	Increases (Decreases)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Total OPEB Liability (a)-(b)
Balances at 12/31/2022	\$ 60,855,913	\$ -	\$ 60,855,913
Changes for the Year:			
Service Cost	1,491,464	-	1,491,464
Interest	2,645,062	-	2,645,062
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(13,006,222)	-	(13,006,222)
Changes in Assumptions or Other Inputs	1,619,843	-	1,619,843
Contributions	-	1,974,880	(1,974,880)
Benefit Payments	(1,974,880)	(1,974,880)	-
Administrative Expenses	-	-	-
Net Changes	(9,224,733)	-	(9,224,733)
Balances at 12/31/2023	\$ 51,631,180	\$ -	\$ 51,631,180

County of Lancaster, Pennsylvania
Notes to Financial Statements (continued)

13. Other Post-Employment Benefits (continued)

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources

For the 2023 measurement period, the County recognized pension expense of \$(14,542,803) and reported deferred outflows of resources / (deferred inflows of resources) related to pensions from the following sources:

	<u>Deferred Outflows</u>	<u>(Deferred Inflows)</u>
Differences between expected and actual experience	\$ 3,473,226	\$ (43,716,034)
Change of assumptions or other inputs	<u>4,563,511</u>	<u>(25,410,596)</u>
Total	<u>\$ 8,036,737</u>	<u>\$ (69,126,630)</u>

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:	
2024	\$ (18,679,330)
2025	(16,349,948)
2026	(14,188,600)
2027	(9,974,286)
2028	(1,897,729)
Thereafter	-
	<u>\$ (61,089,893)</u>

For the 2023 measurement period, the County had no outstanding amount of contributions for the OPEB required for the year ended December 31, 2023.

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.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

14. Employee Retirement Plan (Pension Trust Fund)

Summary of Significant Accounting Policies (continued)

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.

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 2023, administrative costs totaling \$111,587 were paid from Plan assets.

The Act makes no provision for termination of the Plan.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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

Plan Membership

Membership in the Plan is mandatory for all full-time County employees. As of December 31, 2023, the Plan's membership consisted of the following:

Retirees and beneficiaries receiving benefits	1,498
Terminated Plan members enrolled but not yet receiving benefits	312
Active Plan members	<u>1,636</u>
Total members	<u><u>3,446</u></u>

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.

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.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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

Benefits Provided (continued)

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 \$84,623,975 as of December 31, 2023, 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 2023 measurement period, the active member contribution rate was 5.0% of annual pay, and the County average contribution rate was 5.59% of annual payroll.

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.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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

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 2023 measurement period are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
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%

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 Total Pension Liability to Changes in the Discount Rate

The following presents the total 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 <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
County's total pension liability	\$80,217,203	\$30,014,024	\$(5,318,159)

County of Lancaster, Pennsylvania
Notes to Financial Statements (continued)

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 2023 measurement period:

<u>Asset Class</u>	<u>Target Allocation</u>
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 2023 measurement period, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.31%. 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 2023 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.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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

Total Pension Liability

The components of the total pension liability (asset) of the County for the 2023 measurement period were as follows:

Total pension liability	\$ 400,635,390
Plan fiduciary net pension	<u>370,621,366</u>
County's total pension liability (asset)	<u>\$ 30,014,024</u>
Plan fiduciary net position as a percentage of the total pension liability	92.51%

The actuarial assumptions used in the valuation for the 2023 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.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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

Changes in Total Pension Liability (Asset)

During the year ended December 31, 2023, the following changes occurred in total pension liability (asset):

	Increases (Decreases)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Total Pension Liability (Asset) (a)-(b)
Balances at 12/31/2022	\$ 380,919,498	\$ 338,023,275	\$ 42,896,223
Changes for the Year:			
Service Cost	6,717,419	-	6,717,419
Interest	26,966,578	-	26,966,578
Differences Between Expected and Actual Experience	8,783,142	-	8,783,142
Changes in Assumptions	-	-	-
Contributions – Employer	-	5,159,368	(5,159,368)
Contributions – Member	-	7,703,397	(7,703,397)
Net Investment Income	-	42,598,160	(42,598,160)
Benefit Payments, Including Refunds of Member Contributions	(22,751,247)	(22,751,247)	-
Administrative Expenses	-	(80,520)	80,520
Other	-	(31,067)	31,067
Net Changes	19,715,892	32,598,091	(12,882,199)
Balances at 12/31/2023	<u>\$ 400,635,390</u>	<u>\$ 370,621,366</u>	<u>\$ 30,014,024</u>

Pension Expense and Deferred Outflows and Deferred Inflows of Resources

For the 2023 measurement period, the County recognized pension expense of \$6,673,299 and reported deferred outflows of resources / (deferred inflows of resources) related to pensions from the following sources:

	<u>Deferred Outflows</u>	<u>(Deferred Inflows)</u>
Differences between expected and actual experience	\$ 10,294,498	\$ -
Change of assumptions	2,789,531	-
Net difference between projected and actual earnings on pension plan investments	11,487,974	-
Total	<u>\$ 24,572,003</u>	<u>\$ -</u>

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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:	
2024	\$ 7,974,869
2025	8,113,185
2026	12,125,849
2027	<u>(3,641,900)</u>
	<u>\$ 24,572,003</u>

For the 2023 measurement period, the County had no outstanding amount of contributions to the pension plan required for the year ended December 31, 2023.

Legally Required Reserves

As of December 31, 2023, the Plan has a balance of \$84,623,975 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, 2023. Since these accumulations represent the present value as of December 31, 2023, of future benefits, the reserve balance and liability are identical.

The Plan has a balance of \$65,357,750 in the County Annuity Reserve Account as of December 31, 2023. 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, 2023, amount to \$195,633,526. The corresponding liability for those annuitants on the roll is identical.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

15. Derivative Instruments

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.

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.

County of Lancaster, Pennsylvania
Notes to Financial Statements (continued)

15. Derivative Instruments (continued)

Discretely Presented Component Unit (continued)

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 Total

Other Post-Employment Benefits Liability and Related Ratios

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total OPEB liability						
Service cost	\$ 4,564,894	\$ 3,968,035	\$ 3,701,022	\$ 2,874,612	\$ 2,171,200	\$ 1,491,464
Interest	5,305,611	5,955,015	3,755,842	2,374,879	1,521,489	2,645,062
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	(22,781,809)	(5,336,460)	(42,142,397)	5,209,840	(13,006,222)
Changes of assumptions	(16,305,682)	7,652,357	(24,163,728)	1,797,694	(19,087,992)	1,619,843
Benefit payments	(2,297,673)	(2,326,238)	(2,352,103)	(2,006,962)	(2,002,635)	(1,974,880)
Net change in total OPEB liability	(8,732,850)	(7,532,640)	(24,395,427)	(37,102,174)	(12,188,098)	(9,224,733)
Total OPEB liability - beginning	150,807,102	142,074,252	134,541,612	110,146,185	73,044,011	60,855,913
Total OPEB liability - ending (a)	\$ 142,074,252	\$ 134,541,612	\$ 110,146,185	\$ 73,044,011	\$ 60,855,913	\$ 51,631,180
Plan fiduciary net position						
Contributions - employer	\$ 2,297,673	\$ 2,326,238	\$ 2,352,103	\$ 2,006,962	\$ 2,002,635	\$ 1,974,880
Contributions - member	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-
Benefit payments	(2,297,673)	(2,326,238)	(2,352,103)	(2,006,962)	(2,002,635)	(1,974,880)
Administrative expenses	-	-	-	-	-	-
Net change in plan fiduciary net position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - beginning	-	-	-	-	-	-
Plan fiduciary net position - ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's total OPEB liability (asset) - ending (a) - (b)	\$ 142,074,252	\$ 134,541,612	\$ 110,146,185	\$ 73,044,011	\$ 60,855,913	\$ 51,631,180
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	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	\$ 57,115,030
County's total OPEB liability as a percentage of covered employee payroll	173.14%	170.09%	153.27%	108.37%	94.14%	90.40%

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 12/31/23, the discount rate assumption decreased from 4.31% to 4.00%.

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 Total

Pension Liability and Related Ratios

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	\$ 6,717,419
Interest	17,783,441	18,633,288	19,529,550	20,145,143	21,101,524	21,979,922	23,703,120	24,602,532	25,643,490	26,966,578
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(1,208,250)	(737,485)	56,883	(1,685,093)	(958,324)	1,309,820	41,328	2,250,779	5,599,054	8,783,142
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)	(15,958,394)	(17,178,995)	(17,535,471)	(17,613,126)	(20,641,081)	(21,751,236)	(22,751,247)
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	19,715,892
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	380,919,498
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	\$ 400,635,390
Plan fiduciary net position										
Contributions - employer	\$ 5,962,997	\$ 5,228,813	\$ 4,580,199	\$ 4,424,334	\$ 4,399,055	\$ 5,045,537	\$ 4,919,872	\$ 5,142,723	\$ 3,903,385	\$ 5,159,368
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	7,703,397
Net investment income (loss)	13,976,866	(954,010)	18,635,668	39,274,752	(14,027,352)	54,392,796	38,178,785	50,512,519	(40,946,244)	42,598,160
Benefit payments, including refunds of member contributions	(12,955,244)	(13,356,419)	(15,177,732)	(15,958,394)	(17,178,995)	(17,535,471)	(17,613,126)	(20,641,081)	(21,751,236)	(22,751,247)
Administrative expense	(42,755)	(44,558)	(71,633)	(47,599)	(48,413)	(55,025)	(61,597)	(43,928)	(57,475)	(80,520)
Other	(21,557)	(22,027)	63,908	46,555	(42,173)	(30,910)	(29,043)	(53,076)	(18,181)	(31,067)
Net change in plan fiduciary net position	11,954,522	(4,174,336)	13,141,088	33,141,334	(21,299,994)	47,561,800	31,468,328	41,188,021	(51,945,397)	32,598,091
Plan fiduciary net position - beginning	236,957,909	249,922,431	244,748,095	257,889,183	291,030,517	289,730,523	317,312,323	348,780,651	389,969,672	338,023,275
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	\$ 389,969,672	\$ 338,023,275	\$ 370,621,366
County's total 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)	\$ 42,966,223	\$ 30,014,024
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%	92.51%
Covered payroll	\$ 77,867,805	\$ 79,478,129	\$ 81,355,686	\$ 80,039,687	\$ 82,059,110	\$ 83,892,412	\$ 83,386,323	\$ 84,337,866	\$ 81,800,905	\$ 92,217,959
County's total 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%	32.55%

County of Lancaster, Pennsylvania

Schedule of County Contributions

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
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	\$ 5,159,368
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	5,159,368
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	\$ 92,217,959
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%	5.59%

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 January 1, 2023
 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	17 years
Asset valuation method	Market value adjusted for unrecognized gains and losses from prior years
Inflation	3.0%
Salary increases	4.00% average, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Retirement age	Age 60 or 55 with 20 years' service
Mortality	PubG-2010 Mortality Table for males and females with generational mortality improvement using MP19

Schedule of Investment Returns

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
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%)	13.31%

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget --
	Original	Final		Positive (Negative)
REVENUES				
Real estate taxes	\$ 127,292,707	\$ 127,292,707	\$ 128,029,246	\$ 736,539
Intergovernmental	7,326,228	75,277,984	38,237,036	(37,040,948)
Departmental	28,969,784	28,969,784	27,012,490	(1,957,294)
Fines and costs	3,398,006	3,398,006	2,316,146	(1,081,860)
Investment earnings	6,798,589	6,798,589	5,169,566	(1,629,023)
Other	4,800,300	4,810,300	4,670,621	(139,679)
Total revenues	<u>178,585,614</u>	<u>246,547,370</u>	<u>205,435,105</u>	<u>(41,112,265)</u>
EXPENDITURES				
Current:				
General government	41,408,808	98,754,118	50,859,472	47,894,646
Public Safety	13,770,125	13,833,918	9,821,844	4,012,074
Judicial	51,364,431	52,081,624	50,975,988	1,105,636
Corrections	37,282,006	37,467,925	35,228,703	2,239,222
Cultural and recreation	2,785,978	2,808,630	2,591,792	216,838
Capital outlay	4,050,408	14,836,706	7,567,382	7,269,324
Debt service:				
Principal retirement	15,335,000	15,335,000	19,703,729	(4,368,729)
Interest and fiscal charges	6,365,878	6,365,878	6,299,640	66,238
Total expenditures	<u>172,362,634</u>	<u>241,483,799</u>	<u>183,048,550</u>	<u>58,435,249</u>
Excess (deficiency) of revenues over (under) expenditures	6,222,980	5,063,571	22,386,555	17,322,984
Transfers out	(13,758,442)	(19,749,233)	(18,962,872)	786,361
Total other financing sources (uses)	<u>(13,758,442)</u>	<u>(19,749,233)</u>	<u>(18,962,872)</u>	<u>786,361</u>
Net change in fund balances	<u>\$ (7,535,462)</u>	<u>\$ (14,685,662)</u>	<u>3,423,683</u>	<u>\$ 18,109,345</u>
Net increase in due from other funds			(3,849,603)	
Fund balance, January 1, cash basis			<u>63,335,596</u>	
Fund balance, December 31, cash basis			62,909,676	
Differences from modified accrual basis:				
Receivables:				
Taxes, net			1,721,559	
Fines and costs, net			4,323,680	
Accounts			3,356,423	
Due from other funds			8,075,584	
Due from other governments			1,821,012	
Accounts payable			(4,509,032)	
Deferred inflows of resources			(4,697,322)	
Payroll related accruals			(3,845,714)	
Fund balance at December 31, modified accrual basis			<u>\$ 69,155,866</u>	

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$ 39,317,764	\$ 39,317,764	\$ 29,846,548	\$ (9,471,216)
Departmental	639,227	639,227	276,770	(362,457)
Total revenues	<u>39,956,991</u>	<u>39,956,991</u>	<u>30,123,318</u>	<u>(9,833,673)</u>
EXPENDITURES				
Current:				
Health, education, and welfare:				
Children and youth	49,514,992	49,445,862	49,435,086	10,776
Capital outlay	125,555	194,685	127,750	66,935
Total expenditures	<u>49,640,547</u>	<u>49,640,547</u>	<u>49,562,836</u>	<u>77,711</u>
Excess (deficiency) of revenues over (under) expenditures	(9,683,556)	(9,683,556)	(19,439,518)	(9,755,962)
OTHER FINANCING SOURCES (USES)				
Transfers in	9,423,143	9,423,143	13,660,173	4,237,030
Net change in fund balances	<u>\$ (260,413)</u>	<u>\$ (260,413)</u>	<u>(5,779,345)</u>	<u>\$ (5,518,932)</u>
Net increase in due to other funds			5,758,990	
Fund balance, January 1, cash basis			<u>105,822</u>	
Fund balance, December 31, cash basis			85,467	
Differences from modified accrual basis:				
Due from other governments			12,808,145	
Due to other funds			(8,075,584)	
Accounts payable			(4,038,795)	
Payroll related accruals			<u>(553,678)</u>	
Fund balance at December 31, modified accrual basis			<u>\$ 225,555</u>	

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 28,884,399	\$ 31,019,399	\$ 34,635,750	\$ 3,616,351
Departmental	2,565,981	2,565,981	1,730,218	(835,763)
Total revenues	<u>31,450,380</u>	<u>33,585,380</u>	<u>36,365,968</u>	<u>2,780,588</u>
EXPENDITURES				
Current:				
Health, education, and welfare:				
Behavioral Health & Developmental Services	32,238,083	34,450,600	32,355,751	2,094,849
Capital outlay	242,439	164,922	86,092	78,830
Debt service:				
Principal retirement	-	-	189,058	(189,058)
Interest and fiscal charges	-	-	310,966	(310,966)
Total expenditures	<u>32,480,522</u>	<u>34,615,522</u>	<u>32,941,867</u>	<u>1,673,655</u>
Excess (deficiency) of revenues over (under) expenditures	(1,030,142)	(1,030,142)	3,424,101	4,454,243
OTHER FINANCING SOURCES (USES)				
Transfers in	982,000	982,000	1,039,809	57,809
Net change in fund balances	<u>\$ (48,142)</u>	<u>\$ (48,142)</u>	<u>4,463,910</u>	<u>\$ 4,512,052</u>
Net increase (decrease) in due to other funds			(1,731,388)	
Fund balance, January 1, cash basis			<u>190,164</u>	
Fund balance, December 31, cash basis			2,922,686	
Differences from modified accrual basis:				
Due from other governments			152,435	
Accounts payable			(2,673,396)	
Payroll related accruals			<u>(401,725)</u>	
Fund balance at December 31, modified accrual basis			<u>\$ -</u>	

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 5,123,009	\$ 5,123,009	\$ 5,207,992	\$ 84,983
Departmental	20,000	20,000	16,114	(3,886)
Investment earnings	18,000	18,000	716,744	698,744
Total revenues	<u>5,161,009</u>	<u>5,161,009</u>	<u>5,940,850</u>	<u>779,841</u>
EXPENDITURES				
Current:				
Judicial	7,541,495	7,451,495	7,024,592	426,903
Capital outlay	34,000	124,000	107,047	16,953
Total expenditures	<u>7,575,495</u>	<u>7,575,495</u>	<u>7,131,639</u>	<u>443,856</u>
Excess (deficiency) of revenues over (under) expenditures	(2,414,486)	(2,414,486)	(1,190,789)	1,223,697
OTHER FINANCING SOURCES (USES)				
Transfers in	2,378,889	2,378,889	2,876,457	497,568
Net change in fund balances	<u>\$ (35,597)</u>	<u>\$ (35,597)</u>	1,685,668	<u>\$ 1,721,265</u>
Fund balance, January 1, cash basis			<u>15,147,465</u>	
Fund balance, December 31, cash basis			16,833,133	
Differences from modified accrual basis:				
Due from other governments			1,437,063	
Accounts payable			(28,051)	
Payroll related accruals			<u>(182,739)</u>	
Fund balance at December 31, modified accrual basis			<u>\$ 18,059,406</u>	

County of Lancaster, Pennsylvania

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	\$ 205,435,105
Net adjustment to General Fund revenues based on differences in revenue recognition between the budgetary basis and GAAP basis	<u>(4,094,227)</u>
General Fund revenues per statement of revenues, expenditures, and changes in fund balances – General Fund	<u>\$ 201,340,878</u>
General Fund expenditures per schedule of revenues, expenditures, and changes in fund balances – budget and actual – budgetary basis – General Fund	\$ 183,048,550
Net adjustment to General Fund expenditures based on differences in expenditure recognition between the budgetary basis and GAAP basis	<u>(748,954)</u>
General Fund expenditures per statement of revenues, expenditures, and changes in fund balances – General Fund	<u>\$ 182,299,596</u>

County of Lancaster, Pennsylvania

Combining and Individual Fund Statements and Schedules

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 operating programs which assist citizens aged 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, 2023

	Office of Aging	Drug and Alcohol	Liquid Fuels	Agricultural Land Preservation	Community Development Block Grant	Total Nonmajor Governmental Funds
ASSETS						
Cash and investments:						
Operating	\$ 3,504,290	\$ 844,649	\$ 2,185,141	\$ 1,066,419	-	\$ 7,600,499
Other	228,683	-	-	-	-	228,683
Other receivables	-	-	-	14,784	-	14,784
Due from other governments	219,907	-	50,539	-	-	270,446
Total assets	\$ 3,952,880	\$ 844,649	\$ 2,235,680	\$ 1,081,203	-	\$ 8,114,412
LIABILITIES						
Liabilities:						
Accounts payable	\$ 465,763	\$ 587,773	\$ 66,746	\$ -	-	\$ 1,120,282
Unearned revenue-intergovernmental	927,158	233,688	330,291	-	-	1,491,137
Payroll related accruals	164,264	23,188	-	-	-	187,452
Total liabilities	1,557,185	844,649	397,037	-	-	2,798,871
FUND BALANCES						
Restricted						
Health, education, and welfare	2,395,695	-	-	-	-	2,395,695
Roads and bridges	-	-	1,838,643	-	-	1,838,643
Community development	-	-	-	1,081,203	-	1,081,203
Total fund balances	2,395,695	-	1,838,643	1,081,203	-	5,315,541
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 3,952,880	\$ 844,649	\$ 2,235,680	\$ 1,081,203	\$ -	\$ 8,114,412

County of Lancaster, Pennsylvania

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

For the Year Ended December 31, 2023

	Office of Aging	Drug and Alcohol	Liquid Fuels	Agricultural Land Preservation	Community Development Block Grant	Total Nonmajor Governmental Funds
REVENUES						
Intergovernmental	\$ 10,614,627	\$ 5,681,256	\$ 1,980,193	\$ -	\$ 7,373,198	\$ 25,649,274
Departmental	48,082	-	-	-	-	48,082
Investment earnings	-	6,210	83,998	-	-	90,208
Other	20,060	226,783	-	291,075	-	537,918
Total revenues	\$ 10,682,769	\$ 5,914,249	\$ 2,064,191	\$ 291,075	\$ 7,373,198	\$ 26,325,482
EXPENDITURES						
Current:						
Roads and bridges	\$ -	\$ -	\$ 96,991	\$ -	\$ -	\$ 96,991
Health, education, and welfare:						
Drug and alcohol	-	6,110,496	-	-	-	6,110,496
Office of aging	10,965,346	-	-	-	-	10,965,346
Community development	-	-	-	443,916	7,373,198	7,817,114
Capital outlay	104,772	-	1,553,317	-	-	1,658,089
Total expenditures	11,070,118	6,110,496	1,650,308	443,916	7,373,198	26,648,036
Excess (deficiency) of revenues over (under) expenditures	(387,349)	(196,247)	413,883	(152,841)	-	(322,554)
OTHER FINANCING SOURCES						
Transfers in	-	196,247	226,434	-	-	422,681
Total other financing sources	-	196,247	226,434	-	-	422,681
Net change in fund balances	(387,349)	-	640,317	(152,841)	-	100,127
Fund balances, January 1	2,783,044	-	1,198,326	1,234,044	-	5,215,414
Fund balances, December 31	\$ 2,395,695	\$ -	\$ 1,838,643	\$ 1,081,203	\$ -	\$ 5,315,541

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 11,065,685	\$ 11,065,685	\$ 13,674,269	\$ 2,608,584
Departmental	48,082	48,082	48,082	-
Other	1,111	1,111	20,060	18,949
Total revenues	<u>11,114,878</u>	<u>11,114,878</u>	<u>13,742,411</u>	<u>2,627,533</u>
EXPENDITURES				
Current:				
Health, education, and welfare:				
Office of Aging	11,696,981	11,627,323	10,863,559	763,764
Capital outlay	98,723	168,381	104,772	63,609
Total expenditures	<u>11,795,704</u>	<u>11,795,704</u>	<u>10,968,331</u>	<u>827,373</u>
Excess (deficiency) of revenues over (under) expenditures	(680,826)	(680,826)	2,774,080	3,454,906
OTHER FINANCING SOURCES (USES)				
Transfers in	660,000	660,000	-	(660,000)
Net change in fund balances	<u>\$ (20,826)</u>	<u>\$ (20,826)</u>	<u>2,774,080</u>	<u>\$ 2,794,906</u>
Net increase (decrease) in due to other funds			(177,999)	
Fund balance, January 1, cash basis			<u>209,734</u>	
Fund balance, December 31, cash basis			2,805,815	
Differences from modified accrual basis:				
Due from other governments			219,907	
Accounts payable			(465,763)	
Payroll related accruals			<u>(164,264)</u>	
Fund balance at December 31, modified accrual basis			<u>\$ 2,395,695</u>	

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 5,401,795	\$ 5,401,795	\$ 6,085,839	\$ 684,044
Departmental	680,802	680,802	310,660	(370,142)
Investment earnings	1,600	1,600	6,210	4,610
Other	26,000	26,000	-	(26,000)
Total revenues	<u>6,110,197</u>	<u>6,110,197</u>	<u>6,402,709</u>	<u>292,512</u>
EXPENDITURES				
Current:				
Health, education, and welfare:				
Drug and alcohol	<u>6,361,442</u>	<u>6,361,442</u>	<u>5,973,535</u>	<u>387,907</u>
Total expenditures	<u>6,361,442</u>	<u>6,361,442</u>	<u>5,973,535</u>	<u>387,907</u>
Excess (deficiency) of revenues over (under) expenditures	(251,245)	(251,245)	429,174	680,419
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>244,000</u>	<u>244,000</u>	<u>196,247</u>	<u>(47,753)</u>
Net change in fund balances	<u>\$ (7,245)</u>	<u>\$ (7,245)</u>	<u>625,421</u>	<u>\$ 632,666</u>
Fund balance, January 1, cash basis			<u>219,228</u>	
Fund balance, December 31, cash basis			<u>844,649</u>	
Differences from modified accrual basis:				
Accounts payable			(587,773)	
Unearned revenue - intergovernmental			(233,688)	
Payroll related accruals			<u>(23,188)</u>	
Fund balance at December 31, modified accrual basis			<u>\$ -</u>	

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, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,122,460	\$ 2,122,460	\$ 1,090,545	\$ (1,031,915)
Investment earnings	1,000	1,000	83,998	82,998
Total revenues	<u>2,123,460</u>	<u>2,123,460</u>	<u>1,174,543</u>	<u>(948,917)</u>
EXPENDITURES				
Current:				
Roads and bridges	465,809	465,809	172,749	293,060
Capital outlay	<u>2,649,790</u>	<u>2,649,790</u>	<u>1,924,455</u>	<u>725,335</u>
Total expenditures	<u>3,115,599</u>	<u>3,115,599</u>	<u>2,097,204</u>	<u>1,018,395</u>
Excess (deficiency) of revenues over (under) expenditures	(992,139)	(992,139)	(922,661)	(1,967,312)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	226,434	
Net change in fund balances	<u>\$ (992,139)</u>	<u>\$ (992,139)</u>	<u>\$ (696,227)</u>	<u>\$ (1,967,312)</u>
Fund balance, January 1, cash basis			<u>2,881,368</u>	
Fund balance, December 31, cash basis			2,185,141	
Differences from modified accrual basis:				
Due from other governments			50,539	
Accounts payable			(66,746)	
Unearned revenue - intergovernmental			<u>(330,291)</u>	
Fund balance at December 31, modified accrual basis			<u>\$ 1,838,643</u>	

STATISTICAL SECTION

This section of the County of Lancaster's annual comprehensive 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 These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	118
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	122
Debt Capacity 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.	127
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	133
Operating Information 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.	135
Miscellaneous Information These schedules contain principal officials, salaries, amounts of surety bonds, and insurance information.	140
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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 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	\$ 174,227,914
Restricted for:										
Federal and state grant programs	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	27,864,335
Capital projects	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	813,704
Public Safety	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	3,289,583
Community Development	1,725,871	1,860,814	1,468,899	1,696,379	1,878,548	1,607,534	1,196,748	1,036,562	1,234,044	1,081,203
Unrestricted (deficit)	(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)	(67,221,180)
Total governmental activities net position	\$ 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	\$ 150,055,559

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

Table 2

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 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	\$ 54,486,681
Public Safety	14,921,490	15,845,032	9,596,612	8,350,879	13,440,839	13,788,065	13,221,475	12,353,393	14,095,456	15,381,520
Roads and bridges	676,825	1,287,186	669,583	1,211,032	793,224	870,158	1,041,649	1,041,649	1,144,439	876,524
Health, education, and welfare	165,191,063	130,728,546	177,315,144	186,162,861	166,450,247	141,000,233	12,876,186	7,355,007	76,937,364	84,501,551
Corrections	26,397,549	28,710,816	28,259,573	30,680,241	28,656,200	29,626,093	27,053,428	30,770,647	34,233,373	37,881,182
Cultural and recreation	2,441,711	2,182,483	3,038,838	3,038,838	2,641,811	2,367,887	2,718,435	2,718,435	2,669,264	2,884,511
Community development	4,305,998	6,855,968	4,173,840	3,819,420	3,094,339	5,599,461	3,204,220	6,184,668	6,034,625	7,795,948
Bond issuance costs	127,854	—	82,135	—	—	—	—	—	—	—
Interest on long-term debt	127,854	—	82,135	—	—	—	—	—	—	—
Total governmental activities expenses	10,605,535	9,539,768	8,665,991	7,993,434	7,988,477	7,516,540	7,230,109	7,044,609	7,504,799	6,659,240
Total governmental activities expenses	\$ 305,716,196	\$ 309,524,032	\$ 324,937,512	\$ 341,085,707	\$ 346,384,012	\$ 299,545,946	\$ 299,441,574	\$ 246,371,288	\$ 280,305,048	\$ 266,851,863
Program Revenues										
Governmental activities:										
Charges for services:										
General government	5,898,650	9,111,769	15,650,427	5,988,278	8,847,608	8,602,524	9,272,750	10,656,561	10,974,601	9,682,450
Public Safety	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	10,523,613
Roads and bridges	10,509	15,653	2,910	1,200	—	7,032	82,726	—	—	—
Health, education, and welfare	4,546,721	4,115,277	5,297,066	3,701,464	4,049,762	3,056,880	3,304,717	3,277,686	3,866,803	2,029,539
Judicial	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	6,690,145
Corrections	1,176,571	1,249,477	1,437,969	1,715,839	1,237,516	1,217,884	1,291,988	1,732,120	2,418,388	1,792,057
Cultural and recreation	283,848	305,651	248,106	315,900	314,231	337,464	110,679	248,279	271,645	362,307
Community development	—	145,882	11,062	229,460	160,169	21,860	22,550	—	—	—
Other contributions:										
General government	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	27,667,691
Public Safety	251,141	188,559	73,584	326,179	172,690	325,797	171,169	293,015	164,912	1,275,846
Roads and bridges	1,541,697	1,472,544	1,323,720	2,368,908	1,154,552	1,453,746	1,460,292	3,082,132	2,613,634	1,980,193
Health, education, and welfare	165,048,253	154,564,650	174,008,002	183,992,998	186,689,930	136,648,506	72,658,897	72,784,143	73,540,900	83,637,459
Judicial	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	8,840,471
Corrections	58,301	284,310	323,313	378,845	239,044	412,232	398,271	16,325	283,737	7,101,876
Cultural and recreation	122,600	33,057	—	—	—	—	—	—	—	—
Community development	3,901,912	6,468,065	3,730,895	3,966,225	2,876,983	5,416,618	3,278,169	6,110,290	5,509,912	7,373,198
Total governmental activities program revenues	198,897,096	202,670,156	227,320,502	232,753,430	236,995,227	190,152,532	205,200,812	181,352,794	188,210,519	168,956,845
Total governmental activities program revenues	\$ (106,885,100)	\$ (108,853,876)	\$ (87,617,010)	\$ (108,342,277)	\$ (109,427,785)	\$ (109,393,414)	\$ (84,240,762)	\$ (64,988,504)	\$ (82,094,539)	\$ (97,885,018)
Total government net expense										
Changes in Net Position										
Governmental activities:										
Property taxes	\$ 117,215,756	\$ 118,000,667	\$ 119,276,761	\$ 120,289,662	\$ 121,658,905	\$ 122,387,004	\$ 123,728,847	\$ 125,470,686	\$ 126,360,589	\$ 128,111,579
Unrestricted investment earnings/(loss) on sale of assets	2,340,725	158,622	161,209	628,929	1,671,569	2,425,265	460,351	292,285	1,811,543	6,103,741
Total governmental activities	\$ 119,556,481	\$ 118,159,289	\$ 119,437,970	\$ 120,918,591	\$ 123,330,474	\$ 124,812,269	\$ 124,189,198	\$ 125,762,971	\$ 128,172,132	\$ 134,215,320
Change in Net Position	\$ 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	\$ 36,920,302
Governmental activities										

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

Table 3

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	1,848,600
Capital projects	—	—	—	—	—	46	—	—	—	—
General government	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	1,836,061
Public safety	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	3,289,583
Judicial	1,749,827	1,403,881	1,013,222	695,666	777,530	670,722	1,033,229	1,185,590	1,475,135	1,660,375
Committed:										
Capital projects	560,614	—	—	—	—	—	—	—	—	—
Assigned:										
Capital projects	—	560,614	560,614	2,688,380	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	945,880
Healthcare benefits	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	2,409,228
Corrections	—	—	—	—	1,380,972	1,408,387	1,832,801	2,482,794	2,102,934	1,815,760
Judicial	—	—	—	—	—	591,891	215,127	381,862	—	—
Postemployment benefits	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	55,350,379
Total general fund	\$ 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	\$ 69,155,866
All other governmental funds										
Restricted:										
Health, education, and welfare	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	2,621,250
Capital projects	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	813,704
Roads and bridges	2,716,233	2,314,828	2,888,751	3,282,585	2,476,305	—	—	83,351	1,198,326	1,838,643
Judicial	9,886,595	10,596,172	11,228,370	12,343,732	13,110,143	13,872,892	14,560,848	15,630,247	16,487,541	18,059,406
Community development	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	1,081,203
Committed:										
Capital projects	—	—	—	—	—	—	—	—	—	—
Total all other governmental funds	\$ 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	\$ 42,891,945
Total fund balances of all governmental funds	\$ 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	\$ 112,047,811

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

Table 4

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 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	\$ 128,107,427
Intergovernmental	170,410,928	172,736,021	189,095,657	200,539,898	200,752,880	155,488,518	171,802,848	145,860,330	152,295,621	135,129,119
Departmental	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	28,015,682
Fines and costs	3,274,350	3,264,006	3,148,084	3,396,081	3,437,868	3,481,423	2,870,590	2,960,879	2,496,213	2,493,969
Interest	99,131	116,044	181,209	628,929	1,671,599	2,425,265	480,351	292,285	1,811,543	6,252,163
Other	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	2,173,341
Health Choices revenues	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	950,287
Total revenues	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	303,121,978
Expenditures										
General government	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	48,325,109
Public safety	12,912,527	12,835,962	10,545,603	11,451,563	11,315,166	9,246,079	12,132,068	11,166,686	9,238,584	9,857,885
Roads and bridges	228,635	764,722	133,735	643,259	172,458	155,629	217,992	189,086	203,589	96,991
Health, education and welfare	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	101,016,025
Judicial	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	58,138,081
Corrections	24,952,042	25,234,661	26,688,718	28,769,244	26,883,888	27,766,818	25,279,538	29,325,948	32,461,941	35,893,263
Cultural and recreation	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	2,616,744
Community development	4,406,566	6,466,065	4,153,872	3,866,225	2,976,983	5,709,492	3,711,505	6,270,476	5,700,911	7,817,114
Capital outlay	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	14,389,785
Debt service (1):										
Principal	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	19,892,787
Interest and fiscal charges	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	6,610,606
Bond issuance costs	127,854	—	—	82,135	—	123,691	115,927	—	—	—
Total expenditures	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	304,454,390
Excess (deficiency) of revenues over (under) expenditures	(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	(1,332,412)
Other financing sources (uses)										
Transfers in	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	19,565,951
Transfers out	(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)	(19,565,951)
Discount on refunding bonds issued	—	—	—	—	—	—	—	—	—	—
Premium on refunding bonds issued	8,487	2,170,372	3,087,988	3,202,917	860,303	571,904	4,543,478	—	—	1,596,292
Face amount of refunding bonds issued	8,185,000	28,900,000	26,495,000	40,620,000	13,320,000	8,455,000	28,550,000	—	—	14,695,000
Payment to refunded bond escrow agent	(8,065,633)	(30,670,188)	(29,225,865)	(43,337,812)	(14,010,000)	(8,935,285)	(32,767,153)	—	—	(16,095,000)
Premium on bonds issued	—	—	—	—	—	353,691	1,855,927	—	—	—
Face amount of bonds issued	—	—	—	6,255,000	—	11,770,000	10,560,000	—	—	—
Discount on bonds issued	—	—	—	(61,161)	—	—	—	—	—	—
Premium on swapion issued	—	—	—	—	—	—	—	—	—	—
Payment for refunded swapion issued	—	—	—	—	—	—	—	—	—	—
Leases (as lessee)	—	—	—	—	—	2,832,157	60,295	—	440,397	2,094,180
Sale of capital assets	560,614	—	—	3,172,108	—	—	—	—	—	—
Total other financing sources (uses)	688,468	400,184	357,123	9,851,052	170,303	15,047,467	12,802,547	—	440,397	2,292,472
Net change in fund balances	\$ (12,795,230)	\$ (10,446,581)	\$ 7,335,462	\$ 13,689,200	\$ 5,636,567	\$ 9,501,434	\$ 7,556,657	\$ 20,042,333	\$ 9,887,013	\$ 960,060
Debt service as a percentage of noncapital expenditures	7.9%	7.7%	7.3%	7.3%	7.2%	7.9%	7.7%	7.8%	9.0%	9.1%

(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
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%
2023	50,016,175,300	5,367,379,000	44,648,796,300	2.911	44,648,796,300	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

	Market	Assessed	Common
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
2023	74,118,187,749	44,648,796,300	.6024

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Total Direct Rate:	3.7350	3.7350	3.7350	3.7350	2.9110	2.9110	2.9110	2.9110	2.9110	2.9110
City rate:										
Lancaster	13.0400	14.0200	14.0200	14.4400	10.7000	11.7000	11.7000	11.7000	11.7000	12.6400
Borough rates:										
Adamstown	2.5000	2.5000	2.5000	2.5000	2.0410	2.0410	2.0410	2.0410	2.0410	2.0410
Akron	2.5000	2.7500	2.7500	2.7500	2.3200	3.0000	3.0000	3.0000	3.0000	3.0000
Christiana	5.0000	5.0000	5.0000	5.0000	3.6110	3.6110	3.6110	3.6110	3.6110	4.3610
Columbia	8.0000	8.0000	8.0000	8.0000	6.6000	8.0000	8.0000	8.0000	8.0000	8.0000
Denver	3.0000	3.0000	3.0000	3.1500	2.5270	2.5300	2.6600	2.7900	2.7900	3.2000
East Petersburg	2.3940	3.3940	3.3940	3.3940	2.7470	4.7470	4.7470	4.7470	4.7470	4.7470
Elizabethtown	5.0000	5.2000	5.5000	5.6000	4.3000	4.4000	4.6000	4.6000	5.1000	5.5000
Ephrata	2.0700	2.0700	2.0700	2.2800	1.7625	1.7625	1.7625	1.7625	1.7625	2.2500
Lititz	2.1000	2.6000	2.6000	2.6000	2.0000	2.0000	2.0000	2.0000	2.0000	3.2500
Manheim	4.7500	4.8500	5.0500	5.8500	4.6400	4.6400	4.8900	4.8900	4.8900	4.8900
Marietta	6.5000	6.5000	6.5000	6.5000	5.1500	5.1500	6.1500	6.1500	6.1500	6.1500
Millersville	5.4500	5.7200	6.2000	6.4000	4.9000	5.1500	5.5000	5.5000	5.8000	5.8000
Mount Joy	4.9100	4.9100	4.9100	4.9100	3.7540	3.7540	3.9800	3.9800	3.9800	4.2000
Mountville	2.6000	2.6000	2.6000	2.6000	2.0700	2.0700	2.0700	2.0700	2.0700	2.0700
New Holland	3.4000	3.4000	3.4000	3.4000	2.7500	2.7500	3.2500	3.2500	3.2500	3.2500
Quarryville	4.7500	4.7500	6.0000	6.0000	4.6300	4.6300	4.6300	4.6300	4.8800	4.8800
Strasburg	3.0800	3.2800	3.2800	3.2800	2.6500	2.8600	3.0300	3.0300	3.0300	3.0300
Terre Hill	5.0000	5.0000	5.0000	5.0000	4.2500	4.2500	4.2500	4.2500	4.2500	4.2500
Township rates:										
Bart	0.6000	0.6000	0.6000	0.6000	0.4750	0.4750	0.4750	0.4750	0.4750	0.4750
Brecknock	0.2690	0.2690	0.2690	0.2690	0.2330	0.2563	0.4063	0.5563	0.8063	0.9063
Caernarvon	0.0150	0.0150	0.0150	0.0150	0.0117	0.0117	0.0117	0.0117	0.0117	0.0117
Clay	1.3000	1.3000	1.3000	1.3000	1.1700	1.1700	1.1700	1.1700	1.1700	1.1700
Colerain	0.6620	0.6620	0.6620	0.6620	0.5180	0.5180	0.5180	0.5180	0.5180	0.5180
Conestoga	1.1000	1.1000	1.1000	1.1000	0.8710	0.8710	0.8710	0.8710	0.8710	0.8710
Drumore	1.0000	1.0000	1.0000	1.0000	0.8459	0.8459	0.8459	0.8459	0.8459	0.9000
Earl	1.2500	1.2500	1.2500	1.2500	0.9780	0.9780	0.9780	0.9780	0.9780	0.9780
East Cocalico	2.0500	2.0500	2.0500	2.0500	1.6460	1.7330	1.7330	1.7680	1.7680	1.7680
East Donegal	3.9500	3.9500	3.9500	3.9500	3.1165	3.1165	3.1165	3.1165	3.1165	3.1165
East Drumore	0.3900	0.3900	0.3900	0.3900	0.3300	0.3300	0.3300	0.3300	0.3300	0.3300
East Earl	1.9000	1.9000	2.0500	2.0500	1.7000	1.7000	1.7000	1.7000	1.7000	1.7000
East Hempfield	1.1200	1.1200	1.1200	1.1200	0.8500	0.8500	0.8500	0.8500	0.8500	0.8500
East Lampeter	1.6000	1.6000	1.7300	1.9900	1.7500	1.9000	1.9000	1.9000	1.9000	1.9000
Eden	0.8000	0.9500	1.0500	1.1500	0.9320	0.9500	1.0000	1.0200	1.0500	1.1000
Elizabeth	0.0000	0.0000	0.0000	0.0000	0.0000	0.5000	0.5000	0.5000	0.5000	0.5000
Ephrata	1.3700	1.3700	1.3700	1.4700	1.1700	1.1700	1.2700	1.2700	1.2700	1.2700
Fulton	0.2100	0.2100	0.2100	0.2100	0.1648	0.2100	0.2100	0.2100	0.2100	0.4200
Lancaster	0.6000	0.6000	0.6000	1.2000	0.9100	0.9100	0.9100	0.9100	0.9100	1.9100
Leacock	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300
Little Britain	0.3900	0.3900	0.3900	0.3900	0.3010	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.)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Manheim	2.2300	2.2300	2.2300	2.2300	1.7173	1.7173	1.7173	1.7173	1.7173	1.7173
Manor	0.7800	0.7800	0.7800	0.7800	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100
Martic	0.0000	0.0000	0.0000	0.0000	0.0000	0.5100	0.5100	0.5100	0.5100	0.5100
Mount Joy Part (2)	1.7500	1.7500	1.7500	2.2500	1.7400	1.8400	2.0400	2.0400	2.0400	2.3400
Mount Joy Part (3)	1.7500	1.7500	1.7500	2.2500	1.7400	1.8400	2.0400	2.0400	2.0400	2.3400
Paradise	1.3200	1.3200	1.3200	1.3200	1.1082	1.1082	1.1082	1.1082	1.1082	1.1082
Penn	1.8000	1.8000	1.8000	1.8000	1.4326	1.4326	1.4326	1.4326	1.4326	1.4326
Pequea	1.9000	1.9000	1.9000	1.9000	1.5670	1.5670	1.5670	1.5670	1.5670	1.5670
Providence	0.1580	0.9500	0.8075	0.6300	0.3810	0.3810	0.3810	0.3810	0.3810	0.3810
Rapho	1.7500	1.7500	1.7500	1.7500	1.3700	1.3700	1.5000	1.5000	1.5000	1.7500
Sadsbury	0.8000	0.8000	0.8000	0.8500	0.7760	0.7760	0.7760	0.7760	0.7760	0.7760
Salisbury	0.1800	0.1800	0.1800	0.1800	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Strasburg	0.6000	0.6000	0.7000	0.7000	0.5550	0.5550	0.5550	0.5550	0.5550	0.5550
Upper Leacock	1.7000	1.7000	1.7000	2.0000	1.6950	1.6950	1.6950	1.6950	1.6950	1.6950
Warwick	0.2740	0.2740	0.2740	0.2740	0.2325	0.2325	0.2325	0.2325	0.2325	0.2325
West Cocalico	2.1750	2.1750	2.1750	2.1750	1.8200	1.9100	1.9100	1.9100	1.9100	1.9100
West Donegal	1.6000	1.6000	2.0000	2.0000	1.6000	1.6000	1.8000	1.8000	1.8000	1.8000
West Earl	1.5900	1.5900	1.5900	1.5900	1.2666	1.2666	1.2666	1.2666	1.2666	1.3170
West Hempfield	0.6800	1.3400	1.3400	1.8500	1.4500	1.7500	1.7500	1.7500	1.7500	1.7500
West Lampeter	1.1000	1.1000	1.2000	1.2000	0.9689	0.9689	1.1500	1.1500	1.1500	1.1500
School district rates:										
Cocalico	22.3200	22.8200	22.8200	23.1600	18.6935	18.9739	18.9739	18.9739	19.6190	20.1978
Columbia Borough	28.2000	28.2000	29.3400	30.1910	25.8163	26.4600	26.4600	26.4600	26.4600	26.4600
Conestoga Valley	14.8330	15.2064	15.9240	16.3220	13.3940	13.7940	14.1526	14.4739	14.9660	15.3776
Donegal	22.0243	22.0243	22.4640	22.8790	18.1670	18.6211	19.0866	19.0866	19.2774	19.3737
Eastern Lancaster County	14.4141	14.6879	15.0404	15.3850	12.3854	12.5711	12.5711	12.8500	13.0400	13.2981
Elizabethtown Area	18.3700	19.1048	19.9000	20.8450	16.6063	17.0878	16.6068	16.6063	18.6089	18.6089
Ephrata Area	19.6000	19.6000	20.4500	20.4500	16.9500	16.9500	16.9500	16.9500	21.2300	18.8200
Hempfield	19.4590	19.6530	20.1246	20.3260	16.0034	16.3474	16.3474	16.6743	18.1079	17.6893
Lampeter-Strasburg	19.6133	19.8683	20.2458	20.5490	16.6440	16.9269	16.9269	17.2485	17.5762	17.9629
Lancaster	26.6793	26.6793	26.6793	28.2570	28.2568	21.8734	21.8734	22.6731	23.3531	24.0186
Manheim Central	17.1848	17.3566	17.3566	17.7730	17.7731	17.7731	17.7731	17.7731	17.7731	16.0438
Manheim Township	18.6409	18.6409	19.0509	19.4130	19.4128	19.4128	19.4128	15.7729	16.1277	16.1277
Octorara Area	26.4300	27.2000	28.7300	29.4500	25.3500	25.6600	25.5500	25.8000	26.0600	26.0600
Penn Manor	17.6100	18.0100	19.2700	20.0600	16.4000	16.9800	16.9800	17.5230	17.9363	17.9363
Pequea Valley	17.4735	17.4735	18.1217	18.4840	14.6806	14.9225	15.1463	15.2933	15.6797	16.2980
Solanco	11.8040	12.0990	12.4499	12.8110	10.4590	10.8251	10.9604	11.3440	11.7977	12.2696
Warwick	19.7094	20.1627	20.1627	21.1620	16.3711	16.3711	16.3711	16.3711	16.3711	16.4611

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, 2023

Table 7

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Willow Valley Communities	\$ 254,549,800	1	0.57%	*		
Lancaster General	159,813,800	2	0.36%	101,617,800	4	0.32%
High Properties Et Al	152,210,900	3	0.34%	127,880,400	2	0.40%
Park City Center Business Trust	142,325,700	4	0.32%	139,083,200	1	0.44%
High Properties	140,650,100	5	0.32%	75,922,200	6	0.24%
Mennonite Home	76,723,400	6	0.17%	*		0.00%
Granite Properties	65,616,700	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%
Constellation Energy Generation	52,080,000	10	0.12%	*		
Willow Valley Manor	*			94,211,600	5	0.29%
Rockvale Group	*			48,663,800	10	0.15%
Willow Valley Retirement	*			109,009,500	3	0.34%
Total	\$ 1,160,013,400		2.60%	\$ 859,401,100		2.69%

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
	Fiscal Year	Fiscal Year	Fiscal Year (1)	Collected	Levy	Collections (2)	Collections (3)	Levy
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%
2023	129,972,661	960,092	130,932,753	126,163,691	96.36%	1,865,554	128,029,246	97.78%

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.

Years	Assessment by Land Use					Total
	Residential	Industrial	Commercial	Agriculture	Other	
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
2023	31,485,420,700	1,535,788,700	9,043,220,800	2,305,645,700	278,720,400	44,648,796,300

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										Total Primary Government	Percentage of Personal Income (1)	Debt Per Capita (1)
	General Obligation Bonds Payable	Net Premium on Bonds Payable	General Obligation Notes and Direct Borrowings Payable	Installment Purchase Agreements Payable	** Financed Purchases	*** Lease Liability	**** Subscription Liability	Total	Percentage of Personal Income (1)	Debt Per Capita (1)			
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	12,271,619	228,293	-	178,979,218	0.51%	321.54		
2023	129,645,000	10,711,460	-	-	6,798,249	11,337,295	1,504,115	-	159,996,119	*	286.43		

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.

**Due to GASB 87 implementation in 2022, Capital Leases are now referenced as Financed Purchases.

***GASB 87 implemented in 2022; Leased liability is right to use leased buildings and equipment

****GASB 96 implemented in 2023

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

Table 10

Years	Total General Obligation Debt	Percentage of		Debt Per Capita (2)
		Estimated Actual Taxable Value of Property (1)	Actual Taxable Value of Property (1)	
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
2023	140,356,460	0.31%		251.27

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, 2023

Table 11

Jurisdiction:	(1) Total Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
County of Lancaster	\$ 159,996,119	100%	\$ 159,996,119
Overlapping:			
City of Lancaster	*		-
School Districts:			
Cocalico School District	12,800,000	100%	12,800,000
Columbia Borough	6,729,808	100%	6,729,808
Conestoga Valley	127,147,133	100%	127,147,133
Donegal	31,729,300	100%	31,729,300
Elizabethtown Area	44,420,988	100%	44,420,988
Ephrata Area	*	100%	-
Hempfield	62,985,205	100%	62,985,205
Lampeter-Strasburg	23,713,756	100%	23,713,756
Lancaster	147,126,838	100%	147,126,838
Manheim Central	112,815,000	100%	112,815,000
Manheim Township	119,404,335	100%	119,404,335
Octorara	37,120,000	100%	37,120,000
Penn Manor	133,286,976	100%	133,286,976
Pequea Valley	80,315,000	100%	80,315,000
Solanco	13,899,500	100%	13,899,500
Warwick	25,435,000	100%	25,435,000
Total School Districts			<u>978,928,839</u>
Municipal Authorities:			
Akron Borough	495,427	100%	495,427
Christiana Borough Authority	617,936	100%	617,936
Columbia Borough	8,005,000	100%	8,005,000
Denver Borough	1,409,201	100%	1,409,201
Earl Township Sewer Authority	3,044,000	100%	3,044,000
East Cocalico Township Water & Sewer Authority	2,583,536	100%	2,583,536
East Lampeter Sewer Authority	*	100%	-
East Lampeter Township	6,385,000	100%	6,385,000
Elizabethtown Regional Sewer Authority	*	100%	-
Ephrata Area Joint Authority	3,755,000	100%	3,755,000
Ephrata Borough Authority	27,900,000	100%	27,900,000
Ephrata Township Sewer Authority	4,245,347	100%	4,245,347
Lancaster Area Sewer Authority	55,815,000	100%	55,815,000

(Continued)

County of Lancaster, Pennsylvania
Direct and Overlapping Governmental Activities Debt
As of December 31, 2023

Table 11 (Cont.)

Jurisdiction:	(1) Total Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Lancaster County Hospital Authority	**		-
Lancaster County Solid Waste Management Authority	\$ 86,985,000	100%	\$ 86,985,000
Lancaster County Vo-Tech School Authority	13,915,115	100%	13,915,115
Lancaster Parking Authority	52,859,582	100%	52,859,582
Leacock Township Municipal Authority	3,890,452	100%	3,890,452
Lititz Borough Authority	4,746,577	100%	4,746,577
Manheim Area Water and Sewer Authority	11,955,185	100%	11,955,185
Manheim Township	*	100%	-
Manheim Township Authority	*	100%	-
Marietta-Donnegal Joint Authority	2,585,000	100%	2,585,000
Mount Joy Borough Authority	18,044,000	100%	18,044,000
Northern Lancaster County Sewer Authority	3,658,889	100%	3,658,889
Paradise Township Sewer Authority	4,875,000	100%	4,875,000
Penn Township	606,896	100%	606,896
Quarryville Borough	562,794	100%	562,794
Redevelopment Authority	35,179,886	100%	35,179,886
Sadsbury Township Municipal Authority	*	100%	-
Suburban Lancaster Sewer Authority	17,735,000	100%	17,735,000
Warwick Township Municipal Authority	2,455,000	100%	2,455,000
Weaverland Valley Authority	24,320,261	100%	24,320,261
West Cocalico Township Authority	13,838,921	100%	13,838,921
West Earl Water Authority	580,000	100%	580,000
Total Municipalities			<u>413,049,006</u>
Total Overlapping Debt			<u>1,391,977,845</u>
Total direct and overlapping debt			<u>\$ 1,551,973,964</u>

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.

** Due to changes in in the financial reporting standards, the Lancaster County Hospital Authority, as a conduit lender, no longer reflects any debt owned by it as of December 31,2023

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

Table 12

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Borrowing base revenues (1):					
Two years prior	\$ 139,531,382	\$ 154,407,832	\$ 145,177,124	\$ 149,627,502	\$ 155,464,284
Prior year	154,407,832	145,177,124	149,627,502	155,464,285	153,011,136
Current year	145,177,124	149,627,502	155,464,285	153,011,136	158,457,096
Total borrowing base revenues	<u>\$ 439,116,338</u>	<u>\$ 449,212,458</u>	<u>\$ 450,268,911</u>	<u>\$ 458,102,923</u>	<u>\$ 466,932,516</u>
Average borrowing base revenues	\$ 146,372,113	\$ 149,737,486	\$ 150,089,637	\$ 152,700,974	\$ 155,644,172
Net Nonelectoral Debt Limit:					
Average borrowing base revenues	\$ 146,372,113	\$ 149,737,486	\$ 150,089,637	\$ 152,700,974	\$ 155,644,172
Debt limit percentage	300%	300%	300%	300%	300%
Net Nonelectoral Debt Limit	439,116,338	449,212,458	450,268,911	458,102,923	466,932,516
Total amount of debt applicable to debt limit	249,868,700	234,384,400	218,350,500	208,252,100	190,552,400
Total Remaining Nonelectoral Debt Capacity	<u>\$ 189,247,638</u>	<u>\$ 214,828,058</u>	<u>\$ 231,918,411</u>	<u>\$ 249,850,823</u>	<u>\$ 276,380,116</u>
Total net debt applicable to the limit as a percentage of debt limit	56.90%	52.18%	48.49%	45.46%	40.81%
Combined Net Nonelectoral Debt and Net Lease Rental Debt Limit					
Average borrowing base revenues	\$ 146,372,113	\$ 149,737,486	\$ 150,089,637	\$ 152,700,974	\$ 155,644,172
Debt limit percentage	400%	400%	400%	400%	400%
Combined Net Nonelectoral Debt and Net Lease Rental Debt Limit	585,488,451	598,949,944	600,358,548	610,803,897	622,576,688
Less: Non-electoral Debt and Lease Rental Debt	250,667,700	235,183,400	218,786,500	208,688,100	190,988,400
Remaining Nonelectoral Debt and Lease Rental Debt Capacity	<u>\$ 334,820,751</u>	<u>\$ 363,766,544</u>	<u>\$ 381,572,048</u>	<u>\$ 402,115,797</u>	<u>\$ 431,588,288</u>
Total net debt applicable to the limit as a percentage of debt limit	42.81%	39.27%	36.44%	34.17%	30.68%

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 Perm 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.)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Borrowing base revenues (1):					
Two years prior		\$ 158,457,096	\$ 158,785,543	\$ 158,159,443	\$ 161,862,156
Prior year	\$ 153,011,136	\$ 158,457,096	\$ 158,785,543	\$ 158,159,443	\$ 161,862,156
Current year	\$ 158,785,543	\$ 158,159,443	\$ 161,862,156	\$ 164,115,560	\$ 166,678,995
Total borrowing base revenues	<u>\$ 470,253,775</u>	<u>\$ 475,402,082</u>	<u>\$ 478,807,142</u>	<u>\$ 484,137,159</u>	<u>\$ 492,656,711</u>
Average borrowing base revenues	\$ 156,751,258	\$ 158,467,361	\$ 159,602,381	\$ 161,379,053	\$ 164,218,904
Net Nonelectoral Debt Limit:					
Average borrowing base revenues	\$ 156,751,258	\$ 158,467,361	\$ 159,602,381	\$ 161,379,053	\$ 164,218,904
Debt limit percentage	300%	300%	300%	300%	300%
Net Nonelectoral Debt Limit	<u>470,253,775</u>	<u>475,402,082</u>	<u>478,807,142</u>	<u>484,137,159</u>	<u>492,656,711</u>
Total amount of debt applicable to debt limit	185,458,000	175,716,600	161,325,000	146,385,000	129,645,000
Total Remaining Nonelectoral Debt Capacity	<u>\$ 284,795,775</u>	<u>\$ 299,685,482</u>	<u>\$ 317,482,142</u>	<u>\$ 337,752,159</u>	<u>\$ 363,011,711</u>
Total net debt applicable to the limit as a percentage of debt limit	39.44%	36.96%	33.69%	30.24%	26.32%
Combined Net Nonelectoral Debt and Net Lease Rental Debt Limit					
Average borrowing base revenues	\$ 156,751,258	\$ 158,467,361	\$ 159,602,381	\$ 161,379,053	\$ 164,218,904
Debt limit percentage	400%	400%	400%	400%	400%
Combined Net Nonelectoral Debt and Net Lease Rental Debt Limit	<u>627,005,033</u>	<u>633,869,443</u>	<u>638,409,523</u>	<u>645,516,212</u>	<u>656,875,615</u>
Less: Non-electoral Debt and Lease Rental Debt	<u>185,894,000</u>	<u>176,152,600</u>	<u>161,761,000</u>	<u>146,611,000</u>	<u>129,645,000</u>
Remaining Nonelectoral Debt and Lease Rental Debt Capacity	<u>\$ 441,111,033</u>	<u>\$ 457,716,843</u>	<u>\$ 476,648,523</u>	<u>\$ 498,905,212</u>	<u>\$ 527,230,615</u>
Total net debt applicable to the limit as a percentage of debt limit	29.65%	27.79%	25.34%	22.71%	19.74%

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)
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	35,091,885	63,044	38.7	82,418	2.9%
2023	558,589	*	*	39	82,334	2.3%

Sources:

- (1) Population: US Census Bureau
- (2) Personal Income: Bureau of Economic Analysis
- (3) Per Capita Personal Income: Bureau of Economic Analysis
- (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, 2023

Table 14

Employer (1)	2023			2014		
	Employees (2)	Rank (1)	Percentage of Total County Employment	Employees (2)	Rank (1)	Percentage of Total County Employment
Lancaster General Hospital	8,923	1	3.56%	7,322	1	3.22%
Giant Food Stores	**	2		*		
Eurofins Lancaster Laboratories Inc	**	3		*		
County of Lancaster	1,775	4	0.71%	1,966	2	0.86%
Lancaster School District	1,610	5		1,592	7	0.70%
Masonic Villages of the Grand Lodge	1,649	6	0.66%	1,539	8	0.68%
Dart Container Corporation	**	7		1,770	5	0.78%
Willow Valley Retirement Communities	**	8		*		
Nordstrom Inc	**	9		*		
Lancaster Lebanon Intermediate Unit	1,406	10	0.56%	*		
Wellspring Ephrata Community Hospital Inc.				1,877	3	0.83%
R.R. Donnelly & Sons Company				**	4	
Armstrong World Industries				1,500	10	0.66%
Manheim Remarketing Inc				1,503	9	0.66%
Turkey Hill Co Inc				1,745	6	0.77%
Total	**			**		
Total Employees in County	250,496 (1)			227,482 (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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function/Program:										
Governmental Activities										
General government	251	234	233	232	240	194	235	229	229	269
Public safety	102	102	98	102	96	128	96	89	97	109
Health, education, and welfare	351	349	357	369	376	367	352	333	352	417
Judicial	598	586	608	608	608	598	594	572	559	640
Corrections	321	318	334	334	334	316	302	253	310	312
Cultural and recreation	13	13	12	13	13	13	12	13	12	22
Community development	5	5	5	5	6	6	6	5	6	6
Total governmental activities	1,641	1,607	1,647	1,663	1,673	1,622	1,597	1,494	1,565	1,775

Source: County of Lancaster Controller's Office

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

Table 16

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function										
General Government										
General Election Information:										
Registered voters	311,498	309,581	335,791	321,046	329,492	325,296	354,296	344,202	352,895	345,598
Votes cast	142,298	65,388	246,938	72,326	203,944	88,660	282,538	96,840	223,684	124,472
Percent of votes cast	45.68%	21.12%	73.54%	22.53%	61.90%	27.26%	79.75%	28.17%	63.40%	36.00%
Property transfers recorded	11,184	11,985	12,604	13,087	12,609	12,806	12,093	13,832	11,759	*
9-1-1 calls	245,293	231,151	274,898	215,369	218,201	216,511	226,350	165,449	218,229	227,961
Text to 9-1-1	97	179	345	195	147	114	198	171	175	183
10-Digit 9-1-1 Calls	*	*	*	*	*	*	*	175,448	239,423	245,184
County ordinances approved	54	57	13	***	***	***	***	***	***	***
Municipal ordinances reviewed	221	226	306	275	297	316	343	327	357	314
Judicial										
Estates and wills probated	1,698	1,778	1,761	1,743	1,754	1,692	1,562	3,040	2,551	2,591
Marriage licenses issued	3,485	3,487	3,629	3,527	3,512	3,317	2,093	3,072	3,631	3,410
Child adoptions	245	230	249	246	246	199	166	154	198	153
Child relinquishments	145	163	143	181	45	52	95	112	66	49
Criminal cases filed	6,066	6,176	6,483	6,645	7,500	7,001	7,015	7,461	7,085	7,394
Criminal cases disposed	5,335	5,003	5,474	5,289	5,086	5,271	3,629	4,332	4,498	4,127
Civil suits filed	4,072	3,248	3,084	2,899	2,634	3,143	2,299	2,527	1,583	2,338
Civil judgments filed	8,542	7,922	11,110	10,818	9,363	9,595	6,003	6,551	6,245	6,658
Divorces filed	1,265	1,839	1,438	1,439	1,335	1,379	1,071	1,161	1,054	1,079
Protection from abuse cases filed	1,045	1,018	1,017	1,004	1,181	1,180	1,161	1,205	1,161	1,099
Naturalizations	169	261	193	200	207	255	68	107	158	106
Real estate executions (mortgage foreclosures) filed	952	755	705	721	296	375	204	125	22	53
District judge case filings	88,782	87,889	93,076	104,211	111,469	104,393	73,570	86,987	92,650	101,777
Domestic relations active cases	17,955	17,357	16,897	16,512	15,800	15,341	14,218	13,162	12,306	11,483
New juvenile probation cases	937	948	957	999	917	941	619	572	658	894
Juvenile probation placement days	28,012	22,797	20,711	18,476	17,135	15,943	7,728	5,422	4,774	8,351
New adult probation and parole cases	3,771	3,426	4,565	4,379	4,350	4,596	3,441	2,215	3,688	3,290
Corrections										
Average daily population	997	978	963	898	871	785	675	699	756	758
Annual admissions	5,715	5,454	5,110	5,742	6,206	6,006	3,462	3,750	3,863	4,263
Culture and Recreation										
Pool attendance	23,858	27,186	27,163	24,774	23,095	22,391	2,666	8,920	6,679	16,891
Community Development										
Easements added	20	23	26	21	16	23	18	18	24	19
Easement acreage added	1,362	1,560	1,781	1,534	1,250	1,902	1,422	1,337	1,392	1,535

Source: Various County Departments.

Note: * Data not available.

** County stopped tracking website visitors in 2017

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**** Effective 2018, the County pays for Suboxone.

***** Effective January 1, 2020, the County withdrew from the Aging Waiver Program

***** Starting in 2022, the County began tracking inpatient hospital rehab clients, but the statistic was not recorded until 2023.

(Continued)

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

Table 16 (Cont.)

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Health, education, and welfare										
Employment and Training										
Customers served	**	**	**	**	**	**	**	**	**	**
Drug and Alcohol:										
Information and referral contacts	708	709	1,084	663	466	409	-	258	260	329
Inpatient non-hospital detox clients	499	428	206	257	313	375	13	170	124	106
Inpatient non-hospital rehab clients	413	327	197	226	319	393	13	170	124	121
Inpatient non-hospital halfway house	10	15	19	7	9	8	-	2	4	7
Inpatient hospital detox clients	1	1	1	1	1	-	2	1	-	1
Inpatient hospital rehab clients	*****	*****	*****	*****	*****	*****	*****	*****	*****	1
Partial hospitalization clients	30	39	17	16	27	11	-	36	55	65
Outpatient drug free clients	1,088	964	628	619	631	645	2	320	274	242
Methadone maintenance clients	16	34	12	12	16	15	-	24	15	16
Suboxone maintenance clients	****	****	****	****	17	1	*	-	14	8
Intensive outpatient clients	133	155	117	113	137	134	2	68	52	47
Website visitors	131,381	13,297	14,356	**	**	**	**	**	**	**
Mental Health:										
Emergency/crisis intervention hours	6,649	3,436	11,677	3,450	3,105	5,065	4,295	3,165	4,019	4,490
Community residential days	28,066	27,801	27,404	27,371	28,094	25,960	30,821	26,362	22,771	22,607
Community employment hours	32,016	18,365	4,554	4,523	8,368	7,888	7,132	3,577	3,339	3,013
Service case management clients	2,932	3,387	3,231	3,363	3,985	3,391	2,503	3,280	2,385	2,357
Day treatment hours	3,013	366	347	417	392	841	1,994	150	15	249
Outpatient hours	5,677	1,727	1,201	1,245	885	748	408	372	546	535
Family based hours	-	-	-	275	204	94	335	78	101	225
Psychiatric rehab hours	118,770	23,345	20,129	23,719	7,824	8,075	5,713	3,820	4,337	3,354
Social rehab hours	96,113	24,475	21,195	22,360	25,125	25,600	19,982	12,028	16,208	19,645
Drop-in-Center hours	*	63,709	60,122	53,663	43,477	40,651	29,606	6,890	20,133	34,183
Supported housing hours	38,424	9,221	9,190	9,483	8,858	8,083	8,446	6,624	7,025	5,465
Intellectual Disabilities										
Specialized support hours	6,828	3,167	2,944	1,148	393	123	191	222	340	654
Transportation trips	9,807	5,241	4,877	4,324	3,898	3,290	2,780	790	680	707
Employment hours	3,337	3,363	2,711	3,501	4,557	1,404	1,148	230	144	223
Residential services clients	32	33	32	40	34	33	32	30	34	35
Early intervention clients	1,250	1,201	1,234	1,273	1,225	1,937	2,200	2,144	2,154	2,655
Pre-Vocational hours	11,927	10,497	9,974	8,436	11,333	6,949	3,510	1,356	2,774	1,418
Respite clients	37	120	105	44	18	20	14	4	4	8
Home & community service hours	40,406	4,876	3,570	3,554	3,246	4,850	6,458	5,501	4,544	6,796
Family driven clients	-	132	194	171	7	141	75	53	90	94
Community habilitation hours	2,938	4,945	4,615	4,522	4,758	5,320	2,381	2,489	2,650	617

Source: Various County Departments.

Note: * Data not available.

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(Continued)

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

Table 16 (Cont.)

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Health Choices										
Inpatient psychiatric:										
Members served	1,165	1,257	1,452	1,383	1,393	1,376	1,410	1,431	1,432	1,458
Days of service	17,473	21,556	23,163	20,339	25,416	28,491	33,975	33,922	32,587	33,220
Outpatient psychiatric:										
Members served	15,018	14,707	17,695	18,398	16,363	16,169	17,151	15,148	15,513	15,408
Units of service	263,741	286,814	307,581	346,721	348,233	282,709	289,397	288,111	399,083	244,141
Inpatient drug and alcohol:										
Members served	34	53	105	99	68	66	27	18	44	31
Days of service	270	453	949	828	541	436	242	216	386	182
Non-hospital drug and alcohol:										
Members served	1,327	940	2,004	2,169	1,444	1,511	1,512	1,408	1,403	1,303
Days of service	36,280	35,983	52,162	57,297	57,852	58,534	60,357	56,083	55,694	52,692
Outpatient drug and alcohol:										
Members served	2,253	2,386	3,698	3,947	3,400	3,350	2,818	2,738	2,888	2,093
Units of service	169,270	199,395	239,576	265,777	269,309	251,955	234,225	230,408	238,439	182,805
Behavioral health rehabilitation:										
Members served	5,651	2,426	5,552	6,509	2,630	2,346	2,040	2,002	1,648	1,489
Units of service	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	1,222,714
Residential treatment facility:										
JCAHO:										
Members served	122	98	108	97	92	85	74	74	75	71
Days of service	22,256	16,880	18,734	17,666	12,194	17,440	13,832	12,601	14,523	13,166
Non JCAHO:										
Members served	10	15	17	21	24	19	17	17	15	10
Days of service	2,493	3,333	3,765	4,840	5,374	3,972	4,479	4,292	3,775	1,483
Office of Aging:										
Case management clients	771	833	606	744	1,089	999	812	910	717	720
Protective services clients	1,360	1,690	1,594	1,857	2,039	2,543	2,455	2,631	2,575	2,192
Transportation clients	486	374	474	483	488	421	283	188	238	271
Meals provided	112,164	114,665	132,493	153,305	174,143	155,743	135,183	147,035	176,865	181,036
In-home services clients	635	555	497	589	639	521	503	441	361	334
Adult day care clients	69	55	96	117	110	84	54	51	55	49
PDA waiver clients	319	350	273	217	179	174	*****	*****	*****	*****
Children and Youth:										
Children served	5,309	6,966	10,548	10,825	11,576	12,272	10,881	10,762	10,104	7,947
Placement days	162,789	177,027	183,822	192,760	186,924	165,722	145,842	123,030	120,201	110,032
Child abuse reports	1,191	1,744	2,391	2,506	2,509	1,825	1,749	1,855	1,897	1,944
Intake reports	1,233	1,967	2,830	3,257	3,369	3,448	2,952	3,653	2,523	2,036

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:	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
General government										
Motor vehicles	9	8	6	4	3	3	3	3	2	2
Office buildings	3	3	3	1	1	1	1	1	1	1
Public safety										
Motor vehicles	26	20	19	17	14	13	13	13	11	12
Office buildings	1	1	1	1	1	1	1	1	1	1
Roads and bridges										
Motor vehicles	12	8	5	6	6	5	5	5	5	5
County-owned bridges	64	64	63	63	62	62	60	60	59	63
Health, education, and welfare										
Motor vehicles	5	5	5	3	3	3	1	-	-	-
Office buildings	-	-	-	-	-	-	-	-	-	-
Judicial										
Motor vehicles	121	65	52	38	30	17	14	12	12	11
Office buildings	4	4	4	3	3	3	3	3	3	3
Corrections										
Motor vehicles	8	8	8	7	7	4	3	3	3	3
Office buildings	2	2	2	2	2	2	2	2	2	3
Cultural and recreation										
Motor vehicles	48	39	34	29	26	23	24	16	24	24
Number of parks	9	9	9	9	9	9	9	9	9	9
Park acreage	2,055	1,995	1,995	1,995	1,995	1,996	1,996	1,966	1,966	1,966
Pavilions	12	11	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	3	3	3	3	3	3	3	3	3
Storage buildings	8	5	5	5	5	5	5	5	5	5
Tenant Properties	5	5	5	5	5	5	5	4	4	4
Community development										
Easement acreage	48,573	50,133	51,914	53,448	54,698	56,600	58,022	59,389	60,781	62,317

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, 2023

Table 18

<u>Name and Title of Official</u>	<u>Annual Salary</u>	<u>Amount of Surety Bond</u>
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	125,200	(1)
Dimary Serrano, Clerk of Courts (Acting)	86,527	(1)
Lisa K. Colón, Controller	86,527	(1)
Stephen Diamantoni, Coroner	86,527	(1)
Heather L. Adams, District Attorney	211,495	(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.

Table 19

Name of Company/ Type of Coverage	Policy Number	Policy Period	Premium	Details of Coverage and Co-insurance %	Liability Limit
PGU Package Policy General Liability	AMRPE0001-02	June 1, 2023 to January 1, 2024	\$ 102,063 \$ 3,062	General liability Package policy terrorism coverage	\$ 5,000,000 Aggregate \$ 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 Occurrence Limit \$ 100,000 Rented Property Limit \$ 500,000 Deductible \$ 1,000,000 Each Occurrence \$ 5,000,000 Claims Made/Each Wrongful Act \$ 5,000,000 Aggregate \$ 500,000 Deductible
PGU Package Policy Public Officials	AMRPE0001-02	June 1, 2023 to January 1, 2024	\$ 51,609	Public Officials E&O Retro Date: 02/01/94	\$ 5,000,000 Each Wrongful Act \$ 5,000,000 Aggregate \$ 500,000 Retention
PGU Package Policy Employment Practices Liability	AMRPE0001-02	June 1, 2023 to January 1, 2024	\$ 58,194	Public Officials Employment Practices Retro Date: 02/01/94	\$ 5,000,000 Each Wrongful Act \$ 5,000,000 Aggregate \$ 500,000 Retention
PGU Package Policy Auto Liability	AMRPE0001-02	June 1, 2023 to January 1, 2024	\$ 87,206	Auto Liability Hired/Non Owned Liability	\$ 5,000,000 \$ 5,000,000
Selective Auto Policy Physical Damage	S2560389	January 1, 2023 to January 1, 2024	\$ 79,290	Comprehensive/Collision	per schedule
GNA Property Policy Commercial Property Building Blanket Limit Business Personal Property Blanket Blanket EDP coverage Business Income Extra Expense Earthquake Flood Ordinance and Law Additional Commercial Coverage Highlights Equipment Breakdown	RMP7034834332	June 1, 2023 to January 1, 2025	\$ 642,676		\$ 300,000,000 Per occurrence \$ 300,000,000 Per occurrence \$ 300,000,000 Waiting period 48 hours, Period of Indemnity 12 months, Civil Authority 30 days \$ 2,500,000 \$ 25,000,000 Per occurrence/aggregate \$100,000 deductible \$ 25,000,000 Per occurrence/aggregate \$250,000 deductible \$300,000,000 \$ 100,000 \$ 100,000 \$ 1,000,000 \$ 300,000,000 \$ 500,000 \$ 100,000 \$ 1,000,000 Retention \$25,000 \$ 1,000,000 \$ 1,000,000 \$ 1,000,000
Travelers Cyber Policy Cyber Insurance	106788704	January 1, 2023 to January 1, 2024	\$ 37,837	Cyber Liability Breach Extortion Funds Transfer Fraud	\$ 1,000,000 Retention \$25,000 \$ 1,000,000 \$ 1,000,000 \$ 1,000,000

(Continued)

Table 19 (Cont.)

Name of Company/ Type of Coverage Travelers Cyber Policy (continued)	Policy Number	Policy Period	Premium	Details of Coverage and Co-Insurance %		Liability Limit
Travelers Crime Policy Fidelity	105562115	January 1, 2023 to January 1, 2024	\$ 9,495	Social Engineering Privacy and Security Media Computer Fraud Telecom Fraud Business Interruption/Extra Expense	\$ 100,000 \$ 1,000,000 \$ 1,000,000 \$ 100,000 \$ 1,000,000	
Lexington Law Enforcement Policy Law Enforcement Liability	038246905-00	June 1, 2023 to January 1, 2024	\$ 216,497	Employee Theft On Premises In Transit Claims Expense Law Enforcement Liability	\$ 2,000,000 \$ 100,000 \$ 100,000 \$ 5,000 \$ 5,000,000	\$30,000 Retention \$30,000 Retention \$30,000 Retention Each Claim/Aggregate \$100,000 Deductible
National Fire Drone Policy Drone Liability	UM 662845339-02	June 1, 2023 to January 1, 2024	\$ 1,146	Drone Liability Medical Expense	\$ 1,000,000 5,000	Each Claim/Aggregate
Federal Insurance Company Fiduciary Liability Employee Retirement Plan	8223-9286	January 1, 2023 to January 1, 2024	\$ 10,539	Fiduciary Liability Estates and Legal Representative and Spousal Liability Defense within the limits Territory - Worldwide	\$ 1,000,000 15,000	Each Loss Each Policy Period deductible
MIDWEST EMPLOYERS CASUALTY CO Workers Compensation	EW0009808	January 1, 2023 to January 1, 2024	\$ 149,407	Excess Workers Compensation Employers Liability	Statutory 1,000,000 500,000	Each Accident/Limit Each Employee Per Disease Each Accident/Limit Each Employee Per Disease Self Insured retention
Broemarle Insurance / Foster Parent Professionals Rockwood Casualty Insurance Company	FPL-139	July 1, 2023 to July 1, 2024	\$ 9,450	Liability and Property Damage	\$ 300,000	Per Person, Per Occurrence

(1) Contracted directly by Children and Youth Agency

Source: Lancaster County Commissioner's Office

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

DISCLAIMER - GENERAL

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

(Conclusion of the report)