

# County of Lancaster

PENNSYLVANIA



ANNUAL REPORT SUMMARY  
December 31, 2014

Prepared by the Office of the Controller  
Brian K. Hurter, Controller



## Controller's Office

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**Controller**  
Brian K. Hurter, CPA

To the residents of Lancaster County:

I am pleased and excited to provide you with our Annual Report Summary for the Fiscal Year Ended 2014. The information contained in this Report is a condensed and simplified overview of the County of Lancaster's audited Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2014.

This Report presents selected basic information about Lancaster County's revenues, spending, and demographics in an informal, easy to understand format. This Report is not intended to replace the larger more detailed CAFR.

The Annual Report Summary is unaudited and does not conform to Generally Accepted Accounting Principles (GAAP) and governmental reporting standards and does not include component units of the County. This Report is presented as a means of increasing openness and public confidence in County Government through easier, more user-friendly financial reporting. Above all else this Report is designed to help taxpayers better understand how their tax dollars are being utilized.

Readers desiring more detailed financial information can obtain the full, 147 page, CAFR on the County's website at [www.co.lancaster.pa.us](http://www.co.lancaster.pa.us) under "Services/Financial Services/Financial Reports" or call 717-299-8262.

I hope that you find this report interesting and informative.

Sincerely,

Brian K. Hurter, CPA  
Lancaster County Controller



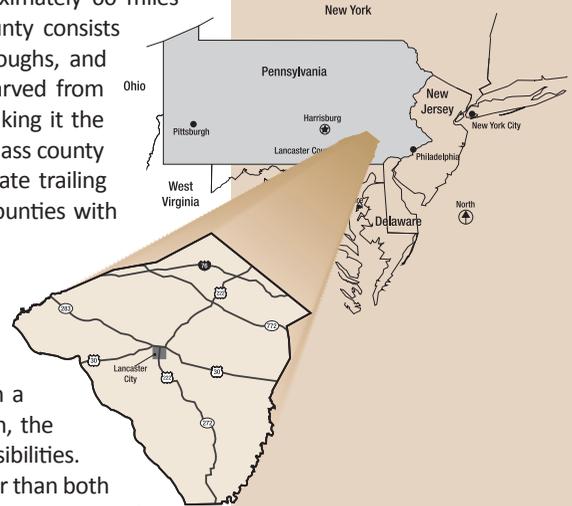
# About Lancaster County

Lancaster County is located in South Central Pennsylvania approximately 60 miles west of Philadelphia and 240 miles east of Pittsburgh. The County consists of 60 municipal divisions including the City of Lancaster, 18 boroughs, and 41 townships and occupies a land area of 946 square miles. Carved from neighboring Chester County, it was founded on May 10, 1729 making it the fourth county in Pennsylvania. Lancaster County has been a third class county since 1962. Today it is the sixth most populous county in the state trailing only Philadelphia, Allegheny, Montgomery, Bucks and Delaware counties with approximately 533,320 people making it their home.

The base of Lancaster's economy and the sector that provides the largest share of earnings and jobs is manufacturing. Trailing only the metropolitan areas of Philadelphia and Pittsburgh, the County is the third-largest industrial area in Pennsylvania. Located within a 500-mile radius of more than half the buying power of the nation, the County has access to growing markets which offer expanding possibilities. The County's unemployment rate of 3.6% remains consistently lower than both the state and national averages of 5.0% and 5.6%, respectively. From its original roots in agriculture and food, to the modern technology of pharmaceuticals, to the creative and highly innovative field of live event production, the County is home to a diverse and skilled set of companies and employees who are impacting the globe.

The earliest settlers were attracted to the rich soil and temperate climate that have made this area the most productive, non-irrigated farmland in the United States. Agriculture is now a multi-billion dollar industry, which is a major contributor to the economic well-being of the County. With products like dairy, poultry, beef, corn, bedding plants, vegetables and fruit distributed to millions of people worldwide, Lancaster County is one of the nation's top food producers. The economy is boosted by \$6.00 for every dollar of agriculture-related products that leave Lancaster County's farms; a value of \$6 billion per year. Thanks to the efforts of the Lancaster County Agricultural Preservation Board and the Lancaster Farmland Trust, 102,090 acres of farmland on 1,293 farms have been preserved from future development.

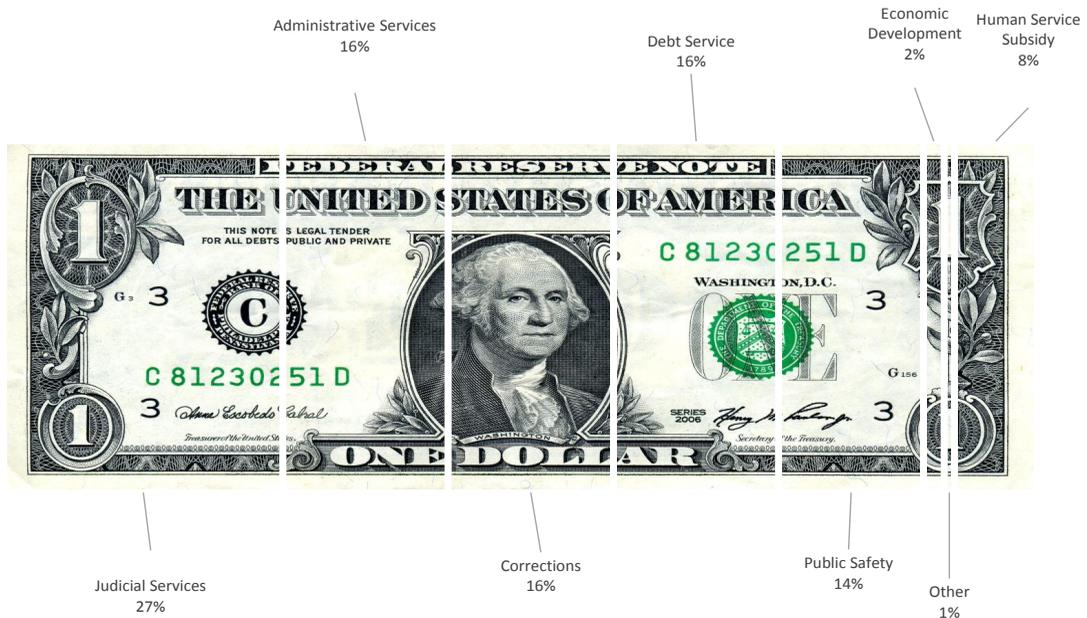
Tourism has long played an important role in the economy and continues to do so as the County offers an abundance of attractions and fun things to see and do for all ages. From the thriving city life in historic downtown to the charming small towns scattered throughout the countryside to the unique culture and lifestyle of our Amish neighbors, the County attracts 8 million visitors each year, generating a direct economic impact of \$2 billion. Located within a short drive of Philadelphia, Baltimore, New York and Washington D.C., it is an ideal destination for day trips, a weekend getaway or an extended vacation.



# Your County Real Estate Taxes

Lancaster County residents paid County real estate taxes of \$373.50 on \$100,000 of assessed value in 2014.

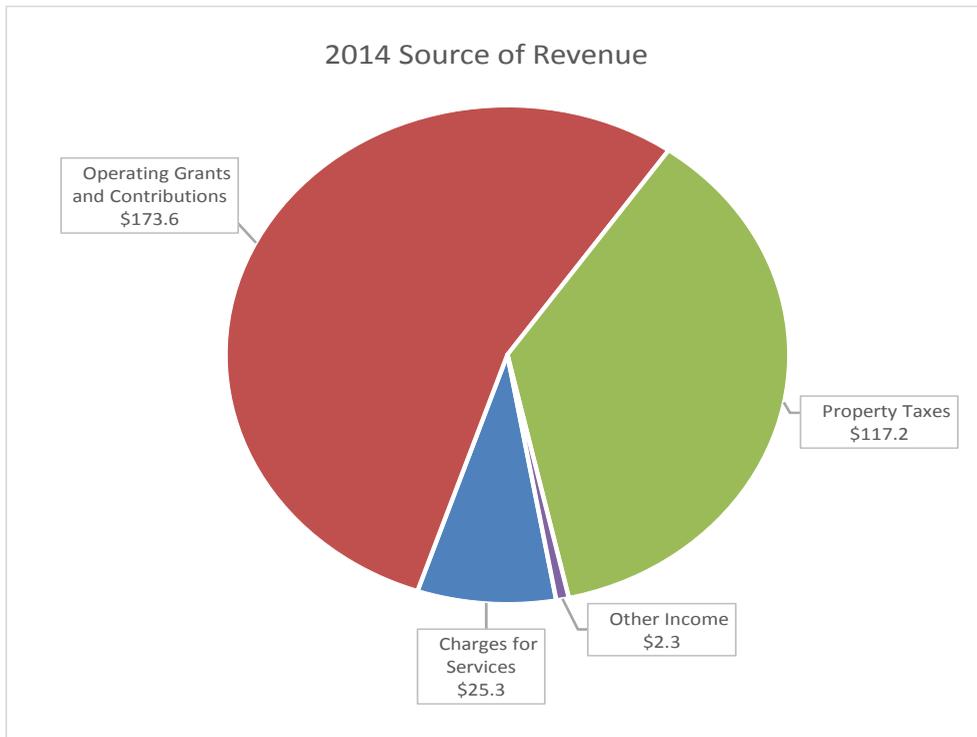
\$198.9 million of the County's spending is funded by state and federal grants and charges for services. The remaining spending (\$106.9 million) must be paid for primarily with your County real estate taxes. The illustration below shows how each dollar of your County real estate tax bill is spent.



# Dollars In...

The following table shows a comparison of all monies received by the County for the past three years.

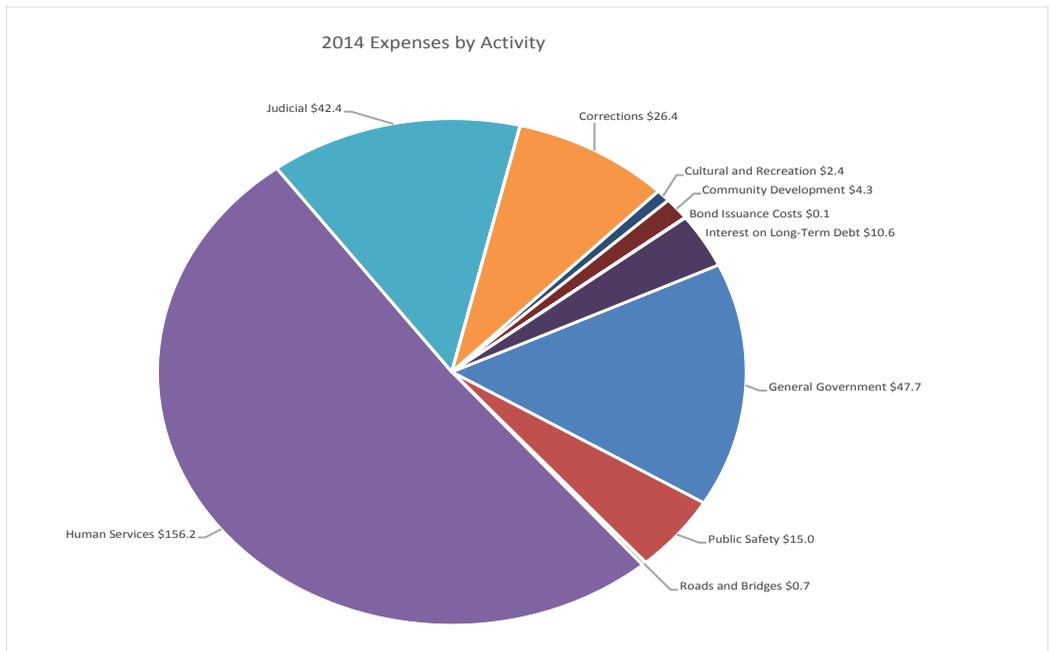
Revenues Taken In (expressed in millions)	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Program Revenues:</b>			
Charges for Services	\$ 25.3	\$ 35.6	\$ 11.7
Operating Grants and Contributions	173.6	172.3	177.3
<b>General Revenues:</b>			
Property Taxes	117.2	116.5	106.2
Gain on Sale of Capital Assets	-	0.1	-
Unrestricted Investment Earnings	2.3	(1.3)	1.1
<b>Total Revenues</b>	<u>\$ 318.4</u>	<u>\$323.2</u>	<u>\$ 315.8</u>



# Dollars Out...

The following table shows a comparison of all monies spent by the County for each of the major services it provides for the past three years. Explanations of specific services are shown in the following pages.

<b>Services Provided</b> (expressed in millions)	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Government	\$47.7	\$53.5	\$53.1
Public Safety	15.0	21.9	14.4
Roads and Bridges	0.7	0.4	0.6
Human Services	156.2	154.0	159.0
Judicial	42.4	44.5	45.3
Corrections	26.4	26.7	28.0
Cultural and Recreation	2.4	2.7	2.7
Community Development	4.3	3.5	4.4
Bond Issuance Costs	0.1	0.3	-
Interest on Long-Term Debt	10.6	10.6	10.3
<b>Total Service Expense</b>	<b>\$305.8</b>	<b>\$318.1</b>	<b>\$317.8</b>



# *Services Provided*

**General Government** – Services provided by the County for the benefit of the public and the governmental body as a whole. It includes the Office of the Controller, Commissioners, Treasurer, and the Recorder of Deeds.

**Public Safety** – Services provided by the County for the safety and security of the public including emergency management, hazardous materials response and the operation and maintenance of the County’s 9-1-1 emergency response communications system.

**Roads and Bridges** – These services are for the inspection and maintenance of the 62 bridges owned by the County. Financing for this program is provided by the County’s portion of the Pennsylvania state gasoline taxes.

**Health, Education, and Welfare** – These services are responsible for promoting the general health and well-being of the community as a whole. Their expenses relate to the cost to provide Federal and State mandated social service programs to County residents in need.

**Judicial Services** – These are services performed in the County’s Court System.

**Corrections** – These services are used to support the County Prison and the Youth Intervention Center.

**Cultural and Recreation** – Services that provide County residents opportunities and facilities for cultural and recreational programs.

**Community Development** – Services for the development of decent housing, a suitable living environment and expanded economic opportunities within the County.

# Financial Position Summary

## County Assets:

**Cash** is the amount of cash held by the County in checking, savings, and cash on demand certificates with maturity terms of less than 90 days.

**Investments** are funds not needed within 90 days and are invested to earn interest in accordance with the County's investment policy.

**Accounts Receivable** represent the amounts which are owed to the County and are expected to be collected within the next twelve months.

**Capital Assets** includes land, land improvements, buildings, building improvements, machinery and equipment, infrastructure, agricultural easements and construction in progress.

## County Liabilities:

**Amount Owed to Vendors and Employees** represents amounts owed to vendors and employees where the expected payment is to be made within twelve months.

**Unearned Revenue** is monies received by the County for a service yet to be rendered. As the service is rendered, this balance will be reduced and recognized as revenue.

**Long-term Liabilities** represent County borrowing and other long-term obligations.

The Financial Position Statement, known in accounting terms as the "Statement of Net Position," is designed to provide a picture of the County's financial position as of the end of the year. The net assets figure represents the amount that the County owns versus the amount owed.

(expressed in millions)

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Assets</b>			
Cash	\$ 47.5	\$ 62.3	\$ 63.3
Investments	1.0	1.0	1.0
Accounts Receivable	21.3	21.9	23.2
Capital Assets	291.0	278.5	270.3
Other Assets	-	-	3.0
<b>Total Assets</b>	<u>360.5</u>	<u>363.7</u>	<u>360.8</u>
<b>Deferred Outflows of Resources</b>			
Deferred Outflows of Resources	8.3	7.1	7.5
<b>Total Deferred Outflows of Resources</b>	<u>8.3</u>	<u>7.1</u>	<u>7.5</u>
<b>Liabilities</b>			
Amount Owed to Vendors & Employees	12.4	14.4	13.9
Unearned Revenue	3.0	4.6	1.1
Long-term Liabilities	338.9	349.9	353.5
<b>Total Liabilities</b>	<u>354.3</u>	<u>368.9</u>	<u>368.5</u>
<b>Net Position</b>	<u>\$ 14.5</u>	<u>\$ 1.9</u>	<u>\$ (0.2)</u>

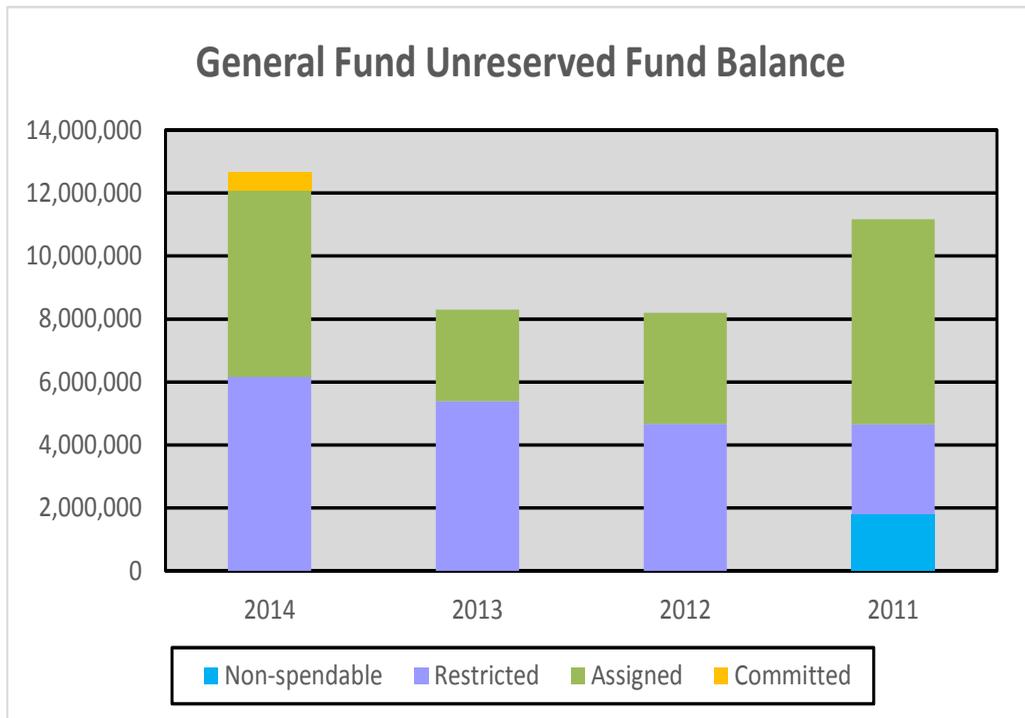
# How Strong is the County's Financial Position?

It is important that the County maintain adequate net financial resources to protect against revenue shortfalls, unanticipated expenditures and to ensure a stable tax rate.

The following shows the levels of the County's non-spendable, restricted, assigned and committed net financial resources at the end of each of the last four years, as measured by the amount of unreserved fund balance in the County's general fund.

It is recommended that governments maintain an unreserved fund balance in the general fund of no less than 5-15% of general fund revenues or no less than one to two months of general fund expenditures.

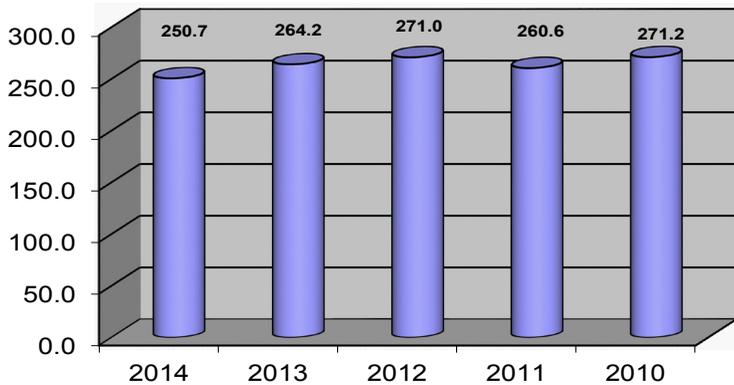
The County's unreserved fund balance of \$12.7 million at December 31, 2014 represents approximately 8.7% of general fund revenues and 1 month of expenditures.



# General Obligation Debt

General Obligation Bonds and Notes are long-term debt instruments which are repaid from the County's general revenue sources.

Lancaster County's outstanding general obligation bonds and notes at December 31, 2014 and the preceding four years.



A summary of the County's total debt service commitments for general obligation bonds and notes is as follows:

	Principal	Interest	Total
2015	\$15,069,300	\$8,288,407	\$23,357,707
2016	15,861,900	8,017,505	23,879,405
2017	17,333,400	7,461,080	24,794,480
2018	18,049,700	6,855,272	24,904,972
2019	18,229,400	6,230,243	24,459,643
2020-2024	75,359,000	23,828,961	99,187,961
2025-2029	67,891,000	11,413,110	79,304,110
2030-2033	22,874,000	1,704,759	24,578,759
	<u>\$250,667,700</u>	<u>\$73,799,337</u>	<u>\$324,467,037</u>



# County of Lancaster

ELECTED OFFICIALS at December 31, 2014

## **Clerk of Courts**

Joshua G. Parsons, Esq. 717-299-8275

## **Commissioners**

Dennis P. Stuckey, Chairman 717-299-8300

Scott Martin, Vice Chairman 717-299-8300

Craig Lehman 717-299-8300

## **Controller**

Brian K. Hurter, CPA 717-299-8262

## **Coroner**

Stephen G. Diamantoni, MD 717-735-2123

## **District Attorney**

Craig W. Stedman 717-299-8100

## **Prothonotary**

Katherine Wood-Jacobs 717-299-8282

## **Recorder of Deeds**

Bonnie Bowman 717-299-8238

## **Register of Wills**

Mary Ann Gerber 717-299-8243

## **Sheriff**

Mark S. Reese 717-299-8200

## **Treasurer**

Craig A. Ebersole 717-299-8222

### **County of Lancaster Controller's Office**

150 North Queen Street • Suite #710 • Lancaster, PA 17603

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