

# County of Lancaster

PENNSYLVANIA



ANNUAL REPORT SUMMARY  
December 31, 2015

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



## Controller's Office

150 North Queen Street  
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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 2015. 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, 2015.

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 transparency 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, 151 page, CAFR on the Controller's website at [www.co.lancaster.pa.us/132/Controllers-Office](http://www.co.lancaster.pa.us/132/Controllers-Office) or call 717-299-8262.

I hope that you find this report interesting and informative.

Sincerely,

Brian K. Hurter, CPA  
Lancaster County Controller

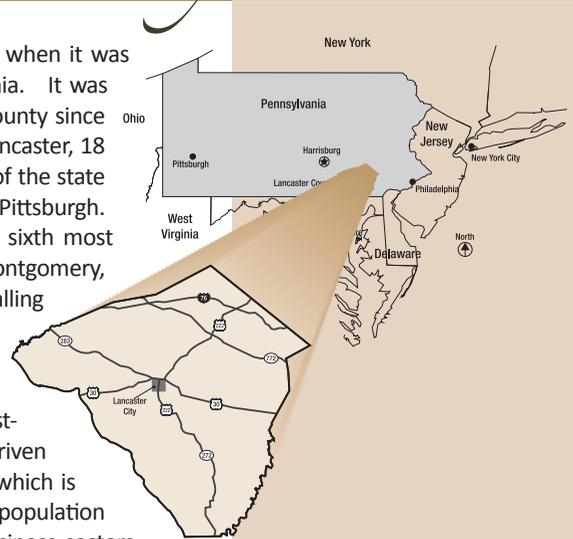


# About Lancaster County

Lancaster County was part of Chester County until May 10, 1729 when it was formed as the fourth county in the Commonwealth of Pennsylvania. It was named for Lancastershire in England and has been a third class county since 1962. Consisting of 60 municipal divisions including the City of Lancaster, 18 boroughs, and 41 townships it is located in the south central part of the state approximately 60 miles west of Philadelphia and 240 miles east of Pittsburgh. The county occupies a land area of 946 square miles and is the sixth most populous county in the state behind only Philadelphia, Allegheny, Montgomery, Bucks and Delaware counties with approximately 536,624 people calling it their home.

Lancaster County saw a year of economic growth with home sales reaching post-recession highs and unemployment reaching post-recession lows. The County is fortunate to have an economy driven by diverse industries, impressive innovation and a global impact, which is counter to its well-known reputation for rural landscapes, Amish population and a strong agricultural heritage. The County has significant business sectors in food processing, healthcare, pharmaceutical production and packaging, light manufacturing, agribusiness, professional services and a live events cluster. With a number of major employers, no one sector or company dominates the economy and it is that diversity which leads to our prosperity. The County's unemployment rate of 3.0% remains consistently lower than both the state and national averages of 4.7% and 5.0%, respectively. Located within a 500-mile radius of more than half the buying power of the nation, the County benefits from its proximity to the major marketplaces and transportation hubs of the East Coast while taking advantage of the costs and values associated with a mid-sized community.

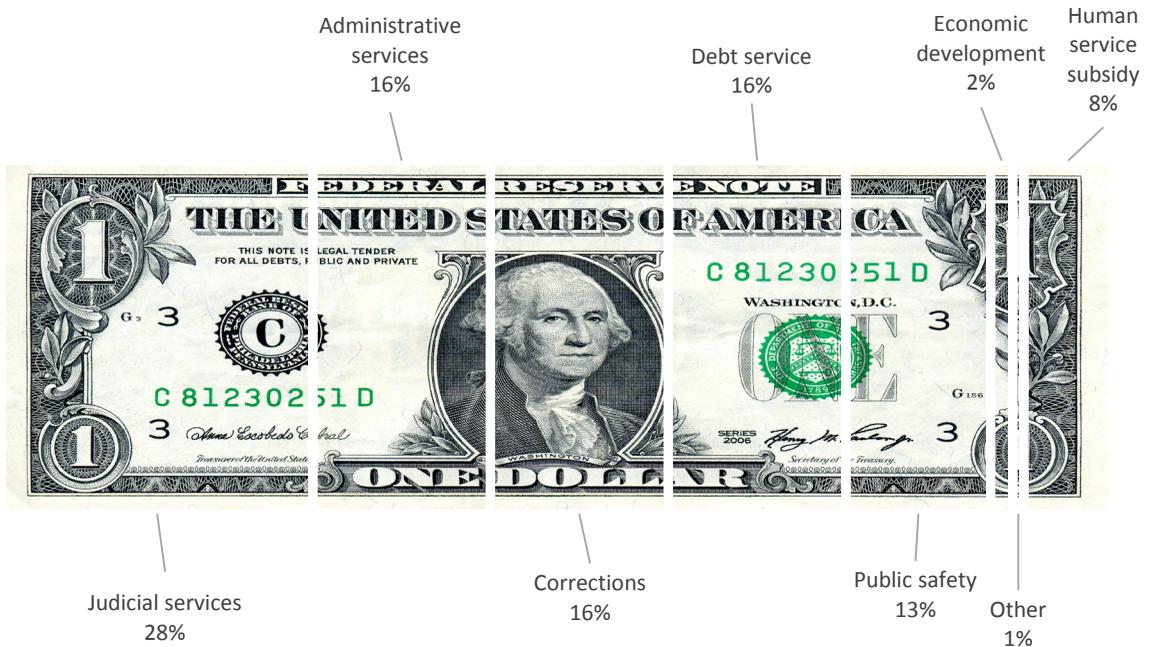
The farmlands of Lancaster County feature some of the richest, most productive, non-irrigated soil in the United States. The County's nearly 5,700 farms provide fresh, local food for its residents as well as people across the state and nation. The farmland and the industry it supports provide more than 51,000 jobs and contributes nearly \$6 billion to the local economy each year. Dairy farming is the leading agricultural business, but the local agriculture industry is an excellent example of a well-diversified farm economy that is not dependent on any one area for its success. Poultry, swine, beef, crop and vegetable production all contribute to the County's economic strength. As the County continues to struggle with the increasing pressure of development, communities are recognizing that new growth does not have to come at the expense of farmland. The Lancaster County Agricultural Preservation Board and the Lancaster Farmland Trust offer a solution to farmers who want to preserve their land and way of life for future generations. Thanks to their efforts, 105,448 acres of farmland on 1,372 farms have been preserved from future development. Land conservation offers many benefits to the County, including attracting jobs as well as tourists, enhancing property values, safeguarding a valuable way of life for generations to come, ensuring an adequate, fresh food supply, and protecting the quality of the environment.



# Your County Real Estate Taxes

Lancaster County's 2015 millage rate of 3.735 mills means residents paid County real estate taxes of \$373.50 on \$100,000 of assessed value. The County's millage rate has remained the same for the past three years.

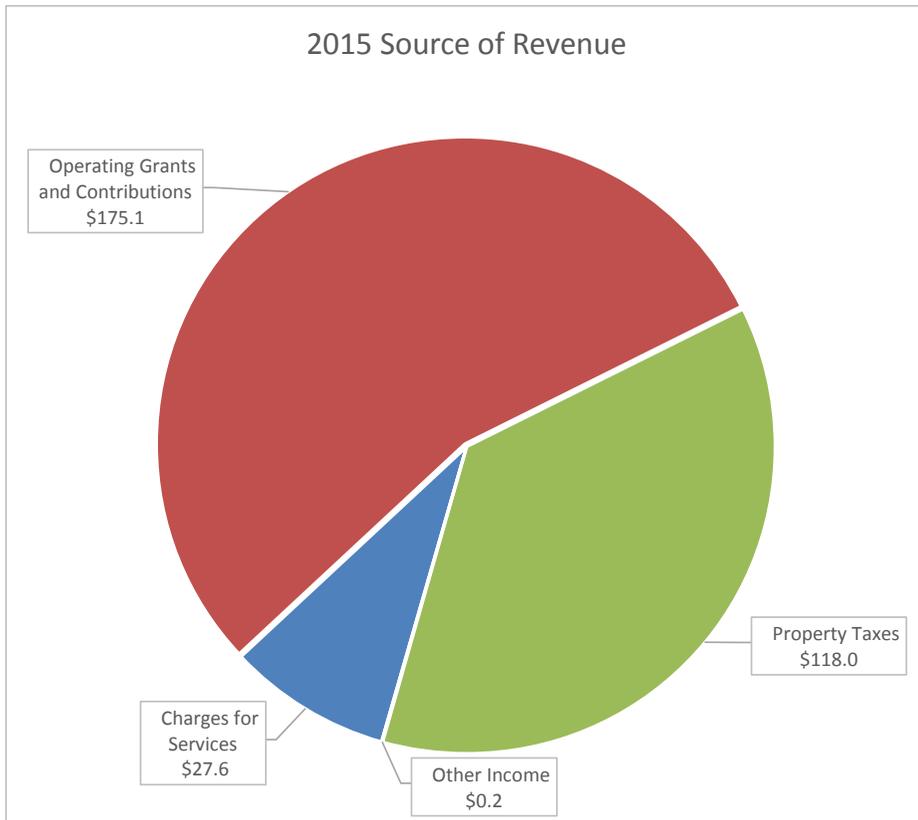
A large portion of the County's spending is funded by state and federal grants and charges for services. The remaining spending must be paid for primarily with your County real estate taxes. The illustration below shows how each dollar of your County real estate tax bill is spent.



# Dollars In...

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

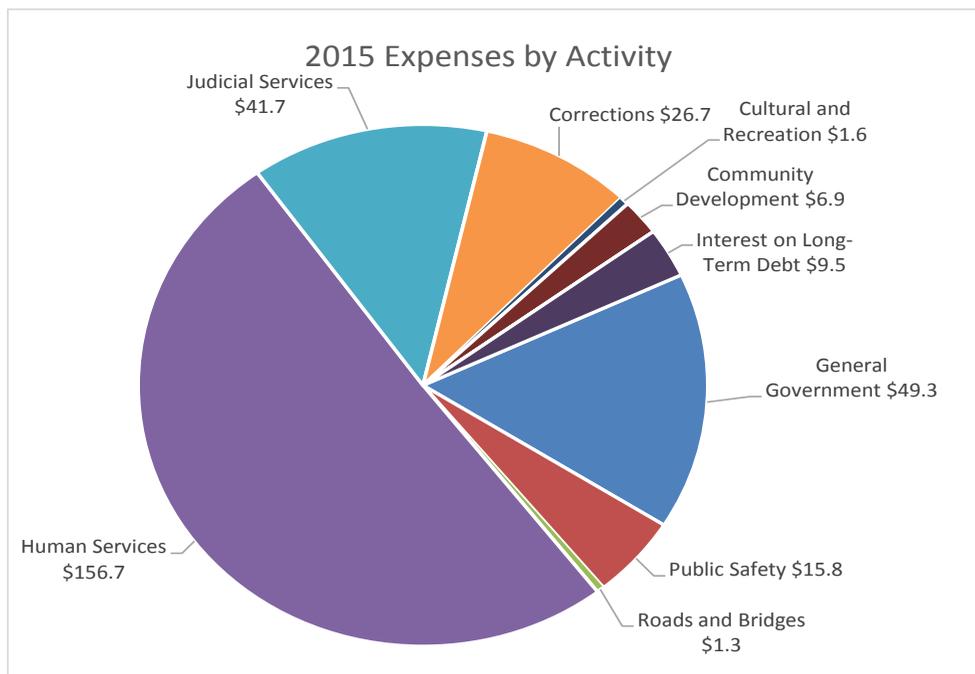
Revenues Taken In (expressed in millions)	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>General Revenues:</b>			
Property Taxes	\$ 118.0	\$117.2	\$116.5
Gain on Sale of Capital Assets	-	-	0.1
Unrestricted Investment Earnings	0.2	2.3	(1.3)
<b>Program Revenues:</b>			
Charges for Services	27.6	25.3	35.6
Operating Grants and Contributions	175.1	173.6	172.3
<b>Total Revenues</b>	<u>\$ 320.9</u>	<u>\$318.4</u>	<u>\$ 323.2</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>2015</u>	<u>2014</u>	<u>2013</u>
General Government	\$49.3	\$47.7	\$53.5
Public Safety	15.8	15.0	21.9
Roads and Bridges	1.3	0.7	0.4
Human Services	156.7	156.2	154.0
Judicial Services	41.7	42.4	44.5
Corrections	26.7	26.4	26.7
Cultural and Recreation	1.6	2.4	2.7
Community Development	6.9	4.3	3.5
Bond Issuance Costs	-	0.1	0.3
Interest on Long-Term Debt	9.5	10.6	10.6
<b>Total Service Expense</b>	<b>\$309.5</b>	<b>\$305.8</b>	<b>\$318.1</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.

**Human Services** – 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. This includes services such as Drug and Alcohol, Behavioral Health/Developmental Services, Office of Aging and Children and Youth.

**Judicial Services** – These are services performed in the County's Court System which includes the Court of Common Pleas, Clerk of Courts, Prothonotary, Register of Wills, Adult/Juvenile Probation and Parole, Magisterial District Judges, Sheriff and District Attorney.

**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. This includes the Park system which consists of six regional parks and three recreational trails for a total of 2,055 acres.

**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>2015</u>	<u>2014</u>	<u>2013</u>
<b>Assets</b>			
Cash	\$ 21.5	\$ 47.2	\$ 62.3
Investments	1.0	1.0	1.0
Accounts Receivable	44.1	21.3	21.9
Capital Assets	300.4	291.0	278.5
<b>Total Assets</b>	<u>367.0</u>	<u>360.5</u>	<u>363.7</u>
<b>Deferred Outflows of Resources</b>			
Deferred Outflows of Resources	27.1	8.3	7.1
<b>Total Deferred Outflows of Resources</b>	<u>27.1</u>	<u>8.3</u>	<u>7.1</u>
<b>Liabilities</b>			
Amount Owed to Vendors & Employees	24.0	12.4	14.4
Unearned Revenue	0.4	3.0	4.6
Long-term Liabilities	355.5	338.9	349.9
<b>Total Liabilities</b>	<u>379.9</u>	<u>354.3</u>	<u>368.9</u>
<b>Net Position</b>	<u>\$ 14.2</u>	<u>\$ 14.5</u>	<u>\$ 1.9</u>

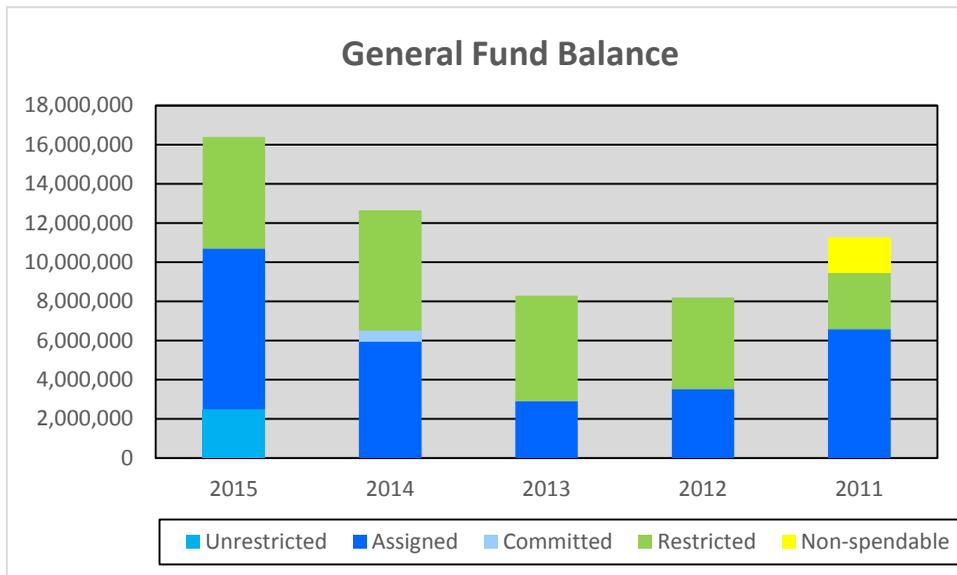
# How Strong is the County's Financial Position?

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 and help maintain the County's positive bond rating.

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

It is recommended that governments maintain an unrestricted 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 unrestricted fund balance of \$10.7 million (includes unrestricted and assigned) at December 31, 2015 represents approximately 7.1% of general fund revenues and 1 month of expenditures.

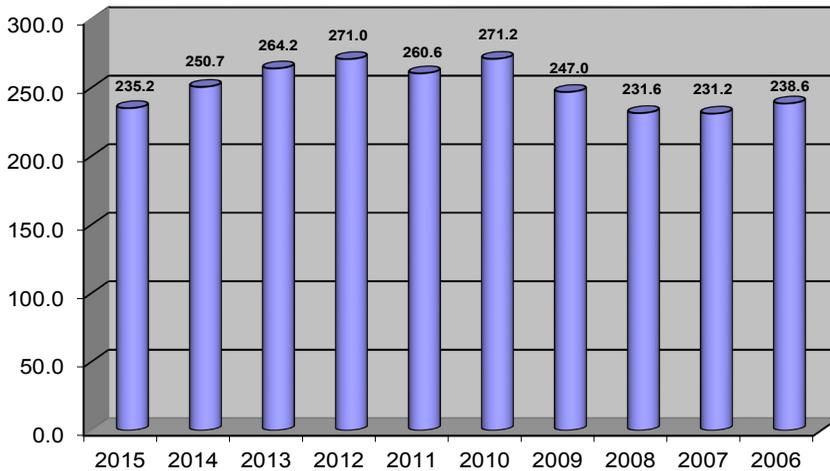


# General Obligation Debt

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, 2015 and the preceding nine years.

**General Obligation Bonds and Notes**



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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 15,061,900	\$ 7,880,143	\$ 22,942,043
2017	17,443,400	7,382,728	24,826,128
2018	18,119,700	6,814,906	24,934,606
2019	18,279,400	6,206,931	24,486,331
2020	17,356,400	5,727,527	23,083,927
2021-2025	72,392,600	21,345,628	93,738,228
2026-2030	65,195,000	9,036,091	74,231,091
2031-2033	<u>11,335,000</u>	<u>825,552</u>	<u>12,160,552</u>
	<u>\$ 235,183,400</u>	<u>\$ 65,219,506</u>	<u>\$ 300,402,906</u>



# County of Lancaster

ELECTED OFFICIALS at December 31, 2015

## **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

717-299-8262 • [www.co.lancaster.pa.us](http://www.co.lancaster.pa.us)