

County of Lancaster
PENNSYLVANIA



**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For the year ended December 31, 2021

COUNTY OF LANCASTER, PENNSYLVANIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended December 31, 2021

PREPARED BY THE CONTROLLER'S OFFICE

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George D. Alspach

COVER PHOTOGRAPH
Susquehanna River, Columbia Borough
Photo by Kathleen A. Harrison Photography

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COUNTY OF LANCASTER, PENNSYLVANIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the year ended December 31, 2021

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Lisa K. Colón

Controller

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Controller

Lisa Colón

June 29, 2022

To the Citizens of the County of Lancaster, Pennsylvania:

The Annual Comprehensive Financial Report of the County of Lancaster, Pennsylvania (the County), for the year ended December 31, 2021, 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 2021 will be completed by September 30, 2022. 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

Lancaster County was formed on May 10, 1729, becoming the fourth County in the Commonwealth of Pennsylvania. It was originally a part of Chester County and was named for Lancashire in England. 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. Lancaster consists of 60 municipal divisions including the City of Lancaster, 18 boroughs, and 41 townships and has been a third-class county since 1962. With approximately 553,652 people making it their home, Lancaster County is the sixth most populous 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's economy remains strong due to a heritage of innovation and entrepreneurial spirit along with a strong work ethic. Historically, the economy has always been very resilient and does not rely on one main sector or company. The County has a large base of manufacturing businesses, but farms, tourist attractions, downtown Lancaster, and many other industries have all helped to keep the economy growing over the years. New businesses continue to come to the county due to the steady growth in population over the decades which supply plenty of workers. The County's unemployment rate of 3.3% remains consistently lower than both the state and national averages of 5.5% and 3.9% respectively. Along with its diverse economy, the County is within 500 miles of half the buying power in the nation. Lancaster County's proximity to major metropolitan markets and the ports of Baltimore, Philadelphia, and Wilmington makes it an ideal location for business growth and success. In addition to these factors, Lancaster County's tradition of successful businesses built on strong values help the private sector continue to adapt to the ever-changing markets.

There is a strong awareness that agriculture has a major local economic impact well beyond the rural landscapes. From one perspective, Lancaster County is the land that time left behind. Carefully tilled farms are worked by horse-drawn equipment with animals cared for in cozy barns in much the same way as they have been for generations. But Lancaster County is also on the cutting edge with cows milked by robots and bio-digesters collecting methane gas from manure to produce electricity. It is a land where the productive soil is farmed with the latest precision technologies, using GPS and other tools to help put seed and fertilizer where it can most efficiently be utilized. With an increase in egg and poultry production, organic vegetables, meat goats, and industrial hemp, farmers have had to learn to diversify. They also use many conservation methods that include stream-bank fencing, riparian buffers, cover crops, and no-till planting to ensure that the land will be here for future generations. In addition to the rich soil, temperate climate, and adequate rainfall that help our farms to be successful, the County is home to many agribusinesses that help support the thriving farming community. From on-farm production to equipment repair, veterinarians, law firms, bankers, and accountants, all the way to food processing, the economic impact of agriculture spans a large spectrum.

After a year of serious economic struggles due to the pandemic, the tourism industry in Lancaster County exceeded pre-pandemic levels in terms of visitors and dollars spent and generated, setting a record. Lancaster County had 91.3 million visitors who spent \$2.3 billion. That's a record according to the study conducted by Tourism Economics. Visitation in the County was 32.1% higher than 2020 and 2.2% above 2019. Visitor spending

improved 53.9% over 2020 and 3.2% above 2019. Total business sales supported by tourism increased to \$3.25 billion, a rise of 33.1% over 2020 and 11% above 2019 levels. Leisure travel made up the bulk of travel in Lancaster County as business travel remained below pre-pandemic levels. Hopes are that group travel, particularly meetings and conventions, will return to normal levels in 2022. This is welcome news for the County's tourism sector which has been a mainstay of the community's ongoing economic success.

Major Initiatives

For the Year

- Lancaster County Office of Aging Senior Centers were impacted by COVID related closings during 2020 and 2021. Several strategies were implemented to engage isolated seniors. The most successful was the online activities for seniors. What started as 2 to 5 programs a week in the summer/fall of 2020 expanded rapidly in the winter/spring of 2021. Activities included painting, yoga and exercises, technology classes, ukulele and drumming sessions, nutrition education, and various games. By June, over 400 seniors participated in over 40 activities monthly. Despite the reopening of the senior centers in July, online classes continued to grow. Given the success of this new programming option, the Lancaster County Office of Aging virtual senior center became a permanent addition to the senior center program. In August, separate funds were allocated and a new full-time center manager was hired to handle the day-to-day operations. By December, over 800 unduplicated seniors were actively participating in this virtual program.
- The Lancaster County Sheriff's Department purchased 20 body cameras for use by some of its deputies. The cameras will increase evidence collection as well as provide accountability, transparency, and confirm the professionalism of the deputies. A de-escalation training course was developed by the training officers of the department. The training complies with their policy and provides deputies with an ongoing reminder of their priority when encountering emotionally charged situations.
- Work was completed on an approximately \$19 million dollar renovation project to the County's four-decade-old courthouse. Renovations of the 6th and 7th floors were completed in 2020 and occupied by the District Attorney. They house offices, a computer forensic lab, file storage, and conference and training rooms. The 5th floor was completed this year and is occupied by the Courts. It houses three judge's chambers, new courtrooms, and administrative offices.

For the Future

- Lancaster County received half of the approximately \$106 million in federal funding they were expecting under the American Rescue Plan Act (ARPA) and will receive the remaining half in 2022. The Lancaster County Board of Commissioners will come up with guidelines for proposals from both county agencies as well as the public on how the County should spend a portion of the money. Eligible proposals

for ARPA funds will need to focus on water, sewer, broadband, clean water, public safety projects, as well as technology modernization, workforce training, affordable housing, and public health improvements at hospitals or nursing homes. The County intends to use some of the funds for hiring and staff retention, as well as infrastructure projects, as stated in the approved guidelines. Proposals will be reviewed by county staff and recommendations will be made to the County Commissioners on which projects meet funding criteria. At this point, the board will hold public meetings for comment and final determination. The County must approve proposals and allocate its full ARPA budget by the end of 2024, but payments can continue until the end of 2026.

- The County Commissioners closed on the purchase of a 78-acre tract of land along the Conestoga River in February 2022. The land was purchased from the Kreider family for \$3 million and will be used to build a new prison to replace the existing facility, portions of which were built in the 19th century. The two parties are working on finalizing a deal that will allow the County to temporarily lease back the property to the Kreider family. The agreement would allow them to continue farming and using their residence on the property until the construction of the new prison begins. The Commissioners next step is to form a committee to lead the design process of the new prison. The design committee will pursue modern best practices for prisons, including an emphasis on reentry programs and recidivism prevention. Construction is not expected to begin until late 2023 or early 2024.
- Lancaster County Commissioners approved elevating the County's class status under Pennsylvania's local government code in February 2022. The decision, which was 10 years in the making, moves Lancaster County to "second class A", the same class that includes the three Philadelphia adjacent counties of Bucks, Montgomery, and Delaware. The change, which will have few effects on residents, simply denotes that the County's population falls in the 500,000 to 999,999 range. Among the few practical effects of the class change is a requirement to create an investment board, the option to create an airport authority, and the need to add citizen input to its Youth Intervention Center Advisory Board.

Financial Policies

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

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

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

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of Lancaster for its annual comprehensive financial report for the year ended December 31, 2020. 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 32nd 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**

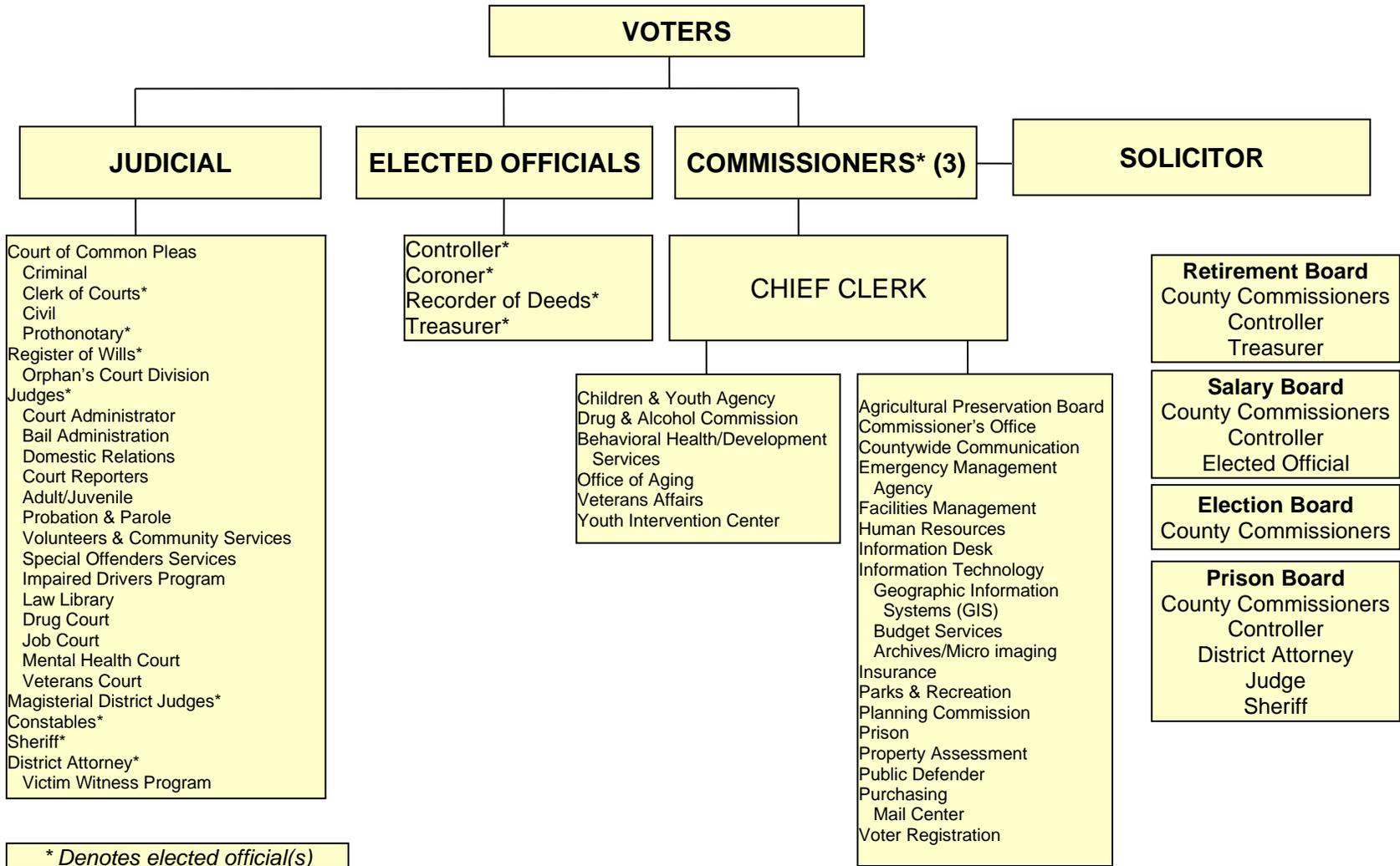
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

LANCASTER COUNTY ORGANIZATIONAL CHART – THIRD-CLASS COUNTY



* Denotes elected official(s)

**2021
County of Lancaster
List of Principal Officials**

Elected Officials

COMMISSIONERS

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

CLERK OF COURTS OF COMMON PLEAS

Rhonda F. Allen, Acting

CONTROLLER

Brian K. Hurter

CORONER

Stephen G. Diamantoni

JUDGES OF COURT OF COMMON PLEAS

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

DISTRICT ATTORNEY

Heather L. Adams

PROTHONOTARY

Andrew E. Spade

RECORDER OF DEEDS

Ann M. Hess

REGISTER OF WILLS

Anne L. Cooper

SHERIFF

Christopher R. Leppler

TREASURER

Amber L. Martin

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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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

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

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



SB & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

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 auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Owings Mills, Maryland June 29, 2022

SB & Company, LLC

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MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

This section of the County of Lancaster's (the County) Annual Comprehensive Financial Report presents a narrative overview and analysis of the County's financial performance for the fiscal year ended December 31, 2021. 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, 2021.

FINANCIAL HIGHLIGHTS

- ✓ The County's 2021 real estate property tax millage rate remained unchanged at 2.911.
- ✓ The County's adopted budget for 2021 was a balanced budget for the ninth consecutive year.
- ✓ The County maintained a bond rating of Aa2 during 2021.
- ✓ The County's net position increased \$60.7 million in 2021 to \$77.0 million.
- ✓ The County's unrestricted deficit was \$93.8 million as of December 31, 2021, compared to an unrestricted deficit of \$146.8 million as of December 31, 2020.
- ✓ The County's total General Fund balance increased \$10.9 million during 2021 to \$61.2 million.
- ✓ The County's total General Fund balance on December 31, 2021, included an unassigned fund balance of \$49.6 million. The unassigned fund balance increased \$11.3 million during 2021.
- ✓ The County's General Fund operating cash balance increased \$75.6 million during 2021 to \$139.0 million. Part of this balance is unspent ARPA and Emergency Rental Assistance Program (ERAP) funds that the County received to assist with the impact of the coronavirus pandemic.
- ✓ As of December 31, 2021, the County had \$161.8 million of total debt service commitments outstanding. This represents a decrease of \$14.4 million, or 8.2%, from the previous year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

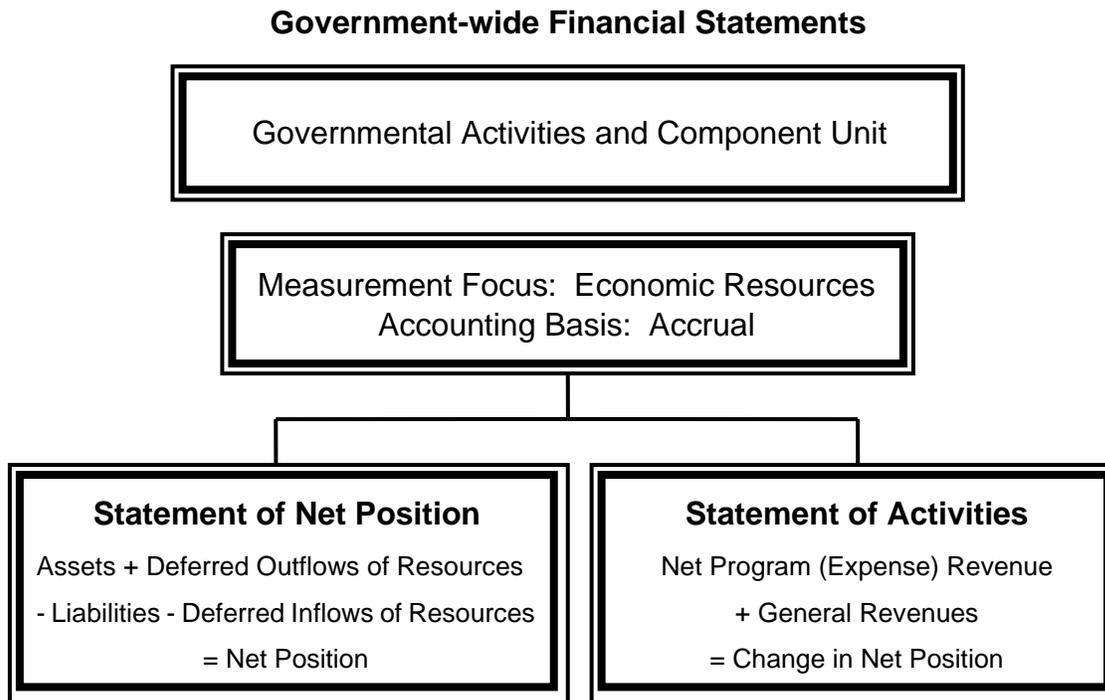
- ◆ *Governmental funds financial statements* which explain how services such as public safety were financed in the short term, as well as what remains for future spending.
- ◆ *Fiduciary funds financial statements* that reflect activities involving resources that are held by the County as a trustee or agent for parties outside the government. Fiduciary funds are not reflected in the government-wide statements because the resources cannot be used to support the County's programs.

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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



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:

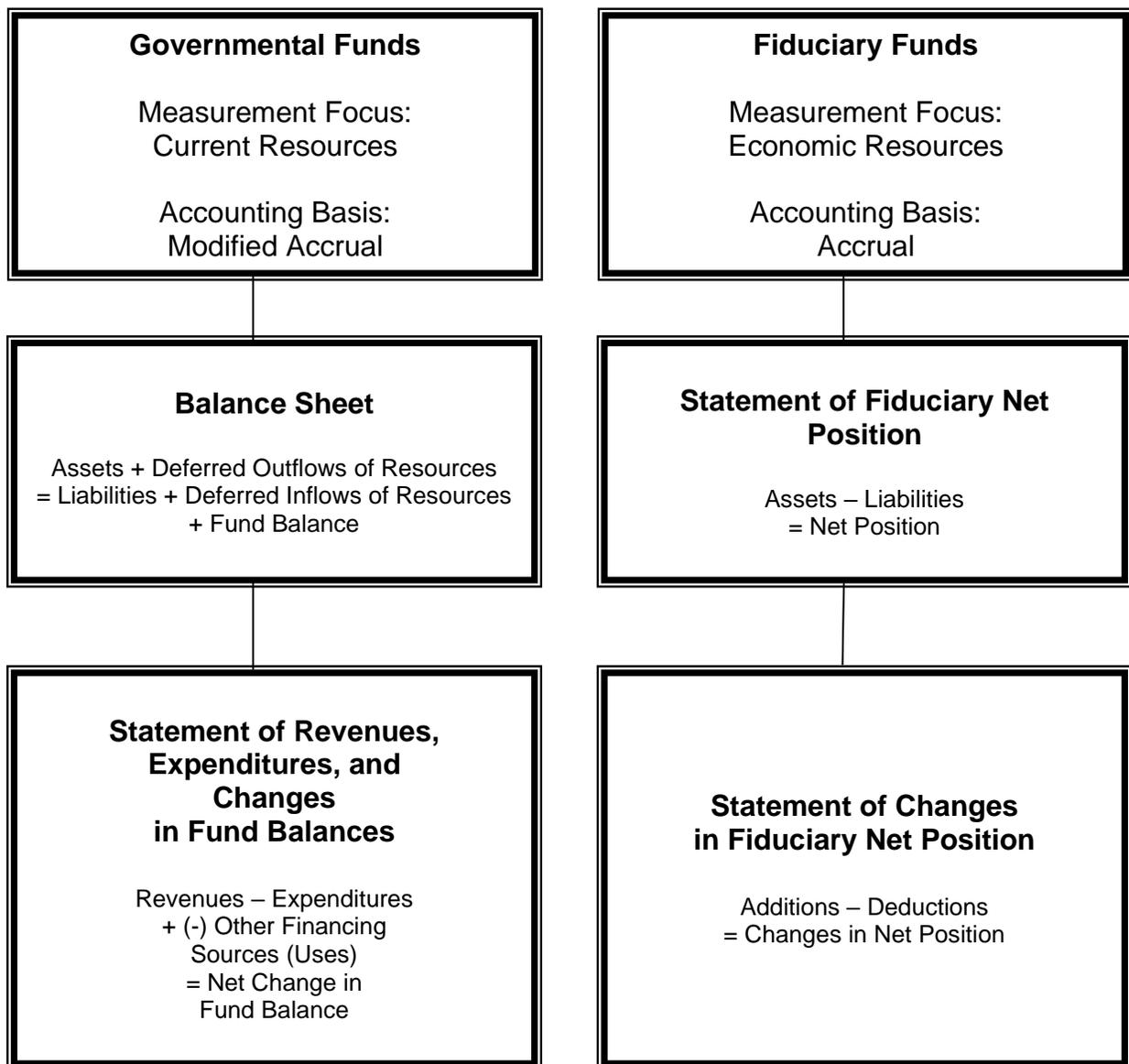
- ◆ *Governmental activities* – All the County’s basic services are included here, such as public safety, roads and bridges, health and welfare, and general government administration. Property and other such taxes, state and federal grants, and charges for services are the primary funding source of these 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, 2021, and 2020 is presented below:

<p>Table A-1 County Net Position as of December 31, 2021, and 2020 (amounts in millions)</p>

	2021	2020
Capital assets, net	\$ 303.0	\$ 301.3
Other assets	235.3	125.5
Total assets	538.3	426.8
Deferred outflows of resources	27.2	33.6
Total deferred outflows of resources	27.2	33.6
Other liabilities	103.8	37.5
Long-term liabilities	269.6	331.6
Total liabilities	373.4	369.1
Deferred inflows of resources	115.1	75.0
Total deferred inflows of resources	115.1	75.0
Net position (deficit):		
Net investment in capital assets	138.6	125.4
Restricted	32.2	37.7
Unrestricted (deficit)	(93.8)	(146.8)
Total net position	\$ 77.0	\$ 16.3

Net position of the County's governmental activities increased \$60.7 million to \$77.0 million. This increase was primarily the result of a decrease in the County's net other postemployment benefits (OPEB) liability as well as having a net pension asset.

Of the \$77.0 million, \$138.6 million represents the balance of net investments in capital assets, while \$32.2 million is restricted for various purposes. The County has an unrestricted deficit balance of \$93.8 million at the end of the year. Lancaster County's total assets stand at \$538.3 million and deferred outflows of resources stand at \$27.2 million as of December 31, 2021. Of the total assets, \$303.0 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, 2021, and 2020:

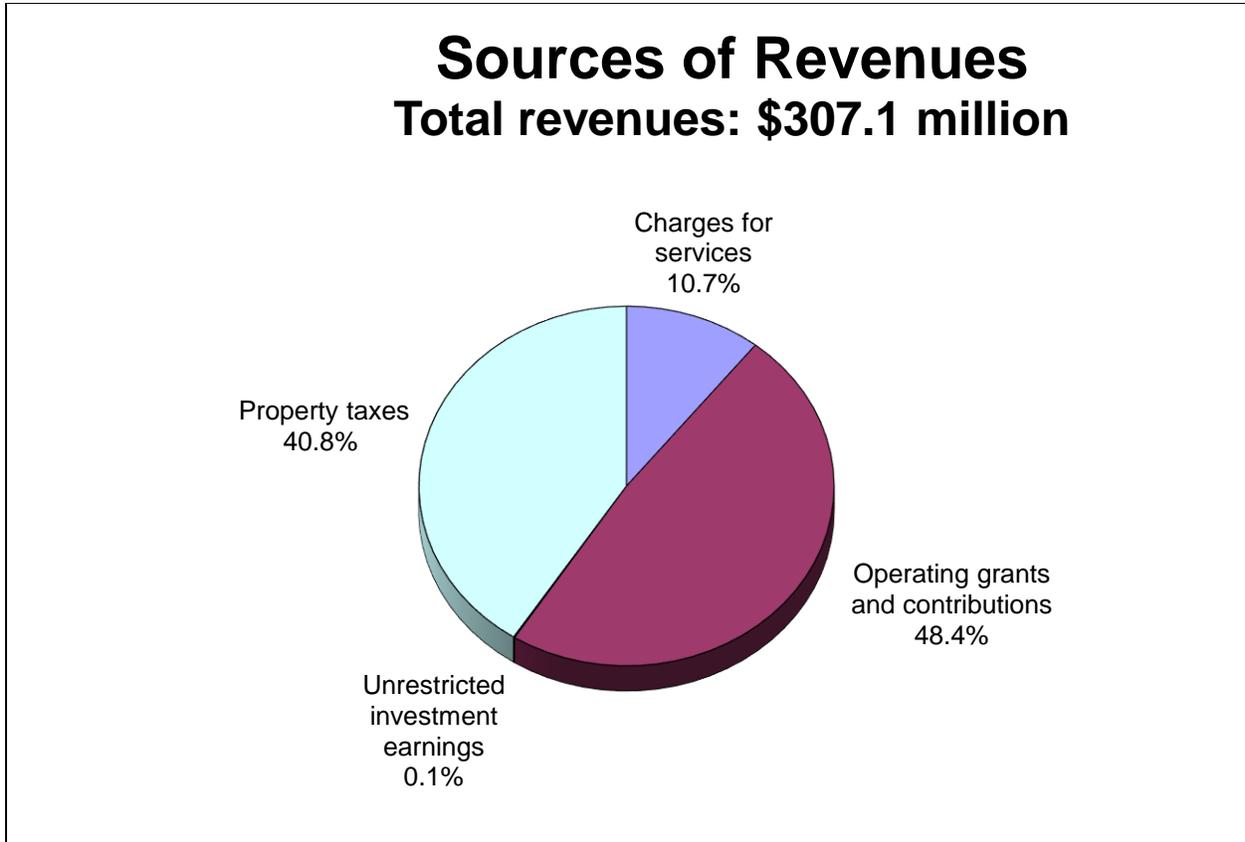
<p>Table A-2 County's Changes in Net Position for the years ending December 31, 2021, and 2020 (amounts in millions)</p>
--

	2021	2020
Revenues:		
Program revenues:		
Charges for services	\$ 32.7	\$ 30.7
Operating grants and contributions	148.6	174.5
General revenues:		
Property taxes	125.5	123.7
Unrestricted investment earnings	0.3	0.5
Total revenues	307.1	329.4
Expenses:		
General government	62.5	121.7
Public safety	12.4	13.2
Roads and bridges	1.1	1.0
Health, education, and welfare	73.4	72.9
Judicial	50.3	50.5
Corrections	30.8	27.1
Cultural and recreation	2.7	2.6
Community development	6.2	3.2
Interest on long-term debt	7.0	7.2
Total expenses	246.4	299.4
Change in net position	60.7	30.0
Net position – beginning	16.3	(13.7)
Net position – ending	\$ 77.0	\$ 16.3

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

GOVERNMENTAL ACTIVITIES:

The following chart graphically depicts the sources of revenues for the year ended December 31, 2021:

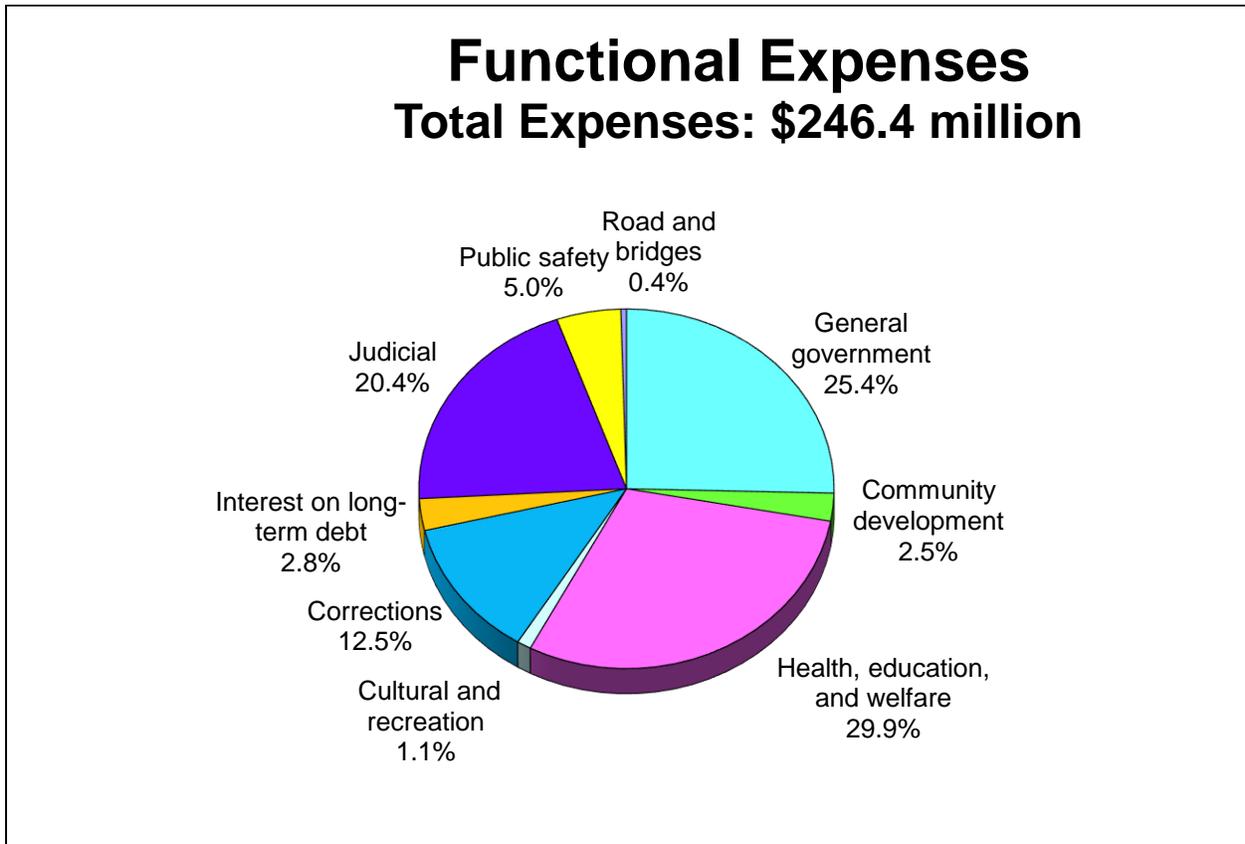


Total government-wide revenues of \$307.1 million were derived primarily from operating grants and contributions, representing 48.4% of the total. Property taxes made up the second largest source of revenue at 40.8%, followed by charges for services at 10.7%, and unrestricted investment earnings at 0.1%.

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, 2021:



Total expenses for all programs in 2021 were \$246.4 million. The expenses cover a wide range of services, with the largest being health, education, and welfare at 29.9%. The second largest program area was general government at 25.4%, followed by judicial at 20.4%, corrections at 12.5%, public safety at 5.0%, interest on long term debt at 2.8%, community development at 2.5%, cultural and recreation at 1.1%, and road and bridges at 0.4%.

See pages 25 through 28 for details of these amounts and explanations of changes to expenses.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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

GOVERNMENTAL FUNDS:

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

As of December 31, 2021, the General Fund reported a fund balance of \$61.2 million, which was a \$10.9 million or 21.7% increase over the previous year's balance of \$50.3 million. This increase was the result of 66.5% of budgeted revenues being collected while only 53.5% of budgeted expenditures were spent. Revenues decreased from \$244.1 million to \$217.3 million, a \$26.8 million or 11.0% decrease. This decrease was the result of a reduction in CARES funds recognized as revenue. Expenditures decreased from \$224.1 million to \$180.2 million, which was a \$43.9 million or 19.6% decrease. This decrease was the result of a reduction in CARES funds spent as well as a reduction in debt service and capital outlay due to a decrease in Act 13 spending on bridges.

The fund balance in the Children and Youth Services special revenue fund decreased to \$2.0 million as of December 31, 2021, from \$2.3 million, a \$0.3 million or 13.0% decrease. This decrease was the result of Children and Youth Agency collecting 86.9% of their budgeted revenues while spending 90.8% of their budgeted expenses. Revenues decreased from \$33.6 million to \$33.2 million, a \$0.4 million or 1.2% decrease. Expenditures decreased from \$43.2 million to \$42.5 million, a decrease of \$0.7 million or 1.6%. The decreases are the result of less children being placed in out-of-home settings.

The Behavioral Health and Developmental Services special revenue fund has no fund balance to report. Revenues in this fund increased to \$29.2 million from \$27.6 million, an increase of \$1.6 million or 5.8%. Expenditures increased from \$28.6 million to \$30.1 million, a \$1.5 million or 5.2% increase. The increase in both the revenues and expenditures is due to increased activity in both federal and state grants.

As of December 31, 2021, the Domestic Relations special revenue fund balance was \$15.6 million, as compared to \$14.6 million last year, an increase of \$1.0 million or 6.8%. This increase was the result of Domestic Relations receiving 108.2% of their budgeted revenue while only spending 89.0% of their budgeted expenses. The revenues and expenses remained basically unchanged compared to the prior year.

The fund balance in the Capital Projects special revenue fund increased to \$18.6 million as of December 31, 2021, from \$10.3 million, an \$8.3 million or 80.6% increase. This increase was the result of the creation of the Capital Improvement Reserve Fund. Revenues decreased from \$0.1 million to \$0.0 million, a \$0.1 million or 100.0% decrease. This decrease was due to a decrease in interest earned for the year. Expenditures decreased from \$13.6 million to \$5.0 million, a decrease of \$8.6 million or 63.2%. This decrease was due to the completion of the courthouse renovation project.

The Human Services Block Grant special revenue fund has no fund balance to report. The revenues increased from \$0.05 million on December 31, 2020, to \$0.4 million on December 31, 2021, an increase of \$0.35 million or 700.0%. This increase was the result of transfers from the block grant exceeding transfers into the block grant, intergovernmental revenue, and interest earned. Expenditures were unchanged at \$0.0 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

The County's original revenue budget increased from \$165.9 million to \$333.8 million, an increase of \$167.9 million or 101.2%. This was the result of the County receiving \$53.0 million in ARPA funds, \$57.0 million in ERAP funds, and \$6.2 million in Hospitality Recovery funds. Actual revenues received totaled \$221.9 million or 66.5% of the final budget. Intergovernmental revenues were \$113.1 million lower than the final budgeted amounts due to not all the ARPA and ERAP funds being spent during the year. Fines and costs were \$0.9 million lower than the final budgeted amounts due to a reduction in fines and costs assessed and collected because of the pandemic.

The County's original operating expenditure budget, excluding transfers, increased from \$156.9 million to \$340.2 million, an increase of \$183.3 million or 116.8%. This was the result of the County receiving \$53.0 million in ARPA funds, \$55.0 million in ERAP funds, and \$6.2 million in Hospitality Recovery funds. Actual expenditures were \$182.0 million or 53.5% 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 2021.

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, 2021, net of accumulated depreciation, amounted to \$303.0 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, 2021, and 2020:

Summary of Capital Assets		
	2021	2020
Land	\$ 5,375,585	\$ 5,275,585
Buildings and improvements	232,716,851	227,203,010
Improvements other than buildings	1,849,019	1,849,019
Furniture and equipment	59,210,513	57,297,766
Infrastructure	37,253,962	34,368,967
Easements	110,711,133	109,637,739
Less accumulated depreciation	(144,124,572)	(134,352,052)
Total	<u>\$ 302,992,491</u>	<u>\$ 301,280,034</u>

Total capital assets increased from \$301.3 million to \$303.0 million, an overall increase of \$1.7 million or 0.6%. The significant elements of this increase include a \$5.5 million increase in buildings and improvements due to renovations to the 6th and 7th floors of the courthouse, as well as roof replacement and security upgrades at the prison and a \$2.9 million increase in infrastructure due to the replacement of the Pequea #6 bridge and Mill #1 bridge. These increases were offset by regularly scheduled depreciation.

As of December 31, 2021, the County had \$4,013,681 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, 2021, the County had \$161.8 million of general obligation bonds, general obligation notes and direct borrowings, and installment purchase agreements outstanding. This was a decrease of \$14.4 million or 8.2% from the previous year. The following details activity related to general obligation bonds, general obligation notes and direct borrowings, and installment purchase agreements during 2021:

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

Beginning balance at 1/1/2021	\$ 176,152,600
Debt issued	-
Less principal refunded	-
Less principal payments	<u>(14,391,600)</u>
Ending balance at 12/31/2021	<u>\$ 161,761,000</u>

BOND RATING:

The County maintained a bond rating of Aa2 during 2021.

The County continues to aggressively reduce long-term debt.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The key economic factors affecting the County include the following:

- The County's population has grown consistently over the past decade and most of the County's residents succeed in finding employment.
- The County's unemployment rate stands at 3.3%, which is a 36.5% decrease over the previous year's rate of 5.2%. This rate compares favorably with the state rate of 5.5% and the national rate of 3.9%. The decrease over the prior year is a result of people returning to work after the coronavirus pandemic.

These factors were considered in preparing the County's 2022 budget. Amounts available for appropriation in the General Fund budget are \$168.8 million, an increase of 1.7% over the final 2020 budget of \$165.9 million. Real estate tax receipts were budgeted to increase by \$1.7 million due to natural growth. Fees and fines were budgeted to increase by \$0.8 million due to an increase in Register of Wills and Recorder of Deeds fees.

Budgeted operating expenditures, excluding transfers, were increased 2.2% for 2022, to \$160.7 million, from \$157.2 million in 2021. This is due primarily to the increase in operating expenses, capital expenses, and affiliated agency/capital project grants.

For the 2022 budget year the Board of County Commissioners approved a balanced budget for the tenth consecutive year.

The County expects to receive approximately \$53 million additional ARPA funds in the summer of 2022 to assist the County in dealing with the continuing impacts of the coronavirus pandemic.

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, 2021

	Primary Government	Component Unit
		Lancaster County Convention Center Authority
	Governmental Activities	
ASSETS		
Cash and investments:		
Operating	\$ 181,410,769	\$ 2,759,436
Other	500,326	-
Cash with fiscal agents	136	-
Restricted cash and investments	-	12,822,583
Receivables:		
Room rental tax	-	1,215,821
Taxes, net of allowance for uncollectibles of \$53,205	1,720,305	-
Fines and costs, net of allowance for uncollectibles of \$36,585,745	4,454,542	-
Accounts	2,922,960	-
Due from other governments	17,524,300	-
Restricted	-	-
Other	2,354,693	88,316
Prepaid items	-	161,986
Net pension asset	24,396,495	-
Capital assets not being depreciated/amortized:		
Land	5,375,585	1,607,517
Easements	110,711,133	-
Capital assets being depreciated/amortized:		
Buildings and improvements	232,716,851	76,293,976
Improvements other than buildings	1,849,019	-
Furniture and equipment	59,210,513	6,338,238
Infrastructure	37,253,962	-
Less accumulated depreciation/amortization	(144,124,572)	(29,858,107)
Total assets	<u>538,277,017</u>	<u>71,429,766</u>
DEFERRED OUTFLOWS OF RESOURCES		
Accumulated decrease in the fair value of hedging derivatives	1,300,943	-
Deferred charge on refunding	3,397,209	-
Deferred outflows related to pensions	16,635,782	-
Deferred outflows related to OPEB	5,913,656	-
Total deferred outflows of resources	<u>27,247,590</u>	<u>-</u>
LIABILITIES		
Accounts payable	14,938,748	1,788,149
Contracts payable	170,415	-
Retainage payable	247,950	-
Accrued interest payable	1,026,048	248,154
Unearned revenue	82,907,370	127,577
Payroll related accruals	4,463,320	4,233
Long-term liabilities:		
Due within one year	20,264,778	670,000
Due in more than one year	245,719,069	58,620,000
Derivative instruments - interest rate swap liability	2,716,783	9,172,186
Borrowing payable	921,738	15,021,347
Total liabilities	<u>373,376,219</u>	<u>85,651,646</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	37,910,758	-
Deferred inflows related to OPEB	77,199,946	-
Total deferred inflows of resources	<u>115,110,704</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	138,618,561	(520,002)
Restricted for:		
Federal and state grant programs	23,894,084	-
Capital projects	5,302,635	-
Public safety	1,962,353	-
Community development	1,036,562	-
Other	-	6,971,348
Unrestricted (deficit)	(93,776,511)	(20,673,226)
Total net position	<u>\$ 77,037,684</u>	<u>\$ (14,221,880)</u>

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

County of Lancaster, Pennsylvania

Statement of Activities

For the Year Ended December 31, 2021

	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		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	\$ 62,541,277	\$ 10,656,561	\$ 58,874,886	\$ 6,990,170	\$ -
Public safety	12,353,393	10,541,822	283,015	(1,528,556)	-
Roads and bridges	1,073,484	-	3,062,132	1,988,648	-
Health, education, and welfare:					
Drug and alcohol	4,750,726	270,009	4,564,999	84,282	-
Behavioral health and developmental services	28,887,734	2,238,575	26,918,174	269,015	-
Office of aging	7,911,113	36,641	8,496,887	622,415	-
Children and youth	31,804,434	377,600	32,780,782	1,353,948	-
Other	2,000	354,873	3,301	356,174	-
Judicial	50,334,968	6,284,040	7,531,473	(36,519,455)	-
Corrections	30,764,447	1,732,120	16,325	(29,016,002)	-
Cultural and recreation	2,718,435	248,279	-	(2,470,156)	-
Community development	6,184,668	-	6,110,290	(74,378)	-
Interest on long-term debt	7,044,609	-	-	(7,044,609)	-
Total government activities	<u>\$ 246,371,288</u>	<u>\$ 32,740,520</u>	<u>\$ 148,642,264</u>	<u>(64,988,504)</u>	<u>-</u>
Component Unit:					
Convention center	\$ 7,674,406	\$ 1,155,168	\$ -		(6,519,238)
Total component unit	<u>\$ 7,674,406</u>	<u>\$ 1,155,168</u>	<u>\$ -</u>		<u>(6,519,238)</u>
General Revenues:					
Property taxes				125,470,686	-
Unrestricted investment earnings (loss)				292,285	4,622,022
Room rental tax				-	6,312,944
Total general revenues				<u>125,762,971</u>	<u>10,934,966</u>
Change in net position				60,774,467	4,415,728
Net position - beginning				16,263,217	(18,637,608)
Net position - ending				<u>\$ 77,037,684</u>	<u>\$ (14,221,880)</u>

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

County of Lancaster, Pennsylvania

Balance Sheet - Governmental Funds

December 31, 2021

	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	\$ 139,021,634	\$ 613,984	\$ -	\$ 14,661,252	\$ 19,038,755	\$ 4,348,686	\$ 3,726,458	\$ 181,410,769
Other	-	125,256	191,251	-	-	-	183,819	500,326
Cash with fiscal agents	136	-	-	-	-	-	-	136
Receivables:								
Taxes	1,773,510	-	-	-	-	-	-	1,773,510
Less allowance for uncollectible taxes	(53,205)	-	-	-	-	-	-	(53,205)
Fines and costs	41,040,287	-	-	-	-	-	-	41,040,287
Less allowance for uncollectible fines and costs	(36,585,745)	-	-	-	-	-	-	(36,585,745)
Accounts	2,922,960	-	-	-	-	-	-	2,922,960
Due from other funds	1,605,045	-	-	-	-	-	-	1,605,045
Due from other governments	4,671,831	4,894,278	4,704,755	1,140,597	-	-	2,112,839	17,524,300
Other	-	-	264,114	-	-	-	14,784	278,898
Total assets	\$ 154,396,453	\$ 5,633,518	\$ 5,160,120	\$ 15,801,849	\$ 19,038,755	\$ 4,348,686	\$ 6,037,900	\$ 210,417,281
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 7,574,900	\$ 3,182,902	\$ 3,214,125	\$ 7,749	\$ -	\$ -	\$ 959,072	\$ 14,938,748
Contracts payable	-	-	-	-	170,415	-	-	170,415
Retainage payable	-	-	-	-	247,950	-	-	247,950
Due to other funds	-	-	1,605,045	-	-	-	-	1,605,045
Unearned revenue - intergovernmental	77,298,830	-	-	-	-	4,348,686	1,259,854	82,907,370
Payroll related accruals	3,404,668	414,253	340,950	163,853	-	-	139,596	4,463,320
Total liabilities	88,278,398	3,597,155	5,160,120	171,602	418,365	4,348,686	2,358,522	104,332,848
Deferred inflows of resources:								
Unavailable revenue-property taxes and fines & costs	4,883,695	-	-	-	-	-	-	4,883,695
Total deferred inflows of resources	4,883,695	-	-	-	-	-	-	4,883,695
Fund Balances:								
Restricted:								
Health, education, and welfare	-	2,036,363	-	-	-	-	2,559,465	4,595,828
Capital projects	-	-	-	-	5,302,635	-	-	5,302,635
Roads and bridges	1,188,605	-	-	-	-	-	83,351	1,271,956
General government	1,210,463	-	-	-	-	-	-	1,210,463
Public safety	1,962,353	-	-	-	-	-	-	1,962,353
Judicial	1,185,590	-	-	15,630,247	-	-	-	16,815,837
Community development	-	-	-	-	-	-	1,036,562	1,036,562
Committed:								
Capital projects	-	-	-	-	13,317,755	-	-	13,317,755
Assigned:								
Future benefits	1,070,183	-	-	-	-	-	-	1,070,183
Healthcare benefits	2,102,636	-	-	-	-	-	-	2,102,636
Corrections	2,482,794	-	-	-	-	-	-	2,482,794
Judicial	381,862	-	-	-	-	-	-	381,862
Unassigned	49,649,874	-	-	-	-	-	-	49,649,874
Total fund balances	61,234,360	2,036,363	-	15,630,247	18,620,390	-	3,679,378	101,200,738
Total liabilities, deferred inflows of resources, and fund balances	\$ 154,396,453	\$ 5,633,518	\$ 5,160,120	\$ 15,801,849	\$ 19,038,755	\$ 4,348,686	\$ 6,037,900	\$ 210,417,281
Total fund balances								\$ 101,200,738
Amounts reported for governmental activities in the statement of net assets are different because:								
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds. (Note 7)								302,992,491
Certain receivables are not available to pay for current-period expenditures and, therefore, are not recognized or unearned in the funds.								4,883,695
Long-term liabilities, including general obligation bonds, notes payable, net pension liabilities, net OPEB liabilities, and related deferred inflows and outflows, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. (Note 3)								(358,511,530)
Other long-term note receivable								2,075,795
Net pension asset								24,396,495
Total net position of governmental activities								\$ 77,037,684

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, 2021

	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	\$ 125,593,195	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,593,195
Intergovernmental	58,753,179	32,780,782	26,918,174	5,170,586	-	3,301	22,234,308	145,860,330
Departmental	28,440,341	377,600	350,864	31,195	-	-	36,641	29,236,641
Fines and costs	2,950,879	-	-	-	-	-	-	2,950,879
Investment earnings	254,842	-	-	18,184	8,511	8,606	2,142	292,285
Other	1,314,006	-	-	-	-	354,873	270,009	1,938,888
Health Choices revenues	-	-	1,887,711	-	-	-	-	1,887,711
Total revenues	217,306,442	33,158,382	29,156,749	5,219,965	8,511	366,780	22,543,100	307,759,929
EXPENDITURES								
Current:								
General government	66,721,272	-	-	-	-	-	-	66,721,272
Public safety	11,166,686	-	-	-	-	-	-	11,166,686
Roads and bridges	-	-	-	-	-	-	189,086	189,086
Health, education, and welfare:								
Drug and alcohol	-	-	-	-	-	-	5,052,524	5,052,524
Behavioral Health and Developmental Services	-	-	29,695,783	-	-	-	-	29,695,783
Office of aging	-	-	-	-	-	-	9,147,159	9,147,159
Children and youth	-	42,513,360	-	-	-	-	-	42,513,360
Judicial	45,945,763	-	-	6,511,232	-	-	-	52,456,995
Corrections	29,325,948	-	-	-	-	-	-	29,325,948
Cultural and recreation	2,427,147	-	-	-	-	-	-	2,427,147
Community development	-	-	-	-	-	-	6,270,476	6,270,476
Capital outlay	3,087,804	12,774	360,388	-	4,960,047	-	2,812,185	11,233,198
Debt Service:								
Principal retirement	14,391,600	-	-	-	-	-	-	14,391,600
Interest and fiscal charges	7,126,362	-	-	-	-	-	-	7,126,362
Total expenditures	180,192,582	42,526,134	30,056,171	6,511,232	4,960,047	-	23,471,430	287,717,596
Excess (deficiency) of revenues over (under) expenditures	37,113,860	(9,367,752)	(899,422)	(1,291,267)	(4,951,536)	366,780	(928,330)	20,042,333
OTHER FINANCING SOURCES (USES)								
Transfers in	-	9,068,242	899,422	2,370,666	13,317,755	267,000	920,939	26,844,024
Transfers out	(26,210,244)	-	-	-	-	(633,780)	-	(26,844,024)
Face amount of refunding bonds issued	-	-	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-
Premium on refunding bonds issued	-	-	-	-	-	-	-	-
Face amount of bonds issued	-	-	-	-	-	-	-	-
Premium on bond issued	-	-	-	-	-	-	-	-
Issuance of capital leases	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(26,210,244)	9,068,242	899,422	2,370,666	13,317,755	(366,780)	920,939	-
Net change in fund balances	10,903,616	(299,510)	-	1,079,399	8,366,219	-	(7,391)	20,042,333
Fund balances, January 1	50,330,744	2,335,873	-	14,550,848	10,254,171	-	3,686,769	81,158,405
Fund balances, December 31	\$ 61,234,360	\$ 2,036,363	\$ -	\$ 15,630,247	\$ 18,620,390	\$ -	\$ 3,679,378	\$ 101,200,738

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, 2021

Net change in fund balances - total governmental funds	\$ 20,042,333
The change in net assets 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)	1,712,457
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.	(614,174)
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)	16,808,954
Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.	1,291,223
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)	21,657,879
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>(124,205)</u>
Change in net position of governmental activities	<u>\$ 60,774,467</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, 2021

	Pension Trust Fund	Custodial Funds
ASSETS		
Cash and cash equivalents	\$ 2,123,573	\$ 17,300,754
Investments, at fair value:		
U.S. Government securities	15,803,079	-
Domestic corporate bonds	14,330,422	-
International corporate bonds	2,993,092	-
Collateralized mortgage obligations	4,160,679	-
Real estate	25,129,323	-
Equity mutual funds	128,147,200	-
Global mutual funds	101,587,329	-
International equity mutual funds	38,485,592	-
Fixed income mutual funds	38,851,474	-
Exchange traded index funds	16,885,655	-
Brokered CDs	1,179,946	-
Total investments	387,553,791	-
Receivables	291,308	
Total assets	389,968,672	17,300,754
LIABILITIES		
Deposits and advances	-	3,367,044
Escrow liability	-	4,481,445
Other	-	2,891,469
Due to other governments	-	6,560,796
Total liabilities	-	17,300,754
NET POSITION		
Restricted for:		
Pensions	389,968,672	-
Total net position	\$ 389,968,672	\$ -

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, 2021

	Pension Trust Fund	Custodial Funds
ADDITIONS		
Contributions:		
Employer	\$ 5,142,723	\$ —
Plan members	6,270,764	—
Taxes	—	213,013,671
Fees, fines, and costs	—	36,453,030
Bail and advanced costs	—	1,655,475
Inmate funds	—	2,326,035
Child support	—	909,433
Miscellaneous	—	2,920,741
Total contributions	11,413,487	257,278,385
Investment income:		
Net appreciation in fair value of investments	42,720,617	—
Interest and dividends	8,159,350	—
Less investment expenses	(367,348)	—
Net investment income	50,512,619	—
Total additions	61,926,106	257,278,385
DEDUCTIONS		
Benefit payments, including refunds of member contributions	20,641,081	—
Administrative expenses	43,928	—
Taxes	—	213,013,671
Fees, fines, and costs	—	36,453,030
Bail and advanced costs	—	1,655,475
Inmate funds	—	2,326,035
Child support	—	909,433
Miscellaneous	53,076	2,920,741
Total deductions	20,738,085	257,278,385
Net increase in net position	41,188,021	—
NET POSITION		
Beginning of year	348,780,651	—
End of year	\$389,968,672	\$ —

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, 2021

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 discretely presented component unit of the County. Complete financial statements of this component unit can be requested from the County Controller's Office of Lancaster County, 150 North Queen Street, Suite 710, Lancaster, Pennsylvania 17603.

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 do not extend beyond making the appointments. These organizations include:

- Lancaster County Redevelopment Authority
- Lancaster Airport Authority
- Lancaster County Hospital Authority
- Lancaster County Housing Authority
- Lancaster County Solid Waste Management Authority
- Lancaster County Solid Waste Management Authority
Citizen Advisory
- Library System of Lancaster County
- Lancaster County Planning Commission
- Red Rose Transit Authority
- Lancaster County Conservation District
- Lancaster County Transportation Authority
- Lancaster County Vacant Property Reinvestment Board
- Lancaster County Workforce Development Board
- Lancaster County Land Bank Authority
- Lancaster County Agricultural Preservation Board
- Lancaster County Board of Assessment
- Speedwell Forge Advisory Council
- Lancaster County Behavioral Health and Developmental
Services Advisory Board
- Lancaster County Children and Youth Advisory Board
- Lancaster County Drug and Alcohol Advisory Board
- Lancaster County Office of Aging Advisory Board
- Lancaster County Public Safety Training Center Authority
- South Central Transit Authority
- Lancaster County Health 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, except for the Custodial Fund, which does not measure operations and does not have a 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. If the Authority encountered an event of default on the Hotel Room Rental Tax Revenue Bonds, Series of 2003 or the Hotel Room Rental Tax Revenue Bonds, Series of 2007, the 20% allocated to Discover Lancaster would be diverted to the trustee of the Authority's Bonds. Revenue was recognized in the period to which the County attributed collection.

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

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

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)

For the year ended December 31, 2021, the Authority's funds on deposit with the trustee under the terms of the trust indenture exceed the established thresholds, and \$1,412,861 of the hotel room rental tax revenue was payable to Discover Lancaster under the terms of the Collaboration Agreement.

New Accounting Pronouncements

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

In January of 2020, the GASB issued Statement No. 92, "Omnibus 2020". The objectives of this statement are to address a variety of topics and includes specific provisions about the following: the effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reports; reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan; the applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits; the applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements; measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition; reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; reference to

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements (continued)

nonrecurring fair value measurements of assets or liabilities in authoritative literature; and terminology used to refer to derivative instruments. The requirements of this statement related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The remaining requirements of this statement will be effective for reporting periods beginning after June 15, 2021. This statement is not expected to have a material effect on the County's financial statements.

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

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

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

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements (continued)

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

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 beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. This statement is not expected to have a material effect on the County's financial statements.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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

Pooled Cash and Temporary Investments

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

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

Cash and Cash Equivalents

Discretely Presented Component Unit

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

Investments

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

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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

Investments (continued)

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

Discretely Presented Component Unit

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

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

Short-Term Interfund Receivables/Payables

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

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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

Restricted Assets

Discretely Presented Component Unit

Certain proceeds of revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position, because their use is limited by applicable trust indentures or other agreements. As of December 31, 2021, restricted assets included cash and investments in the amount of \$12,822,583 and accounts receivable in the amount of \$0.

Capital Assets

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

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

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

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

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

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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

Capital Assets (continued)

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

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

Discretely Presented Component Unit

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

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

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

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

Unearned Revenue

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

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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

Unearned Revenue (continued)

Discretely Presented Component Unit

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

Deferred Outflows/Inflows of Resources

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

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

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

Accrued Vacation and Sick Pay

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

Risk Management

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

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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

Risk Management (continued)

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

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

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

Fund Balance

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

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

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

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

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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

Fund Balance (continued)

Nonspendable Fund Balance

Nonspendable fund balance is the component of fund balance that is not available for expenditure and typically represents prepaid items; however, no such amounts existed as of December 31, 2021.

Restricted Fund Balance

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

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

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

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

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

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

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

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)

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

Committed Fund Balance

Committed fund balance represents amounts that can be spent only for the specific purposes allowed by the formal action taken by the County Commissioners in the form of a Resolution.

Fund Balance Assigned

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

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

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

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

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

Unassigned Fund Balance

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

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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

Leases

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

Intergovernmental Revenues

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

Departmental Revenues

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

Investment Earnings

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

Derivatives – Interest Rate Swap/Swaptions

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

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

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 \$358,511,530 difference is as follows:

General obligation bonds and notes payable	\$ 143,685,000
Plus: Issuance premium (amortized as income)	11,759,898
General obligation notes and direct borrowings payable	17,640,000
Installment purchase agreements payable	436,000
Accrued vacation and sick pay	6,655,229
Net OPEB liability	73,044,011
Accrued interest payable	1,026,048
Deferred outflow from refundings	(3,397,209)
Deferred outflow from interest rate swap	(1,300,943)
Net deferred inflows related to pensions	21,274,976
Net deferred inflows related to OPEB	71,286,290
Derivative instrument – interest rate swap/swaption liability	2,716,783
Borrowing payable	921,738
Capital leases	11,866,852
Contracts payable	31,113
Workers’ compensation	415,744
Stadium loan payable	450,000
Net adjustment to <i>total fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	\$ 358,511,530

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 \$1,712,457 difference is as follows:

Capital outlay	\$ 12,149,392
Depreciation/amortization expense	(10,220,362)
Loss on disposal	<u>(216,573)</u>
Net adjustment to decrease <i>net changes in fund balance – total governmental funds</i> to arrive at <i>changes in net position – governmental activities</i>	<u><u>\$ 1,712,457</u></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 \$16,808,954 difference is as follows:

Principal repayments:	
Capital lease payment	\$ 2,417,354
General obligation debt	<u>14,391,600</u>
Net adjustment to increase <i>net changes in fund balance – total governmental funds</i> to arrive at <i>changes in net position – governmental activities</i>	<u><u>\$ 16,808,954</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 (continued)

Another element of that reconciliation states that, “governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.” The detail of this \$1,291,223 difference is as follows:

Amortization of net bond premiums	\$ 1,291,223
Net adjustment to decrease <i>net changes in fund balance – total governmental funds</i> to arrive at <i>changes in net position – governmental activities</i>	<u>\$ 1,291,223</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 \$21,657,879 difference is as follows:

Accrued vacation and sick pay	\$ 478,580
Contracts payable	85,808
Net pension asset	28,979,461
Net OPEB liability	37,102,174
Deferred outflows related to pensions	(5,191,767)
Deferred inflows related to pensions	(13,745,239)
Deferred outflows related to OPEB	447,687
Deferred inflows related to OPEB	(26,323,816)
Accrued interest payable	81,753
Amortization of loss on refunding	(382,654)
Workers’ compensation	(99,108)
Stadium loan payable	<u>225,000</u>
Net adjustment to decrease <i>net changes in fund balance – total governmental funds</i> to arrive at <i>changes in net position – governmental activities</i>	<u>\$ 21,657,879</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 \$(124,205) difference is as follows:

Stadium loan receivable	\$(124,205)
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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, 2021, the County's book balance was \$181,911,231 and the bank balances totaled \$190,998,301. Of the bank balances, \$1,800,042 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, 2021, the County's non-pension investments included \$16,326,208 invested in U.S. Treasury Strips, U.S. Treasury Mutual Funds, and Certificates of Deposit.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of December 31, 2021, the County's non-pension investments included \$16,326,208 invested in U.S. Treasury Strips, U.S. Treasury Mutual Funds, and Certificates of Deposit. The County's non-pension investments are categorized as uninsured and collateralized with securities held by the pledging financial institution's agent but not in the County's name under Act 72 of the Commonwealth of Pennsylvania. Although the County follows the Pennsylvania County Code, the County does not have a formal investment policy relative to managing custodial credit risk.

Interest Rate Risk

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

As of December 31, 2021, the County's non-pension investments included \$16,326,208 invested in U.S. Treasury Strips, U.S. Treasury Mutual Funds, and Certificates of Deposit. The County manages its exposure to interest rate risk for non-pension investments by investing in fixed rate obligations. The non-pension investments with longer terms to maturity are inherently more sensitive to changes in interest rates as investments with interest rates that are fixed for longer periods are likely to be subject to more variability in their fair value as a result of future changes in interest rates. Although the County follows the Pennsylvania County Code, the County does not have a formal investment policy relative to managing interest rate risk.

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, 2021, 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 Strips	\$ 432,529	\$ 209,465	\$ 223,064	\$ -	\$ -
U.S. Treasury Mutual Funds	116,018	116,018	-	-	-
Certificates of Deposit	15,777,661	15,777,661	-	-	-
Total Non-Pension Investments	<u>\$ 16,326,208</u>	<u>\$ 16,103,144</u>	<u>\$ 223,064</u>	<u>\$ -</u>	<u>\$ -</u>

As of December 31, 2021, the County's non-pension investments had the following fair value measurements:

Investments by Fair Value Level	Fair Value as of December 31, 2021	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 Strips	\$ 432,529	\$ 432,529	\$ -	\$ -
U.S. Treasury Mutual Funds	116,018	116,018	-	-
Certificates of Deposit	15,777,661	15,777,661	-	-
Total Non-Pension Investments	<u>\$ 16,326,208</u>	<u>\$ 16,326,208</u>	<u>\$ -</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. Securities classified as Level 1 are valued using prices quoted in active markets for those securities. Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable inputs, such as management's assumptions and information about market participant assumptions that are reasonably available.

Credit Risk

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

As of December 31, 2021, the County's non-pension investments include U.S. Treasury Strips with a fair value of \$432,529; U.S. Treasury Mutual Funds with a fair value of \$116,018; and Certificates of Deposit with a fair value of \$15,777,661, which are not rated.

Pension Investments

The County utilizes various investment options for the County's Pension Plan. As of December 31, 2021, the County's pension investments had a fair value of \$387,553,791. In addition to the pension investments, the County maintains Money Market Funds with a fair value of \$2,123,573, for the County's Pension Plan, which are reported as cash and cash equivalents and investments in the Statement of Fiduciary Net Position.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

5. Deposits and Investments (continued)

Pension Investments (continued)

Custodial Credit Risk

As of December 31, 2021, the County’s pension investments were subject to custodial credit risk except for \$2,123,573 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, 2021, 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	\$ 15,803,079	\$ -	\$ 8,774,992	\$ 4,738,303	\$ 2,289,784
Domestic Corporate Bonds	14,330,422	-	8,006,102	5,925,373	398,947
International Corporate Bonds	2,993,092	-	1,640,865	965,846	386,381
Collateralized Mortgage Obligations	4,160,679	-	2,572,524	99,776	1,488,379
Brokered CDs	1,179,946	-	1,179,946	-	-
Fixed Income Mutual Funds	38,851,474	38,851,474	-	-	-
Total Pension Investments	<u>\$ 77,318,692</u>	<u>\$ 38,851,474</u>	<u>\$ 22,174,429</u>	<u>\$ 11,729,298</u>	<u>\$ 4,563,491</u>

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, 2021, the County's pension investments had the following fair value measurements:

Investments by Fair Value Level	Fair Value as of December 31, 2021	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	\$ 15,803,079	\$ 9,817,833	\$ 5,985,246	\$ -
Domestic Corporate Bonds	14,330,422	14,330,422	-	-
International Corporate Bonds	2,993,092	2,606,711	386,381	-
Collateralized Mortgage Obligations	4,160,679	150,238	4,010,441	-
Brokered CDs	1,179,946	1,179,946	-	-
Fixed Income Mutual Funds	38,851,474	38,851,474	-	-
Equity Mutual Funds	128,147,200	128,147,200	-	-
Real Estate Funds	25,129,323	25,129,323	-	-
Global Mutual Funds	101,587,329	101,587,329	-	-
International Equity Mutual Funds	38,485,592	38,485,592	-	-
Exchange Traded Index Funds	16,885,655	16,885,655	-	-
Total Pension Investments	<u>\$ 387,553,791</u>	<u>\$ 377,171,723</u>	<u>\$ 10,382,068</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. Finally, Level 3 inputs are unobservable inputs, such as management's assumptions and information about market participant assumptions that are reasonably available.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

5. Deposits and Investments (continued)

Pension Investments (continued)

Interest Rate Risk (continued)

In addition to the pension investments, the County maintains Money Market Funds with a fair value of \$2,123,573. 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, 2021:

Investment Type	Fair Value	Credit Rating*
Pension Investments		
U.S. Government Securities	\$ 15,803,079	Aaa
Total U.S. Government Securities	<u>15,803,079</u>	
Domestic Corporate Bonds	1,003,456	Aa
Domestic Corporate Bonds	7,824,644	A
Domestic Corporate Bonds	<u>5,502,322</u>	Baa
Total Domestic Corporate Bonds	14,330,422	
International Corporate Bonds	943,159	Aa
International Corporate Bonds	1,349,462	A
International Corporate Bonds	<u>700,471</u>	Baa
Total International Corporate Bonds	2,993,092	
Collateralized Mortgage Obligations	2,740,675	Aaa
Collateralized Mortgage Obligations	25,439	Aa
Collateralized Mortgage Obligations	55,596	A
Collateralized Mortgage Obligations	<u>1,338,969</u>	NR
Total Collateralized Mortgage Obligations	4,160,679	
Brokered CDs	<u>1,179,946</u>	Aaa
Total Brokered CDs	1,179,946	
Fixed Income Mutual Funds	38,851,474	N/A
Equity Mutual Funds	128,147,200	N/A
Real Estate Funds	25,129,323	N/A
Global Mutual Funds	101,587,329	N/A
International Equity Mutual Funds	38,485,592	N/A
Exchange Traded Index Funds	<u>16,885,655</u>	N/A
Total Pension Investments	<u>\$ 387,553,791</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 \$2,123,573, which are rated Aaa by Moody's. All of these investments are reported as cash and temporary investments-operating in the Statement of Fiduciary Net Position.

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

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. As of December 31, 2021, \$38,485,592 of the County's pension investments were held in international equity mutual funds, \$101,587,329 of the County's pension investments were held in global mutual funds, and \$2,993,092 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.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

5. Deposits and Investments (continued)

Deposits

Discretely Presented Component Unit

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Convention Center Authority does not have a deposit policy for custodial credit risk. As of December 31, 2021, the Convention Center Authority's book balance was \$8,355,858 and the bank balance was \$8,205,742. Of the bank balance, \$500,000 was covered by federal depository insurance as of December 31, 2021. As of December 31, 2021, 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, 2021, the Convention Center Authority's investments included \$7,226,161 invested in money market funds.

Custodial Credit Risk

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

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

5. Deposits and Investments (continued)

Investments (continued)

Discretely Presented Component Unit (continued)

Interest Rate Risk

The Convention Center Authority does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. As of December 31, 2021, all of the Convention Center Authority's investments had an average maturity of less than one year.

Credit Risk

With the exception of investments held in the Convention Center Authority's debt service reserve fund, the Convention Center Authority does not have a formal investment policy relative to managing credit risk. As of December 31, 2021, the Convention Center Authority's investment in money market funds were rated AAAM by Standard & Poor's.

Concentration of Credit Risk

The Convention Center Authority places no limit on the amount it may invest in any one issuer. As of December 31, 2021, 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.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

6. Property Taxes (continued)

The County is permitted by the County Code of the Commonwealth of Pennsylvania to levy property taxes up to 25 mills on every dollar of adjusted valuation for general County purposes exclusive of the requirements for the payment of interest and principal on funded debt. The property tax rate for 2021 was 2.911 mills.

County property tax revenues were reduced by \$302,815 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.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

6. Property Taxes (continued)

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

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

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

- Columbia Borough
- East Cocalico Township
- Lancaster City
- 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 \$302,815 for the year ended December 31, 2021.

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.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

6. Property Taxes (continued)

Keystone Opportunity Zone (KOZ) Program (continued)

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

There was no county forgone real estate tax revenue as a result of KOZ tax abatement agreements entered into by the Commonwealth of Pennsylvania for the year ended December 31, 2021.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

7. Capital Assets

A summary of capital asset activity for the year ended December 31, 2021, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 5,275,585	\$ 100,000	\$ —	\$ 5,375,585
Easements	109,637,739	1,073,394	—	110,711,133
Total capital assets, not being depreciated	114,913,324	1,173,394	—	116,086,718
Capital assets, being depreciated:				
Buildings and improvements	227,203,010	5,513,841	—	232,716,851
Improvements other than buildings	1,849,019	—	—	1,849,019
Furniture and equipment	57,297,766	2,577,162	(664,415)	59,210,513
Infrastructure	34,368,967	2,884,995	—	37,253,962
Total capital assets being depreciated	320,718,762	10,975,998	(664,415)	331,030,345
Less accumulated depreciation for:				
Buildings and improvements	98,148,623	5,225,565	—	103,374,188
Improvements other than buildings	966,795	60,641	—	1,027,436
Furniture and equipment	27,691,760	4,006,905	(447,842)	31,250,823
Infrastructure	7,544,874	927,251	—	8,472,125
Total accumulated depreciation	134,352,052	10,220,362	(447,842)	144,124,572
Total capital assets, being depreciated, net	186,366,710	755,636	(216,573)	186,905,773
Governmental activities capital assets, net	\$ 301,280,034	\$ 1,929,030	\$ (216,573)	\$ 302,992,491

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

7. Capital Assets (continued)

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

Governmental activities:	
General government	\$ 3,517,988
Public safety	2,663,353
Roads and bridges	901,799
Health, education, and welfare	200,013
Judicial	1,022,287
Corrections	1,648,677
Cultural and recreation	266,245
Total depreciation expense – governmental activities	<u><u>\$ 10,220,362</u></u>

Commitment amounts of \$4,013,681 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, 2021, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,607,517	\$ -	\$ -	\$ 1,607,517
Total capital assets, not being depreciated	1,607,517	-	-	1,607,517
Capital assets, being depreciated:				
Building	75,651,101	642,875	-	76,293,976
Furniture and equipment	6,207,127	131,111	-	6,338,238
Total capital assets, being depreciated	81,858,228	773,986	-	82,632,214
Less accumulated depreciation for:				
Building	22,608,964	2,000,362	-	24,609,326
Furniture and equipment	4,857,127	391,654	-	5,248,781
Total accumulated depreciation	27,466,091	2,392,016	-	29,858,107
Total capital assets, being depreciated, net	54,392,137	(1,618,030)	-	52,774,107
Capital assets, net	<u><u>\$ 55,999,654</u></u>	<u><u>\$ (1,618,030)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 54,381,624</u></u>

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

8. Lease Obligations

Capital Leases

In 2012, the County entered into a lease agreement as lessee for financing the acquisition of a new communications system. The County has acquired equipment towards that system valued at \$25,205,375. The equipment has a twenty-year estimated useful life. This year, \$1,260,269 was included in depreciation expense and \$9,700,064 was included as accumulated depreciation. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments at inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2021, were as follows:

<u>Years Ending</u>	<u>Amount</u>
2022	\$ 2,226,973
2023	2,226,973
2024	2,226,973
2025	2,226,973
2026	2,033,609
Total minimum lease payments	10,941,501
Less: amount representing interest at 3.159%	881,155
Present value of minimum lease payments	<u>\$ 10,060,346</u>

In 2019, the County entered into a lease agreement as lessee for financing the acquisition of a new body scanner for the prison. The County has acquired equipment towards that system valued at \$121,163. The equipment has a seven-year estimated useful life. This year, \$17,309 was included in depreciation expense and \$51,927 was included as accumulated depreciation. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments at inception date.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

8. Lease Obligations (continued)

Capital Leases (continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2021, were as follows:

<u>Years Ending</u>	<u>Amount</u>
2022	\$ 20,098
2023	20,098
2024	20,098
2025	20,098
2026	20,098
Total minimum lease payments	100,490
Less: amount representing interest at 3.889%	10,738
Present value of minimum lease payments	<u>\$ 89,752</u>

In 2019, the County entered into a lease agreement as lessee for financing the acquisition of new voting equipment. The County has acquired equipment towards that system valued at \$2,710,994. The equipment has a five-year estimated useful life. This year, \$542,199 was included in depreciation expense and \$1,626,597 was included as accumulated depreciation. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments at inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2021, were as follows:

<u>Years Ending</u>	<u>Amount</u>
2022	\$ 595,258
2023	595,258
2024	595,258
Total minimum lease payments	1,785,774
Less: amount representing interest at 3.195%	108,314
Present value of minimum lease payments	<u>\$ 1,677,460</u>

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

8. Lease Obligations (continued)

Capital Leases (continued)

In 2020, the County entered into a lease agreement as lessee for financing the acquisition of new hand-held radios. The County has acquired equipment towards that system valued at \$60,295. The equipment has a five-year estimated useful life. This year, \$12,059 was included in depreciation expense and \$24,118 was included as accumulated depreciation. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments at inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2021, were as follows:

<u>Years Ending</u>	<u>Amount</u>
2022	\$ 13,062
2023	13,062
2024	13,062
2025	2,177
Total minimum lease payments	<u>41,363</u>
Less: amount representing interest at 3.19%	2,070
Present value of minimum lease payments	<u><u>\$ 39,293</u></u>

Operating Leases

The County is committed under various leases for building and office space and data processing and other equipment. These leases are considered for accounting purposes to be operating leases. Lease expenses for the year ended December 31, 2021, amounted to \$3,689,368. Future minimum lease payments for these leases are as follows:

<u>Years Ending</u>	<u>Amount</u>
2022	\$ 3,473,505
2023	2,465,463
2024	2,215,284
2025	1,938,558
2026	1,712,382
2027-2031	6,623,562
2032-2036	5,101,890
2037-2041	3,462,639
2042-2046	1,205,385
2047-2051	1,079,480
Total	<u><u>\$ 29,278,150</u></u>

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

9. Long-Term Liabilities

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

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

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

As determined under the Commonwealth of Pennsylvania Local Government Unit Debt Act of 1972, the total legal debt limit of the County as of December 31, 2021, was \$478,807,142. The total amount of debt applicable to the debt limit, which does not include lease rental debt, is \$161,325,000. The remaining legal debt margin of the County as of December 31, 2021, was \$317,482,142. Refer to Statistical Table 12 for a detailed calculation.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

9. Long-Term Liabilities (continued)

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

General obligation bonds consisted of the following as of December 31, 2021:

3.375% General Obligation Bonds, Series A of 2013 in the principal amount of \$1,595,000 to finance certain capital projects dated August 7, 2013, principal payable annually, final principal amount of \$135,000 due November 1, 2022.	\$ 135,000
4.007% - 5.556% General Obligation Bonds, Series B of 2013 in the principal amount of \$5,200,000 to finance certain capital projects dated August 7, 2013, principal payable annually, varying in amounts from \$160,000 to \$630,000 from November 1, 2022, to November 1, 2033.	5,200,000
3.00% - 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 \$1,570,000 to \$1,875,000 from May 1, 2022, to May 1, 2026.	8,610,000
2.50% - 4.625% General Obligation Bonds, Series A of 2015 in the principal amount of \$12,840,000 to refund the outstanding General Obligation Bonds, Series A of 2010 of the County dated September 2, 2015, principal payable annually, final principal amount of \$1,785,000 due November 1, 2022.	1,785,000
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 \$1,120,000 to \$1,640,000 from May 1, 2022, to May 1, 2031.	13,790,000
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 \$1,410,000 to \$1,635,000 from November 1, 2022, to November 1, 2027.	9,135,000
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, 2022, to November 1, 2033.	15,820,000
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 \$295,000 to \$470,000 from November 1, 2022, to November 1, 2037.	5,950,000
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 \$1,190,000 to \$1,755,000 from November 1, 2022, to November 1, 2032.	16,015,000
2.00% - 5.00% General Obligation Bonds, Series of 2018 in the principal amount of \$13,320,000 to refund the outstanding General Obligation Bonds, Series C of 2013 of the County dated March 21, 2018, principal payable annually, varying in amounts from \$990,000 to \$1,370,000 from March 1, 2022, to March 1, 2030.	10,520,000

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

9. Long-Term Liabilities (continued)

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

<p>2.00% - 4.00% General Obligation Bonds, Series of 2019 in the principal amount of \$20,255,000 to refund the outstanding General Obligation Bonds, Series A of 2009, to refund the outstanding General Obligation Bonds, Series of 2014, and to finance certain capital projects dated March 12, 2019, principal payable annually varying in amounts from \$500,000 to \$2,835,000 from November 1, 2022, to November 1, 2044.</p>	19,235,000
<p>1.05% - 4.00% General Obligation Bonds, Series A of 2020 in the principal amount of \$14,920,000 to refund the outstanding General Obligation Bonds, Series B of 2010 and to refund the outstanding General Series C of 2010, principal payable annually, varying in amounts from \$5,000 to \$2,115,000 from November 1, 2022, to November 1, 2030.</p>	14,915,000
<p>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, 2022, to November 1, 2035.</p>	10,555,000
<p>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 \$530,000 to \$1,405,000 from November 1, 2022, to November 1, 2032.</p>	12,020,000

General obligation notes and direct borrowings consisted of the following as of December 31, 2021:

<p>Variable rate interest bearing General Obligation Note, Series A of 2002 in the principal amount of \$25,050,000 to current refund Series of 2000, dated September 13, 2002, principal payable annually, varying in amounts from \$1,545,000 to \$2,439,000 from October 25, 2022, to October 25, 2030. Interest is payable monthly, based upon monthly calculations remitted by the trustee that include amounts sufficient to pay payments and receipts under any interest rate swap agreements, payments due to holders of the note, and monthly finance charges. The interest on the note will never exceed 15%.</p>	17,640,000
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Installment purchase agreements consisted of the following as of December 31, 2021:

<p>5.50% Interest bearing installment purchase agreement in the amount of \$210,000, dated December 30, 2002, to finance the lease and subsequent purchase of an agricultural easement, principal payable in full on November 15, 2022.</p>	210,000
<p>5.85% Interest bearing installment purchase agreement in the amount of \$226,000, dated September 3, 2003, to finance the purchase of an agricultural easement, principal payable in full on November 15, 2023.</p>	226,000

<p>Total general obligation bonds, general obligation notes and direct borrowings, and installment purchase agreements as of December 31, 2021</p>	<p>\$ 161,761,000</p>
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County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

9. Long-Term Liabilities (continued)

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

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

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 13,395,000	\$ 5,584,534	\$ 18,979,534
2023	13,700,000	5,058,128	18,758,128
2024	12,510,000	4,508,352	17,018,352
2025	13,030,000	4,004,288	17,034,288
2026	13,545,000	3,476,390	17,021,390
2027-2031	56,470,000	9,921,282	66,391,282
2032-2036	15,405,000	2,388,207	17,793,207
2037-2041	3,515,000	746,305	4,261,305
2042-2044	2,115,000	155,150	2,270,150
	<u>\$ 143,685,000</u>	<u>\$ 35,842,636</u>	<u>\$ 179,527,636</u>

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

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,545,000	\$ 183,933	\$ 1,728,933
2023	1,635,000	167,378	1,802,378
2024	1,730,000	149,860	1,879,860
2025	1,830,000	131,324	1,961,324
2026	1,934,000	111,721	2,045,721
2027-2030	8,966,000	226,730	9,192,730
	<u>\$ 17,640,000</u>	<u>\$ 970,946</u>	<u>\$ 18,610,946</u>

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

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 210,000	\$ 24,771	\$ 234,771
2023	226,000	13,221	239,221
	<u>\$ 436,000</u>	<u>\$ 37,992</u>	<u>\$ 473,992</u>

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

9. Long-Term Liabilities (continued)

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

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

Years	Principal	Interest	Total
2022	\$ 15,150,000	\$ 5,793,238	\$ 20,943,238
2023	15,561,000	5,238,727	20,799,727
2024	14,240,000	4,658,212	18,898,212
2025	14,860,000	4,135,612	18,995,612
2026	15,479,000	3,588,111	19,067,111
2027-2031	65,436,000	10,148,012	75,584,012
2032-2036	15,405,000	2,388,207	17,793,207
2037-2041	3,515,000	746,305	4,261,305
2042-2044	2,115,000	155,150	2,270,150
	<u>\$ 161,761,000</u>	<u>\$ 36,851,574</u>	<u>\$ 198,612,574</u>

General Obligation Notes and Direct Borrowings

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

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

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

9. Long-Term Liabilities (continued)

Changes in Long-Term Liabilities

During the year ended December 31, 2021, the following changes occurred in long-term liabilities:

	Balance January 1, 2021	Additions	Reductions	Balance December 31, 2021	Due Within One Year
Governmental Activities:					
General obligation bonds payable	\$ 154,680,000	\$ –	\$ 10,995,000	\$ 143,685,000	\$ 13,395,000
Net premium (discount) on bonds payable	13,051,121	–	1,291,223	11,759,898	1,291,223
General obligation notes and direct borrowings payable	21,036,600	–	3,396,600	17,640,000	1,545,000
Installment purchase agreements payable	436,000	–	–	436,000	210,000
Accrued vacation and sick pay	7,133,809	277,892	756,472	6,655,229	756,472
Capital leases	14,284,206	–	2,417,354	11,866,852	2,494,498
Net pension liability	4,582,966	–	4,582,966	–	–
Net OPEB liability	110,146,185	7,047,185	44,149,359	73,044,011	–
Contracts payable	116,921	29,018	114,826	31,113	29,018
Workers' compensation	316,636	607,088	507,980	415,744	93,567
Stadium loan payable	900,000	–	450,000	450,000	450,000
Governmental activities long-term liabilities	<u>\$ 326,684,444</u>	<u>\$ 7,961,183</u>	<u>\$ 68,661,780</u>	<u>\$ 265,983,847</u>	<u>\$ 20,264,778</u>

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

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

9. Long-Term Liabilities (continued)

Discretely Presented Component Unit

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

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

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

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

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

9. Long-Term Liabilities (continued)

Discretely Presented Component Unit (continued)

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

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

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

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

9. Long-Term Liabilities (continued)

Discretely Presented Component Unit (continued)

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

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

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

9. Long-Term Liabilities (continued)

Discretely Presented Component Unit (continued)

Debt service requirements are as follows:

	Principal	Interest	Total
2022	\$ 670,000	\$ 574,767	\$ 1,244,767
2023	58,320,000	9,573,016	67,893,016
	<u>\$ 58,990,000</u>	<u>\$ 10,147,783</u>	<u>\$ 69,137,783</u>

During the year ended December 31, 2021, the following changes occurred with the Convention Center Authority's revenue bonds payable:

	Balance 1/1/2021	Additions	Reductions	Balance 12/31/2021	Due Within One Year
Revenue bonds payable	<u>\$ 59,645,000</u>	<u>\$ -</u>	<u>\$ 655,000</u>	<u>\$ 58,990,000</u>	<u>\$ 670,000</u>

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

10. Self-Insurance Claims Liability

The County is self-insured for workers' compensation in accordance with Article III of the Pennsylvania Workers' Compensation Act of 1915 as reenacted and amended. The liability is recorded as estimated by the County's actuary; such claims are discounted at 4% for workers' compensation. The Bureau of Workers' Compensation issued an exemption permit renewing the County's self-insurance status on December 16, 2020.

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, 2021, and 2020 were as follows:

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

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

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

11. Interfund Balances

Individual fund receivable and payable balances as of December 31, 2021, were as follows:

	Interfund Receivables	Interfund Payables
General Fund	\$ 1,605,045	\$ -
Behavioral Health and Developmental Services Fund	-	1,605,045
Total	\$ 1,605,045	\$ 1,605,045

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

12. Interfund Transfers

Interfund transfers for the year ended December 31, 2021, consisted of the following:

	Interfund Transfers-In	Interfund Transfers-Out
General Fund	\$ -	\$ 26,210,244
Children and Youth Services Fund	9,068,242	-
Behavioral Health and Developmental Services Fund	899,422	-
Capital Projects Fund	13,317,755	-
Domestic Relations Fund	2,370,666	-
Human Services Block Grant	267,000	633,780
Nonmajor Governmental Funds	920,939	-
Total	\$ 26,844,024	\$ 26,844,024

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.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

13. Commitments and Contingent Liabilities

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

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

On December 3, 2018, the Convention Center Authority entered into the First Supplemental Trust Indenture related to the issuance of the Hotel Room Rental Tax Revenue Bonds, Series of 2014. The 2014 bonds debt service payments are guaranteed by the County. As of December 31, 2021, \$58,990,000 of the bonds remained outstanding. The County does not expect to make a payment on the guarantee; therefore, the County has not recognized a liability.

On May 15, 2004, the County guaranteed revenue bonds issued by the Redevelopment Authority in the amount of \$13,505,000 to fund the site acquisition, design, construction, and operation of a multi-purpose stadium and related improvements. The bonds of the Redevelopment Authority are payable solely and exclusively from, and secured by, (1) the use of the multi-purpose stadium facilities, (2) restricted funds established under the indenture, and (3) to the extent necessary, sums the County is obligated to pay pursuant to the guaranty agreement. On January 15, 2013, the bonds were refunded through the issuance of the Redevelopment Authority of the County of Lancaster Taxable Guaranteed Stadium Bonds, Series of 2013, in the amount of \$10,950,000. As of December 31, 2021, \$4,015,000 of the bonds remained outstanding. The County guaranteed lease rental debt of the Redevelopment Authority for the stadium. As of December 31, 2021, the County's guarantee equaled a maximum annual debt service amount of \$1,097,590.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

13. Commitments and Contingent Liabilities (continued)

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

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

The liability recognized for nonexchange financial guarantees by the County as of December 31, 2021, is as follows:

Balance as of January 1, 2021	Increases	Decreases	Balance as of December 31, 2021
\$ 900,000	\$ —	\$ 450,000	\$ 450,000

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

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

13. Commitments and Contingent Liabilities (continued)

Discretely Presented Component Unit

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

14. Other Post-Employment Benefits

Summary of Significant Accounting Policies

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

Description of Plan

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

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

14. Other Post-Employment Benefits (continued)

Plan Administration

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

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

Plan Membership

As of December 31, 2021, the plan's membership consisted of the following:

Retirees receiving benefits	677
Active members	1,276
Total membership	<u>1,953</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.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

14. Other Post-Employment Benefits (continued)

Benefits Provided (continued)

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

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

Contributions

Since the County funds its OPEB on a pay-as-you-go basis and has no plan assets used specifically for paying the post-retirement medical benefits, premiums under the plan for post-employment healthcare benefits are funded by retirees desiring such coverage via co-pays paid to the County in accordance with rates established by the County and by the County itself from appropriate governmental funds. For 2021, contribution rates for plan members under 65 equaled \$27.82 per participant per month. Contribution rates for plan members 65 and over equaled \$85.20 per participant per month. For the year ended December 31, 2021, plan members receiving benefits paid \$565,599, which was used to offset the County's total outlays to insurance carriers equaling \$2,572,561 for current year premiums due. The net outlay from the County, which equaled \$2,006,962 represents the County's net cost paid for current year premiums due.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.05% for the current measurement period. GASB 75 specifies that the discount rate should be selected based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). As prescribed by GASB 75, since the County does not fund the plan, the discount rate is set equal to the 20-year municipal bond rate, which was 2.05% as of December 31, 2021.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

14. Other Post-Employment Benefits (continued)

Sensitivity of Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the County, calculated using the discount rate of 2.05%, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (1.05%) or one-percentage-point higher (3.05%) than the current rate:

	1% Decrease <u>(1.05%)</u>	Current Discount <u>Rate (2.05%)</u>	1% Increase <u>(3.05%)</u>
County's net OPEB liability	\$84,243,749	\$73,044,011	\$63,898,018

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

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

<u>Year</u>	<u>Annual Trend</u>
2021	5.65%
2022	5.75%
2023	5.50%
2024	5.40%
2025	5.36%
2030	5.18%
2035	5.18%
2040	5.18%
2050	5.18%
2060	4.83%
2070	4.38%
2075 & Ultimate	4.04%

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

14. Other Post-Employment Benefits (continued)

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

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

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
County’s net OPEB liability	\$61,234,461	\$73,044,011	\$88,374,709

Total OPEB Liability

The total OPEB liability was determined by an actuarial valuation as of January 1, 2021, and projected forward to December 31, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	4.00%
Discount rate	2.05% measurement date
Mortality table	Pub-2010 General Employees / Retirees Headcount-Weighted projected fully generationally using MP-2019 improvement scale
Healthcare cost trends	5.75% for 2022, decreasing to an ultimate rate of 4.04% by 2075

The following assumptions have been updated since the last valuation:

- Health care trend rates applicable to per capita claims costs have been updated from 2019 Getzen to 2021 Getzen model, with an initial rate that is based on the actual premium increase. This change caused a significant decrease in the County’s liability.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

14. Other Post-Employment Benefits (continued)

Changes in Net OPEB Liability

During the year ended December 31, 2021, the following changes occurred in net OPEB liability:

	Increases (Decreases)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balances at 12/31/2020	\$ 110,146,185	\$ -	\$ 110,146,185
Changes for the Year:			
Service Cost	2,874,612	-	2,874,612
Interest	2,374,879	-	2,374,879
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	(42,142,397)	-	(42,142,397)
Changes in Assumptions or Other Inputs	1,797,694	-	1,797,694
Contributions	-	2,006,962	(2,006,962)
Benefit Payments	(2,006,962)	(2,006,962)	-
Administrative Expenses	-	-	-
Net Changes	<u>(37,102,174)</u>	-	<u>(37,102,174)</u>
Balances at 12/31/2020	<u>\$ 73,044,011</u>	<u>\$ -</u>	<u>\$ 73,044,011</u>

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources

For the 2021 measurement period, the County recognized pension expense of \$(9,219,083) 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	\$ -	\$ (52,951,990)
Change of assumptions or other inputs	<u>5,913,656</u>	<u>(24,247,956)</u>
Total	<u>\$ 5,913,656</u>	<u>\$ (77,199,946)</u>

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

14. Other Post-Employment Benefits (continued)

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

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

Years ending:	
2022	\$ (14,468,574)
2023	(14,468,574)
2024	(14,468,575)
2025	(12,139,193)
2026	(9,977,845)
Thereafter	<u>(5,763,529)</u>
	<u>\$ (71,286,290)</u>

For the 2021 measurement period, the County had no outstanding amount of contributions for the OPEB required for the year ended December 31, 2021.

15. Employee Retirement Plan (Pension Trust Fund)

Summary of Significant Accounting Policies

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

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

Description of Plan

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

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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

Plan Administration

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

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

Administrative costs of the Plan, in accordance with a 1991 amendment to the Act, may be paid from Plan assets unless it is determined by the actuary that such payment will impair the actuarial soundness of the Plan. During 2021, administrative costs totaling \$97,004 were paid from Plan assets.

The Act makes no provision for termination of the Plan.

Plan Membership

Membership in the Plan is mandatory for all full-time County employees. As of December 31, 2021, the Plan's membership consisted of the following:

Retirees and beneficiaries receiving benefits	1,454
Terminated Plan members enrolled but not yet receiving benefits	267
Active Plan members	<u>1,540</u>
Total members	<u><u>3,261</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.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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

Benefits Provided (continued)

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

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

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

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

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

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

Contributions

Covered employees are required by the Act to contribute to the Plan at a rate of 5% of their annual covered salary. Employees may contribute up to an additional 10% of gross pay, at their option. The contributions are recorded in an individually identified account which is also credited with interest, calculated to yield between 4.0% - 5.5% (as determined by the Retirement Board) compounded annually. Accumulated employee contributions and credited interest, which amounted to \$76,811,544 as of December 31, 2021, 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 2021 measurement period, the active member contribution rate was 5.0% of annual pay, and the County average contribution rate was 6.10% of annual payroll.

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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

Contributions (continued)

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

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

Discount Rate

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation for the 2021 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%

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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

Discount Rate (continued)

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease <u>6.00%</u>	Current Discount <u>Rate 7.00%</u>	1% Increase <u>8.00%</u>
County’s net pension liability	\$20,147,891	\$(24,396,495)	\$(59,512,504)

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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

Investments

The Plan's investments are held in a bank-administered trust fund. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Board's asset allocation policy for the 2021 measurement period:

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

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

For the 2021 measurement period, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 14.86%. 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 2021 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)

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

Net Pension Liability

The components of the net pension liability (asset) of the County for the 2021 measurement period were as follows:

Total pension liability	\$ 365,572,177
Plan fiduciary net pension	<u>389,968,672</u>
County's net pension liability (asset)	<u>\$ (24,396,495)</u>
Plan fiduciary net position as a percentage of the total pension liability	106.67%

The actuarial assumptions used in the valuation for the 2021 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)

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

Changes in Net Pension Liability (Asset)

During the year ended December 31, 2021, the following changes occurred in net pension liability (asset):

	Increases (Decreases)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances at 12/31/2020	\$ 353,363,617	\$ 348,780,651	\$ 4,582,966
Changes for the Year:			
Service Cost	5,996,330	-	5,996,330
Interest	24,602,532	-	24,602,532
Differences Between Expected and Actual Experience	2,250,779	-	2,250,779
Changes in Assumptions	-	-	-
Contributions – Employer	-	5,142,723	(5,142,723)
Contributions – Member	-	6,270,764	(6,270,764)
Net Investment Income	-	50,512,619	(50,512,619)
Benefit Payments, Including Refunds of Member Contributions	(20,641,081)	(20,641,081)	-
Administrative Expenses	-	(43,928)	43,928
Other	-	(53,076)	53,076
Net Changes	12,208,560	41,188,021	(28,979,461)
Balances at 12/31/2021	<u>\$ 365,572,177</u>	<u>\$ 389,968,672</u>	<u>\$ (24,396,495)</u>

Pension Expense and Deferred Outflows and Deferred Inflows of Resources

For the 2021 measurement period, the County recognized pension income of \$(4,899,732) 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	\$ 2,073,471	\$ -
Change of assumptions	14,562,311	-
Net difference between projected and actual earnings on pension plan investments	-	(37,910,758)
Total	<u>\$ 16,635,782</u>	<u>\$ (37,910,758)</u>

County of Lancaster, Pennsylvania

Notes to Financial Statements (continued)

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

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

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

Years ending:	
2022	\$ (1,684,689)
2023	(9,293,675)
2024	(5,217,464)
2025	<u>(5,079,148)</u>
	<u>\$ (21,274,976)</u>

For the 2021 measurement period, the County had no outstanding amount of contributions to the pension plan required for the year ended December 31, 2021.

Legally Required Reserves

As of December 31, 2021, the Plan has a balance of \$76,811,544 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, 2021. Since these accumulations represent the present value as of December 31, 2021, of future benefits, the reserve balance and liability are identical.

The Plan has a balance of \$83,570,400 in the County Annuity Reserve Account as of December 31, 2021. 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, 2021, amount to \$179,049,811. The corresponding liability for those annuitants on the roll is identical.

16. Derivative Instruments

Objectives of the Interest Rate Swap

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

Significant Terms, Fair Values, and Credit Risk

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

The associated debt series (general obligation bonds or notes), terms, notional amounts, cash received at initiation, fair values, changes in fair values, classifications, and counterparty credit ratings of the outstanding swap as of December 31, 2021, are as follows. The swap agreement contains scheduled reductions to outstanding notional amounts that are expected to approximately follow scheduled or anticipated reductions in the associated original debt series.

Hedged Derivative Instruments – Floating to Fixed Swap

Associated Debt Series	Effective Date	Termination Date	Type	County Pays	County Receives	Swap Notional Amount	Cash Received at Initiation	Classification	Change in Fair Value	Classification	Fair Value 12/31/2021	Counterparty Credit Rating*
GON 2002A	1/1/2002	10/25/2030	Pay-fixed/ receive- variable swap	5.195%	60% 1m LIBOR +30.3bp	<u>\$24,697,000</u>	<u>\$3,000,000</u>	Deferred Outflows of Resources	<u>\$1,278,927</u>	Debt	<u>\$(3,638,522)</u>	Aa2 / A+ / AA

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

The unamortized portion of the up-front premium received by the County related to the swap or hedged derivative instrument is considered a borrowing for financial reporting purposes and is recorded as a liability in the government-wide financial statements in the amount of \$921,738, with the balance of \$2,716,783 recorded as an interest rate swap liability.

16. Derivative Instruments (continued)

Credit Risk

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

Basis Risk

Basis risk exists to the extent the County's variable rate debt coupon payments do not exactly equal the index on the associated swap. The swap exposes the County to basis risk, should there be a variance between the 1-Month LIBOR rate, the basis of the swap interest payments, and SIFMA, the basis of the associated debt's interest payments, converge, it will have an impact on the synthetic rate on the associated debt. The effect of this difference in basis is indicated by the differences between the intended synthetic rates and the actual synthetic rates as of December 31, 2021. As of December 31, 2021, the 1-Month LIBOR rate equaled .102% and SIFMA equaled .10%.

Interest Rate Risk

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

Termination Risk

The termination exposure of the County's swap agreement as of December 31, 2021, is limited only to the swap with negative fair values; the County would have to pay the respective amounts in order to terminate the associated swap. Either the County or the Counterparty can terminate the agreements if certain contractual events occur including the reduction of either party's credit rating below BBB+ as rated by Standard & Poor's or Baa1 as rated by Moody's.

16. Derivative Instruments (continued)

Swap Payments and Associated Debt

Using rates as of December 31, 2021, debt service requirements of the variable rate debt and net swap payments are illustrated as follows. As rates vary, variable rate debt interest payments and net swap payments will vary.

Fiscal Year Ending December 31	Variable Rate Debt		Interest Rate	Total
	Principal	Interest	Swap, Net	
2022	\$ 1,545,000	\$ 16,095	\$ 777,529	\$ 2,338,624
2023	1,635,000	14,460	698,544	2,348,004
2024	1,730,000	12,730	614,970	2,357,700
2025	1,830,000	10,900	526,565	2,367,465
2026	1,934,000	8,966	433,136	2,376,102
2027-2030	8,966,000	14,094	680,863	9,660,957
Total	<u>\$ 17,640,000</u>	<u>\$ 77,245</u>	<u>\$ 3,731,607</u>	<u>\$ 21,448,852</u>

Discretely Presented Component Unit

Objective of the Interest Rate Swap

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

16. Derivative Instruments (continued)

Discretely Presented Component Unit (continued)

Objective of the Interest Rate Swap (continued)

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

Terms

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

16. Derivative Instruments (continued)

Discretely Presented Component Unit (continued)

Terms (continued)

Pursuant to the swap agreements, the Convention Center Authority pays or receives to/from the counterparty a monthly net swap payment. For the year ended December 31, 2021, the Convention Center Authority paid \$1,494,504 and \$949,624 fixed and received \$32,398 and \$21,105 variable with respect to the swap on the applicable notional amounts of the Series of 2003 bonds and the applicable notional amounts of the Series of 2007 bonds, respectively.

Interest Rate Risk

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

Fair Value Risk

Fair value takes into consideration the prevailing interest rate environment, the specific terms and conditions of a given transaction, and any upfront payments that may have been received. The fair value is based upon mid-market quotations for the transactions. Mid-market quotations are based on bid/ask quotations shown on reliable electronic information screens as of close of business on the date specified. Such amounts represent the present value difference between the floating rate receipt and fixed rate payment as of December 31, 2021, and the termination value fluctuates as the interest rates fluctuate.

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

16. Derivative Instruments (continued)

Discretely Presented Component Unit (continued)

Fair Value Risk (continued)

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

<u>Associated Debt Series</u>	<u>Notional Amount</u>	<u>January 1, 2021 Fair Value</u>	<u>Amortization of Swap Borrowing</u>	<u>Change in Fair Value Subsequent to Termination</u>	<u>December 31, 2021 Fair Value</u>
Series of 2003 Bonds	\$36,030,000	\$(14,736,785)	\$403,105	\$2,565,091	\$(11,768,589)
Series of 2007 Bonds	23,920,000	(14,735,899)	258,522	2,052,433	(12,424,944)
		<u>\$(29,472,684)</u>	<u>\$661,627</u>	<u>\$4,617,524</u>	<u>\$(24,193,533)</u>

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, 2021, 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, 2021, is reported on the statement of net position as a combination of interest rate swap liability and swap borrowing.

Credit Risk

As of December 31, 2021, the Convention Center Authority's swap agreements were not exposed to credit risk, because they had a negative fair value. However, should interest rates change and the fair value of the swaps become positive, the Convention Center Authority would be exposed to credit risk in the amount of the swap agreement's fair value. As of December 31, 2021, the counterparty was rated Aa2 by Moody's, A+ by Standard & Poor's, and AA- by Fitch.

Swap Payments and Associated Debt

Using rates as of December 31, 2021, net swap payments on the applicable notional amounts of the Series of 2003 bonds and the applicable notional amounts of the Series of 2007 bonds, assuming current interest rates and floating rates under the swap agreement remain the same for their term, were as follows.

16. Derivative Instruments (continued)

Discretely Presented Component Unit (continued)

Swap Payments and Associated Debt (continued)

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

Series of 2003, Hotel Room Rental Tax Revenue Bonds

Fiscal Years Ending December 31	Notional Amount	Swap Agreement Payments, Net
2022	\$ 755,000	\$ 1,437,267
2023	830,000	1,407,120
2024	900,000	1,240,703
2025	980,000	1,208,291
2026	1,065,000	1,172,991
2027-2031	6,735,000	5,224,336
2032-2036	9,635,000	3,813,791
2037-2041	12,630,000	1,823,331
2042	2,500,000	90,050
	<u>\$ 36,030,000</u>	<u>\$ 17,417,880</u>

Series of 2007, Hotel Room Rental Tax Revenue Bonds

Fiscal Years Ending December 31	Notional Amount	Swap Agreement Payments, Net
2022	\$ -	\$ 930,249
2023	-	930,249
2024	-	837,675
2025	-	837,678
2026	-	837,678
2027-2031	-	4,188,388
2032-2036	-	4,188,384
2037-2041	370,000	4,188,388
2042-2046	17,475,000	2,929,246
2047	6,075,000	212,747
	<u>\$ 23,920,000</u>	<u>\$ 20,080,682</u>

17. Negative Unrestricted Net Position

Discretely Presented Component Unit

The Convention Center Authority's negative unrestricted net position, as shown on the December 31, 2021, statement of net position, is due to a GAAP requirement for governmental entities to terminate hedge accounting when a termination event has occurred on a derivative instrument (interest rate swap). A termination event occurs when a significant change in a critical term of an interest rate swap is made.

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

The December 31, 2021, fair value of the Convention Center Authority's interest rate swap was \$(24,193,533), when compared to the December 31, 2020, fair value of \$(29,472,684) for a positive change in valuation of \$5,279,151. All changes, including this \$5,279,151, in the fair value of the Convention Center Authority's interest rate swap is a reflection of market conditions and payments made under the swap agreement.

Required Supplementary Information

County of Lancaster, Pennsylvania

Schedule of Changes in the County's Net

Other Post-Employment Benefits Liability and Related Ratios

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB liability				
Service cost	\$ 4,564,894	\$ 3,968,035	\$ 3,701,022	\$ 2,874,612
Interest	5,305,611	5,955,015	3,755,842	2,374,879
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	(22,781,809)	(5,336,460)	(42,142,397)
Changes of assumptions	(16,305,682)	7,652,357	(24,163,728)	1,797,694
Benefit payments	<u>(2,297,673)</u>	<u>(2,326,238)</u>	<u>(2,352,103)</u>	<u>(2,006,962)</u>
Net change in total OPEB liability	(8,732,850)	(7,532,640)	(24,395,427)	(37,102,174)
Total OPEB liability - beginning	<u>150,807,102</u>	<u>142,074,252</u>	<u>134,541,612</u>	<u>110,146,185</u>
Total OPEB liability - ending (a)	<u>\$ 142,074,252</u>	<u>\$ 134,541,612</u>	<u>\$ 110,146,185</u>	<u>\$ 73,044,011</u>
Plan fiduciary net position				
Contributions - employer	\$ 2,297,673	\$ 2,326,238	\$ 2,352,103	\$ 2,006,962
Contributions - member	-	-	-	-
Net investment income	-	-	-	-
Benefit payments	(2,297,673)	(2,326,238)	(2,352,103)	(2,006,962)
Administrative expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - beginning	-	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's net OPEB liability (asset) - ending (a) - (b)	<u>\$ 142,074,252</u>	<u>\$ 134,541,612</u>	<u>\$ 110,146,185</u>	<u>\$ 73,044,011</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered payroll	\$ 82,059,110	\$ 79,099,450	\$ 71,863,769	\$ 67,403,970
County's net OPEB liability as a percentage of covered payroll	173.14%	170.09%	153.27%	108.37%

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 12/31/21, the discount rate assumption decreased from 2.12% to 2.05%.

County of Lancaster, Pennsylvania
Schedule of Changes in the County's Net
Pension Liability and Related Ratios

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
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
Interest	17,783,441	18,633,288	19,529,550	20,145,143	21,101,524	21,978,922	23,703,120	24,602,532
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(1,208,250)	(737,485)	56,883	(1,685,093)	(958,324)	1,308,820	41,328	2,250,779
Changes of assumptions	-	-	-	3,718,617	4,712,326	-	25,105,791	-
Benefit of payments, including refunds of member contributions	(12,955,244)	(13,356,419)	(15,177,732)	(15,958,384)	(17,178,995)	(17,535,471)	(17,613,126)	(20,641,081)
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
Total pension liability - beginning	<u>239,811,138</u>	<u>250,863,811</u>	<u>262,810,076</u>	<u>274,799,024</u>	<u>288,856,789</u>	<u>303,417,247</u>	<u>316,215,326</u>	<u>353,363,617</u>
Total pension liability - ending (a)	<u>\$ 250,863,811</u>	<u>\$ 262,810,076</u>	<u>\$ 274,799,024</u>	<u>\$ 288,856,789</u>	<u>\$ 303,417,247</u>	<u>\$ 316,215,326</u>	<u>\$ 353,363,617</u>	<u>\$ 365,572,177</u>
Plan fiduciary net position								
Contributions - employer	\$ 5,962,997	\$ 5,228,813	\$ 4,580,199	\$ 4,424,334	\$ 4,399,055	\$ 5,048,537	\$ 4,918,872	\$ 5,142,723
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
Net investment income (loss)	13,976,986	(954,010)	18,635,668	39,274,752	(14,027,352)	54,392,796	38,178,785	50,512,619
Benefit payments, including refunds of member contributions	(12,955,244)	(13,356,419)	(15,177,732)	(15,958,384)	(17,178,995)	(17,535,471)	(17,613,126)	(20,641,081)
Administrative expense	(42,755)	(44,558)	(71,633)	(47,599)	(48,413)	(56,025)	(61,597)	(43,928)
Other	(21,557)	(22,027)	63,908	46,555	(42,173)	(30,910)	(29,043)	(53,076)
Net change in plan fiduciary net position	11,954,522	(4,174,336)	13,141,088	33,141,334	(21,299,994)	47,581,800	31,468,328	41,188,021
Plan fiduciary net position - beginning	<u>236,967,909</u>	<u>248,922,431</u>	<u>244,748,095</u>	<u>257,889,183</u>	<u>291,030,517</u>	<u>269,730,523</u>	<u>317,312,323</u>	<u>348,780,651</u>
Plan fiduciary net position - ending (b)	<u>\$ 248,922,431</u>	<u>\$ 244,748,095</u>	<u>\$ 257,889,183</u>	<u>\$ 291,030,517</u>	<u>\$ 269,730,523</u>	<u>\$ 317,312,323</u>	<u>\$ 348,780,651</u>	<u>\$ 389,968,672</u>
County's net pension liability (asset) - ending (a) - (b)	<u>\$ 1,941,380</u>	<u>\$ 18,061,981</u>	<u>\$ 16,909,841</u>	<u>\$ (2,173,728)</u>	<u>\$ 33,686,724</u>	<u>\$ (1,096,997)</u>	<u>\$ 4,582,966</u>	<u>\$ (24,396,495)</u>
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%
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
County's net pension liability as a percentage of covered payroll	2.49%	22.73%	20.79%	(2.72%)	41.05%	(1.31%)	5.50%	(28.93%)

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

County of Lancaster, Pennsylvania

Schedule of County Contributions

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</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
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
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
Contributions as a percentage of covered payroll	7.66%	6.58%	5.63%	5.53%	5.36%	6.02%	5.90%	6.10%

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

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	19 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>
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%

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

County of Lancaster, Pennsylvania

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

For the Year Ended December 31, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget -- Positive (Negative)
	Original	Final		
REVENUES				
Real estate taxes	\$ 124,280,605	\$ 124,280,605	\$ 125,994,321	\$ 1,713,716
Intergovernmental	5,183,253	172,941,477	59,832,369	(113,109,108)
Departmental	28,221,770	28,236,420	28,043,545	(192,875)
Fines and costs	3,824,650	3,824,650	2,972,437	(852,213)
Investment earnings	200,000	270,679	259,871	(10,808)
Other	4,237,890	4,237,890	4,797,193	559,303
Total revenues	<u>165,948,168</u>	<u>333,791,721</u>	<u>221,899,736</u>	<u>(111,891,985)</u>
EXPENDITURES				
Current:				
General government	34,770,146	217,832,087	68,726,054	149,106,033
Public Safety	13,730,684	13,725,987	11,115,005	2,610,982
Judicial	48,414,576	48,575,773	45,959,362	2,616,411
Corrections	32,121,157	32,022,357	29,023,403	2,998,954
Cultural and recreation	2,724,165	2,642,030	2,414,488	227,542
Capital outlay	2,829,487	3,074,645	3,198,446	(123,801)
Debt service:				
Principal retirement	14,391,600	14,391,600	14,391,600	-
Interest and fiscal charges	7,895,212	7,914,395	7,126,362	788,033
Total expenditures	<u>156,877,027</u>	<u>340,178,874</u>	<u>181,954,720</u>	<u>158,224,154</u>
Excess (deficiency) of revenues over (under) expenditures	9,071,141	(6,387,153)	39,945,016	46,332,169
Transfers out	(13,851,119)	(13,851,119)	(26,210,244)	(12,359,125)
Total other financing sources (uses)	<u>(13,851,119)</u>	<u>(13,851,119)</u>	<u>(26,210,244)</u>	<u>(12,359,125)</u>
Net change in fund balances	<u>\$ (4,779,978)</u>	<u>\$ (20,238,272)</u>	13,734,772	<u>\$ 33,973,044</u>
Net decrease in due from other funds			24,163	
Fund balance, January 1, cash basis			<u>47,964,005</u>	
Fund balance, December 31, cash basis			61,722,940	
Differences from modified accrual basis:				
Receivables:				
Taxes, net			1,720,305	
Fines and costs, net			4,454,542	
Accounts			2,922,960	
Due from other funds			1,605,045	
Due from other governments			4,671,831	
Accounts payable			(7,574,900)	
Deferred inflows of resources			(4,883,695)	
Payroll related accruals			(3,404,668)	
Fund balance at December 31, modified accrual basis			<u>\$ 61,234,360</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 35,802,137	\$ 35,802,137	\$ 31,489,795	\$ (4,312,342)
Departmental	855,178	855,178	377,600	(477,578)
Total revenues	<u>36,657,315</u>	<u>36,657,315</u>	<u>31,867,395</u>	<u>(4,789,920)</u>
EXPENDITURES				
Current:				
Health, education, and welfare:				
Children and youth	46,674,601	46,652,801	42,526,947	4,125,854
Capital outlay	139,811	161,611	12,774	148,837
Total expenditures	<u>46,814,412</u>	<u>46,814,412</u>	<u>42,539,721</u>	<u>4,274,691</u>
Excess (deficiency) of revenues over (under) expenditures	(10,157,097)	(10,157,097)	(10,672,326)	(515,229)
OTHER FINANCING SOURCES (USES)				
Transfers in	9,968,876	9,968,876	9,068,242	(900,634)
Net change in fund balances	<u>\$ (188,221)</u>	<u>\$ (188,221)</u>	<u>(1,604,084)</u>	<u>\$ (1,415,863)</u>
Fund balance, January 1, cash basis			<u>2,343,324</u>	
Fund balance, December 31, cash basis			739,240	
Differences from modified accrual basis:				
Due from other governments			4,894,278	
Accounts payable			(3,182,902)	
Payroll related accruals			(414,253)	
Fund balance at December 31, modified accrual basis			<u>\$ 2,036,363</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 27,069,165	\$ 27,069,165	\$ 25,622,293	\$ (1,446,872)
Departmental	2,322,362	2,322,362	2,209,577	(112,785)
Total revenues	<u>29,391,527</u>	<u>29,391,527</u>	<u>27,831,870</u>	<u>(1,559,657)</u>
EXPENDITURES				
Current:				
Health, education, and welfare:				
Behavioral Health & Developmental Services	30,213,248	29,567,383	28,327,910	1,239,473
Capital outlay	171,985	817,850	360,388	457,462
Total expenditures	<u>30,385,233</u>	<u>30,385,233</u>	<u>28,688,298</u>	<u>1,696,935</u>
Excess (deficiency) of revenues over (under) expenditures	(993,706)	(993,706)	(856,428)	137,278
OTHER FINANCING SOURCES (USES)				
Transfers in	957,000	957,000	899,422	(57,578)
Net change in fund balances	<u>\$ (36,706)</u>	<u>\$ (36,706)</u>	42,994	<u>\$ 79,700</u>
Net decrease in due to other funds			(24,163)	
Fund balance, January 1, cash basis			<u>172,420</u>	
Fund balance, December 31, cash basis			191,251	
Differences from modified accrual basis:				
Due from other governments			4,704,755	
Other receivables			264,114	
Due to other funds			(1,605,045)	
Accounts payable			(3,214,125)	
Payroll related accruals			<u>(340,950)</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 4,792,856	\$ 4,792,856	\$ 5,290,016	\$ 497,160
Departmental	45,000	45,000	31,195	(13,805)
Investment earnings	25,000	25,000	18,184	(6,816)
Total revenues	<u>4,862,856</u>	<u>4,862,856</u>	<u>5,339,395</u>	<u>476,539</u>
EXPENDITURES				
Current:				
Judicial	7,204,786	7,166,286	6,491,283	675,003
Capital outlay	64,000	102,500	-	102,500
Total expenditures	<u>7,268,786</u>	<u>7,268,786</u>	<u>6,491,283</u>	<u>777,503</u>
Excess (deficiency) of revenues over (under) expenditures	(2,405,930)	(2,405,930)	(1,151,888)	1,254,042
OTHER FINANCING SOURCES (USES)				
Transfers in	2,378,889	2,378,889	2,370,666	(8,223)
Net change in fund balances	<u>\$ (27,041)</u>	<u>\$ (27,041)</u>	<u>1,218,778</u>	<u>\$ 1,245,819</u>
Fund balance, January 1, cash basis			<u>13,442,474</u>	
Fund balance, December 31, cash basis			14,661,252	
Differences from modified accrual basis:				
Due from other governments			1,140,597	
Accounts payable			(7,749)	
Payroll related accruals			<u>(163,853)</u>	
Fund balance at December 31, modified accrual basis			<u>\$ 15,630,247</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	\$ 221,899,736
Net adjustment to General Fund revenues based on differences in revenue recognition between the budgetary basis and GAAP basis	<u>(4,593,294)</u>
General Fund revenues per statement of revenues, expenditures, and changes in fund balances – General Fund	<u>\$ 217,306,442</u>
General Fund expenditures per schedule of revenues, expenditures, and changes in fund balances – budget and actual – budgetary basis – General Fund	\$ 181,954,720
Net adjustment to General Fund expenditures based on differences in expenditure recognition between the budgetary basis and GAAP basis	<u>(1,762,138)</u>
General Fund expenditures per statement of revenues, expenditures, and changes in fund balances – General Fund	<u>\$ 180,192,582</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 operate programs which assist citizens age 60 and older to maintain maximum independence and dignity in a home environment.

Drug and Alcohol Fund

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

Liquid Fuels Fund

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

Agricultural Land Preservation Fund

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

Community Development Block Grant Fund

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

County of Lancaster, Pennsylvania

Combining Balance Sheet - Nonmajor Governmental Funds

December 31, 2021

	Office of Aging	Drug and Alcohol	Liquid Fuels	Agricultural Land Preservation	Community Development Block Grant	Total Nonmajor Governmental Funds
ASSETS						
Cash and investments:						
Operating	\$ 959,713	\$ 351,069	\$ 1,393,898	\$ 1,021,778	\$ -	\$ 3,726,458
Other	183,819	-	-	-	-	183,819
Other receivables	-	-	-	14,784	-	14,784
Due from other governments	1,888,387	660	223,792	-	-	2,112,839
Total assets	<u>\$ 3,031,919</u>	<u>\$ 351,729</u>	<u>\$ 1,617,690</u>	<u>\$ 1,036,562</u>	<u>\$ -</u>	<u>\$ 6,037,900</u>
LIABILITIES						
Liabilities:						
Accounts payable	\$ 353,755	\$ 330,832	\$ 274,485	\$ -	\$ -	\$ 959,072
Retainage payable	-	-	-	-	-	-
Unearned revenue-intergovernmental	-	-	1,259,854	-	-	1,259,854
Payroll related accruals	118,699	20,897	-	-	-	139,596
Total liabilities	<u>472,454</u>	<u>351,729</u>	<u>1,534,339</u>	<u>-</u>	<u>-</u>	<u>2,358,522</u>
FUND BALANCES						
Restricted						
Health, education, and welfare	2,559,465	-	-	-	-	2,559,465
Roads and bridges	-	-	83,351	-	-	83,351
Community development	-	-	-	1,036,562	-	1,036,562
Total fund balances	<u>2,559,465</u>	<u>-</u>	<u>83,351</u>	<u>1,036,562</u>	<u>-</u>	<u>3,679,378</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 3,031,919</u>	<u>\$ 351,729</u>	<u>\$ 1,617,690</u>	<u>\$ 1,036,562</u>	<u>\$ -</u>	<u>\$ 6,037,900</u>

County of Lancaster, Pennsylvania

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

For the Year Ended December 31, 2021

	Office of Aging	Drug and Alcohol	Liquid Fuels	Agricultural Land Preservation	Community Development Block Grant	Total Nonmajor Governmental Funds
REVENUES						
Intergovernmental	\$ 8,496,887	\$ 4,564,999	\$ 3,062,132	\$ -	\$ 6,110,290	\$ 22,234,308
Departmental	36,641	-	-	-	-	36,641
Investment earnings	-	265	1,877	-	-	2,142
Other	-	270,009	-	-	-	270,009
Total revenues	8,533,528	4,835,273	3,064,009	-	6,110,290	22,543,100
EXPENDITURES						
Current:						
Roads and bridges	-	-	189,086	-	-	189,086
Health, education, and welfare:						
Drug and alcohol	-	5,052,524	-	-	-	5,052,524
Office of aging	9,147,159	-	-	-	-	9,147,159
Community development	-	-	-	160,186	6,110,290	6,270,476
Capital outlay	11,084	9,529	2,791,572	-	-	2,812,185
Total expenditures	9,158,243	5,062,053	2,980,658	160,186	6,110,290	23,471,430
Excess (deficiency) of revenues over (under) expenditures	(624,715)	(226,780)	83,351	(160,186)	-	(928,330)
OTHER FINANCING SOURCES						
Transfers in	694,159	226,780	-	-	-	920,939
Total other financing sources	694,159	226,780	-	-	-	920,939
Net change in fund balances	69,444	-	83,351	(160,186)	-	(7,391)
Fund balances, January 1	2,490,021	-	-	1,196,748	-	3,686,769
Fund balances, December 31	\$ 2,559,465	\$ -	\$ 83,351	\$ 1,036,562	\$ -	\$ 3,679,378

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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 12,088,139	\$ 12,208,309	\$ 6,875,614	\$ (5,332,695)
Departmental	430,240	430,240	32,927	(397,313)
Other	547,900	547,900	3,714	(544,186)
Total revenues	<u>13,066,279</u>	<u>13,186,449</u>	<u>6,912,255</u>	<u>(6,274,194)</u>
EXPENDITURES				
Current:				
Health, education, and welfare:				
Office of Aging	13,741,165	13,854,693	9,170,859	4,683,834
Capital outlay	42,035	48,677	11,084	37,593
Total expenditures	<u>13,783,200</u>	<u>13,903,370</u>	<u>9,181,943</u>	<u>4,721,427</u>
Excess (deficiency) of revenues over (under) expenditures	(716,921)	(716,921)	(2,269,688)	(1,552,767)
OTHER FINANCING SOURCES (USES)				
Transfers in	694,159	694,159	694,159	-
Net change in fund balances	<u>\$ (22,762)</u>	<u>\$ (22,762)</u>	<u>(1,575,529)</u>	<u>\$ (1,552,767)</u>
Fund balance, January 1, cash basis			<u>2,719,061</u>	
Fund balance, December 31, cash basis			1,143,532	
Differences from modified accrual basis:				
Due from other governments			1,888,387	
Accounts payable			(353,755)	
Payroll related accruals			(118,699)	
Fund balance at December 31, modified accrual basis			<u>\$ 2,559,465</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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 5,296,373	\$ 5,296,373	\$ 4,873,947	\$ (422,426)
Departmental	713,547	713,547	363,135	(350,412)
Investment earnings	4,000	4,000	265	(3,735)
Other	25,000	25,000	7,829	(17,171)
Total revenues	<u>6,038,920</u>	<u>6,038,920</u>	<u>5,245,176</u>	<u>(793,744)</u>
EXPENDITURES				
Current:				
Health, education, and welfare:				
Drug and alcohol	6,312,178	6,302,178	5,207,839	1,094,339
Capital outlay	1,085	11,085	9,529	1,556
Total expenditures	<u>6,313,263</u>	<u>6,313,263</u>	<u>5,217,368</u>	<u>1,095,895</u>
Excess (deficiency) of revenues over (under) expenditures	(274,343)	(274,343)	27,808	302,151
OTHER FINANCING SOURCES (USES)				
Transfers in	244,000	244,000	226,780	(17,220)
Net change in fund balances	<u>\$ (30,343)</u>	<u>\$ (30,343)</u>	<u>254,588</u>	<u>\$ 284,931</u>
Fund balance, January 1, cash basis			<u>96,481</u>	
Fund balance, December 31, cash basis			351,069	
Differences from modified accrual basis:				
Due from other governments			660	
Accounts payable			(330,832)	
Payroll related accruals			(20,897)	
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, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 4,141,250	\$ 4,141,250	\$ 2,966,591	\$ (1,174,659)
Investment earnings	1,000	1,000	1,877	877
Total revenues	<u>4,142,250</u>	<u>4,142,250</u>	<u>2,968,468</u>	<u>(1,173,782)</u>
EXPENDITURES				
Current:				
Roads and bridges	432,618	438,019	183,884	254,135
Capital outlay	7,984,834	7,979,433	2,773,904	5,205,529
Total expenditures	<u>8,417,452</u>	<u>8,417,452</u>	<u>2,957,788</u>	<u>5,459,664</u>
Net change in fund balances	<u>\$ (4,275,202)</u>	<u>\$ (4,275,202)</u>	<u>10,680</u>	<u>\$ 4,285,882</u>
Fund balance, January 1, cash basis			<u>1,383,218</u>	
Fund balance, December 31, cash basis			1,393,898	
Differences from modified accrual basis:				
Due from other governments			223,792	
Accounts payable			(274,485)	
Unearned revenue - intergovernmental			<u>(1,259,854)</u>	
Fund balance at December 31, modified accrual basis			<u>\$ 83,351</u>	

STATISTICAL SECTION

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

Contents	Page No.
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	136
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	140
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.	145
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.	151
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.	153
Miscellaneous Information These schedules contain principal officials, salaries, amounts of surety bonds, and insurance information.	158

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental activities										
Net investment in capital assets	\$ 46,196,645	\$ 49,226,216	\$ 57,793,520	\$ 64,556,495	\$ 75,140,193	\$ 80,877,957	\$ 93,658,350	\$ 109,267,372	\$ 125,380,916	\$ 138,618,561
Restricted for:										
Federal and state grant programs	15,743,623	17,286,265	19,216,375	20,536,531	21,327,572	22,585,892	25,228,498	22,582,791	23,659,563	23,894,084
Capital projects	19,226,280	19,560,818	10,977,876	1,879,240	1,161,931	8,967,292	4,322,534	11,357,475	10,254,171	5,302,635
Public Safety	26,000,000	18,485,979	9,817,893	2,239,642	583,382	614,273	4,041,083	1,714,607	2,617,106	1,962,353
Community Development	1,884,223	1,883,214	1,725,871	1,880,814	1,468,899	1,698,379	1,878,548	1,607,534	1,196,748	1,036,562
Unrestricted (deficit)	<u>(109,299,728)</u>	<u>(104,543,590)</u>	<u>(84,961,252)</u>	<u>(76,842,980)</u>	<u>(63,591,276)</u>	<u>(66,249,267)</u>	<u>(158,229,087)</u>	<u>(160,230,998)</u>	<u>(146,845,287)</u>	<u>(93,776,511)</u>
Total governmental activities net position	<u>\$ (248,957)</u>	<u>\$ 1,898,902</u>	<u>\$ 14,570,283</u>	<u>\$ 14,249,742</u>	<u>\$ 36,090,701</u>	<u>\$ 48,494,526</u>	<u>\$ (29,100,074)</u>	<u>\$ (13,701,219)</u>	<u>\$ 16,263,217</u>	<u>\$ 77,037,684</u>

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

Table 2

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 53,090,406	\$ 53,456,166	\$ 47,688,115	\$ 49,312,867	\$ 49,177,536	\$ 49,950,520	\$ 55,746,397	\$ 49,021,353	\$ 121,743,085	\$ 62,541,277
Public Safety	14,403,729	21,902,476	14,921,490	15,845,032	9,599,612	8,350,879	13,440,839	13,768,065	13,221,475	12,353,393
Roads and bridges	629,269	391,992	675,825	1,287,186	669,583	1,211,032	793,224	870,158	1,041,649	1,073,484
Health, education, and welfare	158,906,330	154,045,202	156,191,063	156,728,546	177,315,144	188,162,861	186,450,247	141,006,233	72,878,166	73,356,007
Judicial	45,303,625	44,553,349	42,421,056	41,683,823	44,902,740	47,806,347	47,799,112	49,770,156	50,527,621	50,334,968
Corrections	28,052,063	26,707,583	26,397,549	26,710,816	28,250,573	30,680,241	28,560,290	29,626,093	27,053,428	30,764,447
Cultural and recreation	2,749,572	2,681,009	2,441,711	1,560,006	2,182,493	3,038,838	2,511,087	2,367,887	2,541,811	2,718,435
Community development	4,398,384	3,485,997	4,305,998	6,855,968	4,173,840	3,819,420	3,094,339	5,599,461	3,204,230	6,184,668
Bond issuance costs	-	282,181	127,854	-	-	82,135	-	-	-	-
Interest on long-term debt	10,298,347	10,599,734	10,605,535	9,539,788	8,665,991	7,993,434	7,988,477	7,516,540	7,230,109	7,044,609
Total governmental activities expenses	<u>317,831,725</u>	<u>318,105,689</u>	<u>305,776,196</u>	<u>309,524,032</u>	<u>324,937,512</u>	<u>341,095,707</u>	<u>346,384,012</u>	<u>299,545,946</u>	<u>299,441,574</u>	<u>246,371,288</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	9,711,321	10,444,728	5,898,650	9,111,789	15,650,427	5,988,278	8,847,608	8,602,524	9,272,750	10,656,561
Public Safety	6,551,111	12,711,899	5,108,919	5,827,034	5,551,904	9,857,390	10,258,066	10,159,895	10,436,521	10,541,822
Roads and bridges	9,819	7,875	10,509	15,653	2,910	1,200	-	7,032	82,726	-
Health, education, and welfare	3,369,213	3,532,301	4,546,721	4,115,277	5,297,066	3,701,464	4,049,782	3,056,680	3,304,717	3,277,698
Judicial	9,154,345	7,948,172	8,267,853	6,851,144	7,862,100	7,900,002	8,637,187	8,600,636	6,186,625	6,284,040
Corrections	214,594	579,462	1,176,571	1,245,477	1,437,909	1,715,839	1,237,516	1,217,984	1,291,998	1,732,120
Cultural and recreation	279,979	411,646	293,848	305,651	298,106	315,900	312,231	337,464	110,679	248,279
Community development	1,884,223	-	-	145,882	11,062	229,480	180,169	21,860	22,550	-
Operating grants and contributions:										
General government	6,061,463	5,043,465	4,789,553	5,322,572	2,977,602	3,263,623	4,126,082	4,372,584	88,307,954	58,874,886
Public Safety	184,980	90,315	251,141	168,559	73,584	326,179	172,690	325,797	171,169	283,015
Roads and bridges	1,612,936	2,576,440	1,541,697	1,472,544	1,323,720	2,368,908	1,154,552	1,453,746	1,460,292	3,062,132
Health, education, and welfare	156,510,054	152,763,381	155,048,253	154,564,650	174,008,002	183,992,998	186,589,930	138,648,506	72,658,897	72,764,143
Judicial	8,198,497	8,105,142	7,874,568	6,758,492	8,771,902	8,847,099	8,174,387	7,518,974	8,217,494	7,531,473
Corrections	174,656	261,805	58,301	264,310	323,313	378,845	239,044	412,232	398,271	16,325
Cultural and recreation	197,605	-	122,600	33,057	-	-	-	-	-	-
Community development	4,398,384	3,484,987	3,901,912	6,468,065	3,730,895	3,866,225	2,976,983	5,416,618	3,278,169	6,110,290
Total governmental activities program revenues	<u>208,513,180</u>	<u>207,961,618</u>	<u>198,891,096</u>	<u>202,670,156</u>	<u>227,320,502</u>	<u>232,753,430</u>	<u>236,956,227</u>	<u>190,152,532</u>	<u>205,200,812</u>	<u>181,382,784</u>
Total government net expense	<u>\$ (109,318,545)</u>	<u>\$ (110,144,071)</u>	<u>\$ (106,885,100)</u>	<u>\$ (106,853,876)</u>	<u>\$ (97,617,010)</u>	<u>\$ (108,342,277)</u>	<u>\$ (109,427,785)</u>	<u>\$ (109,393,414)</u>	<u>\$ (94,240,762)</u>	<u>\$ (64,988,504)</u>
General Revenues and Other										
Changes in Net Position										
Governmental activities:										
Property taxes	\$ 106,177,196	\$ 116,526,852	\$ 117,215,756	\$ 118,030,667	\$ 119,276,761	\$ 120,289,592	\$ 121,588,905	\$ 122,367,004	\$ 123,724,847	\$ 125,470,686
Unrestricted investment earnings(loss)	1,097,557	(1,368,543)	2,340,725	158,622	181,209	628,929	1,671,559	2,425,265	480,351	292,285
Gain on sale of capital assets	-	134,501	-	-	-	(172,419)	-	-	-	-
Total governmental activities	<u>\$ 107,274,753</u>	<u>\$ 115,292,810</u>	<u>\$ 119,556,481</u>	<u>\$ 118,189,289</u>	<u>\$ 119,457,970</u>	<u>\$ 120,746,102</u>	<u>\$ 123,260,464</u>	<u>\$ 124,792,269</u>	<u>\$ 124,205,198</u>	<u>\$ 125,762,971</u>
Change in Net Position										
Governmental activities	<u>\$ (2,043,792)</u>	<u>\$ 5,148,739</u>	<u>\$ 12,671,381</u>	<u>\$ 11,335,413</u>	<u>\$ 21,840,960</u>	<u>\$ 12,403,825</u>	<u>\$ 13,832,679</u>	<u>\$ 15,398,855</u>	<u>\$ 29,964,436</u>	<u>\$ 60,774,467</u>

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

Table 3

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
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
Capital Projects	-	-	-	-	-	-	-	46	-	-
General government	1,522,986	2,913,790	1,689,808	2,201,107	2,176,792	1,643,674	2,003,966	1,923,884	1,895,170	1,210,463
Public safety	26,540,769	18,485,979	9,817,893	2,239,642	583,382	614,273	4,041,083	1,714,607	2,617,106	1,962,353
Judicial	1,592,649	1,956,679	1,749,827	1,403,881	1,013,222	695,666	777,530	670,722	1,033,229	1,185,590
Committed:										
Capital projects	-	-	560,614	-	-	-	-	-	-	-
Assigned:										
Capital projects	-	-	-	560,614	560,614	2,668,380	627,051	-	-	-
Future benefits	-	-	3,000,000	1,500,000	1,183,724	1,106,718	1,014,267	1,030,640	1,029,327	1,070,183
Healthcare benefits	1,259,264	1,687,275	1,725,871	1,773,084	1,773,084	1,921,684	2,028,402	2,042,669	2,073,309	2,102,636
Corrections	-	-	-	-	-	-	1,380,972	1,408,387	1,832,801	2,482,794
Judicial	-	-	-	-	-	-	-	591,891	215,127	381,862
Postemployment benefits	2,275,734	1,220,973	1,212,719	4,387,135	2,522,436	559,689	-	-	-	-
Unassigned	-	-	-	2,482,025	13,992,905	20,809,820	24,206,010	31,265,754	38,280,253	49,649,874
Total general fund	<u>\$ 33,191,402</u>	<u>\$ 26,264,696</u>	<u>\$ 21,964,603</u>	<u>\$ 18,093,812</u>	<u>\$ 25,612,405</u>	<u>\$ 32,471,990</u>	<u>\$ 38,687,981</u>	<u>\$ 43,137,693</u>	<u>\$ 50,330,744</u>	<u>\$ 61,234,360</u>
All other governmental funds										
Restricted:										
Health, education, and welfare	\$ 814,824	\$ 400,006	\$ 966,041	\$ 2,474,219	\$ 2,114,191	\$ 2,188,149	\$ 4,251,854	\$ 3,626,200	\$ 4,825,894	\$ 4,595,828
Capital projects	19,226,280	19,560,818	10,417,262	1,879,240	1,161,931	6,298,912	3,695,483	11,357,429	10,254,171	5,302,635
Roads and bridges	2,897,306	2,909,938	2,716,233	2,314,828	2,988,751	3,262,585	2,476,305	-	-	83,351
Judicial	8,388,628	9,105,852	9,886,595	10,596,172	11,228,370	12,343,732	13,110,143	13,872,892	14,550,848	15,630,247
Community development	2,536,562	2,239,586	1,734,932	1,880,814	1,468,899	1,698,379	1,878,548	1,607,534	1,196,748	1,036,562
Committed:										
Capital projects	-	-	-	-	-	-	-	-	-	13,317,755
Total all other governmental funds	<u>\$ 33,863,600</u>	<u>\$ 34,216,200</u>	<u>\$ 25,721,063</u>	<u>\$ 19,145,273</u>	<u>\$ 18,962,142</u>	<u>\$ 25,791,757</u>	<u>\$ 25,412,333</u>	<u>\$ 30,464,055</u>	<u>\$ 30,827,661</u>	<u>\$ 39,966,378</u>
Total fund balances of all governmental funds	<u>\$ 67,055,002</u>	<u>\$ 60,480,896</u>	<u>\$ 47,685,666</u>	<u>\$ 37,239,085</u>	<u>\$ 44,574,547</u>	<u>\$ 58,263,747</u>	<u>\$ 64,100,314</u>	<u>\$ 73,601,748</u>	<u>\$ 81,158,405</u>	<u>\$ 101,200,738</u>

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

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

Table 4

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 106,170,287	\$ 116,611,483	\$ 117,319,438	\$ 118,053,482	\$ 119,727,563	\$ 120,155,825	\$ 121,488,947	\$ 122,914,746	\$ 123,876,011	\$ 125,593,195
Intergovernmental	174,538,312	169,537,740	170,410,928	172,736,021	189,095,657	200,539,898	200,752,880	155,468,518	171,802,848	145,860,330
Departmental	24,736,156	31,744,650	20,681,144	24,720,276	24,923,631	25,194,997	28,324,797	27,088,191	27,120,132	29,236,641
Fines and costs	3,131,476	3,303,185	3,274,350	3,264,006	3,148,094	3,396,081	3,437,868	3,481,423	2,870,590	2,950,879
Interest	132,790	120,148	99,131	118,044	181,209	628,929	1,671,559	2,425,265	480,351	292,285
Other	4,132,985	1,169,894	1,037,730	1,889,819	5,250,330	2,401,533	2,008,674	1,762,615	1,867,080	1,938,888
Health Choices revenues	1,279,710	1,498,523	2,803,213	1,611,549	2,274,595	1,408,862	1,987,630	1,883,259	2,161,469	1,887,711
Total revenues	<u>314,121,716</u>	<u>323,985,623</u>	<u>315,625,934</u>	<u>322,393,197</u>	<u>344,601,079</u>	<u>353,726,125</u>	<u>359,672,355</u>	<u>315,024,017</u>	<u>330,178,481</u>	<u>307,759,929</u>
Expenditures										
General government	28,262,996	30,129,669	26,630,285	33,341,399	29,230,902	26,558,053	28,814,022	29,586,708	110,879,887	66,721,272
Public safety	12,548,142	26,192,813	12,912,527	12,835,662	10,545,603	11,451,563	11,315,166	9,246,079	12,132,068	11,166,686
Roads and bridges	274,373	-	228,635	764,722	133,735	643,259	172,458	155,629	217,992	189,086
Health, education and welfare	169,963,493	165,705,416	167,944,070	167,453,600	189,992,167	199,452,208	199,005,660	153,133,757	85,291,824	86,408,826
Judicial	47,317,507	46,435,758	44,702,380	43,756,961	47,064,579	48,650,871	49,639,857	50,853,793	50,898,826	52,456,995
Corrections	24,234,937	27,577,716	24,952,042	25,234,661	26,668,718	28,789,244	26,883,888	27,766,818	25,279,538	29,325,948
Cultural and recreation	2,475,240	2,360,554	2,185,938	1,343,717	2,084,548	2,226,828	2,168,802	2,233,046	2,195,785	2,427,147
Community development	4,398,384	3,781,963	4,406,566	6,468,065	4,153,872	3,866,225	2,976,983	5,709,492	3,711,505	6,270,476
Capital outlay	20,087,950	11,152,496	20,766,965	17,751,098	3,485,951	2,937,498	8,173,866	17,738,263	20,388,573	11,233,198
Debt service (1):										
Principal	13,102,700	13,751,800	13,651,000	14,633,587	15,361,100	17,053,400	17,009,700	16,549,400	17,026,400	14,391,600
Interest and fiscal charges	10,053,952	10,643,324	10,601,370	9,656,490	8,901,565	8,176,693	7,845,689	7,473,374	7,286,046	7,126,362
Bond issuance costs	997,526	282,181	127,854	-	-	82,135	-	123,691	115,927	-
Total expenditures	<u>333,717,200</u>	<u>338,013,690</u>	<u>329,109,632</u>	<u>333,239,962</u>	<u>337,622,740</u>	<u>349,887,977</u>	<u>354,006,091</u>	<u>320,570,050</u>	<u>335,424,371</u>	<u>287,717,596</u>
Excess (deficiency) of revenues over (under) expenditures	(19,595,484)	(14,028,067)	(13,483,698)	(10,846,765)	6,978,339	3,838,148	5,666,264	(5,546,033)	(5,245,890)	20,042,333
Other financing sources (uses)										
Transfers in	12,974,005	12,221,130	12,365,605	11,651,165	13,642,251	15,595,569	13,194,524	13,337,856	13,867,285	26,844,024
Transfers out	(12,974,005)	(12,221,130)	(12,365,605)	(11,651,165)	(13,642,251)	(15,595,569)	(13,194,524)	(13,337,856)	(13,867,285)	(26,844,024)
Discount on refunding bonds issued	(166,353)	-	-	-	-	-	-	-	-	-
Premium on refunding bonds issued	2,842,564	27,149	8,487	2,170,372	3,087,988	3,202,917	860,303	571,904	4,543,478	-
Face amount of refunding bonds issued	52,830,000	28,380,000	8,185,000	28,900,000	26,495,000	40,620,000	13,320,000	8,455,000	28,550,000	-
Payment to refunded bond escrow agent	(54,855,913)	(28,205,000)	(8,065,633)	(30,670,188)	(29,225,865)	(43,337,812)	(14,010,000)	(8,935,285)	(32,767,153)	-
Premium on bonds issued	2,042,228	697	-	-	-	-	-	353,691	1,855,927	-
Face amount of bonds issued	23,305,000	6,795,000	-	-	-	6,255,000	-	11,770,000	10,560,000	-
Discount on bonds issued	-	-	-	-	-	(61,161)	-	-	-	-
Premium on swaption issued	-	1,865,000	-	-	-	-	-	-	-	-
Payment for refunded swaption issued	-	(1,757,500)	-	-	-	-	-	-	-	-
Issuance of capital leases	26,378,556	-	-	-	-	-	-	2,832,157	60,295	-
Sale of capital assets	-	348,615	560,614	-	-	3,172,108	-	-	-	-
Total other financing sources (uses)	<u>52,376,082</u>	<u>7,453,961</u>	<u>688,468</u>	<u>400,184</u>	<u>357,123</u>	<u>9,851,052</u>	<u>170,303</u>	<u>15,047,467</u>	<u>12,802,547</u>	<u>-</u>
Net change in fund balances	<u>\$ 32,780,598</u>	<u>\$ (6,574,106)</u>	<u>\$ (12,795,230)</u>	<u>\$ (10,446,581)</u>	<u>\$ 7,335,462</u>	<u>\$ 13,689,200</u>	<u>\$ 5,836,567</u>	<u>\$ 9,501,434</u>	<u>\$ 7,556,657</u>	<u>\$ 20,042,333</u>
Debt service as a percentage of noncapital expenditures	7.4%	7.5%	7.9%	7.7%	7.3%	7.3%	7.2%	7.9%	7.7%	7.8%

(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
2012	\$ 35,179,488,300	\$ 3,762,996,600	\$ 31,416,491,700	3.416	\$ 31,416,491,700	100%
2013	35,533,876,800	3,833,025,400	31,700,851,400	3.735	31,700,851,400	100%
2014	35,781,687,200	3,845,418,300	31,936,268,900	3.735	31,936,268,900	100%
2015	36,156,664,400	3,917,166,800	32,239,497,600	3.735	32,239,497,600	100%
2016	36,426,137,300	3,937,204,000	32,488,933,300	3.735	32,488,933,300	100%
2017	36,503,647,800	3,974,265,300	32,529,382,500	3.735	32,529,382,500	100%
2018	47,551,615,300	5,060,205,600	42,491,409,700	2.911	42,491,409,700	100%
2019	48,013,465,300	5,082,549,700	42,930,915,600	2.911	42,930,915,600	100%
2020	48,441,156,100	5,133,330,300	43,307,825,800	2.911	43,307,825,800	100%
2021	48,944,945,500	5,143,200,000	43,801,745,500	2.911	43,801,745,500	100%

Source: County of Lancaster Assessment Office

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

Note: Assessed value by major component not available.

Real Property Assessment Data

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

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total Direct Rate:	3.4160	3.7350	3.7350	3.7350	3.7350	3.7350	2.9110	2.9110	2.9110	2.9110
City rate:										
Lancaster	12.0400	13.0400	13.0400	14.0200	14.0200	14.4400	10.7000	11.7000	11.7000	11.7000
Borough rates:										
Adamstown	2.5000	2.5000	2.5000	2.5000	2.5000	2.5000	2.0410	2.0410	2.0410	2.0410
Akron	2.5000	2.5000	2.5000	2.7500	2.7500	2.7500	2.3200	3.0000	3.0000	3.0000
Christiana	5.0000	5.0000	5.0000	5.0000	5.0000	5.0000	3.6110	3.6110	3.6110	3.6110
Columbia	8.0000	8.0000	8.0000	8.0000	8.0000	8.0000	6.6000	8.0000	8.0000	8.0000
Denver	3.0000	3.0000	3.0000	3.0000	3.0000	3.1500	2.5270	2.5300	2.6600	2.7900
East Petersburg	2.3940	2.3940	2.3940	3.3940	3.3940	3.3940	2.7470	4.7470	4.7470	4.7470
Elizabethtown	5.0000	5.0000	5.0000	5.2000	5.5000	5.6000	4.3000	4.4000	4.6000	4.6000
Ephrata	2.0700	2.0700	2.0700	2.0700	2.0700	2.2800	1.7625	1.7625	1.7625	1.7625
Litz	2.1000	2.1000	2.1000	2.6000	2.6000	2.6000	2.0000	2.0000	2.0000	2.0000
Manheim	4.0000	4.7500	4.7500	4.8500	5.0500	5.8500	4.6400	4.6400	4.8900	4.8900
Marietta	5.5000	6.5000	6.5000	6.5000	6.5000	6.5000	5.1500	5.1500	6.1500	6.1500
Millersville	5.4500	5.4500	5.4500	5.7200	6.2000	6.4000	4.9000	5.1500	5.5000	5.5000
Mount Joy	4.4600	4.7000	4.9100	4.9100	4.9100	4.9100	3.7540	3.7540	3.9800	3.9800
Mountville	2.6000	2.6000	2.6000	2.6000	2.6000	2.6000	2.0700	2.0700	2.0700	2.0700
New Holland	3.4000	3.4000	3.4000	3.4000	3.4000	3.4000	2.7500	2.7500	3.2500	3.2500
Quarryville	4.7500	4.7500	4.7500	4.7500	6.0000	6.0000	4.6300	4.6300	4.6300	4.6300
Strasburg	3.0800	3.0800	3.0800	3.2800	3.2800	3.2800	2.6500	2.8600	3.0300	3.0300
Terre Hill	4.7000	5.0000	5.0000	5.0000	5.0000	5.0000	4.2500	4.2500	4.2500	4.2500
Township rates:										
Bart	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.4750	0.4750	0.4750	0.4750
Brecknock	0.2690	0.2690	0.2690	0.2690	0.2690	0.2690	0.2330	0.2563	0.4063	0.5563
Caernarvon	0.0150	0.0150	0.0150	0.0150	0.0150	0.0150	0.0117	0.0117	0.0117	0.0117
Clay	1.3000	1.3000	1.3000	1.3000	1.3000	1.3000	1.1700	1.1700	1.1700	1.1700
Colerain	0.6120	0.6620	0.6620	0.6620	0.6620	0.6620	0.5180	0.5180	0.5180	0.5180
Conestoga	1.1000	1.1000	1.1000	1.1000	1.1000	1.1000	0.8710	0.8710	0.8710	0.8710
Drumore	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.8459	0.8459	0.8459	0.8459
Earl	1.2500	1.2500	1.2500	1.2500	1.2500	1.2500	0.9780	0.9780	0.9780	0.9780
East Cocalico	1.7000	2.0500	2.0500	2.0500	2.0500	2.0500	1.6460	1.7330	1.7330	1.7680
East Donegal	3.7500	3.7500	3.9500	3.9500	3.9500	3.9500	3.1165	3.1165	3.1165	3.1165
East Drumore	0.3900	0.3900	0.3900	0.3900	0.3900	0.3900	0.3300	0.3300	0.3300	0.3300
East Earl	1.8000	1.9000	1.9000	1.9000	2.0500	2.0500	1.7000	1.7000	1.7000	1.7000
East Hempfield	1.1200	1.1200	1.1200	1.1200	1.1200	1.1200	0.8500	0.8500	0.8500	0.8500
East Lampeter	1.4620	1.6000	1.6000	1.6000	1.7300	1.9900	1.7500	1.9000	1.9000	1.9000
Eden	0.7000	0.8000	0.8000	0.9500	1.0500	1.1500	0.9320	0.9500	1.0000	1.0200
Elizabeth	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.5000	0.5000	0.5000
Ephrata	1.3700	1.3700	1.3700	1.3700	1.3700	1.4700	1.1700	1.1700	1.2700	1.2700
Fulton	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100	0.1648	0.2100	0.2100	0.2100
Lancaster	0.6000	0.6000	0.6000	0.6000	0.6000	1.2000	0.9100	0.9100	0.9100	0.9100
Leacock	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300	0.4300
Little Britian	0.3900	0.3900	0.3900	0.3900	0.3900	0.3900	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.)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Manheim	2.2300	2.2300	2.2300	2.2300	2.2300	2.2300	1.7173	1.7173	1.7173	1.7173
Manor	0.7800	0.7800	0.7800	0.7800	0.7800	0.7800	0.6100	0.6100	0.6100	0.6100
Martic	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.5100	0.5100	0.5100
Mount Joy Part (2)	1.6000	1.8500	1.7500	1.7500	1.7500	2.2500	1.7400	1.8400	2.0400	2.0400
Mount Joy Part (3)	1.6000	1.8500	1.7500	1.7500	1.7500	2.2500	1.7400	1.8400	2.0400	2.0400
Paradise	1.3200	1.3200	1.3200	1.3200	1.3200	1.3200	1.1082	1.1082	1.1082	1.1082
Penn	1.6000	1.4500	1.8000	1.8000	1.8000	1.8000	1.4326	1.4326	1.4326	1.4326
Pequea	1.7000	1.9000	1.9000	1.9000	1.9000	1.9000	1.5670	1.5670	1.5670	1.5670
Providence	0.1580	0.1580	0.1580	0.9500	0.8075	0.6300	0.3810	0.3810	0.3810	0.3810
Rapho	1.7500	1.7500	1.7500	1.7500	1.7500	1.7500	1.3700	1.3700	1.5000	1.5000
Sadsbury	0.8000	0.8000	0.8000	0.8000	0.8000	0.8500	0.7760	0.7760	0.7760	0.7760
Salisbury	0.1800	0.1800	0.1800	0.1800	0.1800	0.1800	0.0000	0.0000	0.0000	0.0000
Strasburg	0.4400	0.4400	0.6000	0.6000	0.7000	0.7000	0.5550	0.5550	0.5550	0.5550
Upper Leacock	1.5000	1.7000	1.7000	1.7000	1.7000	2.0000	1.6950	1.6950	1.6950	1.6950
Warwick	0.2740	0.2740	0.2740	0.2740	0.2740	0.2740	0.2325	0.2325	0.2325	0.2325
West Cocalico	2.0000	2.0000	2.1750	2.1750	2.1750	2.1750	1.8200	1.9100	1.9100	1.9100
West Donegal	1.6000	1.6000	1.6000	1.6000	2.0000	2.0000	1.6000	1.6000	1.8000	1.8000
West Earl	1.5900	1.5900	1.5900	1.5900	1.5900	1.5900	1.2666	1.2666	1.2666	1.2666
West Hempfield	0.6800	0.6800	0.6800	1.3400	1.3400	1.8500	1.4500	1.7500	1.7500	1.7500
West Lampeter	1.0000	1.0000	1.1000	1.1000	1.2000	1.2000	0.9689	0.9689	1.1500	1.1500
School district rates:										
Cocalico	21.3200	21.7600	22.3200	22.8200	22.8200	23.1600	18.6935	18.9739	18.9739	18.9739
Columbia Borough	26.0000	27.3700	28.2000	28.2000	29.3400	30.1910	25.8163	26.4600	26.4600	26.4600
Conestoga Valley	14.2860	14.5280	14.8330	15.2064	15.9240	16.3220	13.3940	13.7940	14.1526	14.4739
Donegal	20.9837	21.4453	22.0243	22.0243	22.4640	22.8790	18.1670	18.6211	19.0866	19.0866
Eastern Lancaster County	13.8410	14.1177	14.4141	14.6879	15.0404	15.3850	12.3854	12.5711	12.5711	12.8500
Elizabethtown Area	17.8900	17.8900	18.3700	19.1048	19.9000	20.8450	16.6063	17.0878	16.6068	16.6063
Ephrata Area	19.4100	19.6000	19.6000	19.6000	20.4500	20.4500	16.9500	16.9500	16.9500	16.9500
Hempfield	18.6310	19.0030	19.4590	19.6530	20.1246	20.3260	16.0034	16.3474	16.3474	16.6743
Lampeter-Strasburg	19.0760	19.4384	19.6133	19.8683	20.2458	20.5490	16.6440	16.9269	16.9269	17.2485
Lancaster	24.6972	25.9224	26.6793	26.6793	26.6793	28.2570	28.2568	21.8734	21.8734	22.6731
Manheim Central	16.6900	16.9726	17.1848	17.3566	17.3566	17.7730	17.7731	17.7731	17.7731	17.7731
Manheim Township	17.9525	18.2575	18.6409	18.6409	19.0509	19.4130	19.4128	19.4128	19.4128	15.7729
Octorara Area	27.4900	27.7100	26.4300	27.2000	28.7300	29.4500	25.3500	25.6600	25.5500	25.8000
Penn Manor	16.9700	17.2500	17.6100	18.0100	19.2700	20.0600	16.4000	16.9800	16.9800	17.5230
Pequea Valley	16.8898	17.3866	17.4735	17.4735	18.1217	18.4840	14.6806	14.9225	15.1463	15.2933
Solanco	11.2243	11.5161	11.8040	12.0990	12.4499	12.8110	10.4590	10.8251	10.9604	11.3440
Warwick	18.5900	19.2100	19.7094	20.1627	20.1627	21.1620	16.3711	16.3711	16.3711	16.3711

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

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

(1) Includes millage for municipal, school, and county real estate tax per \$1,000 of assessed value.

(2) Applicable to the portion of Mount Joy situated in the Donegal School District.

(3) Applicable to the portion of Mount Joy situated in the Elizabethtown School District.

County of Lancaster, Pennsylvania
Principal Property Taxpayers
December 31, 2021

Table 7

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Willow Valley Communities	\$ 238,523,100	1	0.54%	\$ 109,067,800	3	0.35%
Lancaster General	159,813,800	2	0.36%	104,307,900	4	0.33%
High Properties Et Al	143,053,500	3	0.33%	124,015,500	2	0.39%
Park City Center Business Trust	142,325,700	4	0.32%	139,083,200	1	0.44%
High Properties	141,646,500	5	0.32%	82,274,000	6	
Mennonite Home	75,851,600	6	0.17%	*		
Granite Properties	70,730,400	7	0.16%	59,245,200	8	0.19%
Garden Spot Village Inc	61,948,100	8	0.14%	58,374,000	9	0.19%
Dart Container Corp of PA	54,094,900	9	0.12%	70,589,200	7	0.22%
Landis Homes Retirement Community	47,997,900	10	0.11%	*		
Willow Valley Manor	*			85,652,200	5	0.27%
Rockvale Group	*			48,663,800	10	0.15%
Total	\$ 1,135,985,500		2.54%	\$ 881,272,800		2.82%

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
2012	\$ 106,836,125	\$ 572,535	\$ 107,408,660	\$ 103,802,744	96.64%	\$ 2,476,144	\$ 106,278,888	98.95%
2013	117,340,645	733,378	118,074,023	114,128,781	96.66%	2,459,459	116,588,240	98.74%
2014	118,402,728	523,875	118,926,603	115,041,984	96.73%	2,203,190	117,245,174	98.59%
2015	119,282,012	637,417	119,919,429	115,819,600	96.58%	2,203,937	118,023,537	98.42%
2016	120,414,571	660,834	121,075,405	117,104,809	96.72%	2,272,903	119,377,712	98.60%
2017	121,346,214	485,908	121,832,122	118,253,252	97.06%	2,161,249	120,414,501	98.84%
2018	121,915,364	1,383,688	123,299,052	119,572,950	96.98%	2,075,150	121,648,100	98.66%
2019	123,692,509	810,424	124,502,933	120,780,705	97.01%	1,931,491	122,712,196	98.56%
2020	126,069,096	784,599	126,853,695	121,794,520	96.01%	1,844,838	123,639,358	97.47%
2021	127,506,896	850,576	128,357,471	123,332,935	96.09%	2,661,385	125,994,320	98.16%

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

Notes:

(1) Does not include discounts, penalties, and exonerations.

(2) Delinquent tax collections include collections for multiple years; software currently in use does not make it possible to identify collections by the year in which it was levied.

(3) Includes penalties and other adjustments.

Assessment by Land Use

Years	Residential	Industrial	Commercial	Agriculture	Other	Total
2012	\$ 22,065,761,600	\$ 1,284,714,100	\$ 5,883,540,100	\$ 1,850,363,000	\$ 190,833,700	\$ 31,275,212,500
2013	22,205,789,400	1,278,246,000	5,838,144,300	1,901,865,600	192,446,400	31,416,491,700
2014	22,372,143,300	1,236,168,900	5,943,822,400	1,951,938,100	196,778,700	31,700,851,400
2015	22,537,454,000	1,240,765,800	5,977,568,600	1,985,879,600	194,600,900	31,936,268,900
2016	22,726,338,100	1,241,110,300	6,040,992,400	2,036,483,100	194,573,700	32,239,497,600
2017	22,878,084,500	1,212,154,200	6,128,189,800	2,071,116,200	199,388,600	32,488,933,300
2018	29,803,108,000	1,538,224,900	8,117,791,700	2,185,193,100	236,598,900	41,880,916,600
2019	30,213,741,300	1,542,891,000	8,287,542,700	2,200,825,200	246,409,500	42,491,409,700
2020	30,721,161,500	1,504,339,000	8,565,489,000	2,253,294,600	263,541,700	43,307,825,800
2021	30,985,098,900	1,536,559,000	8,743,718,900	2,266,371,800	269,996,900	43,801,745,500

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	Capital Leases			
2012	\$ 235,485,000	\$ 8,792,414	\$ 34,686,500	\$ 814,000	\$ 26,378,556	\$ 306,156,470	1.45%	\$ 581.14
2013	228,930,000	8,056,390	34,474,700	799,000	25,039,710	297,299,800	1.37%	561.37
2014	215,660,000	6,823,323	34,208,700	799,000	23,592,400	281,083,423	1.26%	527.04
2015	200,455,000	7,916,958	33,929,400	799,000	22,099,009	265,199,367	1.10%	494.20
2016	185,135,000	9,113,173	33,215,500	436,000	18,826,729	246,726,402	1.00%	458.17
2017	177,885,000	8,580,239	30,367,100	436,000	17,181,601	234,449,940	0.88%	431.84
2018	163,160,000	8,357,567	27,392,400	436,000	15,484,093	214,830,060	0.75%	395.23
2019	161,175,000	7,842,642	24,283,000	436,000	16,564,695	210,301,337	0.71%	385.36
2020	154,680,000	13,051,121	21,036,600	436,000	14,284,206	203,487,927	0.64%	371.68
2021	143,685,000	11,759,898	17,640,000	436,000	11,866,853	185,387,751	*	334.85

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

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

* Data not available.

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

Table 10

Years	Total General Obligation Debt	Percentage of Estimated Actual Taxable Value of Property (1)	Debt Per Capita (2)
2012	\$ 306,156,470	0.97%	581.14
2013	297,299,800	0.94%	561.37
2014	281,083,423	0.88%	527.04
2015	265,199,367	0.82%	494.20
2016	246,726,402	0.76%	458.17
2017	234,449,940	0.72%	431.84
2018	214,830,060	0.51%	395.23
2019	210,301,337	0.49%	385.36
2020	203,487,927	0.47%	371.68
2021	185,387,750	0.42%	354.07

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, 2021

Table 11

Jurisdiction:	(1) Total Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
County of Lancaster	\$ 185,387,750	100%	\$ 185,387,750
Overlapping:			
City of Lancaster	*		-
School Districts:			
Columbia Borough	9,805,848	100%	9,805,848
Conestoga Valley	91,748,342	100%	91,748,342
Donegal	45,661,808	100%	45,661,808
Eastern Lancaster County	1,413,769	100%	1,413,769
Elizabethtown Area	50,755,000	100%	50,755,000
Ephrata Area	6,265,000	100%	6,265,000
Hempfield	74,329,470	100%	74,329,470
Lampeter-Strasburg	14,490,572	100%	14,490,572
Lancaster	178,764,000	100%	178,764,000
Manheim Central	96,561,031	100%	96,561,031
Manheim Township	136,156,271	100%	136,156,271
Octorara	46,415,902	100%	46,415,902
Penn Manor	98,863,876	100%	98,863,876
Pequea Valley	85,467,100	100%	85,467,100
Solanco	18,699,500	100%	18,699,500
Warwick	37,720,000	100%	37,720,000
Total School Districts			<u>993,117,489</u>
Municipal Authorities:			
Akron Borough	469,849	100%	469,849
Christiana Borough Authority	672,198	100%	672,198
Columbia Borough	8,797,049	100%	8,797,049
Denver Borough	53,456	100%	53,456
Earl Township Sewer Authority	3,753,000	100%	3,753,000
East Cocalico Township Water & Sewer Authority	2,315,000	100%	2,315,000
East Lampeter Sewer Authority	10,365,000	100%	10,365,000
East Lampeter Township	7,645,935	100%	7,645,935
Elizabethtown Regional Sewer Authority	6,896,830	100%	6,896,830
Ephrata Area Joint Authority	2,500,000	100%	2,500,000
Ephrata Borough Authority	19,390,000	100%	19,390,000
Ephrata Township Sewer Authority	*	100%	-
Lancaster Area Sewer Authority	65,624,183	100%	65,624,183
Lancaster County Hospital Authority	786,589,320	100%	786,589,320

(Continued)

County of Lancaster, Pennsylvania
Direct and Overlapping Governmental Activities Debt
As of December 31, 2021

Table 11 (continued)

Jurisdiction:	(1) Total Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Lancaster County Solid Waste Management Authority	\$ 79,660,000	100%	\$ 79,660,000
Lancaster County Vo-Tech School Authority	16,995,000	100%	16,995,000
Leacock Township Municipal Authority	4,083,694	100%	4,083,694
Lancaster Parking Authority	51,275,000	100%	51,275,000
Manheim Area Water and Sewer Authority	9,070,418	100%	9,070,418
Manheim Township	3,317,412	100%	3,317,412
Manheim Township Authority	1,226,988	100%	1,226,988
Marietta-Donnegal Joint Authority	3,079,000	100%	3,079,000
Mount Joy Borough Authority	20,705,000	100%	20,705,000
Northern Lancaster County Sewer Authority	4,702,500	100%	4,702,500
Paradise Township Sewer Authority	4,905,000	100%	4,905,000
Penn Township	1,294,790	100%	1,294,790
Quarryville Borough	1,281,188	100%	1,281,188
Redevelopment Authority	*	100%	-
Sadsbury Township Municipal Authority	*	100%	-
Suburban Lancaster Sewer Authority	20,755,000	100%	20,755,000
Warwick Township Municipal Authority	3,650,000	100%	3,650,000
Weaverland Valley Authority	1,773,552	100%	1,773,552
West Cocalico Township Authority	10,096,535	100%	10,096,535
West Earl Water Authority	565,000	100%	565,000
Total Municipalities			<u>1,153,507,896</u>
Total Overlapping Debt			<u>2,146,625,385</u>
Total direct and overlapping debt			<u>\$ 2,313,937,135</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.

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

Table 12

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Borrowing base revenues (1):					
Two years prior	\$ 132,014,815	\$ 133,405,844	\$ 139,531,382	\$ 154,407,832	\$ 145,177,124
Prior year	133,405,844	139,531,382	154,407,832	145,177,124	149,627,502
Current year	<u>139,531,382</u>	<u>154,407,832</u>	<u>145,177,124</u>	<u>149,627,502</u>	<u>155,464,285</u>
Total borrowing base revenues	<u>\$ 404,952,041</u>	<u>\$ 427,345,058</u>	<u>\$ 439,116,338</u>	<u>\$ 449,212,458</u>	<u>\$ 450,268,911</u>
Average borrowing base revenues	\$ 134,984,014	\$ 142,448,353	\$ 146,372,113	\$ 149,737,486	\$ 150,089,637
Net Nonelectoral Debt Limit:					
Average borrowing base revenues	\$ 134,984,014	\$ 142,448,353	\$ 146,372,113	\$ 149,737,486	\$ 150,089,637
Debt limit percentage	<u>300%</u>	<u>300%</u>	<u>300%</u>	<u>300%</u>	<u>300%</u>
Net Nonelectoral Debt Limit	404,952,041	427,345,058	439,116,338	449,212,458	450,268,911
Total amount of debt applicable to debt limit	<u>270,171,500</u>	<u>263,404,700</u>	<u>249,868,700</u>	<u>234,384,400</u>	<u>218,350,500</u>
Total Remaining Nonelectoral Debt Capacity	<u>\$ 134,780,541</u>	<u>\$ 163,940,358</u>	<u>\$ 189,247,638</u>	<u>\$ 214,828,058</u>	<u>\$ 231,918,411</u>
Total net debt applicable to the limit as a percentage of debt limit	66.72%	61.64%	56.90%	52.18%	48.49%
Combined Net Nonelectoral Debt and Net Lease Rental Debt Limit					
Average borrowing base revenues	\$ 134,984,014	\$ 142,448,353	\$ 146,372,113	\$ 149,737,486	\$ 150,089,637
Debt limit percentage	<u>400%</u>	<u>400%</u>	<u>400%</u>	<u>400%</u>	<u>400%</u>
Combined Net Nonelectoral Debt and Net Lease Rental Debt Limit	<u>539,936,055</u>	<u>569,793,411</u>	<u>585,488,451</u>	<u>598,949,944</u>	<u>600,358,548</u>
Less: Non-electoral Debt and Lease Rental Debt	<u>270,985,500</u>	<u>264,203,700</u>	<u>250,667,700</u>	<u>235,183,400</u>	<u>218,786,500</u>
Remaining Nonelectoral Debt and Lease Rental Debt Capacity	<u>\$ 268,950,555</u>	<u>\$ 305,589,711</u>	<u>\$ 334,820,751</u>	<u>\$ 363,766,544</u>	<u>\$ 381,572,048</u>
Total net debt applicable to the limit as a percentage of debt limit	50.19%	46.37%	42.81%	39.27%	36.44%

Source: Lancaster County Controller's Office

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

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

(Continued)

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

Table 12 (Cont.)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Borrowing base revenues (1):					
Two years prior	\$ 149,627,502	\$ 155,464,284	\$ 153,011,136	\$ 158,457,096	\$ 158,785,543
Prior year	155,464,285	153,011,136	158,457,096	158,785,543	158,159,443
Current year	<u>153,011,136</u>	<u>158,457,096</u>	<u>158,785,543</u>	<u>158,159,443</u>	<u>161,862,156</u>
Total borrowing base revenues	<u>\$ 458,102,923</u>	<u>\$ 466,932,516</u>	<u>\$ 470,253,775</u>	<u>\$ 475,402,082</u>	<u>\$ 478,807,142</u>
Average borrowing base revenues	\$ 152,700,974	\$ 155,644,172	\$ 156,751,258	\$ 158,467,361	\$ 159,602,381
Net Nonelectoral Debt Limit:					
Average borrowing base revenues	\$ 152,700,974	\$ 155,644,172	\$ 156,751,258	\$ 158,467,361	\$ 159,602,381
Debt limit percentage	<u>300%</u>	<u>300%</u>	<u>300%</u>	<u>300%</u>	<u>300%</u>
Net Nonelectoral Debt Limit	458,102,923	466,932,516	470,253,775	475,402,082	478,807,142
Total amount of debt applicable to debt limit	<u>208,252,100</u>	<u>190,552,400</u>	<u>185,458,000</u>	<u>175,716,600</u>	<u></u>
Total Remaining Nonelectoral Debt Capacity	<u>\$ 249,850,823</u>	<u>\$ 276,380,116</u>	<u>\$ 284,795,775</u>	<u>\$ 299,685,482</u>	<u>\$ 478,807,142</u>
Total net debt applicable to the limit as a percentage of debt limit	45.46%	40.81%	39.44%	36.96%	0.00%
Combined Net Nonelectoral Debt and Net Lease Rental Debt Limit					
Average borrowing base revenues	\$ 152,700,974	\$ 155,644,172	\$ 156,751,258	\$ 158,467,361	\$ 159,602,381
Debt limit percentage	<u>400%</u>	<u>400%</u>	<u>400%</u>	<u>400%</u>	<u>400%</u>
Combined Net Nonelectoral Debt and Net Lease Rental Debt Limit	610,803,897	622,576,688	627,005,033	633,869,443	638,409,523
Less: Non-electoral Debt and Lease Rental Debt	<u>208,688,100</u>	<u>190,988,400</u>	<u>185,894,000</u>	<u>176,152,600</u>	<u>161,761,000</u>
Remaining Nonelectoral Debt and Lease Rental Debt Capacity	<u>\$ 402,115,797</u>	<u>\$ 431,588,288</u>	<u>\$ 441,111,033</u>	<u>\$ 457,716,843</u>	<u>\$ 476,648,523</u>
Total net debt applicable to the limit as a percentage of debt limit	34.17%	30.68%	29.65%	27.79%	25.34%

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)
2012	526,823	\$ 21,119,188	\$ 40,088	38.5	85,180	6.6%
2013	529,600	21,774,881	41,116	38.7	85,491	4.9%
2014	533,320	22,245,595	41,712	38.3	84,678	3.6%
2015	536,624	24,145,511	44,995	38.4	84,634	3.0%
2016	538,500	24,684,347	45,839	38.5	84,481	3.7%
2017	542,903	26,714,515	49,207	38.5	84,824	3.3%
2018	543,557	28,625,770	52,664	38.7	85,249	3.4%
2019	545,724	29,640,682	54,314	38.6	84,808	3.3%
2020	546,192	\$ 31,916,314	\$ 58,434	38.7	85,157	5.2%
2021	553,652	*	*	*	81,003	3.3%

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, 2021

Table 14

Employer (1)	2021			2012		
	Employees (2)	Rank (1)	Percentage of Total County Employment	Employees (2)	Rank (1)	Percentage of Total County Employment
Lancaster General Hospital	9,406	1	4.14%	7,076	1	3.21%
Giant Food Stores	***	2		*		
County of Lancaster	1,681	3	0.74%	1,973	2	0.89%
Nordstrom Inc	***	4		*		
Eurofins Lancaster Laboratories Inc	***	5		*		
Lancaster School District	1,646	6	0.72%	1,585	6	0.72%
Dart Container Corporation	***	7		1,475	9	0.67%
Masonic Villages of the Grand Lodge	1,569	8	0.69%	1,512	8	0.69%
Fulton Bank NA	1,280	9		*		
Urban Outfitters Wholesale	***	10		*		
Ephrata Community Hospital Inc.	*			1,866	3	0.85%
R.R. Donnely & Sons Company	*			**	4	
Armstrong World Industries	*			1,448	10	0.66%
Manheim Remarketing Inc	*			1,583	7	0.72%
Turkey Hill	*			1,650	5	0.75%
Total	<u>15,582</u>			<u>20,168</u>		
Total Employees in County	<u>227,306</u> (1)			<u>220,602</u> (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

*** Data not provided

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

Table 15

Function/Program:	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental Activities										
General government	254	251	251	234	233	232	240	194	235	229
Public safety	103	104	102	102	98	102	96	128	96	89
Health, education, and welfare	337	355	351	349	357	369	376	367	352	333
Judicial	620	599	598	586	608	608	608	598	594	572
Corrections	285	307	321	318	334	334	334	316	302	253
Cultural and recreation	15	14	13	13	12	13	13	13	12	13
Community development	6	6	5	5	5	5	6	6	6	5
Total governmental activities	1,620	1,636	1,641	1,607	1,647	1,663	1,673	1,622	1,597	1,494

Source: County of Lancaster Controller's Office

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

Table 16

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Function										
General Government										
General Election Information:										
Registered voters	314,567	307,478	311,498	309,581	335,791	321,046	329,492	325,296	354,296	344,202
Votes cast	224,670	51,322	142,298	65,388	246,938	72,326	203,944	88,660	282,538	96,840
Percent of votes cast	71.42%	16.69%	45.68%	21.12%	73.54%	22.53%	61.90%	27.26%	79.75%	28.17%
Property transfers recorded	11,031	11,718	11,184	11,985	12,604	13,087	12,609	12,806	12,093	13,832
9-1-1 calls	240,195	233,994	245,293	231,151	274,898	215,369	218,201	216,511	226,350	165,449
Text to 9-1-1	*	6	97	179	345	195	147	114	198	171
10-Digit 9-1-1 Calls	*	*	*	*	*	*	*	*	*	175,448
County ordinances approved	29	44	54	57	13	***	***	***	***	***
Municipal ordinances reviewed	168	193	221	226	306	275	297	316	343	327
Judicial										
Estates and wills probated	1,841	1,876	1,698	1,778	1,761	1,743	1,754	1,692	1,562	3,040
Marriage licenses issued	3,337	3,427	3,485	3,487	3,629	3,527	3,512	3,317	2,093	3,072
Child adoptions	249	232	245	230	249	246	246	199	166	154
Child relinquishments	133	167	145	163	143	181	45	52	95	112
Criminal cases filed	6,104	6,086	6,066	6,176	6,483	6,645	7,500	7,001	7,015	7,461
Criminal cases disposed	5,702	5,736	5,335	5,003	5,474	5,289	5,086	5,271	3,829	4,332
Civil suits filed	8,396	7,751	4,072	3,248	3,084	2,899	2,634	3,143	2,299	2,527
Civil judgments filed	9,449	12,565	8,542	7,922	11,110	10,818	9,363	9,595	6,003	6,551
Divorces filed	1,369	1,355	1,265	1,839	1,438	1,439	1,335	1,379	1,071	1,161
Protection from abuse cases filed	1,260	1,042	1,045	1,018	1,017	1,004	1,181	1,180	1,161	1,205
Naturalizations	182	225	169	261	193	200	207	255	68	107
Real estate executions (mortgage foreclosures) filed	777	980	952	755	705	721	296	375	204	125
District judge case filings	101,290	97,242	88,782	87,889	93,076	104,211	111,469	104,393	73,570	86,987
Domestic relations active cases	18,061	18,106	17,955	17,357	16,897	16,512	15,800	15,341	14,218	13,162
New juvenile probation cases	1,170	1,199	937	948	957	999	917	941	619	572
Juvenile probation placement days	35,313	34,121	28,012	22,797	20,711	18,476	17,135	15,943	7,728	5,422
New adult probation and parole cases	4,251	3,787	3,771	3,426	4,565	4,379	4,350	4,596	3,441	2,215
Corrections										
Average daily population	1,198	1,022	997	978	963	898	871	785	675	699
Annual admissions	6,145	5,913	5,715	5,454	5,110	5,742	6,206	6,006	3,462	3,750
Culture and Recreation										
Pool attendance	27,771	26,646	23,858	27,186	27,163	24,774	23,095	22,391	2,666	8,920
Community Development										
Easements added	26	33	20	23	26	21	16	23	18	18
Easement acreage added	1,931	1,851	1,362	1,560	1,781	1,534	1,250	1,902	1,422	1,337

Source: Various County Departments.

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

(Continued)

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

Table 16 (Cont.)

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Health, education, and welfare										
Employment and Training										
Customers served	**	**	**	**	**	**	**	**	**	**
Drug and Alcohol:										
Information and referral contacts	858	801	708	709	1,084	663	466	409	-	258
Inpatient non-hospital detox clients	403	460	499	428	206	257	313	375	13	170
Inpatient non-hospital rehab clients	129	463	413	327	197	226	319	393	13	170
Inpatient non-hospital halfway house clients	5	14	10	15	19	7	9	8	-	2
Inpatient hospital detox clients	2	1	1	1	1	1	1	-	2	1
Partial hospitalization clients	25	29	30	39	17	16	27	11	-	36
Outpatient drug free clients	1,153	1,190	1,088	964	628	619	631	645	2	320
Methadone maintenance clients	16	17	16	34	12	12	16	15	-	24
Suboxone maintenance clients	****	****	****	****	****	****	17	1	*	-
Intensive outpatient clients	179	147	133	155	117	113	137	134	2	68
Website visitors	143,170	117,917	131,381	13,297	14,356	*	*	*	1	*
Mental Health:										
Emergency/crisis intervention hours	4,197	141	6,649	3,436	11,677	3,450	3,105	5,065	4,295	3,165
Community residential days	29,211	27,805	28,066	27,801	27,404	27,371	28,094	25,960	30,821	26,362
Community employment hours	37,747	7,001	32,016	18,365	4,554	4,523	8,368	7,688	7,132	3,577
Service case management clients	3,193	2,618	2,932	3,387	3,231	3,363	3,985	3,391	2,503	3,280
Day treatment hours	4,197	4,704	3,013	366	347	417	392	841	1,994	150
Outpatient hours	4,395	3,042	5,677	1,727	1,201	1,245	885	748	408	372
Family based hours	3,542	166	-	-	-	275	204	94	335	78
Psychiatric rehab hours	33,743	2,808	118,770	23,345	20,129	23,719	7,824	8,075	5,713	3,820
Social rehab hours	28,099	31,960	96,113	24,475	21,195	22,360	25,125	25,600	19,982	12,028
Drop-in-Center hours	60,740	*	*	63,709	60,122	53,663	43,477	40,651	29,606	6,890
Supported housing hours	9,147	9,209	38,424	9,221	9,190	9,483	8,858	8,083	8,446	6,624
Intellectual Disabilities										
Specialized support hours	1,168	6,458	6,828	3,167	2,944	1,148	393	123	191	222
Transportation trips	4,848	1,013	9,807	5,241	4,877	4,324	3,898	3,290	2,780	790
Employment hours	3,768	606	3,337	3,363	2,711	3,501	4,557	1,404	1,148	230
Residential services clients	22	24	32	33	32	40	34	33	32	30
Early intervention clients	1,189	2,419	1,250	1,201	1,234	1,273	1,225	1,937	2,200	2,144
Pre-Vocational hours	11,485	2,028	11,927	10,497	9,974	8,436	11,333	6,949	3,510	1,356
Respite clients	47	45	37	120	105	44	18	20	14	4
Home & community service hours	9,896	15,179	40,406	4,876	3,570	3,554	3,246	4,850	6,458	5,501
Family driven clients	8	2	-	132	194	171	7	141	75	53
Community habilitation hours	3,993	916	2,938	4,945	4,615	4,522	4,758	5,320	2,381	2,489

Source: Various County Departments.

Note: * Data not available.

** Effective July 1, 2011, Employment and Training is no longer considered a function of the County.

*** Effective January 1, 2017, the County no longer has the authority to approve ordinances.

**** Starting in 2018, the county also pays for Suboxone.

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

(Continued)

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

Table 16 (Cont.)

Function	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Health Choices										
Inpatient psychiatric:										
Members served	1,016	1,241	1,165	1,257	1,452	1,383	1,393	1,376	1,410	1,431
Days of service	15,904	16,824	17,473	21,556	23,163	20,339	25,416	28,491	33,975	33,922
Outpatient psychiatric:										
Members served	12,094	13,100	15,018	14,707	17,695	18,398	16,363	16,169	17,151	15,148
Units of service	240,775	252,287	263,741	286,814	307,581	346,721	348,233	282,709	289,397	288,111
Inpatient drug and alcohol:										
Members served	22	28	34	53	105	99	68	66	27	18
Days of service	236	325	270	453	949	828	541	436	242	216
Non-hospital drug and alcohol:										
Members served	786	790	1,327	940	2,004	2,169	1,444	1,511	1,512	1,408
Days of service	35,189	33,396	36,280	35,983	52,162	57,297	57,852	58,534	60,357	56,083
Outpatient drug and alcohol:										
Members served	2,041	2,140	2,253	2,386	3,698	3,947	3,400	3,350	2,818	2,738
Units of service	164,481	169,966	169,270	199,395	239,576	265,777	269,309	251,955	234,225	230,408
Behavioral health rehabilitation:										
Members served	2,671	2,735	5,651	2,426	5,552	6,509	2,630	2,346	2,040	2,002
Units of service	2,536,176	2,567,426	2,221,555	2,106,614	1,800,425	1,646,757	1,741,514	1,605,640	1,099,290	861,241
Residential treatment facility:										
JCAHO:										
Members served	121	121	122	98	108	97	92	85	74	74
Days of service	22,826	21,952	22,256	16,880	18,734	17,666	12,194	17,440	13,832	12,601
Non JCAHO:										
Members served	15	9	10	15	17	21	24	19	17	17
Days of service	2,417	2,270	2,493	3,333	3,765	4,840	5,374	3,972	4,479	4,292
Office of Aging:										
Case management clients	796	701	771	833	606	744	1,089	999	812	910
Protective services clients	1,268	1,237	1,360	1,690	1,594	1,857	2,039	2,543	2,455	2,631
Transportation clients	463	474	486	374	474	483	488	421	283	188
Meals provided	105,847	108,698	112,164	114,665	132,493	153,305	174,143	155,743	135,183	147,035
In-home services clients	647	511	635	555	497	589	639	521	503	441
Adult day care clients	47	50	69	55	96	117	110	84	54	51
PDA waiver clients	265	296	319	350	273	217	179	174	*****	*****
Children and Youth:										
Children served	4,966	5,155	5,309	6,966	10,548	10,825	11,576	12,272	10,881	10,762
Placement days	173,999	156,618	162,789	177,027	183,822	192,760	186,924	165,722	145,842	123,030
Child abuse reports	1,218	1,192	1,191	1,744	2,391	2,506	2,509	1,825	1,749	1,855
Intake reports	1,057	1,348	1,233	1,967	2,830	3,257	3,369	3,448	2,952	3,653

Source: Various County Departments.

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

County of Lancaster, Pennsylvania
Capital Asset by Function
Last Ten Fiscal Years

Table 17

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Function/Program:										
Governmental Activities										
General government										
Motor vehicles	9	10	9	8	6	4	3	3	3	3
Office buildings	1	1	3	3	3	1	1	1	1	1
Public safety										
Motor vehicles	26	26	26	20	19	17	14	13	13	13
Office buildings	1	1	1	1	1	1	1	1	1	1
Roads and bridges										
Motor vehicles	13	12	12	8	5	6	6	5	5	5
County-owned bridges	64	64	64	64	63	63	62	62	60	60
Health, education, and welfare										
Motor vehicles	6	5	5	5	5	3	3	3	1	–
Office buildings	3	3	–	–	–	–	–	–	–	–
Judicial										
Motor vehicles	120	119	121	65	52	38	30	17	14	12
Office buildings	4	4	4	4	4	3	3	3	3	3
Corrections										
Motor vehicles	7	7	8	8	8	7	7	4	3	3
Office buildings	2	2	2	2	2	2	2	2	2	2
Cultural and recreation										
Motor vehicles	48	48	48	39	34	29	26	23	24	16
Number of parks	9	9	9	9	9	9	9	9	9	9
Park acreage	2,055	2,055	2,055	1,995	1,995	1,995	1,995	1,996	1,996	1,996
Pavilions	12	12	12	11	11	11	11	11	11	11
Swimming pools	1	1	1	1	1	1	1	1	1	1
Environmental/Educational buildings	1	1	1	1	1	1	1	1	1	1
Office buildings	4	4	4	3	3	3	3	3	3	3
Storage buildings	8	8	8	5	5	5	5	5	5	5
Tenant Properties	5	5	5	5	5	5	5	5	5	4
Community development										
Easement acreage	45,359	47,211	48,573	50,133	51,914	53,448	54,698	56,600	58,022	59,389

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, 2021

Table 18

<u>Name and Title of Official</u>	<u>Annual Salary</u>	<u>Amount of Surety Bond</u>
Joshua G. Parsons, Commissioner	\$ 100,410	(1)
Ray D'Agostino, Commissioner	99,410	(1)
Craig E. Lehman, Commissioner	99,410	(1)
Lawrence M. George, Chief Clerk	111,067	(1)
Rhonda F. Allen, Acting Clerk of Courts	86,527	(1)
Brian K. Hurter, Controller	86,527	(1)
Stephen Diamantoni, Coroner	86,527	(1)
Heather L. Adams, District Attorney	185,665	(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	\$ 50,379,968 (3)

Source: Lancaster County Commissioner's Office

- (1) Effective November 2011, Act 106 authorized counties to obtain crime insurance covering county officers, replacing prior requirements that certain individual officers of the County have separate bonds. The Travelers Crime policy meets the required bond limits for county officers; the full limit of \$2,000,000 is available for loss.
- (2) No bond required under Title 16, Section 420 of the County Code.
- (3) The dollar value is stated at 75% of total county and municipal tax levied in 2019 for those districts with tax collectors and is updated annually. Bonds are valid for the tax collector's term, January 2018 - January 2022.

County of Lancaster, Pennsylvania
Schedule of Insurance In-Force
December 31, 2021

Table 19 (Cont.)

Name of Company/ Type of Coverage	Policy Number	Policy Period	Premium	Details of Coverage and Co-Insurance %	Liability Limit
One Beacon Package Policy (continued) Streetlights Traffic Signals Utility Services Paved Surfaces	791-00-18-70-0001	April 2, 2021 to April 1, 2022	\$ 150,630	Direct Damage Business Income/Extra Expense	\$ 50,000 per occurrence, \$25,000 deductible \$ 2,500 Per item \$ 50,000 per occurrence, \$25,000 deductible \$ 2,500 Per item \$ 25,000 Overhead transmission lines excluded \$ 25,000 \$ 250,000
One Beacon Package Policy Inland Marine	791-00-18-70-0001	April 2, 2021 to April 1, 2022	\$ 127,394		\$ 30,163,049 Miscellaneous Articles \$ 1,000 Deductible \$ 656,884 Contractors Equipment/ACV value \$ 250,000 Additionally Acquired Equipment \$ 1,000 Deductible \$ 1,000 Leased, Rental or Borrowed (Any 1 Item) \$ 25,000 Law Enforcement Dog, limit per dog \$ 200,000 Law Enforcement Dog, aggregate \$ 1,000 Deductible
One Beacon Package Policy Excess Liability	791-00-18-70-0001	April 2, 2021 to April 1, 2022	\$ 118,937	Underlying coverages: General Liability Public Officials Liability, Law Enforcement Liability Business Auto. Employers Liability non included	\$ 10,000,000 Each Claim/Aggregate
Gerber Life Insurance Company Volunteer Accident	38-077670-20	October 1, 2021 to October 1, 2022	\$ 414	Accidental Medical Expense Accident Death and Dismemberment	\$ 25,000 Each Accident \$ 5,000 Each Accident
Travelers Cyber Liability with Crime	106788704	August 16, 2021 to January 1, 2023	\$ 36,436	Privacy and Security Media Breach Cyber Extortion Crime/Fraud Social Engineering Telecom Fraud Business Interruption/Extra Expense	\$ 1,000,000 Aggregate \$ 25,000 Retention \$ 100,000 Sub-Limit (Part of Agg) - \$5,000 Retention \$ 100,000 Sub-Limit (Part of Agg) - \$5,000 Retention \$ 1,000,000
Federal Insurance Company Fiduciary liability Employee Retirement Plan	8223-9266	June 13, 2021 to November 17, 2021	\$ 5,833	Fiduciary Liability Estates and Legal Representative and Spousal Liability Defense within the limits Territory - Worldwide	\$ 1,000,000 Each Loss \$ 1,000,000 Each Policy Period \$ 15,000 deductible
MIDWEST EMPLOYERS CASUALTY CO Workers Compensation	EWC009808	January 1, 2021 to January 1, 2022	\$ 126,762	Excess Workers Compensation Employers Liability	Statutory Each Accident/Limit Each Employee Per Disease \$ 1,000,000 Each Accident/Limit Each Employee Per Disease \$ 500,000 Self insured retention

(Continued)

County of Lancaster, Pennsylvania
 Schedule of Insurance In-Force
 December 31, 2021

Table 19 (Cont.)

Name of Company/ Type of Coverage	Policy Number	Policy Period	Premium	Details of Coverage and Co-Insurance %	Liability Limit
One Beacon Package Policy Professional Liability	791-00-18-70-0001	April 1, 2021 to April 1, 2022	\$ 280,925	Public Officials E&O	\$ 1,000,000 Each Wrongful Ace
				Retro Date: 02/01/94	\$ 2,000,000 Aggregate
					\$ 100,000 Retention
				Public Officials Employment Practices	\$ 1,000,000 Each Wrongful Ace
				Retro Date: 02/01/94	\$ 2,000,000 Aggregate
					\$ 100,000 Retention
				Law Enforcement Liability	\$ 1,000,000 Each Wrongful Ace
					\$ 2,000,000 Aggregate
				\$ 100,000 Retention	
One Beacon Builder's Risk	790-02-87-04-0000	September 16, 2021 to July 31, 2022	\$ 10,500	Construction, Equipment Breakdown	\$ 16,000,000 Limit
				Soft Costs	\$ 1,500,000
				Earthquake	\$ 1,500,000
				Flood	\$ 1,500,000
					\$ 25,000 Deductible
BROTEMARKLE (1) Rockwood Casualty Insurance Company	FPL-136	July 1, 2021 to June 30, 2022	\$ 11,430	Pension Liability Insurance for foster parents	\$ 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)