

County of Lancaster

PENNSYLVANIA



ANNUAL REPORT SUMMARY

December 31, 2023

Prepared by the Office of the Controller

Lisa K. Colón, Controller



Controller's Office

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Suite #710
Lancaster, PA 17603
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Controller
Lisa K. Colón

To the residents of Lancaster County:

I am pleased and excited to provide you with our Annual Report Summary for the Fiscal Year Ended 2023. The information contained in this Report is a condensed and simplified overview of the County of Lancaster's audited Annual Comprehensive Financial Report (Annual Report) for the year ended December 31, 2023.

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

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

Readers desiring more detailed financial information can obtain the full, 142 page, Annual Report on the Controller's website at: <https://www.lancastercountypa.gov/2593/Annual-Comprehensive-Financial-Report-An> or call 717-299-8262.

I hope that you find this report interesting and informative.

Sincerely,

Lisa K. Colón

Lancaster County Controller



About Lancaster County

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

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

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

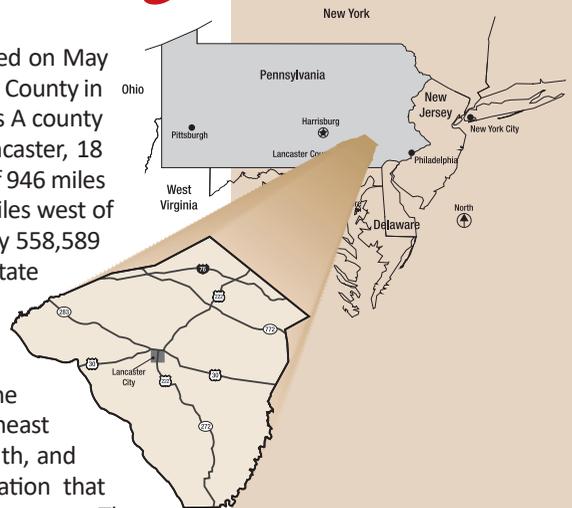


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Your County Real Estate Taxes

The County's property tax rate for 2023 remained unchanged at 2.911 mills.

Lancaster County's 2023 millage rate of 2.911 mills means residents paid County real estate taxes of \$291.10 on \$100,000 of assessed value.

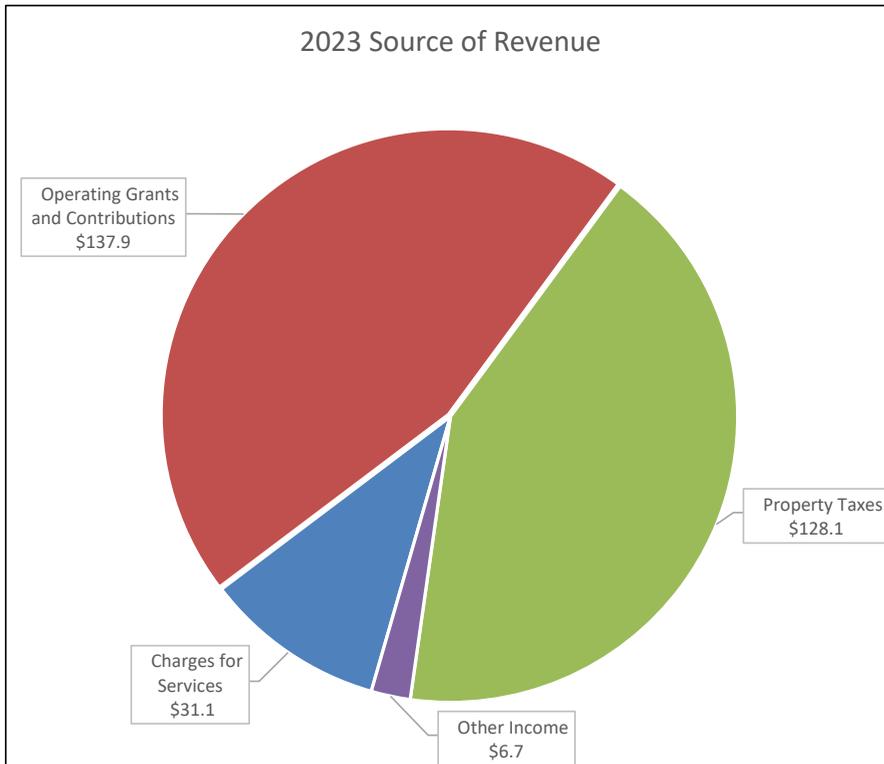
A large portion of the County's spending is funded by state and federal grants and charges for services. The remaining spending must be paid for primarily with your County real estate taxes. The illustration below shows how each dollar of your County real estate tax bill is spent.



Dollars In...

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

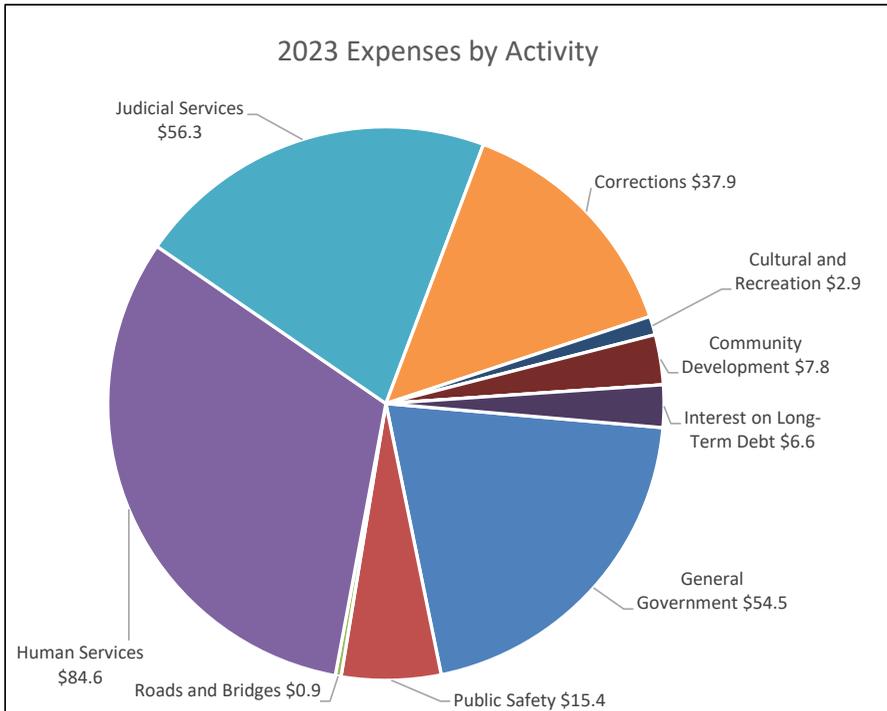
Revenues Taken In (expressed in millions)	<u>2023</u>	<u>2022</u>	<u>2021</u>
General Revenues:			
Property Taxes	\$ 126.4	\$126.4	\$125.5
Unrestricted Investment Earnings	1.8	1.8	0.3
Program Revenues:			
Charges for Services	33.3	33.3	32.7
Operating Grants and Contributions	154.9	154.9	148.6
Total Revenues	<u>\$ 316.4</u>	<u>\$316.4</u>	<u>\$ 307.1</u>



Dollars Out...

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

Services Provided (expressed in millions)	<u>2023</u>	<u>2022</u>	<u>2021</u>
General Government	\$54.5	\$84.4	\$62.5
Public Safety	15.4	14.1	12.4
Roads and Bridges	0.9	1.2	1.1
Human Services	84.6	76.9	73.4
Judicial Services	56.3	53.1	50.3
Corrections	37.9	34.2	30.8
Cultural and Recreation	2.9	2.9	2.7
Community Development	7.8	6.0	6.2
Interest on Long-Term Debt	6.6	7.5	7.0
Total Service Expense	<u><u>\$266.9</u></u>	<u><u>\$280.3</u></u>	<u><u>\$246.4</u></u>



Services Provided

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

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

Roads and Bridges – Services for the inspection and maintenance of the 64 bridges owned by the County. Financing for this program is provided by the County's portion of the Pennsylvania state gasoline taxes.

Human Services – Services responsible for promoting the general health and well-being of the community as a whole. Their expenses relate to the cost to provide federal and state mandated social service programs to County residents in need. This includes services such as Drug and Alcohol, Behavioral Health and Developmental Services, Office of Aging, and Children and Youth.

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

Corrections – Services that are used to support the County Prison and the Youth Intervention Center.

Cultural and Recreation – Services that provide County residents opportunities and facilities for cultural and recreational programs. This includes the Park system which consists of six regional parks and three recreational trails for a total of 2,055 acres.

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

Financial Position Summary

County Assets:

Cash and Investments are the amount of funds held by the County in checking, savings, and cash on demand certificates with maturity terms of less than 90 days or funds not needed within 90 days and invested to earn interest in accordance with State Laws.

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

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

County Liabilities:

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

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

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

(expressed in millions)

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Assets			
Cash and Investments	\$ 162.3	\$ 184.0	\$ 181.9
Accounts Receivable	27.0	28.8	53.4
Capital Assets	316.4	315.7	303.0
Total Assets	<u>505.7</u>	<u>528.5</u>	<u>538.3</u>
Deferred Outflows of Resources			
Deferred Outflows of Resources	35.4	50.9	27.2
Total Deferred Outflows of Resources	<u>35.4</u>	<u>50.9</u>	<u>27.2</u>
Liabilities			
Amount Owed to Vendors & Employees	19.3	17.5	20.9
Unearned Revenue	53.1	79.4	82.9
Long-term Liabilities	249.5	291.5	269.6
Total Liabilities	<u>321.9</u>	<u>388.4</u>	<u>373.4</u>
Deferred Inflows of Resources			
Deferred Inflows of Resources	68.3	77.9	115.1
Total Deferred Inflows of Resources	<u>68.3</u>	<u>77.9</u>	<u>115.1</u>

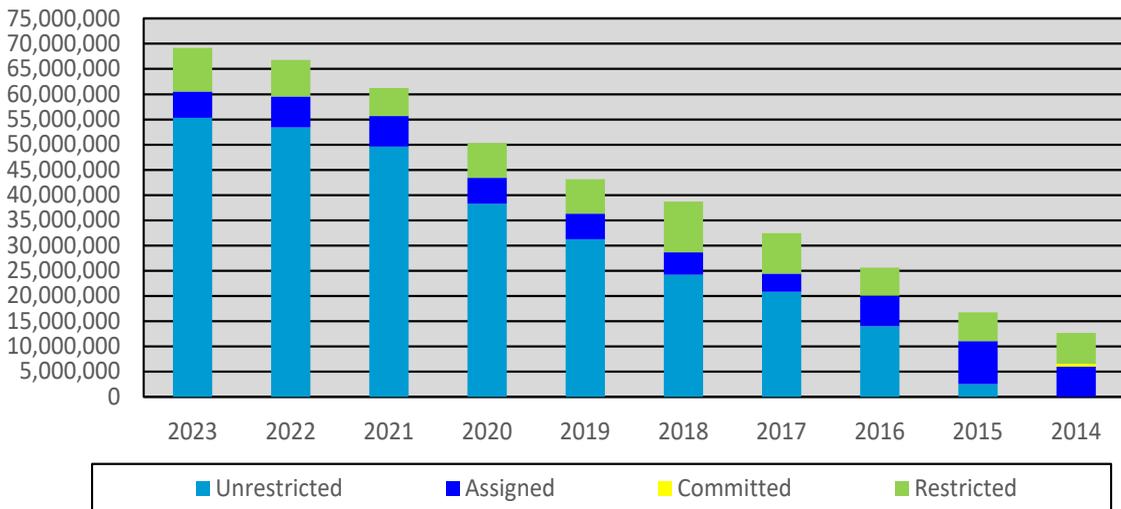
How Strong is the County's Financial Position?

It is important that the County maintain adequate net financial resources to protect against revenue shortfalls, unanticipated expenditures, and to ensure a stable tax rate and help maintain the County's positive bond rating. This starts with a responsible budget. The 2023 budget was the 11th consecutive balanced budget passed by the County Commissioners. A balanced budget means budgeted expenses did not exceed budgeted revenues.

The County of Lancaster's bond rating for 2023 was Aa2. It is recommended that governments with a Aa bond rating maintain an unrestricted fund balance in the general fund of 15-30% of general fund revenues and a general fund cash balance of 10-25% of general fund revenues. The County's unrestricted fund balance of \$60.5 million (includes unrestricted and assigned) at December 31, 2023 represents approximately 30% of general fund revenues. The County's general fund cash balance of \$113.7 million at December 31, 2023 represents approximately 56% of general fund revenues.

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

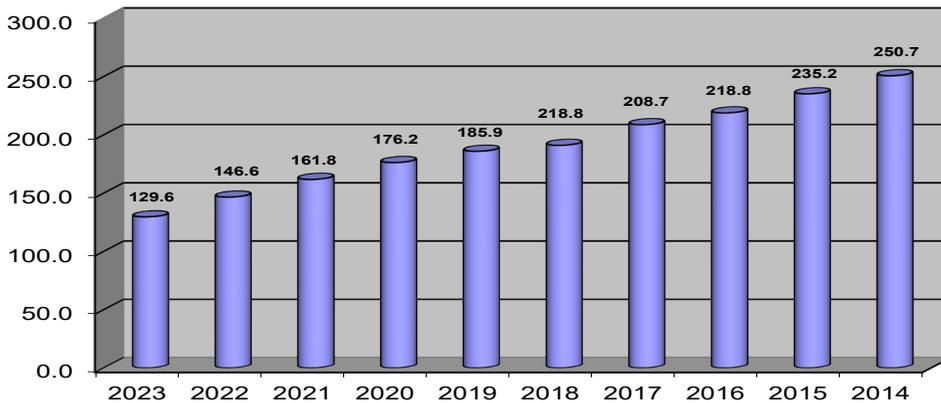
General Fund Balance



Debt Service Commitments

General obligation bonds, general obligation notes and direct borrowings, and installment purchase agreements are long-term debt instruments which are repaid from the County's general revenue sources.

Lancaster County's outstanding general obligation bonds, general obligation notes and direct borrowings, and installment purchase agreements at December 31, 2023 and the proceeding nine years.



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

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

Clerk of Courts

Dimary Serrano, Acting 717-299-8275

Commissioners

Ray D'Agostino, Chairman 717-299-8300

Joshua G. Parsons, Vice Chairman 717-299-8300

John Trescot, Appointed 717-299-8300

Controller

Lisa K. Colón 717-299-8262

Coroner

Stephen G. Diamantoni 717-735-2123

District Attorney

Heather L. Adams 717-299-8100

Prothonotary

Andrew E. Spade 717-299-8282

Recorder of Deeds

Ann M. Hess 717-299-8238

Register of Wills

Anne L. Cooper 717-299-8243

Sheriff

Christopher R. Leppler 717-299-8200

Treasurer

Amber L. Martin 717-299-8222

AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) has given the Award for Outstanding Achievement in Popular Annual Financial Reporting to Lancaster County, Pennsylvania for its Popular Annual Financial Report for the fiscal year ended December 31, 2022. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. This is the first year Lancaster County has received a Popular Award. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements and are submitting it to the GFOA.



Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

**County of Lancaster
Pennsylvania**

For its Annual Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morrell

Executive Director/CEO

Fraud, Waste, and Abuse Hotline

- Report Suspected Fraud and Theft
 - Information Is Confidential
 - Remain Anonymous

The Lancaster County Controller has established a Fraud, Waste, and Abuse Hotline. The purpose of this hotline is to allow anyone to report in confidence, information regarding any fraud, waste, or abuse having to do with *County of Lancaster* assets. This includes: suspected theft or misuse of County property or cash, false reporting of hours worked, submission of illegitimate vendor invoices, misrepresentation of expense reimbursements, mismanagement of tax dollars, spending in excess of what is reasonable and necessary, violations of the County's purchasing policy, or any other suspected fraud or abuse.

Report suspected fraud one of three ways:

- Via the hotline at (717) 824-8570
- Electronically at <https://co.lancaster.pa.us/1077/Fraud-Waste-Abuse-Hotline>
- Through the mail at the address noted below



County of Lancaster Controller's Office

150 North Queen Street • Suite #710 • Lancaster, PA 17603
717-299-8262 • www.co.lancaster.pa.us