

County of Lancaster

PENNSYLVANIA



ANNUAL REPORT SUMMARY

December 31, 2024

Prepared by the Office of the Controller

Lisa K. Colón, Controller



Controller's Office

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

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 2024. 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, 2024.

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, 141 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

Formed on May 10, 1729, Lancaster County became the fourth County in the Commonwealth of Pennsylvania. It was originally a part of Chester County and was named after Lancashire in England. Consisting of 60 municipal divisions including the City of Lancaster, 18 boroughs, and 41 townships, Lancaster is a second-class A county. 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 miles. Lancaster County is the sixth most populous county in the state behind only Philadelphia, Allegheny, Montgomery, Bucks, and Delaware counties with approximately 563,293 calling it home.

Lancaster County has the seventh-largest economy in Pennsylvania and its growth has outpaced that of the state over the past 10 years. In the last two decades, the county's gross domestic product (GDP), adjusted for inflation, has grown 36% to approximately \$30.7 billion. Its well-diversified economy is made up of many sectors. Among the largest sectors are finance-real estate, manufacturing, and health care and social services. Low unemployment along with a population that continues to grow have helped the economy remain strong. The unemployment rates in 2024 remained on par with the record low unemployment rates seen in 2023. The County's unemployment rate of 2.5% remains consistently lower than both the state and national averages of 3.7% and 4.1% respectively. The county continues to face a tight labor market along with a housing shortage. These challenges must be addressed to make sure businesses can attract qualified workers to continue to grow and prosper in the coming years.

With some of the richest, most productive, non-irrigated agricultural soils in the world, Lancaster County's local economy relies heavily on farming. 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. Between 2017 and 2022, the market value of crops sold in the county increased 41.5%, rising from \$231 million to nearly \$327 million. Row crops like corn, soybeans, and wheat are the backbone of farmed acreage, with vegetables and fruits growing in popularity. According to American Farmland Trust, Lancaster County ranks first for farmland preservation by a U.S. County. Over the past four decades, the Lancaster County Agricultural Preserve Board and partner organizations have preserved more than 1,600 farms that encompass 124,000 acres. That includes farms preserved by Lancaster Farmland Trust, a local nonprofit that preserves farmland and conserves waterways. That land, about 20% of the county, will remain farmland forever.

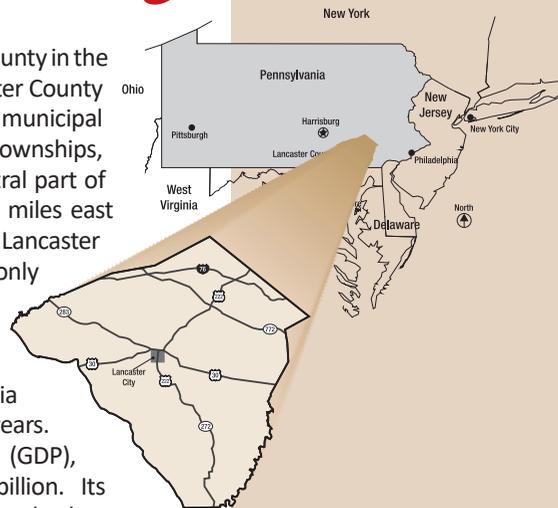


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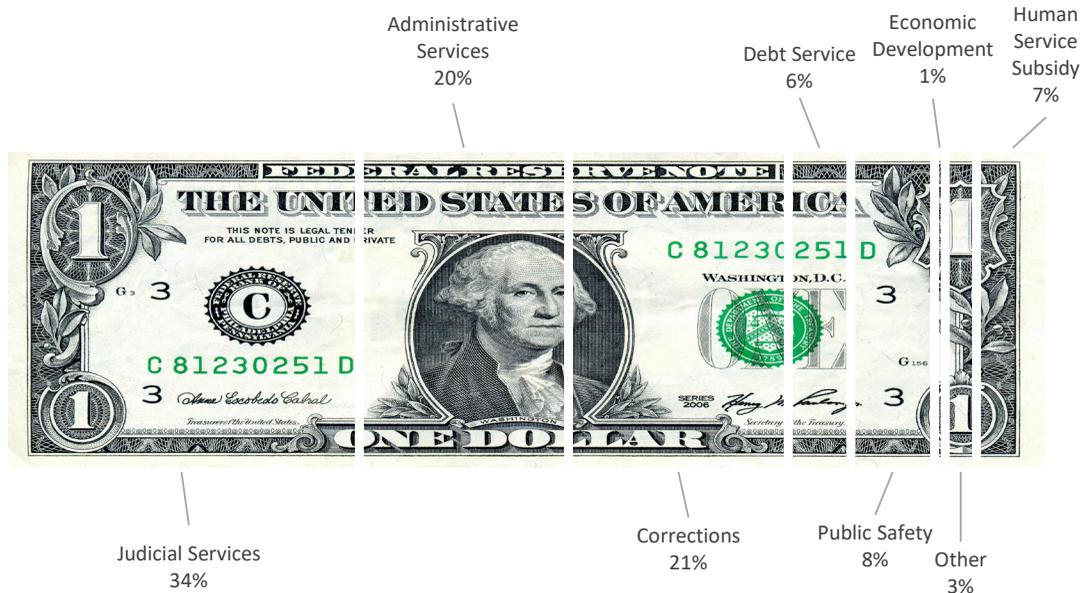
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Your County Real Estate Taxes

The County's property tax rate for 2024 remained unchanged at 2.911 mills.

Lancaster County's 2024 millage rate of 2.911 mills means residents paid County real estate taxes of \$291.10 on \$100,000 of assessed value.

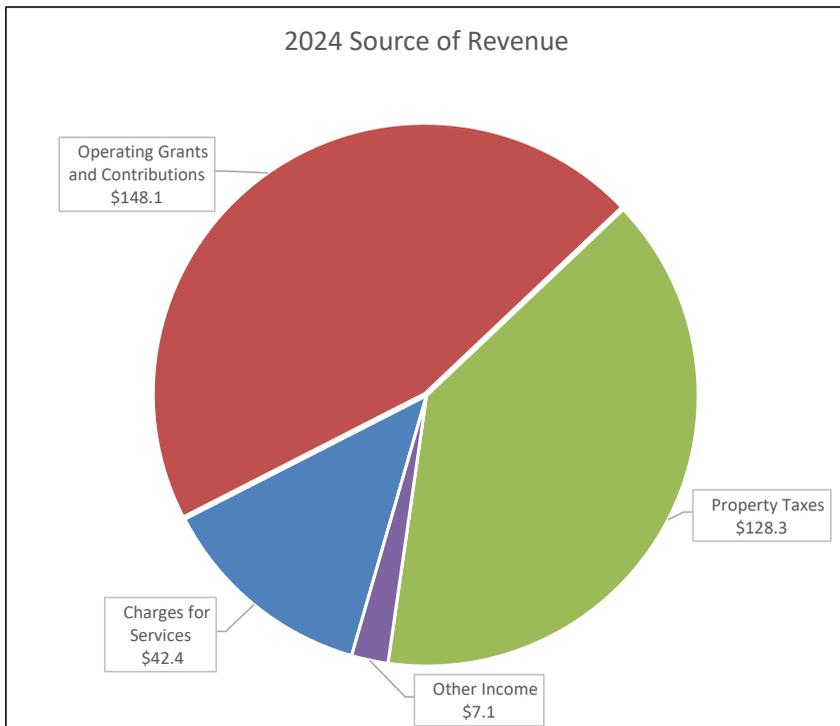
A large portion of the County's spending is funded by state and federal grants and charges for services. The remaining spending must be paid for primarily with your County real estate taxes. The illustration below shows how each dollar of your County real estate tax bill is spent.



Dollars In...

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

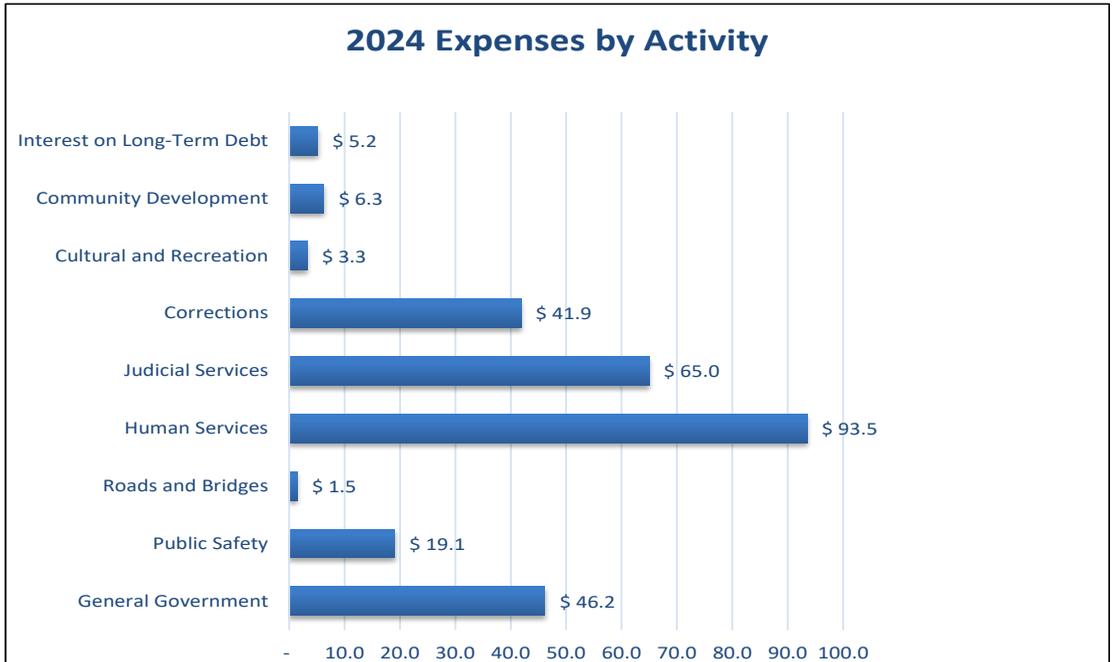
Revenues Taken In (expressed in millions)	<u>2024</u>	<u>2023</u>	<u>2022</u>
General Revenues:			
Property Taxes	\$ 128.3	\$128.1	\$126.4
Unrestricted Investment Earnings	7.1	6.7	1.8
Program Revenues:			
Charges for Services	42.4	31.1	33.3
Operating Grants and Contributions	148.1	137.9	154.9
Total Revenues	<u>\$ 325.9</u>	<u>\$303.8</u>	<u>\$ 316.4</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>2024</u>	<u>2023</u>	<u>2022</u>
General Government	\$46.2	\$54.5	\$84.4
Public Safety	19.1	15.4	14.1
Roads and Bridges	1.5	0.9	1.2
Human Services	93.5	84.6	76.9
Judicial Services	65.0	56.3	53.1
Corrections	41.9	37.9	34.2
Cultural and Recreation	3.3	2.9	2.9
Community Development	6.3	7.8	6.0
Interest on Long-Term Debt	5.2	6.6	7.5
Total Service Expense	<u><u>\$282.0</u></u>	<u><u>\$266.9</u></u>	<u><u>\$280.3</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>2024</u>	<u>2023</u>	<u>2022</u>
Assets			
Cash and Investments	\$ 160.4	\$ 162.3	\$ 184.0
Accounts Receivable	26.0	27.0	28.8
Capital Assets	329.7	316.3	315.7
Total Assets	<u>516.1</u>	<u>505.6</u>	<u>528.5</u>
Deferred Outflows of Resources			
Deferred Outflows of Resources	21.1	35.4	50.9
Total Deferred Outflows of Resources	<u>21.1</u>	<u>35.4</u>	<u>50.9</u>
Liabilities			
Amount Owed to Vendors & Employees	22.6	19.3	17.5
Unearned Revenue	38.1	53.1	79.4
Long-term Liabilities	232.0	249.5	291.5
Total Liabilities	<u>292.7</u>	<u>321.9</u>	<u>388.4</u>
Deferred Inflows of Resources			
Deferred Inflows of Resources	50.6	69.1	77.9
Total Deferred Inflows of Resources	<u>50.6</u>	<u>69.1</u>	<u>77.9</u>
Net Position	<u>\$ 193.9</u>	<u>\$ 150.0</u>	<u>\$ 113.1</u>

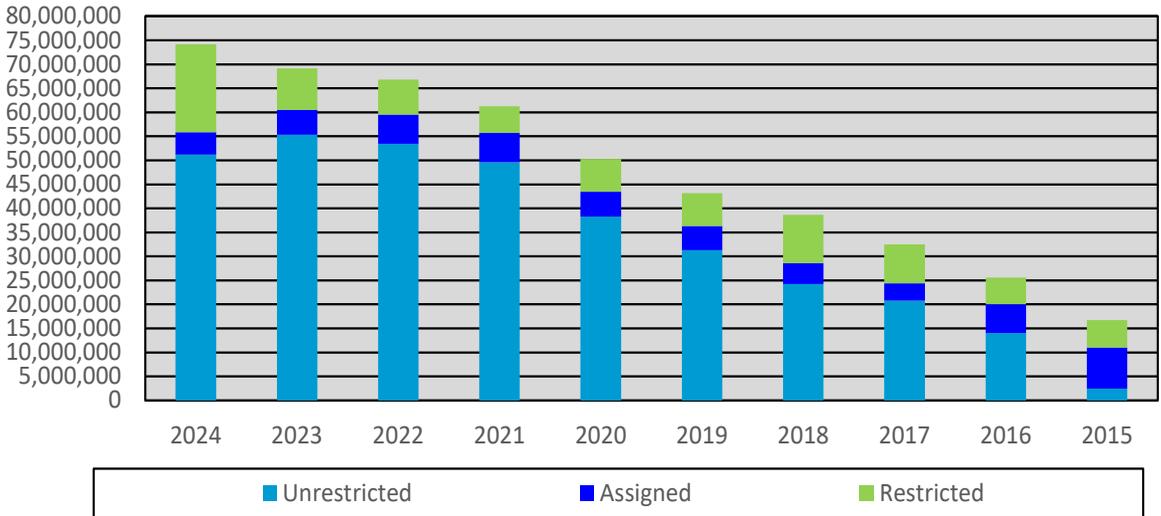
How Strong is the County's Financial Position?

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 2024 budget was the 12th 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 2024 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 \$55.9 million (includes unrestricted and assigned) at December 31, 2024 represents approximately 27% of general fund revenues. The County's general fund cash balance of \$103.5 million at December 31, 2024 represents approximately 49% of general fund revenues.

The following chart shows the levels of the County's unrestricted, assigned, 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.

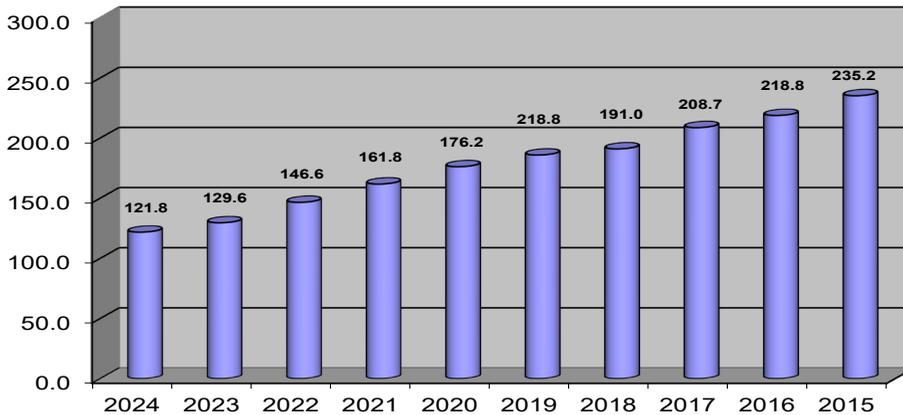
General Fund Balance



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, 2024 and the preceding nine years.



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

	Principal	Interest	Total
2025	\$10,100,000	\$ 5,417,556	\$ 15,517,556
2026	10,800,000	4,740,278	15,540,278
2027	11,990,000	4,258,186	16,248,186
2028	12,480,000	3,757,874	16,237,874
2029	12,975,000	3,253,750	16,228,750
2030 - 2034	37,140,000	10,362,733	47,502,733
2035 - 2039	22,925,000	2,943,352	25,868,352
2040 - 2044	3,400,000	378,812	3,778,812
	<u>\$ 121,810,000</u>	<u>\$ 35,112,541</u>	<u>\$ 156,922,541</u>

Clerk of Courts

Nicky Woods 717-299-8275

Commissioners

Joshua G. Parsons, Chairman 717-299-8300

Ray D'Agostino, Vice Chairman 717-299-8300

Alice Yoder 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, 2023. 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 second 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, 2023

Christopher P. Morill

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