

# COUNTY OF YORK YORK, PENNSYLVANIA



## COMPREHENSIVE ANNUAL FINANCIAL REPORT For the year ended December 31, 2006

PREPARED BY THE OFFICE OF THE CONTROLLER  
ROBERT P. GREEN, CONTROLLER



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# Office of County Controller

**Robert P. Green**  
Controller

**Deborah K. Myers**  
Deputy Controller



28 East Market Street  
Room 232  
York, Pennsylvania 17401-1596  
Voice 717-771-9616  
Fax 717-771-4330

## County of York, Pennsylvania

June 25, 2007

TO: THE COMMISSIONERS OF YORK COUNTY, PENNSYLVANIA

The Comprehensive Annual Financial Report (CAFR) regarding the County of York, Pennsylvania for the fiscal year ended December 31, 2006, is submitted herewith. This CAFR was prepared by the County Controller's Office. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data as presented is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and changes in financial position of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a clear understanding of the County's financial affairs have been included.

The organization, form and the contents of this CAFR, the accompanying financial statements, and the statistical tables were prepared in accordance with the standards established by the Government Accounting Standards Board (GASB), the Government Finance Officers Association (GFOA), the American Institute of Certified Public Accountants (AICPA), and the County Code of the Commonwealth of Pennsylvania.

This CAFR is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes the transmittal letter, the County's organizational chart, a list of elected County officials, and a map of the County. The Financial Section includes Management's Discussion and Analysis, a report by the independent accounting firm of Zelenkofske Axelrod LLC, the basic financial statements, required supplementary information, and combining and individual fund financial statements and schedules. For additional overview and analysis of the County's financial performance for the fiscal year ended December 31, 2006, refer to the Management's Discussion and Analysis. The Statistical Section includes historical financial information, selected demographic and other miscellaneous statistics.

## **FINANCIAL REPORTING ENTITY**

This CAFR includes all funds of the County. The County provides a full range of services. These services include the court system, prison, nursing home, 911 emergency operations center, and human service programs. Consistent with the guidance contained in GASB 39, "Determining Whether Certain Organizations are Component Units", an amendment of GASB 14, "The Reporting Entity", the criteria used by the County to evaluate whether additional entities should be included in the County's reporting entity as component units includes whether the County can impose its will on these entities and whether these entities bring the County financial benefit or burden. The component units included in the reporting entity are the York County Solid Waste and Refuse Authority (YCSWRA), the York County Industrial Development Authority (YCIDA), the York County Library System (YCLS), and the York County Planning Commission (YCPC).

The activities of the Fire Chiefs and Fire Fighters Association of York County (FCFFAYC), the Historical Society of York County (HSYC), the York County Convention and Tourist Bureau (YCTB), the York County Emergency Medical Services Training Institute (YCEMSTI), the York County Industrial Development Corporation (YCIDC), the York County Conservation District (YCCD), the York County Rail Trail Authority (YCRTA), the Penn State Cooperative Extension Service (PSCES), the York County Transportation Authority (YCTA), and the General Authority of Southcentral Pennsylvania (GASP) have not met the financial accountability criteria of GASB 39 and are accordingly excluded from this CAFR.

Other related organizations that have been excluded are the York County Private Industry Council (YCPIC), the York County Hospital Authority (YCHA), and the York County Air Transportation Authority (YCATA). The County Commissioners are responsible for appointing the members of the board for these organizations, but the County's accountability does not extend beyond making appointments.

## **ECONOMIC CONDITION AND OUTLOOK**

York County is located in south-central Pennsylvania in the Susquehanna River Valley. The County is bounded on the east by the Susquehanna River and Lancaster County, on the west by Adams County (which includes the Gettysburg area), on the north by the Harrisburg area and the south by Baltimore, Harford, and Carroll Counties (Maryland). Interstate-83, a major north-south highway, and US-30, a major east-west highway, transects York County, creating a major crossroads accessible to the Eastern Seaboard. This centrally located highway network provides access to 26 industrial parks, which include many of the County's manufacturing facilities. Manufacturing employs 22.25% of the County's workforce. The four major industries are manufacturing, retail trade, education/health services, and professional/business services. The County is one of the largest agricultural producers in Pennsylvania and ranks in the top three counties in the production of a number of commodities.

York County's excellent location provides many cultural and economic advantages. Harrisburg, the state capital, and Baltimore, the second largest port on the East Coast, lie within an hour's drive on Interstate 83 while Philadelphia and Washington D.C. are within a two-hour drive. Major airports serving York County include Baltimore-Washington International Airport (BWI) and Harrisburg International Airport (HIA).

The County's population has increased 12.4% from 1990 to 2000, while the state's population increased only 3.4%. The average household income increased from \$33,773 in 1990 to \$45,268 in 1999, a 34.04% increase. In 2006, York County's average unemployment rate was 3.2%, ranking below both the state and national unemployment rates of 3.8% and 4.4%, respectively.

The County is preparing for the future through strong planning efforts led by the County and municipal governments. The York County Chamber of Commerce and York County Industrial Development Corporation provide strong business advisory and economic development services to maintain our strong economic base and business involvement in community leadership. Many of the County's social service providers, including the United Way, hospitals, and educational organizations, have joined with the business community in a long-range planning effort to strengthen planning, health care, and public education in York County.

## **MAJOR INITIATIVES**

### **Farmland Preservation**

York County has been one of the lead counties in Pennsylvania in the move to preserve farmland and has established a Farmland Preservation Board. As of December 2006, the Board has been able to preserve 176 farms, totaling 30,654 acres. Approval has also been received to preserve 19 more farms, totaling 1,940 acres, in 2007. York County ranks third in Pennsylvania and eighth in the United States in the number of farmland acres preserved. The acquisitions are funded by a combination of County, State, and Federal funds.

### **York County Solid Waste and Refuse Authority**

The York County Solid Waste and Refuse Authority (Authority) coordinates the environmentally responsible, economic, and efficient management of all municipal solid waste generated in York County. The Authority is the owner of the York County Resource Recovery Center in Manchester Township and the York County Sanitary Landfill in Hopewell Township. The Authority also owns and operates the Yardwaste Transfer Site, the Recyclable Materials Drop-Off Center, and the Education Center. The Authority is a component unit of the County of York.

The Authority's Municipal Waste Management Plan provides a 25-year blueprint for managing the County's municipal solid waste through an integrated system. This Plan includes the utilization of the York County Resource Recovery Center, emphasizes recycling, reuse, and waste reduction, and incorporates major participation from the private sector. The Authority conducts countywide programs such as household hazardous waste collection days, phone book recycling, and Christmas tree mulching.

The Authority also sells electrical power generated from the processing of solid waste to a utility.

### **York County Prison**

York County's prison was constructed in 1979 and had a capacity for 210 prisoners. By 1989, the population of the facility was close to 600, stretching the facility and the staff beyond reasonable expectations and creating a potential for disaster. An expansion project to increase the capacity to house 1,200 inmates was completed in November 1993. This expansion enabled the County to bring its prison into compliance with federal, state and local laws concerning occupancy. The expansion also allowed the County to take advantage of earning additional revenue by providing space to house federal prisoners and detainees for the Immigration and Naturalization Services (INS).

York County's capability to house federal prisoners and INS detainees has been so successful that the County decided to further expand the prison facility. Another expansion project, which was funded by variable rate general obligation bonds, Series 1997, began in mid 1997 and was completed in early 1999. This project increased the prison's capacity to house 1,650 inmates. Renovation of the gym and out-mate program areas at the prison, along with the temporary installation of modular housing, was made available through the issuance of Series 2000 general obligation bonds. The prison now has the capacity to house 1,950 inmates and is the largest INS detention facility in the United States. In 2006, federal prisoners and INS detainees accounted for approximately 31% of the average prison population. Revenues received in 2006 were \$9,269,985.

In October 2006, the County completed building a minimum-security dormitory building and updated the food service and medical facilities at the Prison at a cost \$17.4 million. This minimum-security dormitory building allows the Prison to house 150 inmates adjudicated to the work release program by the Court of Common Pleas.

### **Capital Project**

In 2000, the Board of Commissioners approved a \$77.5 million capital project funded through the issuance of a series of variable rate bonds through the General Authority of Southcentral Pennsylvania. It is estimated that this capital project will impact the County's millage rate by 0.24 mills. Included in this project were plans for the construction of a \$60.5 million Judicial Center and \$17 million in renovations to the existing Courthouse.

This project will enable the County to dispose of property located at 141 West Market Street and One West Marketway in downtown York City. This project also allows the County of York to be more efficient and effective in the delivery of services to the public.

### **New Judicial Center**

A seven story, 330,000 square foot Judicial Center was completed in 2004 that consolidates the 19th District Court of Common Pleas and all court related offices. Court Administration, District Attorney, Public Defender, Sheriff, Prothonotary, Clerk of Courts, Register of Wills/Clerk of Orphans Court, Probation, Domestic Relations, Divorce Masters, Law Library, and CASA offices are located at the new Judicial Center. Victim Assistance and Access York, which are non-County offices, are also located on the first floor of the Judicial Center. The new Judicial Center has twelve courtrooms equipped with state of the art audiovisual capabilities. This technology allows the courts to link with the Prison, District Justice Offices, or any other location across the country having the same technology, allowing for long distance arraignments, testimonies, depositions and other court related activities that will reduce travel and processing costs. Cameras are installed in each courtroom and there are separate secured areas for judges, defendants, jury, and the general public. The Judicial Center is designed with one level of subterranean parking and a shell floor that will provide six additional courtrooms to accommodate growth through the year 2020. As a result of the events of September 11, 2001, the County has augmented security and security technology at the new Judicial Center by approximately \$1.3 million. Included in the security system is a state of the art ion scanning system. The new Judicial Center was fully occupied by August 2004.

### **County Administrative Center**

Renovations were completed in May 2006 on the existing Courthouse, converting it to the County Administrative Center. Preserving the historic and stately atmosphere of the building, while providing a state of the art facility for use by the public and staff alike, were the primary objectives for the renovations. This was accomplished by utilizing period color schemes and retention of marble staircases and tile floors. The original purpose for the building was to preserve and represent through the restoration of Courtroom No. 1 which is used as a ceremonial courtroom for such functions as naturalization ceremonies and high-profile court cases. The Commissioners are located in this building along with the following offices: Solicitor, Controller, Treasurer, Voter Registration and Elections, Information Technology, Human Resources, Training, Payroll, Purchasing, Recorder of Deeds, Assessment, Facilities Management, and the Planning Commission.

## **County Human Service Center**

The existing Government Center building will be converted to serve as the County's consolidated Human Service Center. In 2007, the architectural design work will start along with renovations to the existing York County parking lot. Renovations to the parking lot will include visitor parking with ADA compliance. Construction on the Government Center building is scheduled to start in 2008. York County Human Services Agencies to be located in the center include Children and Youth, Aging, Mental Health and Mental Retardation, Drug & Alcohol, Community Services, and Veteran Affairs.

### **Business Continuity Plan/Continuity of York County Government**

In July 2006, the York County Board of Commissioners approved the initiation of a project, sponsored by the Information Services Department, to develop a Business Continuity Plan for re-establishing essential services and continuing the business of York County Government in the event of a major or minor incident. In today's world, it's not a matter of IF but WHEN there will be a natural or man-made incident that will disrupt normal business operations. Being prepared will allow York County to respond to an incident in a timely, orderly and efficient fashion, while reducing the severity of the impact to operations and to the citizens that are served.

The Information Services Department had previously developed a Disaster Recovery Plan for assuring that computers and automated systems could be restored in a disaster. However, Information Services recognized that recovering computer systems were only one piece of being able to continue business operations. Information Services, with the support of an outside consultant with an expertise in government business continuity planning, began the planning necessary to develop a County-wide Business Continuity Plan. The Plan will be developed by building within the County structure. The first phase of the Plan will be to develop a Courts Continuity Plan for an incident in the Judicial Center or in a Magisterial District Judge Office. This plan is expected to be completed in the first half of 2007. Plans for other areas of the County will be developed in an on-going fashion. It is expected that it will take about three years to develop continuity plans for all areas of York County Government.

### **York County Department of Emergency Services Center Project**

The Board of Commissioners of York County has approved a comprehensive upgrade of the 911 communications system, known as the Emergency Services Center Project that includes upgrading and/or replacement of the following: radio and alerting infrastructure, subscriber units, installation of a computer aided dispatch system (CAD), and a new consolidated 911 and Emergency Management (EMA) facility. The project will create a public safety grade 911 Communications System and a combined Emergency Management and 911 facility that will serve the County's needs for the next 20 years.

The new Emergency Services Center will consolidate existing functions of the 911 Center, Emergency Management Agency, and Emergency Operations Center to support the County's emergency services providers. Additional improvements will include upgrades or replacement of the existing tower sites and enhancing radio interoperability reception throughout the County. The facility construction is scheduled to begin in early 2006 and will be completed in mid 2007.

York County will also implement a Computer Aided Dispatching (CAD) system in the current 911 Center and will be cutover to the new Emergency Services Center in late 2007. The CAD system will allow dispatchers to process and dispatch to emergency service providers more efficiently and effectively.

The estimated cost of the project, which will be funded through a general obligation bond issuance, is approximately \$63 million.

### **New Voting Machines**

Federal Law, the Help America Vote Act of 2002 (HAVA), required by year 2006 that all state and county governments have HAVA compliant electronic voting machines. The County of York purchased 700 new electronic voting machines with digital touch screens that were ADA accessible to replace current lever voting machines. The cost of the new voting machines was \$2.5 million.

### **ACCOUNTING SYSTEM AND BUDGETARY CONTROL**

The basic financial statements include both government-wide financial statements and fund financial statements. The government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting, which incorporates long-term assets as well as long-term debt and obligations. The governmental fund financial statements are presented using a current financial resources measurement focus and the modified accrual basis of accounting. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt is recognized as expenditures when due.

In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; (2) the reliability of financial records for preparing financial statements; and (3) maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be derived and that the evaluation of cost and benefits requires estimates and judgments by management.

All internal accounting control evaluations occur within the above framework. We believe that the County's internal accounting controls: (1) adequately safeguard assets; (2) provide reasonable assurance of proper recording of financial transactions; and (3) maintain accountability for assets.

The County maintains budgetary controls, which ensure compliance with legal provisions embodied in the annual appropriated budget that is adopted by the County Commissioners by December 31st, of each year. The Commissioners and Controllers offices maintain budgetary control at the major expenditure classification through monitoring and review. Appropriations lapse at the close of the fiscal year to the extent that they have not been expended.

### **CASH MANAGEMENT**

The County invests temporary excess cash in repurchase agreements and certificates of deposit. The average yield on maturing investments in the governmental fund types for repurchase agreements and certificates of deposit during 2006 was 4.92%. Interest earnings of the governmental fund types were \$7,667,057 in 2006.

The County's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized in accordance with the Commonwealth of Pennsylvania's Act 72, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name. Additionally, a financial institution's trust department held investments of the Pension Trust Fund.

### **RISK MANAGEMENT**

During 2006, York County participated in the Pennsylvania State Association of County Commissioners Unemployment Compensation Trust. As a member of this plan, the County is able to keep its contribution rate low and is able to earn credits on future premiums based on favorable experience factors. The County has elected to self-insure itself for workers compensation and medical insurance benefits. More detailed information on this subject can be found in Note #19 to the Financial Statements. The County employs a full-time risk management director who provides accident prevention and other risk control technique training to minimize accident related losses.

### **INDEPENDENT AUDIT**

The County had an independent audit of all its funds performed for the year ended December 31, 2006. The report of our independent Certified Public Accountants, Zelenkofske Axelrod LLC, appears in the Financial Section of this CAFR.

**CERTIFICATE OF ACHIEVEMENT**  
**FOR EXCELLENCE IN FINANCIAL REPORTING**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of York for its comprehensive annual financial report for the fiscal year ended December 31, 2005. This is the fifteenth consecutive year that York County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current 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.

**ACKNOWLEDGMENTS**

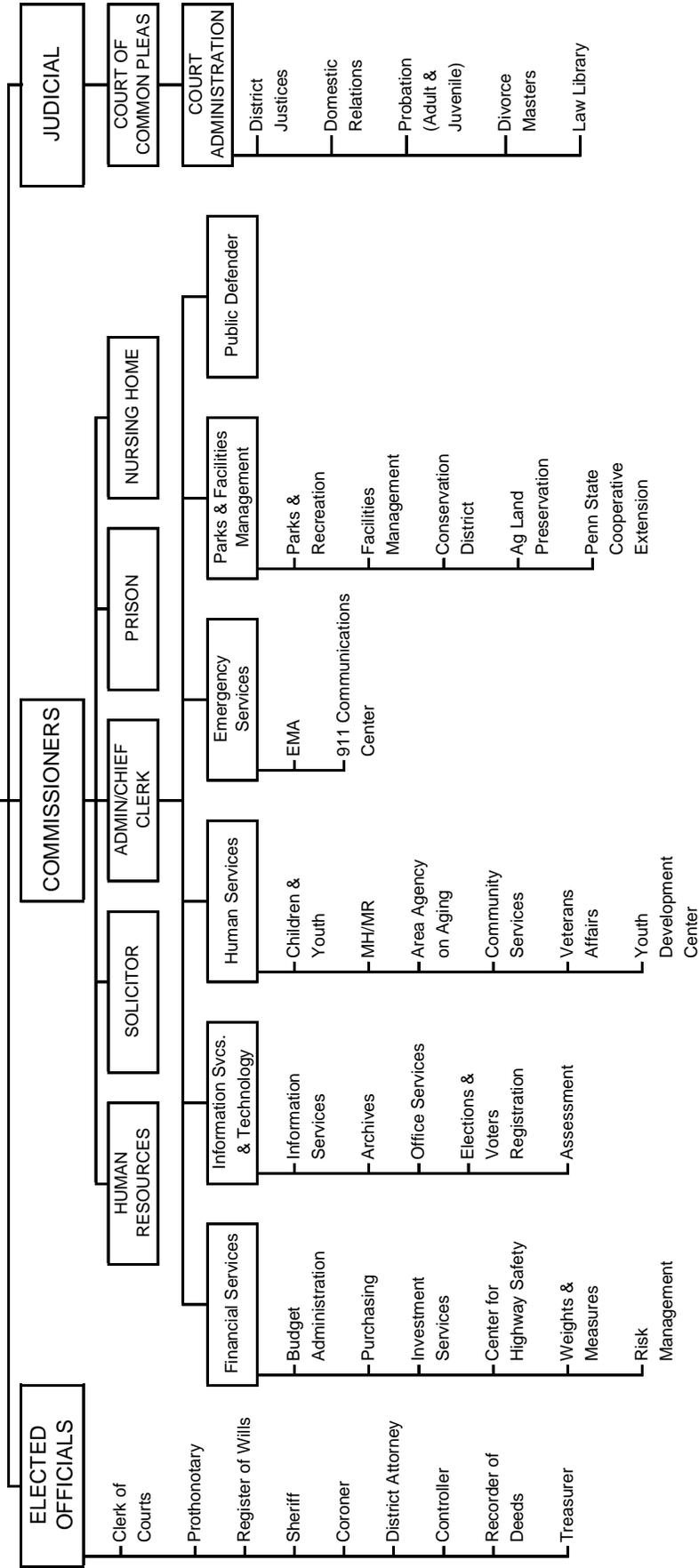
The completion of this CAFR represents the sixteenth time York County has prepared such a report and demonstrates a commitment to continue the excellence in financial reporting previously recognized. It could not have been completed in such a comprehensive manner, nor on a timely basis, without the input and support from a number of people whom I wish to acknowledge and express my thanks and appreciation to now: Felicia Dell, Director of the York County Planning Commission; John Fedor, Director/Chief Assessor of the York County Assessment Office; the York County school districts and local municipalities and especially to Deborah Myers, Deputy Controller, and all the employees on my staff who have contributed on a daily basis to making this report possible.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rob Green', written in a cursive style.

**Robert P. Green**  
**Controller**

# YORK COUNTY GOVERNMENT VOTERS



# YORK COUNTY OFFICIALS

December 31, 2006

## JUDICIARY COURT OF COMMON PLEAS

PRESIDENT JUDGE  
JUDGE

HONORABLE RICHARD K. RENN  
HONORABLE JOSEPH C. ADAMS  
HONORABLE PENNY L. BLACKWELL  
HONORABLE MICHAEL E. BORTNER  
HONORABLE MICHAEL J. BRILLHART  
HONORABLE JOHN H. CHRONISTER  
HONORABLE SHERYL ANN DORNEY  
HONORABLE THOMAS H. KELLEY, VI  
HONORABLE JOHN S. KENNEDY  
HONORABLE STEPHEN P. LINEBAUGH  
HONORABLE MARIA MUSTI COOK  
HONORABLE GREGORY M. SNYDER  
HONORABLE JOHN W. THOMPSON, JR.  
HONORABLE JOHN C. UHLER

## ELECTED COUNTY OFFICIALS

COUNTY COMMISSIONER, CHAIRPERSON  
COUNTY COMMISSIONER  
COUNTY COMMISSIONER  
COUNTY CONTROLLER  
COUNTY CORONER  
COUNTY TREASURER  
RECORDER OF DEEDS  
REGISTER OF WILLS  
CLERK OF COURTS  
PROTHONOTARY  
SHERIFF  
DISTRICT ATTORNEY

LORI O. MITRICK  
DOUGLAS E. KILGORE  
M. STEVEN CHRONISTER  
ROBERT P. GREEN  
BARRY L. BLOSS  
BARBARA L. BAIR  
RANDI L. REISINGER  
BRADLEY C. JACOBS  
DONALD R. O'SHELL, JR.  
PAMELA S. LEE  
WILLIAM M. HOSE  
H. STANLEY REBERT



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of York  
Pennsylvania

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

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# Zelenkofske Axelrod LLC

## INDEPENDENT AUDITORS' REPORT

County Commissioners  
County of York  
York, Pennsylvania

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the COUNTY OF YORK, as of and for the year ended December 31, 2006, which collectively comprise the COUNTY OF YORK's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the COUNTY OF YORK's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the discretely presented component units' financial statements for the York County Solid Waste and Refuse Authority, the York County Industrial Development Authority, and the York County Planning Commission, which represent 99.2% and 92.8% of the assets and revenues, respectively, of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those aggregate discretely presented component units, is based solely upon the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the COUNTY OF YORK, as of December 31, 2006, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the financial statements, in 2006 the COUNTY OF YORK adopted the provisions of Governmental Accounting Standards Board's Statement No. 44, "*Economic Condition Reporting: The Statistical Section*", Statement No. 46 "*Net Assets Restricted by Enabling Legislation*", and Statement No. 47 "*Accounting for Termination Benefits*".

<b>Harrisburg</b>	<b>Lehigh Valley</b>	<b>Philadelphia</b>
830 Sir Thomas Court, Suite 100 Harrisburg, PA 17109 717.561.9200 Fax 717.561.9202	1101 West Hamilton Street Allentown, PA 18101-1043 610.871.5077 Fax 717.561.9202	2370 York Road, Suite A-5 Jamison, PA 18929 215.918.2277 Fax 215.918.2302

# Zelenkofske Axelrod LLC

County Commissioners  
County of York  
York, Pennsylvania

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2007 on our consideration of the COUNTY OF YORK's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, schedule of employer contributions and budgetary comparison information on pages 17 through 27; 114; and 115 through 119 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the COUNTY OF YORK's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section 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 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Zelenkofske Axelrod LLC*

ZELENKOFKSKE AXELROD LLC

Harrisburg, Pennsylvania  
June 22, 2007

# County of York, Pennsylvania

## Management's Discussion and Analysis

### Introduction

The following discussion and analysis of the County of York's financial statements provides an overview of the financial performance for the fiscal year ended December 31, 2006. It is recommended that it be read in conjunction with the basic financial statements and the accompanying notes to those statements in order to obtain a thorough understanding of the County of York's financial condition as of December 31, 2006.

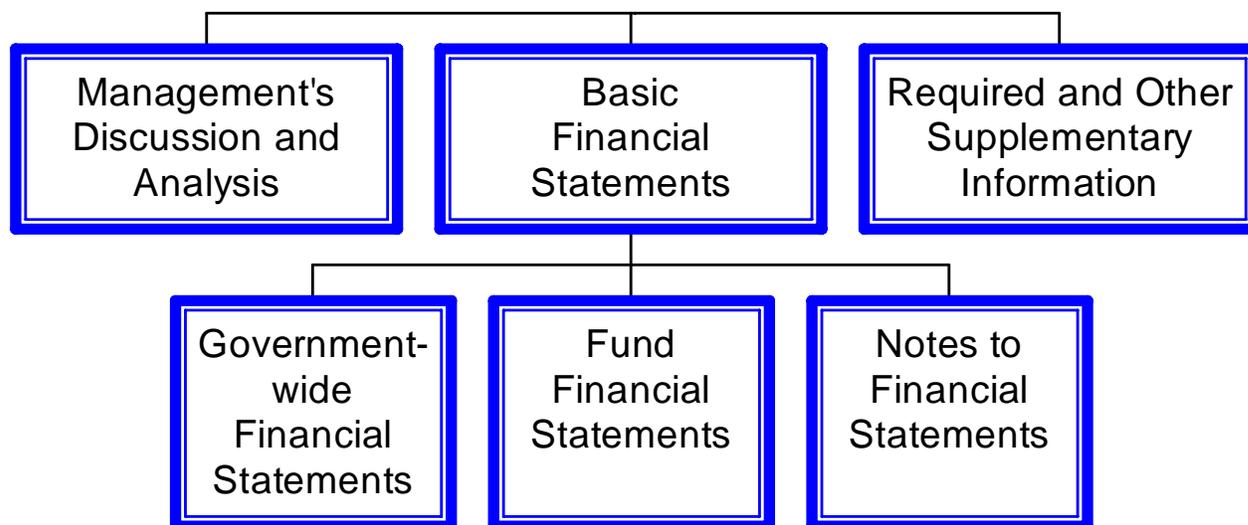
### Financial Highlights

- The County's real estate millage rate decreased from 4.51 mills to 3.80 mills.
- The County's bond rating is AA-.
- The County had \$146,806,565 of governmental activities general obligation debt outstanding as of December 31, 2006. This represents an increase of \$28.6 million or 24.2% from the previous year.
- The County had \$43,988,347 of business-type activities general obligation debt outstanding as of December 31, 2006. There was no debt outstanding in the previous year.
- The County had \$8.5 million in unrestricted net assets as of December 31, 2006, a decrease of \$0.2 million or 2.3% from the previous year.
- The County's total net assets increased \$6.0 million in 2006, or 7.0%.

### Overview of the Financial Statements

This discussion and analysis (MD&A) section serves as an introduction to the basic financial statements and provides an analysis and overview of the County's financial activities. The basic financial statement includes three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes required and other supplementary information.

## Required Components of the Comprehensive Annual Financial Report



### Government-Wide Financial Statements

The government-wide financial statements are presented in a manner similar to private-sector business financial statements. The statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The government-wide financial statements include two statements: Statement of Net Assets and Statement of Activities. Fiduciary activities, whose resources are not available to finance County programs, are excluded from these statements.

The Statement of Net Assets presents the County's total assets and liabilities with the difference reported as net assets. Over time, increases or decreases in the net assets may serve as a gauge as to whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing the change in the County's net assets during the current fiscal year. All revenues and expenses are reported in this statement regardless of the timing of cash flows. The focus of this statement is on the net cost of providing various activities to the citizens of the County.

## **Government-Wide Financial Statements (Continued)**

Both the Statement of Net Assets and the Statement of Activities have separate sections for the two different types of primary government activities, as well as activities of the County's discretely presented component units. These two types of primary government activities are:

Governmental activities – The activities reflected in this section are general government; public safety; roads and bridges; health, education and welfare; judicial; cultural and recreation; and conservation and community development. These activities are mostly supported by operating grants and contributions, charges for services, real estate taxes, and departmental revenues.

Business-type activities – These activities include the nursing home and 911 operations. These activities are intended to recover their cost of operation, including depreciation, primarily through user charges.

## **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 County has three types of funds:

- Governmental funds – Most of the County's basic services are included in governmental funds, which focus on: 1) the flow 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.
- Enterprise funds – Used to report the same functions presented as business-type activities in the government-wide financial statements that provide services for the County's other programs and activities. The County reports two enterprise funds, the nursing home and 911 operations. Both funds are considered major funds.
- Fiduciary funds – The County is the trustee, or fiduciary, for its employees' pension plan. In addition, the County is also responsible for an agency 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 assets and liability balances are reported in the statement of fiduciary net assets. A statement of changes in fiduciary net assets is presented for the pension trust fund only. 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

This is the fourth year that the County has presented its financial statements using the new reporting model required by GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis (MD&A) – for State and Local Governments*. Because this reporting model significantly changes both the recording and presentation of financial data, this is the third year that the County can provide a comparative analysis of financial data for the MD&A.

### Net Assets

The following table presents the County’s Net Assets at December 31:

	Governmental Activities		Business-Type Activities	
	2006	2005	2006	2005
	<i>(\$ in millions)</i>			
<b>Assets</b>				
Capital assets, net	\$ 189.8	\$ 172.6	\$ 30.6	\$ 11.2
Other assets	136.3	126.3	37.7	3.3
<b>Total assets</b>	<b>326.1</b>	<b>298.9</b>	<b>68.3</b>	<b>14.5</b>
<b>Liabilities</b>				
Current liabilities	80.4	88.9	4.8	2.0
Long-term liabilities	153.7	124.0	47.5	2.0
<b>Total liabilities</b>	<b>234.1</b>	<b>212.9</b>	<b>52.3</b>	<b>4.0</b>
<b>Net assets</b>				
Invested in capital assets, net of related debt	67.0	61.5	12.2	11.2
Restricted	16.5	15.8	6.8	2.6
Unrestricted	8.5	8.7	(3.0)	(3.3)
<b>Total net assets</b>	<b>\$ 92.0</b>	<b>\$ 86.0</b>	<b>\$ 16.0</b>	<b>\$ 10.5</b>

## Financial Analysis of the County as a Whole (Continued)

### Changes in Net Assets

York County's total assets as of December 31, 2006 are \$394.4 million, an increase of \$81.0 million. Capital assets increased \$36.6 million totaling \$220.4 million, which includes infrastructure.

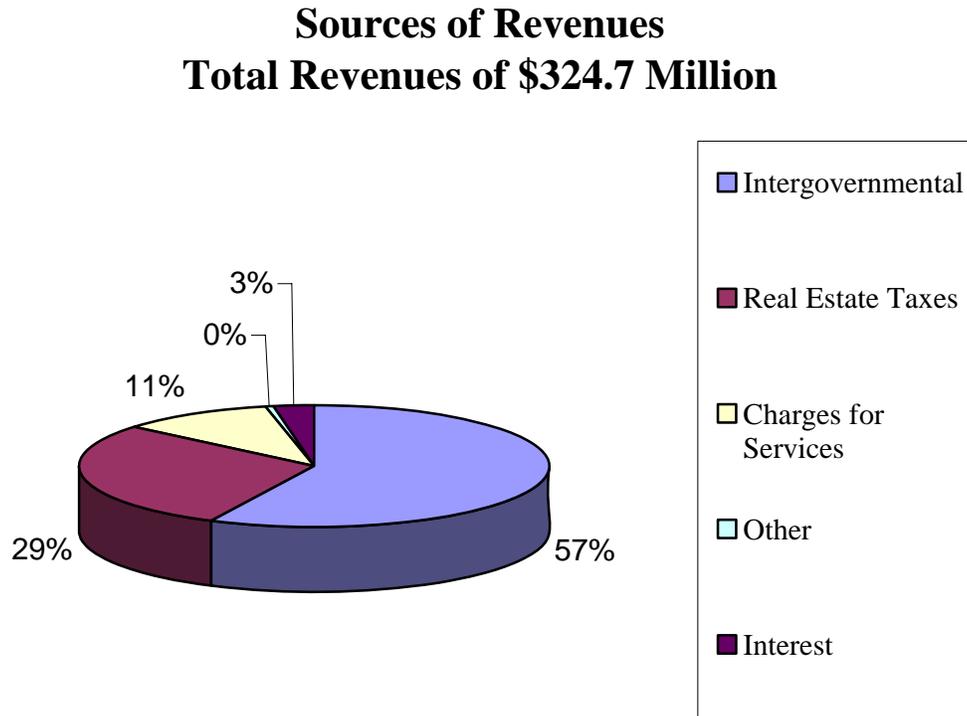
The following table presents the County's Changes in Net Assets for the Years ended December 31:

	Governmental Activities		Business-Type Activities	
	2006	2005	2006	2005
	(\$ in millions)			
<b>Revenue</b>				
Program revenues:				
Charges for services	\$ 34.4	\$ 27.4	\$ 38.1	\$ 37.0
Operating grants and contributions	184.3	169.8	-	-
General revenues:				
Real estate taxes	94.2	87.5	-	-
Other	1.5	10.7	-	-
Unrestricted investment earnings	8.9	5.0	1.3	-
Hotel taxes	1.4	1.3	-	-
<b>Total revenues</b>	<b>324.7</b>	<b>301.7</b>	<b>39.4</b>	<b>37.0</b>
<b>Expenses</b>				
General government	10.2	9.9	-	-
Public safety	59.6	68.8	-	-
Roads and bridges	1.5	1.7	-	-
Health, education and welfare	182.5	150.9	-	-
Judicial	33.0	27.5	-	-
Cultural and recreation	5.5	5.1	-	-
Community development	8.8	10.0	-	-
Other departments and programs	-	29.7	-	-
Interest expense	8.1	6.0	-	-
Nursing home	-	-	34.4	34.3
911 operations	-	-	9.0	6.1
<b>Total expenses</b>	<b>309.2</b>	<b>309.6</b>	<b>43.4</b>	<b>40.4</b>
Increase (decrease) in net assets before transfers	15.5	(7.9)	(4.0)	(3.4)
Transfers	(9.5)	(8.0)	9.5	8.0
<b>Change in net assets</b>	<b>6.0</b>	<b>(15.9)</b>	<b>5.5</b>	<b>4.6</b>
Net assets – beginning	86.0	101.9	10.5	5.9
<b>Net assets – ending</b>	<b>\$ 92.0</b>	<b>\$ 86.0</b>	<b>\$ 16.0</b>	<b>\$ 10.5</b>

## Financial Analysis of the County as a Whole (Continued)

### *Governmental Activities*

The following chart graphically depicts the sources of revenues for the fiscal year ended December 31, 2006:



Total government-wide revenues of \$324.7 million were derived primarily from intergovernmental grants, representing 57% of the total. The second largest source of revenue came from real estate taxes, which comprised 29% of the total. Revenue to house INS detainees accounted for 27% of charges for services, which represented 11% of total revenues, followed by other miscellaneous revenues at 0%, and interest revenues at 3%.

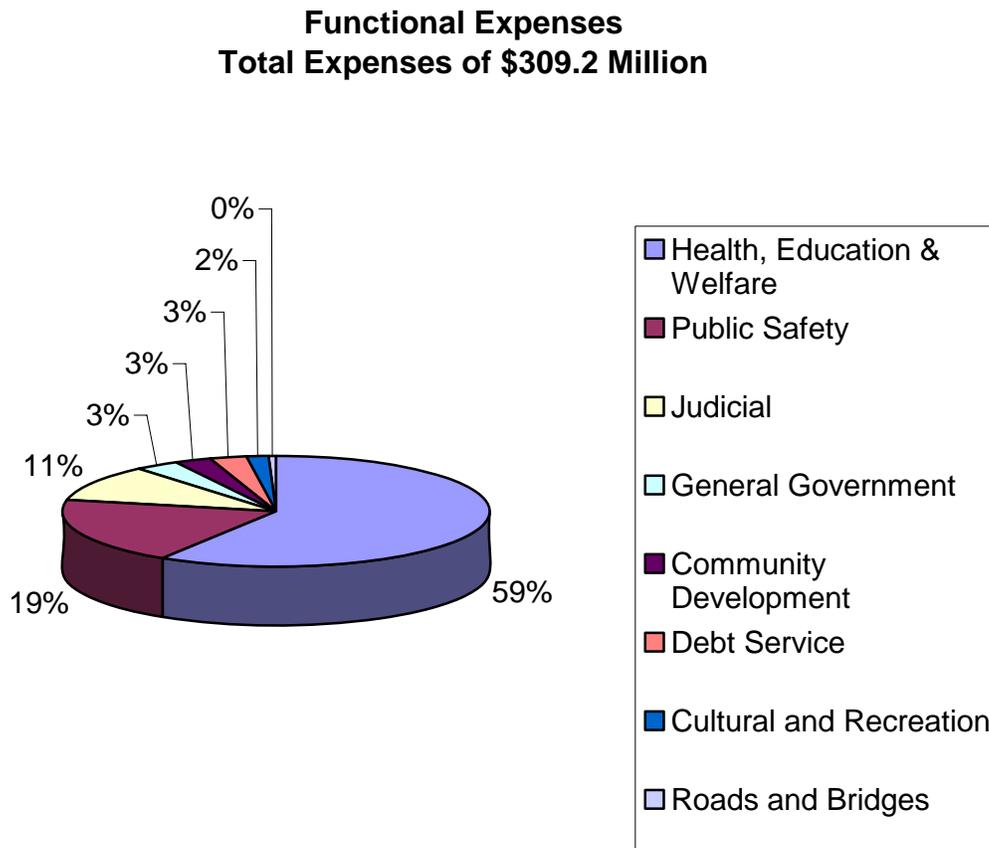
### *Business-Type Activities*

Total business-type revenues of \$39.4 million, an increase of \$2.4 million from 2005, were derived from charges for sales and services from the County Nursing Home of \$30.3 million, telephone surcharge revenues from 911 operations of \$7.8 million, and unrestricted investment earnings of \$1.3 million.

## Financial Analysis of the County as a Whole (Continued)

### *Governmental Activities*

The following chart graphically depicts the functional expenses for the fiscal year ended December 31, 2006:



Total expenses for all programs in 2006 were \$309.2 million. The expenses cover a wide range of services, with health, education, and welfare being the largest at 59%. The second largest category is public safety at 19%, followed by judicial at 11%, general government at 3%, community development at 3%, debt service at 3%, cultural and recreation at 2%, and roads and bridges at 0%.

## **Financial Analysis of the County as a Whole (Continued)**

### *Business Type Activities*

Total expenses in 2006 were \$43.4 million, an increase of \$3.0 million from 2005. The County nursing home comprised 79.2% of the total, having total operating and administrative expenses of \$34.4 million, which included depreciation expense of \$0.7 million. The 911 operations incurred \$9.0 million in total operating expenses, which represents an increase of \$2.9 million or 42.6%, which included depreciation expense of \$0.4 million.

## **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 following funds are considered the County's major governmental funds: the General Fund, York HealthChoices Management Fund, Children and Youth Services Fund, Mental Health/Mental Retardation Fund, Community Development Block Grant Fund, and Capital Projects Bond Account Fund. For the fiscal year ended December 31, 2006, the County of York governmental funds had a combined ending fund balance of \$48.0 million, an increase of \$19.6 million from fiscal year 2005.

The General Fund is the primary operating fund of the County of York. The General Fund had a fund balance of \$15.7 million, an increase of \$0.1 million. Real estate tax revenues increased by \$6.6 million due to the growth rate of the County and the reassessment that took place in 2006.

The General Fund supplements the Children and Youth Fund and the Mental Health/Mental Retardation Fund so that the fund balances at the end of the year are zero. The General Fund contribution to Children and Youth Services in 2006 was \$5.7 million. Mental Health/Mental Retardation Fund had contributions from the General Fund of \$0.9 million. The General Fund did not supplement the York HealthChoices Management Fund or the Community development Block Grant Fund in 2006.

The Capital Projects Bond Account Fund had an increase in fund balance by \$18.8 million, which was a contributing factor for the total combined governmental funds ending fund balance to increase by \$19.6 million. The Capital Projects Bond Account Fund had a fund balance at the end of December 31, 2006 of \$25.1 million. The County has issued bonds to fund the construction of a new Judicial Center and to renovate the existing courthouse to an Administrative Center. The fund balance decreased due to the renovation expenses to the existing courthouse.

## Financial Analysis of the County's Funds (Continued)

### Enterprise Funds

The County's enterprise funds provide the same type of information found in the government-wide financial statements but in more detail.

As of December 31, 2006, the net assets of the County's nursing home amounted to \$2.5 million and those for 911 operations amounted to \$13.5 million. The nursing home's net assets increased by \$0.1 million and the 911 operation's net assets increased by \$5.4 million primarily due to wireless plan revenues of \$4.3 million during 2006. Other factors concerning the finances of these two funds reflect those highlighted in the analysis of the County's business-type activities.

### Capital Asset and Debt Administration

#### Capital Assets

The County's investment in capital assets, net of accumulated depreciation, amounted to \$220.4 million as of December 31, 2006. This represented an increase of \$36.6 million, or 19.9% over the previous year's total of \$183.8 million. Capital assets consist primarily of land; buildings and improvements; furniture, fixtures and equipment; construction in progress; easements; and infrastructure. Infrastructure consists of bridges, roads, and the rail trail. The following is a summary of capital assets as of December 31:

	Governmental Activities		Business-Type Activities		Balance as of December 31	
	2006	2005	2006	2005	2006	2005
Land	\$ 18,262,829	\$ 18,357,829	\$ 17,000	\$ 17,000	\$ 18,279,829	\$ 18,374,829
Buildings and improvements	144,355,227	143,273,463	9,227,172	9,102,953	153,582,399	152,376,416
Furniture, fixtures and equipment	9,902,588	6,517,458	15,337,124	16,357,432	25,239,712	22,874,890
Construction in progress	40,018,718	23,426,783	23,906,565	3,687,076	63,925,283	27,113,859
Bridges, roads and rail trail	19,736,641	19,736,641	-	-	19,736,641	19,736,641
Easements	9,916,042	8,739,797	-	-	9,916,042	8,739,797
Less accumulated depreciation	(52,405,470)	(47,472,513)	(17,879,556)	(17,987,851)	(70,285,026)	(65,460,364)
Total capital assets, net	\$ 189,786,575	\$ 172,579,458	\$ 30,608,305	\$ 11,176,610	\$ 220,394,880	\$ 183,756,068

The County continues its renovation efforts to convert the existing courthouse to the County Administrative Center, which accounted for a \$16.6 million increase in construction in progress during 2006 for governmental activities. The County also started implementation of the Emergency Services Center project, which accounted for a \$20.2 million increase in construction in progress during 2006 for business-type activities.

## Financial Analysis of the County's Funds (Continued)

### Long-Term Debt

As of December 31, 2006, the County had \$146,806,565 of general obligation debt outstanding. This was an increase of \$28.6 million, or 24.2% from the previous year. See footnote 6 to the financial statements for a detailed analysis of long-term debt. The following details activity related to general obligation bonds during 2006:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Beginning balance at January 1, 2006	\$ 118,175,512	\$ -
Debt issued	31,431,053	43,988,347
Less principal payments	(2,800,000)	-
Ending balance at December 31, 2006	<u>\$ 146,806,565</u>	<u>\$ 43,988,347</u>

### Bond Rating

All bonds issued carry a municipal bond insurance policy from Ambac Assurance Corporation, a Wisconsin stock insurance corporation, which assures payment of the respective principal and interest to the registered owners of the bonds. All bonds issued are rated AAA by Standard & Poors' Rating Services.

More detailed information concerning long-term debt activity and capital asset activity is disclosed in Note 6 and Note 5, respectively, of the financial statements.

### General Fund Budgetary Highlights

The Board of Commissioners reviews statements of operations and budget reports on a monthly basis. The Board of Commissioners does not revise the original budget but monitors revenues and expenditures for any variances during the year.

Department directors also review budget reports on a monthly basis and provide justification to the Board of Commissioners for any variances.

The County's original revenue budget was not revised during 2006. Actual revenue received totaled \$143.7 million or 100.4% of the original budget. Real estate taxes exceeded the budget by \$1.3 million due to the increase of housing properties.

The County's original expenditure budget was not revised during 2006. Actual expenditures totaled \$126.6 million or 93.8% of the original budget. General Government expenditures were below budget by \$4.3 million, Public Safety down by \$2.0 million, and Debt Service was also down by \$2.0 million totaling \$8.3 million below budget in expenditures.

## **Economic Factors and Next Year's Budget and Rates**

The key economic factors affecting the County include the following:

- The County's real estate millage rate increased from 3.80 mills to 3.91 mills.
- The rising wage and medical health care costs.
- The County budgeted \$9.0 million for the annual required contribution to the retirement fund.

The County's real estate revenues will increase by approximately \$6.1 million, which \$2.7 million is from an increase in the County's tax base and \$3.4 million in increased taxes. The County's employee benefits are budgeted at \$25.5 million, 25 new positions added, and salary and wage adjustments averaging 3.8%. Also, due to the downward trend in the financial markets and the conversion to the 1/50 retirement plan, the County's budget for 2007 reflects the annual required retirement contribution to be approximately \$9.0 million, which represents an increase of \$1.3 million.

These factors were considered in preparing the County's 2007 budget. Amounts available for appropriation in the general fund budget are \$161.7 million.

### **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 of York's finances and to demonstrate the County's accountability. Questions concerning this report or requests for additional information should be directed to:

**County of York  
Controller's Office  
28 East Market Street, Room 232  
York, PA 17401-1596**

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## **BASIC FINANCIAL STATEMENTS**

County of York, Pennsylvania

Statement of Net Assets

December 31, 2006

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>Assets</b>				
Cash and temporary investments	\$ 19,421,980	\$ 583,217	\$ 20,005,197	\$ 5,243,165
Receivables:				
Taxes, net	6,800,768	-	6,800,768	-
Accounts	6,495,127	4,509,753	11,004,880	23,931,812
Due from other governments	8,601,759	-	8,601,759	-
Advances to providers and other governments	612,821	-	612,821	-
Loans	2,075,123	-	2,075,123	12,190,201
Internal balances	4,087,066	(4,087,066)	-	-
Investments	34,901,174	-	34,901,174	6,351,002
Bond issuance costs, net	2,604,128	541,030	3,145,158	-
Restricted cash	22,311,052	6,674,584	28,985,636	7,990,200
Restricted investments	26,662,769	29,415,973	56,078,742	123,030,877
Other assets	1,753,528	33,413	1,786,941	6,626,327
Project assets	-	-	-	124,324,084
Capital assets not being depreciated	58,281,547	23,923,565	82,205,112	13,488,860
Capital assets being depreciated, net of depreciation	131,505,028	6,684,740	138,189,768	43,428,642
Total assets	326,113,870	68,279,209	394,393,079	366,605,170
<b>Liabilities</b>				
Accounts payable and accrued liabilities	24,283,339	3,942,466	28,225,805	2,396,799
Due to other governments	10,286,923	-	10,286,923	-
Deposits held in escrow	5,956,277	647,440	6,603,717	-
Accrued interest payable	705,433	176,000	881,433	-
Unearned revenue	38,989,756	83,690	39,073,446	17,256,438
Other liabilities	216,300	-	216,300	1,315,146
Long-term liabilities:				
Due within one year	5,522,922	651,070	6,173,992	6,067,606
Due in more than one year	148,127,571	46,835,963	194,963,534	190,428,532
Total liabilities	234,088,521	52,336,629	286,425,150	217,464,521
<b>Net assets</b>				
Invested in capital assets, net of related debt	66,966,091	12,184,861	79,150,952	(4,928,246)
Restricted:				
Federal and state grant programs	7,197,050	-	7,197,050	-
Capital activity and debt service	1,039,025	6,807,576	7,846,601	117,173,294
Legal purposes	3,156,087	-	3,156,087	-
Other purposes	5,124,980	-	5,124,980	14,457,198
Unrestricted	8,542,116	(3,049,857)	5,492,259	22,438,403
Total net assets	\$ 92,025,349	\$ 15,942,580	\$ 107,967,929	\$ 149,140,649

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

County of York, Pennsylvania  
Statement of Activities  
Year ended December 31, 2006

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets						
	Program Revenues		Primary Government				
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Units
Primary Government:							
Governmental activities:							
General government	\$ 10,156,102	\$ 4,798,047	\$ 2,111,569	\$ (3,246,486)	\$ -	\$ (3,246,486)	\$ -
Public safety	59,583,122	17,709,817	3,874,309	(37,998,996)	-	(37,998,996)	-
Roads and bridges	1,519,225	-	627,984	(891,241)	-	(891,241)	-
Health, education, and welfare:							
Drug and alcohol	3,194,270	-	3,182,553	(11,717)	-	(11,717)	-
Mental health/mental retardation	57,099,534	-	55,446,550	(1,652,984)	-	(1,652,984)	-
Office of aging	8,726,040	-	8,347,507	(378,533)	-	(378,533)	-
Children and youth	32,976,996	1,380,087	25,879,772	(5,717,137)	-	(5,717,137)	-
Human Services	80,505,648	3,701	74,776,216	(5,725,731)	-	(5,725,731)	-
Judicial	33,005,665	8,648,684	4,458,067	(19,898,914)	-	(19,898,914)	-
Cultural and recreation	5,500,997	472,389	1,478,666	(3,549,942)	-	(3,549,942)	-
Conservation and Community development	8,753,756	1,342,886	4,116,276	(3,294,594)	-	(3,294,594)	-
Interest expense	8,091,591	-	(8,091,591)	-	-	(8,091,591)	-
Total governmental activities	309,112,946	34,355,611	184,299,469	(90,457,866)	-	(90,457,866)	-
Business-type activities:							
Nursing Home	34,401,615	30,322,892	-	-	(4,078,723)	(4,078,723)	-
911 operations	9,047,249	7,775,303	-	-	(1,271,946)	(1,271,946)	-
Total business-type activities	43,448,864	38,098,195	-	-	(5,350,669)	(5,350,669)	-
Total primary government	\$ 352,561,810	\$ 72,453,806	\$ 184,299,469	\$ (90,457,866)	\$ (5,350,669)	\$ (95,808,535)	-
Component units:							
York County Solid Waste and Refuse Authority	\$ 40,227,942	\$ 50,598,267	\$ -	-	-	-	10,370,325
York County Industrial Development Authority	155,209	103,522	8,459,863	-	-	-	8,408,176
York County Library System	4,029,787	67,399	4,649,114	-	-	-	686,726
York County Planning Commission	2,939,478	-	3,050,671	-	-	-	111,193
Total component units	\$ 47,352,416	\$ 50,769,188	\$ 16,159,648	-	-	-	\$ 19,576,420
General revenues:							
Property taxes	94,214,158	-	-	-	-	94,214,158	-
Unrestricted investment earnings	8,907,615	-	-	1,275,434	-	10,183,049	479,644
Hotel tax	1,372,501	-	-	-	-	1,372,501	-
Other	1,401,501	-	-	-	-	1,401,501	-
Gain on sale of building	150,000	-	-	-	-	150,000	-
Transfers	(9,519,978)	9,519,978	-	-	-	-	-
Total general revenues and transfers	96,525,797	10,795,412	107,321,209	1,275,434	-	107,321,209	479,644
Change in net assets	6,067,931	5,444,743	11,512,674	5,444,743	-	11,512,674	20,056,064
Net assets – beginning	85,957,418	10,497,837	96,455,255	10,497,837	-	96,455,255	129,084,585
Net assets – ending	\$ 92,025,349	\$ 15,942,580	\$ 107,967,929	\$ 15,942,580	\$ -	\$ 107,967,929	\$ 149,140,649

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

County of York, Pennsylvania

Balance Sheet – Governmental Funds

December 31, 2006

	General Fund	York HealthChoices Management Fund	Mental Health/Mental Retardation Fund	Community Development Block Grant Fund	Children and Youth Fund	Capital Projects Bond Account Fund	Other Nonmajor Funds	Total Governmental Funds
<b>Assets</b>								
Cash and temporary investments	\$ 570,509	\$ 12,303,259	\$ 1,335,288	\$ 452,726	\$ 1,550	\$ -	\$ 4,758,648	\$ 19,421,980
Restricted cash	3,850,390	14,371,834	58,235	-	-	105,125	3,925,468	22,311,052
Investments	18,772,030	-	8,960,853	1,919,165	-	-	5,249,126	34,901,174
Restricted investments	1,025,494	-	-	-	-	25,637,275	-	26,662,769
Receivables:								
Taxes, net	6,800,768	-	-	-	-	-	-	6,800,768
Accounts	1,701,096	-	17,649	3,930,123	12,936	-	833,323	6,495,127
Due from other funds	9,371,287	325	75,215	-	5,649,216	-	369,688	15,465,731
Due from other governments	1,607,251	-	78,178	796,332	4,173,413	-	1,946,585	8,601,759
Advances to providers	-	-	612,821	-	-	-	-	612,821
Loans	2,075,123	-	-	-	-	-	-	2,075,123
Other assets	794,693	-	64,887	-	23,740	-	-	883,320
Total assets	\$ 46,568,641	\$ 26,675,418	\$ 11,203,126	\$ 7,098,346	\$ 9,860,855	\$ 25,742,400	\$ 17,082,838	\$ 144,231,624
<b>Liabilities and fund balances</b>								
<b>Liabilities:</b>								
Accounts payable and accrued liabilities	\$ 5,528,525	\$ 7,085,200	\$ 6,189,449	\$ 937,198	\$ 2,150,553	\$ 633,637	\$ 1,758,777	\$ 24,283,339
Due to other funds	6,089,917	9,506	497,235	7,757	4,419,495	9,064	345,691	11,378,665
Deposits held in escrow	4,041,483	1,768,827	-	-	-	-	145,967	5,956,277
Due to other governments	9,218,531	834,265	-	-	-	-	234,127	10,286,923
Unearned revenue	6,028,198	16,977,620	4,516,442	6,153,391	3,290,807	-	7,401,226	44,367,684
Total liabilities	30,906,654	26,675,418	11,203,126	7,098,346	9,860,855	642,701	9,885,788	96,272,888
<b>Fund balances:</b>								
Reserved for legal restrictions	3,156,087	-	-	-	-	-	-	3,156,087
Reserved for loans receivable	2,075,123	-	-	-	-	-	-	2,075,123
Reserved for capital projects	-	-	-	-	-	25,099,699	-	25,099,699
Reserved for county nursing home	2,812,396	-	-	-	-	-	-	2,812,396
Reserved for 911	237,461	-	-	-	-	-	-	237,461
Unreserved:								
Designated for specific purposes	4,749,473	-	-	-	-	-	-	4,749,473
Undesignated	2,631,447	-	-	-	-	-	-	2,631,447
Undesignated-special revenue funds	-	-	-	-	-	-	-	-
Total fund balances	15,661,987	-	-	-	-	25,099,699	7,197,050	47,958,736
Total liabilities and fund balances	\$ 46,568,641	\$ 26,675,418	\$ 11,203,126	\$ 7,098,346	\$ 9,860,855	\$ 25,742,400	\$ 17,082,838	\$ 144,231,624

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

County of York, Pennsylvania

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets

December 31, 2006

Total Fund Balances of Governmental Funds:	\$ 47,958,736
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital Assets, including Infrastructure assets, used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	189,786,575
The funds record only the tax revenue received through a period of 60 days subsequent to year-end. The statement of net assets includes a receivable for the County's anticipated collections on the levy.	5,415,428
The funds record bond issuance costs as a current period expenditure while those costs are capitalized on the statement of net assets and amortized over the life of the bonds.	2,604,128
Other assets not available to pay for current period's expenditures and therefore not reported in the funds.	115,075
The pension assets resulting from contributions in excess of the annual required contribution are not financial resources and therefore are not reported in the funds.	526,971
Long-term liabilities are not due and payable in the current period and accordingly not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the Statement of Net Assets. Long-term liabilities at year-end consist of:	
General Obligation Bonds Payable	(146,806,565)
Capital Lease	(18,419)
Unamortized Premium	(2,183,031)
Deferred Refunding Loss	228,162
Accrued Interest Payable	(705,433)
Workers Compensation Claims Liability	(1,471,182)
Accrued Compensated Absences	(3,171,296)
Deferred Gain on Sale of Building	(37,500)
Claims and Judgments	(216,300)
Total Net Assets of Governmental Activities	<u>\$ 92,025,349</u>

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

County of York, Pennsylvania

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year ended December 31, 2006

	General Fund	York HealthChoices Management Fund	Mental Health/Mental Retardation Fund	Community Development Block Grant Fund	Children & Youth Fund	Capital Projects Bond Account Fund	Other Nonmajor Funds	Total Governmental Funds
<b>Revenues</b>								
Real estate taxes	\$ 93,382,328	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93,382,328
Intergovernmental	13,151,352	54,585,873	55,446,550	2,890,212	25,879,772	1,616,757	30,728,953	184,299,469
Departmental	27,104,132	-	-	599,054	1,380,087	-	971,729	30,055,002
Fines and costs	4,300,609	-	-	-	-	-	-	4,300,609
Hotel tax	1,372,501	-	-	-	-	-	-	1,372,501
Investment	4,339,556	963,089	656,472	116,453	-	2,293,150	538,895	8,907,615
Other	-	-	97,464	422,687	-	465,179	416,171	1,401,501
Total revenues	143,650,478	55,548,962	56,200,486	4,028,406	27,259,859	4,375,086	32,655,748	323,719,025
<b>Expenditures</b>								
Current:								
General government	12,598,142	-	-	-	-	-	-	12,598,142
Public safety	58,198,803	-	-	-	-	-	-	58,198,803
Roads and bridges	-	-	-	-	-	-	1,000,228	1,000,228
Health, education, and welfare:								
Drug and alcohol	-	-	-	-	-	-	3,194,270	3,194,270
Mental health/mental retardation	-	-	57,099,534	-	-	-	-	57,099,534
Office of aging	-	-	-	-	-	-	8,726,040	8,726,040
Children and youth	-	-	-	-	32,976,996	-	-	32,976,996
Human services	10,058,001	55,548,962	-	-	-	-	14,668,065	80,275,028
Judicial	26,869,375	-	-	-	-	-	4,115,418	30,984,793
Cultural and recreation	5,311,616	-	-	-	-	-	118	5,311,734
Conservation and community development	3,401,096	-	-	4,007,405	-	-	1,345,255	8,753,756
Capital outlay	-	-	-	-	-	16,882,310	-	16,882,310
Debt service:								
Principal retirement	2,800,000	-	-	-	-	-	-	2,800,000
Interest and fiscal charges	7,325,864	-	-	-	-	621,179	-	7,947,043
Total expenditures	126,562,897	55,548,962	57,099,534	4,007,405	32,976,996	17,503,489	33,049,394	326,748,677
Excess (deficiency) of revenues over (under) expenditures	17,087,581	-	(899,048)	21,001	(5,717,137)	(13,128,403)	(393,646)	(3,029,652)
<b>Other financing sources (uses)</b>								
Transfers in	125,708	-	899,048	-	5,717,137	-	1,194,577	7,936,470
Transfers out	(17,143,249)	-	-	(21,001)	-	(196,794)	(95,404)	(17,456,448)
Issuance of debt, net	-	-	-	-	-	31,036,905	-	31,036,905
Bond Premium	-	-	-	-	-	1,067,904	-	1,067,904
Total other financing sources (uses)	(17,017,541)	-	899,048	(21,001)	5,717,137	31,908,015	1,099,173	22,584,831
Net change in fund balances	70,040	-	-	-	-	18,779,612	705,527	19,555,179
Fund balances, January 1	15,591,947	-	-	-	-	6,320,087	6,491,523	28,403,557
Fund balances, December 31	\$ 15,661,987	\$ -	\$ -	\$ -	\$ -	\$ 25,099,699	\$ 7,197,050	\$ 47,958,736

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

County of York, Pennsylvania

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities

Year Ended December 31, 2006

Net change in fund balances - total governmental funds	\$ 19,555,179
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital purchases as expenditures. In the Statement of Activities, the cost of these assets is depreciated over the estimated useful lives and is reported as depreciation expense. The difference in the current period between capital expenditures (\$22,273,342) and depreciation expense (\$5,066,225) is a reconciling item.	17,207,117
Additional tax revenue recorded on statement of activities. The funds report only receipts through 60 days of subsequent period. Statement of Activities includes full amount of levy deemed collectible by the County.	831,830
Revenues in the statement of activities that are not available to provide current financial resources are not reported as revenues in the funds. At the government-wide level revenue recognition is not limited by availability. The effects of these adjustments in the current year are: Gain on sale of building	150,000
Net negative pension obligation reported in the statement of activities does not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	(26,165)
The issuance of long-term liabilities provide financial resources to governmental funds and contribute to the change in fund balance. However, the issuance of debt does not affect the Statement of Activities since it increases long-term liabilities in the Statement of Net Assets. Accordingly, the repayment of principal is reported as an expenditure in the governmental funds, but reduces the liability in the Statement of Net Assets. The amounts related to the above items that make up differences are:	
Proceeds from bond issuance	(31,431,053)
Principal repayments on general obligation bonds	2,800,000
Principal repayments on capital lease	17,405
Pursuant to the modified basis of accounting, governmental funds do not recognize expenditures for transactions that are not normally paid with expendable available financial resources. Pursuant to the accrual basis of accounting, the Statement of Activities reports expenses and liabilities regardless of when financial resources are available. In addition, interest on long-term debt is not recognized in the governmental funds until due, while it is accrued in the Statement of Activities. The differences for the items discussed above are:	
Compensated absence expense	(2,518,989)
Workers compensation expense	300,911
Accrual of interest on long-term debt	(90,295)
Amortization of bond premium	(797,800)
Amortization of issuance costs	103,770
Amortization of deferred refunding loss	(33,979)
	(33,979)
Change in net assets of governmental activities	\$ 6,067,931

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

County of York, Pennsylvania

Statement of Fund Net Assets – Enterprise Funds

December 31, 2006

	<b>County Nursing Home Fund</b>	<b>911 Fund</b>	<b>Total</b>
<b>Assets</b>			
Current assets:			
Cash	\$ 2,565	\$ 580,652	\$ 583,217
Accounts receivable	4,181,052	328,701	4,509,753
Due from other funds	83,376	17,846	101,222
Bond issuance costs, net	-	541,030	541,030
Restricted cash	647,440	6,027,144	6,674,584
Restricted investments	-	29,415,973	29,415,973
Other assets	25,885	7,528	33,413
Total current assets	4,940,318	36,918,874	41,859,192
Noncurrent assets:			
Capital assets not being depreciated	17,000	23,906,565	23,923,565
Capital assets being depreciated, net of depreciation	5,247,282	1,437,458	6,684,740
Total noncurrent assets	5,264,282	25,344,023	30,608,305
Total assets	10,204,600	62,262,897	72,467,497
<b>Liabilities</b>			
Current liabilities:			
Accounts payable and accrued liabilities	1,912,497	2,681,039	4,593,536
Due to other funds	3,716,238	472,050	4,188,288
Deposits held in escrow	647,440	-	647,440
Accrued Interest Payable	-	176,000	176,000
Unearned revenue	83,690	-	83,690
Total current liabilities	6,359,865	3,329,089	9,688,954
Noncurrent liabilities:			
Compensated absences	184,217	43,193	227,410
Liability for workers' compensation self-insurance	1,208,632	-	1,208,632
General obligation debt	-	45,399,921	45,399,921
Total noncurrent liabilities	1,392,849	45,443,114	46,835,963
Total liabilities	7,752,714	48,772,203	56,524,917
<b>Net assets</b>			
Invested in capital assets, net of related debt	5,264,282	6,920,579	12,184,861
Restricted for capital projects	-	6,807,576	6,807,576
Unrestricted	(2,812,396)	(237,461)	(3,049,857)
Total net assets	\$ 2,451,886	\$ 13,490,694	\$ 15,942,580

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

County of York, Pennsylvania

Statement of Revenues, Expenses, and Changes in Fund Net Assets – Enterprise Funds

Year ended December 31, 2006

	<b>County Nursing Home Fund</b>	<b>911 Fund</b>	<b>Total</b>
Operating revenues:			
Charges for sales and services:			
Charges for services	\$ 30,322,892	\$ -	\$ 30,322,892
Telephone surcharge revenue	-	7,775,303	7,775,303
Total operating revenues	<u>30,322,892</u>	<u>7,775,303</u>	<u>38,098,195</u>
Operating expenses:			
Operating/administrative	33,684,426	6,399,333	40,083,759
Depreciation	717,189	439,241	1,156,430
Total operating expenses	<u>34,401,615</u>	<u>6,838,574</u>	<u>41,240,189</u>
Operating income (loss)	(4,078,723)	936,729	(3,141,994)
Nonoperating revenue (expense)			
Investment	716	1,274,718	1,275,434
Bond interest	-	(2,208,675)	(2,208,675)
Total nonoperating revenue (expense)	<u>716</u>	<u>(933,957)</u>	<u>(933,241)</u>
Income (loss) before transfers	(4,078,007)	2,772	(4,075,235)
Transfers in	4,166,823	5,353,155	9,519,978
Change in net assets	<u>88,816</u>	<u>5,355,927</u>	<u>5,444,743</u>
Total net assets, January 1	2,363,070	8,134,767	10,497,837
Total net assets, December 31	<u>\$ 2,451,886</u>	<u>\$ 13,490,694</u>	<u>\$ 15,942,580</u>

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

County of York, Pennsylvania

Statement of Cash Flows – Enterprise Funds

Year ended December 31, 2006

	<b>County Nursing Home Fund</b>	<b>911 Fund</b>	<b>Total</b>
<b>Cash flows from operating activities</b>			
Cash received on patient accounts	\$ 29,765,055	\$ -	\$ 29,765,055
Cash received from telephone surcharge revenue	-	7,747,890	7,747,890
Cash payments for material and supplies	(3,229,711)	-	(3,229,711)
Cash payments for patient services	(15,118,413)	-	(15,118,413)
Cash payments for program services	-	(741,111)	(741,111)
Cash payments for salaries and employee benefits	(15,043,003)	(5,131,836)	(20,174,839)
Net cash (used in)/provided by operating activities	(3,626,072)	1,874,943	(1,751,129)
<b>Cash flows from investing activities</b>			
Investment income	716	1,240,464	1,241,180
Investment purchases	-	(29,415,973)	(29,415,973)
Net cash provided by (used in) investing activities	716	(28,175,509)	(28,174,793)
<b>Cash flows from noncapital financing activities</b>			
Transfers from other funds	4,166,823	5,353,155	9,519,978
Net cash provided by noncapital financing activities	4,166,823	5,353,155	9,519,978
<b>Cash flows from capital and related financing activities</b>			
Interest expense	-	(2,032,674)	(2,032,674)
Purchases of capital assets	(361,082)	(18,257,241)	(18,618,323)
Bond Proceeds	-	44,947,435	44,947,435
Net cash provided by (used in) capital and related financing activities	(361,082)	24,657,520	24,296,438
Net increase in cash and cash equivalents	180,385	3,710,109	3,890,494
Cash and cash equivalents, January 1	469,620	2,897,687	3,367,307
Cash and cash equivalents, December 31	\$ 650,005	\$ 6,607,796	\$ 7,257,801
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>			
Operating income (loss)	\$ (4,078,723)	\$ 936,729	\$ (3,141,994)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	717,189	439,241	1,156,430
Changes in assets and liabilities in:			
Accounts receivable	(1,515,901)	(27,413)	(1,543,314)
Due from other governments	958,064	-	958,064
Due from other funds	123,267	(3,320)	119,947
Other assets	56,604	3,496	60,100
Accounts payable	133,093	501,923	635,016
Due to other funds	(154,449)	14,143	(140,306)
Deposits held in escrow	178,987	-	178,987
Vacation payable	23,072	10,144	33,216
Liability for workers' compensation self-insurance	(67,275)	-	(67,275)
Total adjustments	452,651	938,214	1,390,865
Net cash provided by (used in) operating activities	\$ (3,626,072)	\$ 1,874,943	\$ (1,751,129)
<b>Noncash financing activities:</b>			
Amortization of Bond Issuance Costs	\$ -	\$ (20,038)	\$ (20,038)
Amortization of Bond Premium	-	54,291	54,291
	\$ -	\$ 34,253	\$ 34,253

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

County of York, Pennsylvania

Statement of Fiduciary Net Assets – Fiduciary Funds

December 31, 2006

	<b>Pension Trust</b>	
	<b>Fund</b>	<b>Agency Funds</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 4,023,017	\$ 8,175,425
Investments:		
U.S. government obligations	21,505,851	-
Stocks	61,776,194	-
Corporate obligations	9,480,822	-
Fixed income mutual funds	31,104,737	-
Other mutual funds	59,491,703	-
Other	986	6,067,663
Receivables:		
Delinquent taxes on behalf of other governments	-	10,064,766
Other	2,729	237,720
Total assets	<u>\$ 187,386,039</u>	<u>\$ 24,545,574</u>
<b>Liabilities</b>		
Liabilities:		
Due to other governments	\$ -	\$ 5,686,429
Other liabilities	1,489	18,859,145
Total liabilities	<u>1,489</u>	<u>\$ 24,545,574</u>
<b>Net assets</b>		
Net assets held in trust for pension benefits	<u>187,384,550</u>	
Total net assets	<u>\$ 187,384,550</u>	

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

County of York, Pennsylvania

Statement of Changes in Fiduciary Net Assets – Pension Trust Fund

Year ended December 31, 2006

Additions:	
Employer contributions	\$ 7,665,899
Employee contributions	<u>4,279,375</u>
Total contributions	11,945,274
Investment income:	
Net appreciation in fair value of investments	5,491,549
Interest	2,186,658
Dividends	<u>10,314,615</u>
Total investment income	<u>17,992,822</u>
Total additions	<u>29,938,096</u>
Deductions:	
Benefit payments	6,139,471
Refunds of contributions	<u>1,315,072</u>
Total deductions	<u>7,454,543</u>
Net increase	22,483,553
Net assets held in trust for pension benefits, beginning of year	<u>164,900,997</u>
Net assets held in trust for pension benefits, end of year	<u>\$ 187,384,550</u>

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

County of York, Pennsylvania

Combining Statement of Net Assets – Discretely Presented Component Units

December 31, 2006

	<b>Solid Waste and Refuse Authority</b>	<b>Industrial Development Authority</b>	<b>Library System</b>	<b>Planning Commission</b>	<b>Total</b>
<b>Assets</b>					
Cash and cash equivalents	\$ 2,129,231	\$ 1,880,014	\$ 362,695	\$ 871,225	\$ 5,243,165
Restricted cash	7,990,200	-	-	-	7,990,200
Investments	-	5,168,480	1,182,522	-	6,351,002
Restricted investments	123,030,877	-	-	-	123,030,877
Accounts receivable	23,474,488	93,226	203,894	160,204	23,931,812
Notes receivable	1,281,595	10,908,606	-	-	12,190,201
Other assets	5,939,324	-	335,620	351,383	6,626,327
Capital assets not being depreciated	4,706,457	8,782,403	-	-	13,488,860
Capital assets being depreciated, net of depreciation	42,615,671	-	766,490	46,481	43,428,642
Project assets	-	124,324,084	-	-	124,324,084
<b>Total assets</b>	<b>211,167,843</b>	<b>151,156,813</b>	<b>2,851,221</b>	<b>1,429,293</b>	<b>366,605,170</b>
<b>Liabilities and net assets</b>					
Liabilities:					
Accounts payable and accrued liabilities	2,112,918	105,952	54,690	123,239	2,396,799
Unearned revenue	15,724,902	1,517,597	13,939	-	17,256,438
Revenue bonds payable	61,740,072	134,756,066	-	-	196,496,138
Other liabilities	1,315,146	-	-	-	1,315,146
<b>Total liabilities</b>	<b>80,893,038</b>	<b>136,379,615</b>	<b>68,629</b>	<b>123,239</b>	<b>217,464,521</b>
Net assets:					
Invested in capital assets, net of related debt	(14,417,944)	8,676,727	766,490	46,481	(4,928,246)
Restricted	131,021,077	-	320,262	289,153	131,630,492
Unrestricted	13,671,672	6,100,471	1,695,840	970,420	22,438,403
<b>Total net assets</b>	<b>\$ 130,274,805</b>	<b>\$ 14,777,198</b>	<b>\$ 2,782,592</b>	<b>\$ 1,306,054</b>	<b>\$ 149,140,649</b>

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

County of York, Pennsylvania

Combining Statement of Activities – Discretely Presented Component Units

Year ended December 31, 2006

	<b>Solid Waste and Refuse Authority</b>	<b>Industrial Development Authority</b>	<b>Library System</b>	<b>Planning Commission</b>	<b>Total</b>
Expenses	\$ 40,227,942	\$ 155,209	\$ 4,029,787	\$ 2,939,478	\$ 47,352,416
Program revenues:					
Charges for goods and services	50,598,267	103,522	67,399	-	50,769,188
Operating grants and contributions	-	8,459,863	4,649,114	3,050,671	16,159,648
Total program revenues	50,598,267	8,563,385	4,716,513	3,050,671	66,928,836
General revenues:					
Investment/interest earnings	-	313,743	133,218	32,683	479,644
Change in net assets	10,370,325	8,721,919	819,944	143,876	20,056,064
Net assets, January 1	119,904,480	6,055,279	1,962,648	1,162,178	129,084,585
Net assets, December 31	\$ 130,274,805	\$ 14,777,198	\$ 2,782,592	\$ 1,306,054	\$ 149,140,649

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

# County of York, Pennsylvania

## Notes to Financial Statements

December 31, 2006

### **(1) Summary of Significant Accounting Policies**

#### **The Reporting Entity**

The County of York, Pennsylvania (the County) is located in south central Pennsylvania, to the south of the City of Harrisburg, the capital of the Commonwealth of Pennsylvania. It is a third-class County founded in 1749 and operates under an elected three-member Board of Commissioners. The County provides services in many areas to its residents, including various general government services, public safety, health and welfare, and community enrichment programs.

The financial statements of the County of York include the accounts of all County operations. The County's major operations include administrative, judicial, general government, corrections, emergency services, human services and the youth development center. In addition, the County owns and operates Pleasant Acres Nursing and Rehabilitation Center (the County Nursing Home) and the County Prison.

Consistent with the guidance contained in Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, an amendment of GASB Statement No. 14, *The Financial Reporting Entity*, the criteria used by the County to evaluate the possible inclusion of related entities (Authorities, Boards, Councils, etc.) within its reporting entity are financial accountability and the nature and significance of the relationship. In determining financial accountability in a given case, the County reviews the applicability of the following criteria.

The County is financially accountable for:

- Organizations that make up the legal County entity.
- Legally separate organizations if County officials appoint a voting majority of the organization's governing body and the County is able to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County as defined below.

*Impose Its Will* — If the County can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization.

## County of York, Pennsylvania

### Notes to Financial Statements (Continued)

#### **(1) Summary of Significant Accounting Policies (Continued)**

##### **The Reporting Entity (Continued)**

*Financial Benefit or Burden*—Exists if the County (1) is entitled to the organization's resources or (2) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide support to, the organization or (3) is obligated in some manner for the debt of the organization.

- Organizations that are fiscally dependent on the County. Fiscal dependency is established if the organization is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the County.

Based on the foregoing criteria, the reporting entity has been defined to include all the funds for which the County is financially accountable or for which there is a significant relationship. Specific information on the nature of the various potential component units and a description of how the aforementioned criteria have been considered in determining whether or not to include or exclude such units in the County's financial statements are provided in the following paragraphs. Separately published audit reports of the component units are available for public inspection in the Controller's Office.

##### **Blended Component Units**

Some component units, despite being legally separate from the primary government (County), are so intertwined with the primary government that they are, in substance, the same as the primary government and are reported as part of the primary government.

The Mental Health/Mental Retardation and Drug and Alcohol programs and York and Adams HealthChoices Management funds, which have substantially the same governing body as the primary government, are component units that are reported in this way in the Basic Financial Statements.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(1) Summary of Significant Accounting Policies (Continued)**

**Discretely Presented Component Units**

Component units that are not blended as part of the primary government are discretely presented, which entails reporting component unit financial data in a column separate from the financial data of the primary government. The component units presented in this way are the following:

York County Solid Waste and Refuse Authority  
York County Industrial Development Authority  
York County Library System  
York County Planning Commission

Separate financial statements of the component units can be obtained from the York County Controller's office.

*York County Solid Waste and Refuse Authority*

The York County Solid Waste and Refuse Authority (YCSWRA) coordinates the environmentally responsible economic and efficient management of all municipal solid waste generated in the County. The YCSWRA board of directors is appointed by the County Commissioners and the County currently guarantees a significant portion of the YCSWRA's debt.

Additionally, the Commissioners are required to approve the County Solid Waste Plan as prepared by YCSWRA and any significant changes thereto.

*York County Industrial Development Authority*

The York County Industrial Development Authority (the Authority) was established under the Industrial and Commercial Development Authority Law of the Commonwealth of Pennsylvania to provide a means for developers within the County to obtain funds through the issuance of tax-exempt Industrial Development obligations. All of the bond issues must be approved by the County Commissioners but the County has no ongoing liability for these bond issues. The Authority is administered by a ten-member board of directors, all of whom are appointed by the County Commissioners.

## County of York, Pennsylvania

### Notes to Financial Statements (Continued)

#### **(1) Summary of Significant Accounting Policies (Continued)**

##### **Discretely Presented Component Units (Continued)**

Revenues are primarily derived from application and servicing fees received from developers seeking to issue tax-exempt obligations.

The activities of the Authority are conducted within the geographic boundaries of the County primarily for the benefit of County residents through the creation of employment opportunities.

##### *York County Library System*

The York County Library System (Library System) is a private nonprofit organization. Two of the seven board directors are appointed by the County Commissioners. The County had dedicated 0.1 mill of the property tax rate for 2006 as a library tax, which constitutes a significant portion of the Library System's revenues. The Library System cannot issue bonded debt without substantive approval by the County, which makes the Library System fiscally dependent on the County.

##### *York County Planning Commission*

The York County Planning Commission (Commission) was formed in 1959 by the Board of County Commissioners. All board members are appointed by the County Commissioners. Since its formation, the primary goal of the Commission has been the preparation of a comprehensive plan for the County. Other responsibilities include activity dealing with data processing, traffic engineering, human services and historical preservation. The County has assumed a financial obligation to provide financial support.

##### **Related Organization**

The County Commissioners are also responsible for appointing the members of the York County Hospital Authority, but the County's accountability does not extend beyond making appointments. The York County Hospital Authority was formed to acquire tax-free financing for hospitals and health care organizations in the York County area. The County Commissioners appoint the five-member board of directors. The County makes no financial contribution to the York County Hospital Authority and is not responsible for its budget or debt.

## County of York, Pennsylvania

### Notes to Financial Statements (Continued)

#### **(1) Summary of Significant Accounting Policies (Continued)**

##### **Jointly Governed Organization**

###### *York/Adams HealthChoices*

York/Adams HealthChoices is a department within York County formed out of collaboration between the County and Adams County to provide service to those residents who live in these counties who are eligible to participate in the behavioral health and substance abuse components of the Medical Assistance program. The County holds ultimate financial responsibility for this program.

##### **Basis of Presentation**

The basic financial statements of the County have been prepared in accordance with accounting principles generally accepted in the United States applicable to governments. The GASB establishes accounting and financial reporting requirements for governments.

##### **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. While the previous model emphasized fund types (the total of all funds of a particular type), the new reporting model focuses on either the County as a whole or on major individual funds (within the fund financial statements).

## County of York, 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*

The government-wide financial statements (statement of net assets and statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. 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 which are eliminated during consolidation from interfund services provided and used. The County does not allocate indirect costs on the statement of activities. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and other charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

In the government-wide statement of net assets, the governmental and business-type activities columns are presented on a consolidated basis by column and are presented using the economic resources measurement focus and the accrual basis of accounting, which incorporates noncurrent assets as well as long-term debt and obligations. Interfund balances between governmental funds and interfund balances between enterprise funds are not included in the total primary government column of the government-wide statement of net assets.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given functional category (public safety, general government, etc.) or business-type activity (911 operations, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific functional category or business-type activity. 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 or business-type activity and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular functional category or business-type activity. Taxes and other items that are not properly included among program revenues are reported instead as general revenues.

## County of York, 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*

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, reserves, fund balance/net assets, revenues and expenditures/expenses. The fund financial statements are very similar to the financial statements presented in the previous reporting model. Emphasis under the new reporting model is on major funds in the governmental or enterprise categories. GASB Statement No. 34 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. The availability period for all other significant revenue sources in governmental funds is 180 days. Property taxes due but not collected within 60 days after year-end are reflected as unearned revenues. Licenses, permits, and fines and costs 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. Interest earnings are recorded as earned.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt are recognized as fund liabilities when due. 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.

The County's enterprise funds, presented in the enterprise fund financial statements, are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. With respect to the government-wide financial statements and the enterprise funds, the County has elected not to apply FASB Statements issued after November 30, 1989.

## County of York, 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)*

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. The principal operating revenues of the County Nursing Home and 911 Fund enterprise funds are charges to customers for sales and services. Operating expenses of the enterprise funds include the costs of providing services, such as personnel, contracting and supplies as well as depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues.

The County's fiduciary funds are presented in the fund financial statements by type (pension trust fund and agency fund). Since, by definition, the assets of these funds are held for the benefit of a third party (individuals, private organizations, and/or other governments) 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.

The following major funds are used by the County:

###### Governmental Funds

The General Fund is the principal fund of the County that accounts for all financial transactions not accounted for in other funds. The majority of current operating expenditures of the County, other than enterprise fund activities, are financed through revenues of the General Fund.

The York HealthChoices Management fund is used to account for amounts received from various federal and state agencies. These funds are restricted to provide a mandatory managed care program for those who are eligible to participate in medical assistance.

The Mental Health and Mental Retardation Fund is used to account for amounts received from various federal, state, and local sources. These funds are restricted to provide assistance and medical care to those individuals with mental health and developmental disability problems.

## County of York, 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 Community Development Block Grant Fund receives federal funds from the United States Department of Housing and Urban Development to provide rehabilitation loans to low income property owners. The Community Development Block Grant Fund also administers a rental rehabilitation program that provides loans to multifamily property owners to rehabilitate rental units for low income and elderly occupancy.

The Children and Youth Services Fund is used to account for amounts received from various federal, state, and local sources. These funds are restricted to provide support services to at-risk juveniles.

Capital Projects Bond Account Fund accounts for the financial resources used for acquisitions and capital construction of major capital facilities (other than those financed by proprietary funds).

###### Enterprise Funds

Enterprise Funds are used to account for operations of the County Nursing Home and 911 activities that are financed and operated in a manner similar to private business enterprises, where the intent of the County is that the costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges or cost reimbursement plans.

- The County Nursing Home Fund is used to account for the financial activity of the County Nursing Home.
- The 911 Fund is used to account for the emergency response communications network of the County.

###### Fiduciary Funds

In addition to the major funds discussed above, the County also reports fiduciary funds.

## County of York, 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)*

Fiduciary Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include the Pension Trust Fund and Agency Funds. The Pension Trust Fund is accounted for in essentially the same manner as the proprietary funds since capital maintenance is critical. The Pension Trust Fund's 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 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. Agency Funds are custodial in nature and do not involve measurement of results of operations.

- The Pension Trust Fund is used to account for the retirement pension plan contributions of the County and its employees.
- The Tax Claim Bureau Agency Fund is used to account for the collection of delinquent taxes for the County and on behalf of school districts and municipalities.
- The Unclaimed Money Fund is used to account for unclaimed funds awaiting escheat.
- The Row Offices Agency Fund is used to account for cash held by elected row officers (Recorder of Deeds, Prothonotary, Treasurer, Sheriff, Clerk of Courts and Register of Wills) awaiting disbursement to the County, other governments, or citizens for whom it was collected.
- The Landfill Escrow Fund is used to account for funds that are available for remedial measures and emergency actions which may become necessary to prevent or abate adverse effects on the environment after closure of municipal waste landfills operating within the County's boundaries.

## County of York, Pennsylvania

### Notes to Financial Statements (Continued)

#### **(1) Summary of Significant Accounting Policies (Continued)**

##### **Pooled Cash and Temporary Investments**

Cash balances and temporary investments of the General Fund, the Human Services, Community Services, Drug and Alcohol, and Children and Youth special revenue funds, the County Nursing Home and 911 enterprise funds, and the Capital Projects Bond Account Fund are pooled by the County. Balances are segregated by fund, but accounted for centrally for receipt and disbursement purposes. Interest on investments is allocated to the funds based on their equity in pooled cash and temporary investments. The cash and temporary investments are recorded in the general fund with corresponding due to/from other fund balances reported in each fund.

##### **Cash Equivalents**

For purposes of the statement of cash flows (Enterprise Funds), the County considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

##### **Investments**

Investments are stated at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments in collateralized mortgage obligations are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar instruments. Certain nonparticipating contracts such as nonnegotiable certificates of deposit and repurchase agreements are reported at cost.

##### **Bond Issuance Costs**

Certain issuance costs (underwriting and legal costs) are deferred and amortized over the life of the related bonds on the straight line method. In the governmental fund financial statements, such costs are immediately recognized as expenditures.

##### **Easements**

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 and recorded in the government-wide financial statements. Easements are amortized on the straight-line method over a maximum useful life of 40 years.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(1) Summary of Significant Accounting Policies (Continued)**

**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.

Capital assets, which include land, buildings and improvements, furniture, fixtures and equipment, construction in progress, and infrastructure assets including bridges, roads and rail trail, are recorded in the government-wide financial statements and enterprise fund financial statements. Capital assets are defined by the County as assets with a value of \$5,000 or more and useful life longer than one year. The York County Nursing Home includes capital assets with a threshold of \$500 or more and useful life in excess of one year. This capitalization threshold is applied to individual capital assets rather than to groups/sets of capital assets (e.g., chairs, desks, etc.). Such assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date donated.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenses that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

In accordance with GASB Statement No. 34, the County's infrastructure has been capitalized retroactively to 1980.

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

Infrastructure	20-50 years
Buildings and improvements	40 years
Furniture, fixtures and equipment	5-15 years

The County has an art collection that is not capitalized, because the collection meets the criteria for non-capitalization in accordance with GASB Statement No. 34. Specifically, the collection is held for reasons other than financial gain. The collection is protected, kept unencumbered, cared for and preserved, and is subject to an organizational policy requiring that the proceeds from sales of collection items be used to acquire other items for collections.

## County of York, Pennsylvania

### Notes to Financial Statements (Continued)

#### **(1) Summary of Significant Accounting Policies (Continued)**

##### **Compensated Absences**

All compensated absences are accrued when incurred in the government-wide and enterprise fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

##### **Long-Term Obligations**

In the government-wide and enterprise funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

For the government fund financial statements, premiums and discounts are recognized immediately.

##### **Unearned Revenues**

Revenues that are received but not earned are deferred in the government-wide and enterprise funds financial statements. In the County's governmental funds, unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise 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 both 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 governmental funds' balance sheet and revenue is recognized.

##### **Net Assets/Fund Balance**

Reserved fund balances represent those portions of fund equity not appropriable for expenditures or that are legally segregated for a specific future use.

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.

## County of York, Pennsylvania

### Notes to Financial Statements (Continued)

#### **(1) Summary of Significant Accounting Policies (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 of Pennsylvania and federal agencies generally to fund specific programs. Awards made on the basis of entitlement periods are recorded as intergovernmental revenues when entitlement occurs. Reimbursement type grants are recorded as revenues when the related expenditures are incurred. In the governmental funds financial statements, grants are recorded when revenues are also measurable and available.

##### **Hotel Room Rental Tax**

The County of York receives a 3% hotel room rental tax from the operators of each hotel within York County. The 3% is allocated to the York County Convention and Visitors Bureau to be used to promote tourism in York County. The revenue from this tax is recognized when assessed for the government-wide financial statements and received in the governmental funds.

##### **Net Patient Service Revenue**

Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered, including estimated retroactive adjustments due to future audits, reviews, and investigations by third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as adjustments become known or as years are no longer subject to audits, reviews, and investigations.

## County of York, Pennsylvania

### Notes to Financial Statements (Continued)

#### **(1) Summary of Significant Accounting Policies (Continued)**

##### **Adoption of Governmental Accounting Standards Board Statements**

The County adopted the provisions of GASB Statement No. 44 “*Economic Condition Reporting: The Statistical Section*”, an amendment of NCGA Statement 1. The adoption of this statement resulted in a modification of the statistical section information required by the County.

The County adopted the provisions of GASB Statement No. 46 “*Net Assets Restricted by Enabling Legislation*”, an amendment of GASB Statement No. 34. The adoption of this statement had no effect on previously reported amounts.

The County adopted the provisions of GASB Statement No. 47 “*Accounting for Termination Benefits*”. The adoption of this statement had no effect on previously reported amounts.

##### **Pending Changes in Accounting Principles**

In June 2004, the GASB issued Statement No. 45, “*Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*”. The County is required to adopt Statement No. 45 for its calendar year 2007 financial statements.

In September 2006, the GASB issued Statement No. 48, “*Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*”. The County is required to adopt Statement No. 48 for its calendar year 2007 financial statements.

The County has not yet completed the various analysis required to estimate the financial statement impact of these new pronouncements.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(2) Deposit and Investment Risk**

As of December 31, 2006, the County had the following debt investments and maturities within its excess operating fund accounts:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Fixed Income Mutual Fund	\$ 298,191	\$ 298,191	\$ -	\$ -	\$ -
U.S. Government Agencies	43,143,768	39,889,806	3,253,962	-	-
Municipal Bonds	19,022,758	-	620,000	2,452,758	15,950,000
Corporate Bonds	12,130,000	-	-	-	12,130,000
Total	\$ 74,594,717	\$ 40,187,997	\$ 3,873,962	\$ 2,452,758	\$ 28,080,000

As of December 31, 2006, the County had the following debt investments and maturities within its retirement plan accounts:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Government Treasuries	\$ 4,997,492	\$ -	\$ 551,113	\$ 4,446,379	\$ -
U.S. Government Agencies	16,508,359	3,806,601	2,349,141	3,360,037	6,992,580
Corporate Bonds	9,480,822	475,580	3,564,146	2,262,015	3,179,081
Fixed Income Mutual Funds	31,104,737	-	-	-	31,104,737
Total	\$ 62,091,410	\$ 4,282,181	\$ 6,464,400	\$ 10,068,431	\$ 41,276,398

All municipal and corporate bonds within the excess operating fund accounts and municipal bonds within the retirement plan accounts are floating rate or auction rate notes that are liquid on a daily basis or puttable within 7 days notice to the remarketing agent.

*Interest Rate Risk.* As a means of limiting its exposure to fair value losses arising from rising interest rates, the County’s Excess Operating Funds Investment Policy (“Operating Investment Policy”) states that maturities shall be set to generally match the projected cash flow requirements for the County as determined by the County Controller, unless market conditions dictate otherwise.

The County’s Retirement Plan Investment Policy (“Retirement Investment Policy”) states that emphasis shall be placed on providing adequate and timely investment cash flow to permit benefit payments from the Retirement Plan when due. The average effective duration of fixed income securities shall be no more than 25% greater or less than the effective duration of the Lehman Brothers Intermediate Government Bond Index.

## County of York, Pennsylvania

### Notes to Financial Statements (Continued)

#### **(2) Deposit and Investment Risk (Continued)**

*Credit Risk.* The County's Operating Investment Policy limits investments in Federal Agency securities that carry direct or implied guarantees of the U.S. Government. State and municipal securities are limited to a rating of "A" or better. Commercial paper is limited to a minimum short-term rating of "A-1+" by Moody's or "P-1+" by Standard & Poor's. The Operating Policy limits mutual fund investments to those whose shares are registered under the Securities Act of 1933, provided that only investments of that company are in the authorized investments for County funds.

As of December 31, 2006, all of the County's operating investments in cash equivalents and fixed income mutual funds were rated AAA by Standard & Poor's. \$29,490,609 (68%) and \$13,653,159 (32%) of the County's operating investments in U.S. Government Agencies as of December 31, 2006 were rated AAA and Unrated, respectively, by Standard & Poor's. \$12,317,758 (65%), \$3,060,000 (16%), and \$3,645,000 (19%) of the County's operating investments in municipal bonds as of December 31, 2006 were rated AAA, AA, and A, respectively, by Standard & Poor's. \$11,980,000 (99%) and \$150,000 (1%) of the County's operating investments in corporate bonds as of December 31, 2006 were rated AAA and A, respectively, by Standard & Poor's.

The County's Retirement Investment Policy limits the average quality of fixed income securities to a minimum of "A2", the third broad investment grade as determined by Moody's. The minimum quality of a single fixed income investment is investment grade, as defined by two out of three of the following rating agencies; Moody's, Standard and Poor's, or Fitch. The Policy states that foreign fixed income securities rated A or above are limited to 20% of the fixed income portfolio and that Baa or fourth investment grade bonds are limited to 30% of the fixed income portfolio.

As of December 31, 2006, all of the County's retirement investments in cash equivalents and U.S. Government agencies were rated AAA by Standard & Poor's. All of the County's retirement investments in fixed income mutual funds at December 31, 2006 were rated Aa3 by Moody's. \$2,588,663 (27%), \$1,879,294 (20%), \$4,111,175 (44%), \$401,690 (4%), and \$500,000 (5%) of the County's retirement investments in corporate bonds as of December 31, 2006 were rated AAA, AA, A, Less than A, and Unrated, respectively, by Standard & Poor's.

## County of York, Pennsylvania

### Notes to Financial Statements (Continued)

#### **(2) Deposit and Investment Risk (Continued)**

*Custodial Credit Risk.* For deposits and investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2006, \$71,305,207 of the County's deposits were exposed to custodial credit risk, as they are collateralized with securities held by the pledging financial institution and uninsured. None of the County's investments were exposed to custodial credit risk at December 31, 2006. The County does not have a written policy to limit its exposure to custodial credit risk.

*Concentration of Credit Risk.* The County's Operating Investment Policy does not allow a single issuer or guarantor to represent more than 10% of the total value of holdings at the time of acquisition, except for U.S. Government or Federal agency securities for which there is no limit.

The County's Retirement Investment Policy limits single investments in U.S. Treasury securities, Treasury zero coupon securities, and Federal Agency securities to 30%, 10%, and 10%, respectively, of the fixed income investments at market value. Other types of fixed income securities are limited to 5% for each single security and no issuer, other than the U.S. Government or Federal Agencies, may represent more than 5% of the total market value of the fixed income portfolio. Initial investments in securities of a single corporation or group of directly affiliated corporations are limited to 5%, on a market value basis, of the equity portion of the portfolio.

More than 5% of the County's investments are in the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. These investments are 12% and 5%, respectively, of the County's total investments. More than 5% of the County's government activities investments are in the College Loan Corporation, Federal National Mortgage Association, Pennsylvania Economic Development, and Pennsylvania State Higher Education. These investments are 14%, 26%, 8%, and 13%, respectively, of the County's government activities investments. More than 5% of the County's business-type activities investments are in the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Federal Farm Credit Bank. These investments are 47%, 12%, and 6%, respectively, of the County's business-type activities investments.

## County of York, Pennsylvania

### Notes to Financial Statements (Continued)

#### **(2) Deposit and Investment Risk (Continued)**

More than 5% of the County's general fund investments are in the Federal National Mortgage Association, the College Loan Corporation, Education Loan Asset, Nelnet Student Loans, Pennsylvania Economic Development, and Pennsylvania State Higher Education. These investments are 22%, 10%, 10%, 5%, 15%, and 12%, respectively, of the County's general fund investments. More than 5% of the County's mental health/mental retardation fund investments are in the Federal National Mortgage Association, Basin Electric, the College Loan Corporation, and Nelnet Student Loans. These investments are 11%, 6%, 69%, and 14%, respectively, of the County's mental health/mental retardation fund investments.

More than 5% of the County's community development block grant investments are in Mississippi, Pennsylvania Economic Development, and Pennsylvania State Higher Education. These investments are 21%, 47%, and 32%, respectively, of the County's community development block grant investments. More than 5% of the County's capital projects investments are in the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, and the Federal Farm Credit Bank. These investments are 10%, 41%, and 5%, respectively, of the County's capital projects fund investments. More than 5% of the County's other nonmajor funds investments are in Pennsylvania Economic Development, Pennsylvania State Higher Education, Adel GA Industrial Development Authority, the College Loan Corporation, the Federal Home Loan Mortgage Corporation, and Wisconsin State General Revenue Bonds. These investments are 15%, 40%, 5%, 5%, 9%, and 9%, respectively, of the County's other nonmajor funds investments.

#### **(3) Component Unit Deposit and Investment Risk**

##### **York County Solid Waste and Refuse Authority**

All deposits and investments are carried at fair value, which are separated and detailed in this note by financial statement line classification. The YCSWRA currently has no formal investment policy; however, each fund holds specific requirements as detailed in each fund's respective section.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(3) Component Unit Deposit and Investment Risk (Continued)**

**York County Solid Waste and Refuse Authority (Continued)**

Cash and Short-Term Investments

As of December 31, 2006 the carrying values of the YCSWRA's cash deposits amounted to \$159,503 and the bank balances amounted to \$319,899. Of the bank balances, \$100,000 is covered by the Federal Deposit Insurance Corporation (FDIC) in the YCSWRA's name. Bank balances are categorized as follows as of December 31, 2006:

Amount insured by federal depository insurance	\$	100,000
Collateralized with securities held by the pledging financial institution's trust department held in the Authority's name		219,899
	\$	<u>319,899</u>

Bank balances are collateralized under Pennsylvania Act 72. Pennsylvania Act 72 allows for bank-owned securities to be pledged on a pooled basis to collateralize public funds.

Short-term investments consist of the following as of December 31, 2006:

Securities held by the pledging financial institution's trust department but in the YCSWRA's name	\$	1,969,728
---	----	-----------

Indentured Trust Funds

All proceeds of the Solid Waste System Refunding revenue Bonds, Series of 1997, are held by M&T Investment Group, as Trustee, in the YCSWRA's name. Payments there from are disbursed only upon delivery of properly executed requisitions to the Trustee, in accordance with the Indenture of Mortgage and trust dated November 1, 1997 (Indenture).

All monies held by the Trustee in funds established under the Indenture are pledged as collateral for the Series of 1997 bonds.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(3) Component Unit Deposit and Investment Risk (Continued)**

**York County Solid Waste and Refuse Authority (Continued)**

In accordance with Section 5.01 of the Indenture, all revenue of the YCSWRA, from whatever source derived, is to be deposited into the Revenue Fund, and transferred out in amounts sufficient to fund operating expenses and contractual obligations. Amounts not required for operating purposes are restricted for use by the Trustee to fulfill the requirements of the Indenture.

Indentured Trust Funds consist of the following at December 31, 2006:

At fair value:		
	Cash equivalents	\$ 7,702,414
	U.S. Government and Agency investments	114,403,339
		<u>\$ 122,105,753</u>
	Current portion	\$ 113,524,036
	Non-current portion	8,581,717
		<u>\$ 122,105,753</u>

Closure Funds

Section 1109 Trust Fund

Under Section 1109 of Act 101, any municipal authority operating a landfill solely for municipal waste not classified as hazardous is required to establish an interest bearing trust account with an accredited financial institution. This trust money may be used only for completing the final closure and post closure care of the landfill. No withdrawals may be made from the trust until closure of the landfill. Any money remaining in the trust subsequent to certification of final closure of the landfill will be returned to the YCSWRA. All monies are held by Fulton Financial Advisors, as Trustee, in the YCSWRA's name.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(3) Component Unit Deposit and Investment Risk (Continued)**

**York County Solid Waste and Refuse Authority (Continued)**

Collateral Bond

Under Act 97, any permittee/operator of a waste management facility is required to establish a collateral bond pledged to the Pennsylvania Department of Environmental Protection. This money is available for use for closure of the Resource Recovery Center (Center) and to prevent and correct potential adverse environmental effects from the operation of the Center. Liability under this bond shall continue through the duration of the processing and/or disposal of solid waste and for a period of ten years after final approved closure of the Center. The collateral shall remain in effect until such time as the Pennsylvania Department of Environmental Protection shall, in writing, release such liability and obligations. The collateral bond is held by the Pennsylvania Department of Environmental Protection in the name of the Authority.

Closure funds consist of the following as of December 31, 2006:

At fair value:			
	Section 1109 trust Fund		\$ 5,465,562
	Collateral Bond		472,938
			<u>\$ 5,938,500</u>

Self-Insurance Trust Fund

Section 1107 of Act 101 requires municipal authorities to provide financial assurances for satisfying claims of bodily injury and property damage resulting from pollution occurrences arising from the operation of a landfill or resource recovery facility. Municipal authorities may self-insure against such claims. The YCSWRA established a self-insurance fund in 1992 for the purpose of paying claims to third parties. The establishment of the self-insurance fund and procedures there under are in accordance with regulations by the Pennsylvania Department of Environmental Protection which require the fund to be maintained at \$2,000,000. All funds are held by M&T Investment Group, as Trustee, in the YCSWRA's name.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(3) Component Unit Deposit and Investment Risk (Continued)**

**York County Solid Waste and Refuse Authority (Continued)**

The self-insurance trust fund consists of the following as of December 31, 2006:

At fair value:		
	Cash equivalents	\$ 287,786
	U.S. Government and Agency Investments	1,600,751
	Fixed income funds	342,749
		<u>\$ 2,231,286</u>

Landfill Trust Fund

In accordance with an agreement dated December 9, 1985, between Stewartstown Borough (the Borough) and Stewartstown Borough Authority, and the YCSWRA, the Borough will accept pretreated leachate from the YCSWRA's landfill in Hopewell Township for treatment at the Borough's sewage treatment plant. In order to insure continued operation of pretreatment facilities satisfactory to the Borough in the event the YCSWRA ceases to exist, the YCSWRA has established a Trust Fund in the amount of \$100,000 and \$.50 per ton for each ton of refuse deposited at the landfill. The YCSWRA ceased utilizing the landfill for ash disposal as of December 31, 1997. The funds are restricted for use by the Borough in the event the YCSWRA fails to meet its obligations to the Borough as set forth in the Agreement. The Trust Fund shall continue until the Pennsylvania Department of Environmental Protection and the engineer for Stewartstown Borough determine that further collection and treatment of leachate is unnecessary, or until the YCSWRA purchases an insurance policy in terms, conditions, and amounts acceptable to and for the benefit of the Borough. At that time, the Trust Fund may be terminated and the monies returned to the YCSWRA. All monies are held by M&T Investment Group, as Trustee.

The Landfill Trust Fund consists of the following as of December 31, 2006:

At fair value:		
	Stewartstown Borough Trust Fund	\$ 745,538

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(3) Component Unit Deposit and Investment Risk (Continued)**

**York County Solid Waste and Refuse Authority (Continued)**

Interest Rate Risk

The YCSWRA's investments consist of the following as of December 31, 2006:

Investment Type	Maturity Date	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Cash Equivalents:					
U.S. Government Money Market Inst II Fund #904		\$ 7,702,416	\$ -	\$ -	\$ -
Federated Treasury Obligation MMF		643,498	-	-	-
Money Market Inst I Fund #420		92,384	-	-	-
United States Treasury Bill	06/2007	195,402	-	-	-
Money Market Inst I - Fund 420		745,538	-	-	-

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(3) Component Unit Deposit and Investment Risk (Continued)

York County Solid Waste and Refuse Authority (Continued)

Interest Rate Risk (Continued)

Investment Type	Maturity Date	Less Than 1	1-5	6-10	More Than 10
Debt Securities:					
Federal Home Loan Mortgage Corp	07/2007	\$ 743,087	\$ -	\$ -	\$ -
Federal Home Loan Mortgage Corp	05/2007	978,977	-	-	-
Federal Home Loan Mortgage Corp	04/2007	8,507,700	-	-	-
Federal Home Loan Mortgage Corp	06/2007	13,022,925	-	-	-
Federal Home Loan Mortgage Corp	09/2007	13,122,762	-	-	-
Federal National Mortgage Association	05/2007	24,882,750	-	-	-
Federal National Mortgage Association	10/2007	13,120,488	-	-	-
Federal Home Loan Bank	05/2007	24,922,000	-	-	-
Federal Home Loan Bank	11/2007	16,824,712	-	-	-
PA State Higher Ed. Assist. Municipal Bond	10/2042	-	-	-	1,100,000
PA State Higher Ed. Put Municipal Bond	10/2042	-	-	-	2,000,000
Government Bond - Inst. I Fund #120		342,749	-	-	-
United States Treasury Inflationary Index Bond	07/2013	-	-	212,335	-
United States Treasury Note	01/2007	200,000	-	-	-
United States Treasury Note	08/2007	198,640	-	-	-
United States Treasury Note	10/2007	198,704	-	-	-
United States Treasury Note	02/2009	-	198,790	-	-
United States Treasury Note	09/2007	472,938	-	-	-
United States Treasury Note	04/2007	199,094	-	-	-
United States Treasury Note	02/2008	-	199,156	-	-
United States Treasury Note	05/2008	-	194,032	-	-
		<u>\$ 127,116,764</u>	<u>\$ 591,978</u>	<u>\$ 212,335</u>	<u>\$ 3,100,000</u>

Credit Risk

As of December 31, 2006, all of the YCSWRA's investments in debt securities were rated Aaa by Moody's and AAA by Standard & Poor's.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(3) Component Unit Deposit and Investment Risk (Continued)**

**York County Solid Waste and Refuse Authority (Continued)**

Custodial Credit Risk

For deposits and investments, custodial risk is the risk that in the event of the failure of the counterparty, the YCSWRA will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. As of December 31, 2006, \$2,189,627 of the YCSWRA's deposits and none of the YCSWRA's investments were exposed to custodial credit risk.

Concentration of Credit Risk

The YCSWRA places no limit on the amount that may be invested in any one issuer. More than 5% of the YCSWRA's investments are in U.S. Government Money Market, Federal Home Loan Mortgage Corp, Federal National Mortgage Association, and Federal Home Loan Bank. These investments are 5.88%, 27.76%, 29.01%, and 31.86%, respectively, of the YCSWRA's total investments.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(3) Component Unit Deposit and Investment Risk (Continued)**

**York County Industrial Development Authority**

All cash and investments are held in the Authority's name. The Authority currently has no formal deposit or investment policy. Debt securities are collateralized by the full faith and credit of the U.S. Government.

The cost, gross unrealized gains and losses, and fair value for cash and investments consist of the following as of December 31, 2006:

	Cost	Gross Unrealized		Fair Value
		Gains	Losses	
Cash:				
Checking accounts - interest bearing	\$ 1,520,954	\$ -	\$ -	\$ 1,520,954
Money market accounts	359,060	-	-	359,060
	1,880,014	-	-	1,880,014
Investments:				
Money market accounts	531,127	-	-	531,127
\$630,000 and \$600,000 Certificates of deposit, interest rates of 5.20% and 5.25%; matures March, 2007 and June 2007	1,230,000	-	-	1,230,000
Federal Agency notes; interest rates ranging from 2.40% through 5.75%; mature from January, 2007 to August, 2009	3,415,572	7,941	(16,160)	3,407,353
	5,176,699	7,941	(16,160)	5,168,480
	<u>\$ 7,056,713</u>	<u>\$ 7,941</u>	<u>\$ (16,160)</u>	<u>\$ 7,048,494</u>

Proceeds from sale and gross realized gains (losses) on the sale of investments consist of the following for the year ended December 31, 2006:

Proceeds from sale	\$ 10,893,741
Gross realized gains	443

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(3) Component Unit Deposit and Investment Risk (Continued)**

**York County Industrial Development Authority (Continued)**

Investments held as of December 31, 2006 are comprised of investment in money market accounts, certificate of deposit, and debt securities. The Authority has recorded total unrealized holding losses on seventeen of these securities. The Authority's management believes that holding losses recorded on these investments are not a permanent impairment, but rather a temporary market decline. The following table shows the investments, gross unrealized losses, and fair value, aggregated by investment category and length of time that individual funds have been in a continuous unrealized loss position, as of December 31, 2006:

	Less than Twelve Months		Twelve Months or More		Total	
	Fair	Unrealized	Fair	Unrealized	Fair	Unrealized
	Value	Losses	Value	Losses	Value	Losses
Debt securities, temporarily impaired	\$ 849,306	\$ (694)	\$ 1,309,695	\$ (15,466)	\$ 2,159,001	\$ (16,160)

During the year ended December 31, 2006, the Authority's cash balances have exceeded the federally insured limit of \$100,000.

Interest Rate Risk

The Authority's investments consist of the following as of December 31, 2006:

Investment Type	Maturity Date	Investment Maturities (in Years)				
		Less Than 1	1-5	6-10	More Than 10	
Money Market Accounts:						
Sterling Municipal Investors	01/2007	\$ 208,025	\$ -	\$ -	\$ -	
Sterling Municipal Investors	07/2007	323,102	-	-	-	
			-	-	-	
Certificate of Deposit:						
Non-negotiable Sovereign Bank	03/2007	630,000	-	-	-	
Non-negotiable Sovereign Bank	06/2007	600,000				

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(3) Component Unit Deposit and Investment Risk (Continued)**

**York County Industrial Development Authority (Continued)**

<b>Investment Type</b>	<b>Maturity Date</b>	<b>Less Than 1</b>	<b>1-5</b>	<b>6-10</b>	<b>More Than 10</b>
Debt Securities:					
Federal Farm Credit Bank	04/2008	\$ -	\$ 146,016	\$ -	\$ -
Federal Farm Credit Bank	01/2007	199,938	-	-	-
Federal Farm Credit Bank	08/2007	299,906	-	-	-
Federal Home Loan Bank	02/2007	125,039	-	-	-
Federal Home Loan Bank	03/2007	174,016	-	-	-
Federal Home Loan Bank	12/2007	98,156	-	-	-
Federal Home Loan Bank	02/2007	99,750	-	-	-
Federal Home Loan Bank	02/2007	175,000	-	-	-
Federal Home Loan Bank	07/2007	175,055	-	-	-
Federal Home Loan Bank	08/2009	-	150,281	-	-
Federal Home Loan Mortgage Corporation	11/2008	-	147,469	-	-
Federal Home Loan Mortgage Corporation	11/2006	-	299,556	-	-
Federal National Mortgage Association	01/2008	-	98,063	-	-
Federal National Mortgage Association	09/2008	-	249,844	-	-
Federal National Mortgage Association	08/2008	-	300,094	-	-
United States Treasury Bills	02/2007	248,825	-	-	-
United States Treasury Bills	02/2007	99,344	-	-	-
United States Treasury Notes	08/2007	98,625	-	-	-
United States Treasury Notes	02/2008	-	122,813	-	-
United States Treasury Notes	04/2007	99,563	-	-	-
		<u>\$ 3,654,344</u>	<u>\$ 1,514,136</u>	<u>\$ -</u>	<u>\$ -</u>

Credit Risk

As of December 31, 2006, all of the Authority's investments in money market accounts and debt securities were rated Aaa by Moody's and AAA by Standard & Poor's.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(3) Component Unit Deposit and Investment Risk (Continued)**

**York County Industrial Development Authority (Continued)**

Custodial Credit Risk

For deposits and investments, custodial risk is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. As of December 31, 2006, \$1,680,014 of the Authority's deposits and \$1,030,000 of the Authority's investments were exposed to custodial credit risk.

Concentration of Credit Risk

The Authority places no limit on the amount that may be invested in any one issuer. More than 5% of the Authority's investments are in Sterling Financial Investors, non-negotiable certificates of deposit, Federal Farm Credit Bank, and Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, United States Treasury Bills, and United States Treasury Notes. These investments are 10.28%, 23.80%, 12.50%, 19.30%, 8.65%, 12.54%, 6.74%, and 6.21%, respectively, of the Authority's total investments.

**York County Library System**

As of December 31, 2006, the Library System had the following cash and cash equivalents and debt investment with their respective maturities:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less Than 1	1-5
Cash Equivalents	\$ 222,329	\$ 222,329	\$ -
U.S. Government Agencies	330,586	-	330,586
Mutual Funds	851,936	N/A	N/A
<b>Total</b>	<b>\$ 1,404,851</b>	<b>\$ 222,329</b>	<b>\$ 330,586</b>

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(3) Component Unit Deposit and Investment Risk (Continued)**

**York County Library System (Continued)**

In addition to cash equivalents and investments above, an additional cash balance of \$140,366 is reported on the balance sheet. Total cash equivalents and investments above are reported as follows:

Cash and Cash Equivalents		\$ 362,695
Investments		1,182,522
		<u>\$ 1,545,217</u>

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the Library’s System investment policy is to invest funds to meet the projected future cash flow requirements.

Credit Risk – The Library’s System’s investment policy is for fixed income securities purchases to be of at least investment grade.

As of December 31, 2006, the Library System’s investments had credit quality ratings by Standard and Poor’s as follows:

<u>Investment Type</u>	<u>Credit Quality Rating</u>	<u>Percent of Investment Type</u>
U.S. Government Agencies	AAA	100%

Custodial Credit Risk – For deposits and investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the Library System will be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2006, \$40,366 of the Library System’s cash in bank of \$140,366 was collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the Library System’s name. The cash equivalents, which are money market funds, are not categorized.

Concentration of Credit Risk – The Library’s System’s investment policy is investments in any one fixed income security may not exceed 10% of the total market value of the portfolio, with the exception of the U.S. Government and its agencies, for which there is no limit.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(3) Component Unit Deposit and Investment Risk (Continued)**

**York County Library System (Continued)**

More than 5% of the Library System's investments are in the Federal Home Loan Banks and Federal National Mortgage Association. These investments are 11% and 10%, respectively, of the Library System's total investments.

**York County Planning Commission**

The Commission currently has no formal deposit or investment policy.

At times during the year ended December 31, 2006, the Commission's cash balances may have exceeded the federally insured limit of \$100,000. The excess, if any, is covered by collateral held by the pledging financial institution's trust department. Pennsylvania Act 72 allows for bank-owned securities to be pledged on a pooled basis to service public funds.

Investments

The Commission's investments are deposited in two types of financial institutions: (1) local banks, of which funds in excess of the federally insured limit of \$100,000 are covered by collateral held by the pledging financial institution's trust department, or (2) the Pennsylvania Local Government Investment Trust.

Cash and temporary investments include the following as of December 31, 2006:

	<b>Carrying Amount</b>	<b>Market Value</b>
Cash	\$ 301,175	\$ 301,175
Pennsylvania Local Government Investment Trust	570,050	570,050
	<u>\$ 871,225</u>	<u>\$ 871,225</u>

Interest Rate Risk

As of December 31, 2006, the Commission held no debt investments.

## County of York, Pennsylvania

### Notes to Financial Statements (Continued)

#### **(3) Component Unit Deposit and Investment Risk (Continued)**

##### **York County Planning Commission (Continued)**

###### Custodial Credit Risk

For deposits and investments, custodial risk is the risk that in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2006, \$230,074 of the Commission's deposits and \$570,050 of the Commission's investments were exposed to custodial credit risk. The deposits exposed to custodial credit risk are covered by collateral held by the pledging financial institution's trust department.

###### Concentration of Credit Risk

The Commission places no limit on the amount that may be invested in any one issuer. All of the Commission's investments, which are classified as cash and temporary investments, consist of cash with a local bank (34.57%) and cash equivalents with the Pennsylvania Local Government Investment Trust (64.43%).

#### **(4) Property Taxes**

Property taxes attach as an enforceable lien on property as of January 1 and are levied and recorded as a receivable on February 15. Taxes are collected at a discount until April 15, at their face amount from April 16 until June 15, and include a penalty thereafter. Taxes are collected by elected tax collectors. The County collects delinquent taxes on behalf of itself and other taxing authorities.

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 2006 was 3.80 mills with .1 mill pertaining to a dedicated library tax.

The County recorded an allowance for uncollectible taxes of \$755,641 as of December 31, 2006. This represents the County's estimate of taxes earned but ultimately expected not to be collected.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(5) Capital Assets**

A summary of changes in the capital assets for the year ended December 31, 2006 is as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending Balance</b>
<b>Governmental activities</b>				
Capital assets not being depreciated (cost):				
Land	\$ 18,357,829	\$ -	\$ 95,000	\$ 18,262,829
Construction in progress	23,426,783	17,153,857	561,922	40,018,718
Total capital assets not being depreciated	41,784,612	17,153,857	656,922	58,281,547
Capital assets being depreciated (cost):				
Buildings and improvements	143,273,463	1,256,811	175,047	144,355,227
Furniture, fixtures, and equipment	6,517,458	3,477,058	91,928	9,902,588
Easements	8,739,797	1,176,245	-	9,916,042
Bridges, roads, and rail trail	19,736,641	-	-	19,736,641
Total capital assets being depreciated	178,267,359	5,910,114	266,975	183,910,498
Less accumulated depreciation for:				
Buildings and improvements	30,675,656	3,457,689	48,503	34,084,842
Furniture, fixtures, and equipment	4,151,517	890,271	84,765	4,957,023
Easements	1,237,635	223,818	-	1,461,453
Bridges, roads, and rail trail	11,407,705	494,447	-	11,902,152
Total accumulated depreciation	47,472,513	5,066,225	133,268	52,405,470
Total capital assets being depreciated, net	130,794,846	843,889	133,707	131,505,028
Total capital assets, governmental activities	\$ 172,579,458	\$ 17,997,746	\$ 790,629	\$ 189,786,575
<b>Business-type activities</b>				
Capital assets not being depreciated (cost):				
Land	\$ 17,000	\$ -	\$ -	\$ 17,000
Construction in Progress	3,687,076	20,219,489	-	23,906,565
Total capital assets not being depreciated	3,704,076	20,219,489	-	23,923,565
Capital assets being depreciated (cost):				
Buildings and improvements	9,102,953	151,546	27,327	9,227,172
Furniture, fixtures, and equipment	16,357,432	283,385	1,303,693	15,337,124
Total capital assets being depreciated	25,460,385	434,931	1,331,020	24,564,296
Less accumulated depreciation for:				
Buildings and improvements	5,060,560	286,165	27,328	5,319,397
Furniture, fixtures, and equipment	12,927,291	892,169	1,259,301	12,560,159
Total accumulated depreciation	17,987,851	1,178,334	1,286,629	17,879,556
Total capital assets being depreciated, net	7,472,534	(743,403)	44,391	6,684,740
Total capital assets, business-type activities	\$ 11,176,610	\$ 19,476,086	\$ 44,391	\$ 30,608,305

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(5) Capital Assets (Continued)**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending Balance</b>
<b>Component units</b>				
Capital assets not being depreciated (cost):				
Land	\$ 1,649,309	\$ 1,205,270	\$ -	\$ 2,854,579
Construction in progress	547,556	10,086,725	-	10,634,281
Total capital assets not being depreciated	2,196,865	11,291,995	-	13,488,860
Capital assets being depreciated (cost):				
Buildings and improvements	130,663,609	-	-	130,663,609
Furniture, fixtures, and equipment	2,626,473	681,972	68,109	3,240,336
Total capital assets being depreciated	133,290,082	681,972	68,109	133,903,945
Less accumulated depreciation for:				
Buildings and improvements	83,275,583	5,221,137	-	88,496,720
Furniture, fixtures, and equipment	1,719,279	326,475	67,171	1,978,583
Total accumulated depreciation	84,994,862	5,547,612	67,171	90,475,303
Total capital assets being depreciated, net	48,295,220	(4,865,640)	938	43,428,642
Total capital assets, business-type activities	\$ 50,492,085	\$ 6,426,355	\$ 938	\$ 56,917,502

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

<b>Governmental activities</b>	
Public safety	\$ 1,384,319
General government	722,154
Judicial	2,020,872
Health, education, and welfare	230,620
Road and bridges	518,997
Cultural and recreation	189,263
Total depreciation expense – governmental activities	<u>\$ 5,066,225</u>
<b>Business-type activities</b>	
County Nursing Home Fund	\$ 717,189
911 Fund	439,241
Total depreciation expense	<u>\$ 1,156,430</u>

During the year, the County transferred a fully depreciated vehicle from the governmental activities to the 911 fund. The vehicle's original cost and accumulated depreciation were transferred from the governmental activities to the 911 fund in the amount of \$21,904.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(6) Long-Term Liabilities**

The following is a summary of changes in long-term liabilities for the year ended December 31, 2006:

	Balance at January 1, 2006	Additions	Reductions	Balance at December 31, 2006	Due Within One Year
<b>Governmental activities</b>					
General obligation debt	\$ 118,175,512	\$ 31,431,053	\$ 2,800,000	\$ 146,806,565	\$ 2,970,000
Unamortized bond premium	1,385,231	1,067,904	270,104	2,183,031	270,104
Liability for workers' compensation self-insurance	1,772,093	272,082	572,993	1,471,182	161,830
Compensated absences	2,621,085	2,520,124	1,969,913	3,171,296	2,102,569
Capital lease	35,824	-	17,405	18,419	18,419
	<b>\$ 123,989,745</b>	<b>\$ 35,291,163</b>	<b>\$ 5,630,415</b>	<b>\$ 153,650,493</b>	<b>\$ 5,522,922</b>
<b>Business-type activities</b>					
General obligation debt	\$ -	\$ 43,988,347	\$ -	\$ 43,988,347	\$ -
Unamortized bond premium	-	1,520,156	54,291	1,465,865	54,291
Liability for workers' compensation self-insurance	1,449,894	251,153	343,033	1,358,014	149,382
Compensated absences	588,468	505,509	419,170	674,807	447,397
	<b>\$ 2,038,362</b>	<b>\$ 46,265,165</b>	<b>\$ 816,494</b>	<b>\$ 47,487,033</b>	<b>\$ 651,070</b>

Compensated absences and the liability for workers' compensation self-insurance are liquidated by the general fund and special revenue funds.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(6) Long-Term Liabilities (Continued)**

Governmental activities general obligation debt consisted of the following individual issues at December 31, 2006:

	<b>General Obligation Debt (Payable from General Fund Tax Revenues)</b>
\$22,035,000 Series A of 2000 – revenue bonds with interest due annually at a variable rate. Principal due in annual installments on June 1, increasing from \$445,000 in 2003 to \$1,265,000 in 2030.	\$ 19,090,000
\$1,755,000 Series of 2000 – general obligation bonds with interest due semiannually June 1 and December 1 at various annual rates from 4.30% to 4.85%. Principal due in annual installments on June 1, increasing from \$140,000 in 2001 to \$215,000 in 2010.	800,000
\$32,435,000 Series of 2001 – revenue bonds with interest due monthly at a variable rate. Principal due in annual installments on June 1, increasing from \$315,000 in 2004 to \$3,565,000 in 2031.	30,645,000
\$20,510,000 Series of 2002 – general obligation bonds with interest due semiannually April 1 and October 1 at various annual rates from 5.60% to 6.25%. Principal due in annual installments on October 1, increasing from \$2,075,000 in 2002 to \$3,130,000 in 2009.	8,850,000
\$22,535,000 Series of 2003 – general obligation bonds with interest due semiannually June 1 and December 1 at various annual rates from 1.50% to 4.75%. Principal due in annual installments on June 1, increasing from \$5,000 in 2006 to \$2,565,000 in 2033.	22,530,000
\$32,620,000 Series of 2003 – revenue bonds with interest due semiannually June 1 and December 1 at variable rate. Principal due in annual installments on June 1, increasing from \$5,000 in 2006 to \$5,965,000 in 2033.	32,615,000
\$6,000,000 Series of 2005 – general obligation note with interest on the outstanding balance due quarterly on March 1, June 1, September 1, and December 1 at 3.70%. Principal due upon maturity on August 1, 2008.	1,357,859
\$11,000,000 Series A of 2005 – general obligation note with interest on the outstanding balance due quarterly on March 1, June 1, September 1, and December 1 at 3.90%. Principal due upon maturity on December 1, 2008.	17,053
\$74,890,000 Series of 2006 – general obligation bonds (\$30,901,653 for Governmental Activities and \$43,988,347 for Business-Type Activities) with interest on the outstanding balance due semiannually June 1, and December 1 at various annual rates from 3.25% to 5.00%. Principal due in annual installments on June 1, increasing from \$345,000 in 2008 to \$16,825,000 in 2033.	30,901,653
Total general obligation debt	146,806,565
Plus: unamortized premium	2,183,031
Less: current portion	2,970,000
Total	\$ 146,019,596

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(6) Long-Term Liabilities (Continued)**

The Series A of 2000, Series of 2001, Series of 2003, and the Series of 2006 descriptions described in the table above do not reflect the swap transactions disclosed in Note 7. However, the amounts of those bonds are reflective of the swap transactions described in Note 7.

In January 2006, the County issued General Obligation Bonds, Series of 2006, in the amount of \$74,890,000. The principal of these bonds is payable in annual installments increasing from \$345,000 in 2008 to \$16,825,000 in 2033. Interest payments on the outstanding principal balance shall be due semiannually on June 1, and December 1 of each year, beginning on June 1, 2006. The interest rate on the Series of 2006 bonds varies from 3.25% to 5.00%. The proceeds of the bonds are being used to fund capital projects consisting of administrative center renovations, upgrade of the telephone dial 911 emergency system, prison expansion project, and the purchase of voting machines, and to pay issuance costs of \$955,216 (\$394,148 in the Governmental Activities and \$561,068 in the Business-Type Activities). The bonds included an original issue premium of \$2,588,060 (\$1,067,904 in the Governmental Activities and \$1,520,156 in the Business-Type Activities). The principal balance outstanding on the bond at December 31, 2006 was \$74,890,000 (\$30,901,653 in the Governmental Activities and \$43,988,347 in the Business-Type Activities).

The annual requirements to amortize Governmental Activities general obligation bonds outstanding (including the effect of the swap transactions described in Note 7) for the year ended December 31, 2006 are as follows, *assuming current interest rates remain the same*:

	<b>Principal</b>	<b>Interest and Remarketing Costs</b>	<b>Total</b>
2007	\$ 2,970,000	\$ 7,367,236	\$ 10,337,236
2008	4,667,268	7,182,262	11,849,530
2009	4,428,715	6,385,768	10,814,483
2010	3,567,222	6,084,577	9,651,799
2011	3,706,421	5,940,671	9,647,092
2012-2016	20,994,909	27,100,906	48,095,815
2017-2021	25,570,846	21,687,662	47,258,508
2022-2026	28,362,628	15,370,782	43,733,410
2027-2031	31,296,103	7,979,033	39,275,136
2032-2033	21,242,453	540,954	21,783,407
	<b>\$ 146,806,565</b>	<b>\$ 105,639,851</b>	<b>\$ 252,446,416</b>

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(6) Long-Term Liabilities (Continued)**

Business-Type Activities general obligation debt consisted of the following individual issues at December 31, 2006:

	<b>General Obligation Debt (Payable from General Fund Tax Revenues)</b>
\$74,890,000 Series of 2006 – general obligation bonds (\$30,901,653 for Governmental Activities and \$43,988,347 for Business-Type Activities) with interest on the outstanding balance due semiannually June 1, and December 1 at various annual rates from 3.25% to 5.00%. Principal due in annual installments on June 1, increasing from \$345,000 in 2008 to \$16,825,000 in 2033.	\$ 43,988,347
Total general obligation debt	43,988,347
Plus: unamortized premium	1,465,865
Less: current portion	-
Total	<u>\$ 45,454,212</u>

The Series of 2006 descriptions described in the table above do not reflect the swap transactions disclosed in Note 7. However, the amounts of those bonds are reflective of the swap transactions described in Note 7.

The annual requirements to amortize Business-Type Activities general obligation bonds outstanding (including the effect of the swap transactions described in Note 7) for the year ended December 31, 2006 are as follows, *assuming current interest rates remain the same*:

	<b>Principal</b>	<b>Interest and Remarketing Costs</b>	<b>Total</b>
2007	\$ -	\$ 2,102,594	\$ 2,102,594
2008	202,644	2,099,300	2,301,944
2009	126,285	2,093,892	2,220,177
2010	1,312,778	2,068,803	3,381,581
2011	1,368,579	2,018,458	3,387,037
2012-2016	7,950,091	9,111,675	17,061,766
2017-2021	9,389,154	6,921,689	16,310,843
2022-2026	7,797,372	4,882,206	12,679,578
2027-2031	5,958,897	2,686,138	8,645,035
2032-2033	9,882,547	267,401	10,149,948
	<u>\$ 43,988,347</u>	<u>\$ 34,252,156</u>	<u>\$ 78,240,503</u>

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(6) Long-Term Liabilities (Continued)**

As determined under the Commonwealth of Pennsylvania Local Government Unit Debt Act of 1972, the nonelectoral debt limit of the County at December 31, 2006 was \$752,262,223 compared to \$190,794,912 of related outstanding debt.

The County is subject to federal arbitrage laws governing the use of proceeds of tax exempt debt. At December 31, 2006, there is an arbitrage liability of \$149,675 in the Capital Projects Fund and \$213,062 in the 911 Fund.

Total debt of the component units consisted of the following individual issues as of December 31, 2006:

	<b>York County Solid Waste and Refuse Authority (YCSWRA)</b>	<b>York County Industrial Development Authority (Authority)</b>	<b>Total Component Units</b>
Solid Waste System Refunding Revenue Bonds, Series of 1997; collateralized under the Indenture of Mortgage and Trust by and between YCSWRA and M&T Investment Group; due 1998 through 2014.	\$ 60,795,000	\$ -	\$ 60,795,000
Note payable for the rehabilitation of the Industrial Plaza of York; collateralized by a third lien on the Industrial Plaza of York; due 1998 through 2010.	-	56,982	56,982
Series 2003A and Series 2003B collateralized by a note receivable from York County Industrial Development Corporation; due 2012 and 2028.	-	10,375,000	10,375,000
	60,795,000	10,431,982	71,226,982
Plus: unamortized premium	945,072	-	945,072
Less: current portion	6,050,000	17,606	6,067,606
Project lessee debt	-	124,324,084	124,324,084
	<b>\$ 55,690,072</b>	<b>\$ 134,738,460</b>	<b>\$ 190,428,532</b>

The following is a summary of changes in component unit long-term debt excluding the project lessee long-term debt discussed below for the year ended December 31, 2006:

Balance at January 1, 2006	\$ 76,929,240
Reductions	(5,702,258)
Balance at December 31, 2006	<b>\$ 71,226,982</b>

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(6) Long-Term Liabilities (Continued)**

The Authority also has \$124,324,084 of additional long-term debt relating to project leases. The Authority acts as a conduit for the purpose of providing capital financing for a specific third party that is not part of the Authority’s financial reporting entity. While the Authority holds legal title to the land, buildings, and equipment leased to project lessees, it is not legally entitled to receive rental payments from the project lessees, and it is not legally obligated for the repayment of the related long-term debt collateralized by those assets.

Since the Authority derives no cash flow benefits from collecting rental payments and has no responsibilities for servicing the long-term debt, it does not recognize rental income on the leases, interest income on the receivables, or interest expense on the long-term debt in its financial statements.

As required by law, the Authority must monitor the repayments of long-term debt made directly by the project lessees to the lenders. The Authority has elected to record in its financial statements receivables for the future rental payments in amounts equal to the principal of long-term debt owing by the project lessees directly to the lenders. As rental payments are reported to the Authority as having been made, the Authority reduces both its receivables and its long-term debt, and records service charge income.

The Authority has no cash flow responsibility with respect to future maturities of long-term debt.

The annual requirements to amortize maturities of component unit long-term debt outstanding for the year ended December 31, 2006, assuming no change in current terms, are as follows:

	<b>Principal</b>
2007	\$ 6,067,606
2008	6,502,962
2009	6,893,324
2010	7,283,090
2011	7,750,000
2012-2016	28,355,000
2017-2021	-
2022-2026	-
2027-2031	8,375,000
	<u>\$71,226,982</u>

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(7) Interest Rate Swaps**

**2003 Swap**

*Objective and terms of the swap.* On June 27, 2003, the County entered into a forward starting interest rate swap with respect to the County’s then outstanding Series of 2001 Bonds (the “2001 Bonds”), in the principal amount of \$32,435,000 under the terms of which the County will make fixed payments of 4.06% and will receive floating rate payments based on 100% of the BMA Index (Bond Market Association Municipal Swap Index) commencing on January 2, 2004.

The terms, fair values, and credit ratings of the outstanding swap as of December 31, 2006, were as follows. The notional amounts of the swap match the principal amounts of the 2001 Series Bonds outstanding as of the effective date.

Associated Bond Issue	Notional Amounts	Effective Date	Variable Rate Received	Fixed Rate Paid	Fair Values	Swap Termination Date	Counterparty Credit Rating
Series of 2001GOB	\$ 30,645,000	January 2, 2004	BMA	4.06%	\$ (550,764)	June 2, 2031	Aa2 // AA-
Total	\$ 30,645,000				\$ (550,764)		

*Fair value.* The swap had a negative fair value as of December 31, 2006. The fair values were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that 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.

*Credit risk.* The swap’s fair value represented the County’s exposure to the counterparty as of December 31, 2006. Should the counterparty to this transaction fail to perform according to the terms of the swap contract, the County faced a maximum possible loss equivalent to the swap’s \$(550,764) fair value. As of December 31, 2006, the counterparty was rated Aa2 by Moody’s Investors Service, and AA- by Standard & Poor’s.

The County’s Master Swap Agreement contains netting provisions applicable to circumstances where the County enters into more than one derivative transaction with a single counterparty. Under these netting provisions, should one party become insolvent or otherwise default on its obligations, the close-out netting provisions permit the nondefaulting party to terminate all affected transactions and net any settlement amounts payable so that a single sum will be owed by, or owed to, the nondefaulting party.

## County of York, Pennsylvania

### Notes to Financial Statements (Continued)

#### **(7) Interest Rate Swaps (Continued)**

##### **2003 Swap (Continued)**

*Interest Rate Risk.* The swap decreases the County's exposure to interest rate risk.

*Termination Risk.* The swap was issued pursuant to the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The County or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the County will be responsible for the underlying variable rate bond obligation. Also, if at the time of termination the swap has a negative fair value, the County would be liable to the counterparty for a payment equal to the swap's fair value.

##### **2004 Swap**

*Objective of the swaps.* At the election of the County, the 2000A Bonds and the 2001 Bonds (collectively, the "Bonds") were converted from the weekly rate to a term rate mode, beginning on the conversion date of March 1, 2004, and ending on December 1, 2008 (the "2008 Term Rate Period"). During the 2008 Term Rate Period, the Bonds will bear interest at their respective term rates, following a mandatory tender of the weekly rate bonds and a remarketing at the offering prices set forth in the remarketing memorandum dated January 14, 2004 (the "Remarketing Memorandum"). Concurrently with the remarketing of the Bonds, the General Authority of Southcentral Pennsylvania (the "Authority") entered into an interest rate swap contract for each series of the term rate bonds with the Royal Bank of Canada for the 2008 Term Rate Period. In connection with the remarketing of the Term Rate Bonds, the County received a premium in the amount of \$4,660,667, which was applied to redeem \$3,895,000 of the Bonds (equal to the principal payments on the Bonds for 2004 through 2008), \$370,667 was used to pay the fees associated with the swap transaction, and \$395,000 was put into a debt service reserve account.

*Terms, fair values, and credit risk.* The 2000A Bonds were secured by a liquidity facility provided by First Union National Bank (now "Wachovia Bank, N. A.") and the 2001 Bonds were secured by a liquidity facility provided by Morgan Guaranty Trust Company of New York. When initially issued, the Bonds bore interest in the weekly rate mode, reset each Wednesday and payable monthly. At the election of the County, the Bonds were converted from the weekly rate to a term rate mode, as described above. As a result of the swap both the 2000 and 2001 liquidity facility and the 2000 and 2001 remarketing fees for the weekly rate bonds were terminated during the 2008 Term Rate Period. The weekly rate bonds, previously scheduled to be retired by mandatory sinking fund redemptions from 2004 to and including 2008, were optionally redeemed from a portion of the remarketing proceeds (remarketing premium).

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(7) Interest Rate Swaps (Continued)**

**2004 Swap (Continued)**

Concurrently with the remarketing of the Bonds, the Authority entered into a new interest rate swap agreement (the “Fixed Receiver Swap”) for each series of the term rate bonds with Royal Bank of Canada (the “2004 Swap Counterparty”) for the 2008 Term Rate Period. The 2004 Swap Counterparty will pay the County a fixed rate equal to 2.51% and the County is obligated to pay the 2004 Swap Counterparty a floating rate equal to the BMA Index, which approximates its previous payment obligations on the weekly rate bonds. The elimination of the remarketing and liquidity facility fees, and the lower net payments on the 2008 term period swap (with principal no longer payable on the bonds during the 2008 Term Rate Period), is intended to reduce the total net payments by the County during the 2008 Term Rate Period.

The terms, fair values, and credit ratings of the outstanding swap as of December 31, 2006, were as follows. The notional amounts of the swap match the principal amounts of the associated debt. The County’s swap agreement does not contain scheduled reductions to outstanding notional amounts during the term of the swap. As discussed under rollover risk, the swap associated with the County’s debt does not extend to the maturity of the related debt.

Associated Bond Issue	Notional Amounts	Effective Date	Fixed Rate Received	Variable Rate Paid	Fair Values	Swap Termination Date	Counterparty Credit Rating
Series A of 2000 GOB	\$ 19,090,000	March 1, 2004	2.51%	BMA	*	December 1, 2008	Aa2 / AA-
Series of 2001GOB	30,645,000	March 1, 2004	2.51%	BMA	*	December 1, 2008	Aa2 / AA-
Total	<u>\$ 49,735,000</u>				<u>\$ (93,283)</u>		
* This transaction is only one swap that effected two bond issues, therefore there is only one fair value.							

*Fair value.* The swap had a negative fair value as of December 31, 2006. The fair values were 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 swaps.

## County of York, Pennsylvania

### Notes to Financial Statements (Continued)

#### **(7) Interest Rate Swaps (Continued)**

##### **2004 Swap (Continued)**

*Credit risk.* The swaps' fair values represented the County's credit exposure to the counterparty as of December 31, 2006. Should the counterparty to this transaction fail to perform according to the terms of the swap contract, the County faces a maximum possible loss equivalent to the swaps' \$(913,283) fair value. As of December 31, 2006, the counterparty was rated Aa2 by Moody's Investors Service, and AA- by Standard & Poor's.

The County's Master Swap Agreement contains netting provisions applicable to circumstances where the County enters into more than one derivative transaction with a single counterparty. Under these netting provisions, should one party become insolvent or otherwise default on its obligations, the close-out netting provisions permit the nondefaulting party to terminate all affected transactions and net any settlement amounts payable so that a single sum will be owed by, or owed to, the nondefaulting party.

*Interest Rate Risk.* The swap increases the County's exposure to interest rate risk. As BMA increases, the County's net payment on the swap increases.

*Termination Risk.* The term rate bonds are not subject to optional or mandatory redemption by the Authority during the 2008 Term Rate Period. The Bonds are not subject to optional tender by the holders during the 2008 Term Rate Period but are subject to mandatory tender on December 1, 2008.

The derivative contract uses the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The County or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the County would be liable to the counterparty for a payment equal to the swap's fair value.

*Rollover risk.* At the end of the 2008 Term Rate Period, the Bonds will be subject to mandatory tender at a purchase price of 100% of the principal amount (par) plus accrued interest (the "Purchase Price"), and conversion to another term rate for a subsequent term rate period, or to a weekly rate, flexible rate or fixed rate. There will be no liquidity facility to purchase the term rate bonds in the event of a failed conversion and remarketing at the end of the 2008 Term Rate Period. During an interim rate period, the term rate bonds are subject to mandatory tender at the purchase price following seven days notice by the tender agent.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(7) Interest Rate Swaps (Continued)**

**2004 Swap (Continued)**

The County is exposed to rollover risk on swaps that mature. When these swaps terminate, the County will not realize the synthetic rate offered by the swap on the underlying debt issues. The following swap exposes the County to rollover risk:

<b>Associated Debt Issuance</b>	<b>Debt Maturity Date</b>	<b>Swap Termination Date</b>
Series A of 2000	June 1, 2030	December 1, 2008
Series of 2001	June 1, 2031	December 1, 2008

**2005 Swap**

*Objective and terms of the swap.* On March 16, 2005, the County, through the General Authority of Southcentral Pennsylvania, entered into two forward starting, floating rate receipt/fixed rate pay swap transactions with the Royal Bank of Canada that relate to (1) \$19,090,000 outstanding County Guaranteed Revenue Bonds, Series A of 2000, currently in a term rate (fixed) mode through December 1, 2008, and its corresponding floating rate pay/fixed rate receipt obligations under the 2004 Term Rate Swap, and (2) \$32,260,000 outstanding County Guaranteed Revenue Bonds, Series of 2003, currently in a weekly floating rate mode. The 2000A and 2003 Bonds Fixed Pay Swaps are structured with a declining notional (principle) amount which will mirror the principal amortization schedules on the 2000A and 2003 Bonds, respectively, thus creating “synthetic fixed rate” liabilities for the County. For the swap relating to the 2000A Bonds, the County pays a fixed rate of 4.34% and receives BMA (Bond Market Association Municipal Index). For the swap relating to the 2003 Bonds, the County pays 4.43% and receives BMA.

The terms, fair values, and credit ratings of the 2005 outstanding swaps as of December 31, 2006, were as follows. The notional amounts of the swap match the principal amounts of the 2000A and 2003 Series Bonds outstanding as of the effective date.

<b>Associated Bond Issue</b>	<b>Notional Amounts</b>	<b>Effective Date</b>	<b>Variable Rate Received</b>	<b>Fixed Rate Paid</b>	<b>Fair Values</b>	<b>Swap Termination Date</b>	<b>Counterparty Credit Rating</b>
Series A of 2000 GOB	\$ 19,090,000	March 16, 2006	BMA	4.34%	\$ (874,267)	June 1, 2030	Aa2 / AA-
Series of 2003 GOB	32,260,000	March 16, 2006	BMA	4.43%	\$ (1,933,685)	June 1, 2033	Aa2 / AA-
Total	<u>\$ 51,705,000</u>				<u>\$ (2,807,952)</u>		

## County of York, Pennsylvania

### Notes to Financial Statements (Continued)

#### **(7) Interest Rate Swaps (Continued)**

##### **2005 Swap (Continued)**

*Fair value.* The swaps had a negative fair value as of December 31, 2006. The fair values were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that 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.

*Credit risk.* The swaps fair value represented the County's exposure to the counterparty as of December 31, 2006. Should the counterparty to this transaction fail to perform according to the terms of the swap contract, the County faced a maximum possible loss equivalent to the swaps \$(874,267) and \$(1,933,685) fair values. As of December 31, 2006, the counterparty was rated Aa2 by Moody's Investors Service, and AA- by Standard & Poor's.

The County's Master Swap Agreement contains netting provisions applicable to circumstances where the County enters into more than one derivative transaction with a single counterparty. Under these netting provisions, should one party become insolvent or otherwise default on its obligations, the close-out netting provisions permit the nondefaulting party to terminate all affected transactions and net any settlement amounts payable so that a single sum will be owed by, or owed to, the nondefaulting party.

*Interest Rate Risk.* The swap decreases the County's exposure to interest rate risk.

*Termination Risk.* The swap was issued pursuant to the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The County or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the County will be responsible for the underlying variable rate bond obligation. Also, if at the time of termination the swap has a negative fair value, the County would be liable to the counterparty for a payment equal to the swap's fair value.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(7) Interest Rate Swaps (Continued)**

**2006 Basis Swap**

*Objective and terms of the swap.* On February 22, 2006, the County entered into a basis swap (the “2006 basis swap”) that relates to the County’s General Obligation Bonds, Series of 2006, in the amount of \$74,890,000. The County will pay the Counterparty interest on the outstanding notional amounts of the bonds at a rate equal to 100% of the BMA (Bond Market Association Municipal Index), which will be netted against interest receipts from the Counterparty on the same notional amounts equal to 67% of LIBOR plus a fixed spread of 42.39 basis points. The 2006 basis swap is structured with a declining notional (principal) amount that mirrors the annual principal amortization of the County’s series of 2006 bonds. The final termination date of the 2006 basis swap is June 1, 2033.

The terms, fair values, and credit ratings of the 2006 basis swap as of December 31, 2006, were as follows. The notional amount of the swap matches the principal amount of the 2006 Series Bonds outstanding as of the effective date.

Associated Bond Issue	Notional Amounts	Effective Date	Variable Rate Received	Variable Rate Paid	Fair Values	Swap Termination Date	Counterparty Credit Rating
Series of 2006 GOB	\$ 74,890,000	February 22, 2006	67% of LIBOR plus 42.39 basis points	BMA	\$ (302,308)	June 1, 2033	Aa2 / AA-
Total	\$ 74,890,000				\$ (302,308)		

*Fair value.* The swap had a negative fair value as of December 31, 2006. The fair value was estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that 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.

*Credit risk.* The swap’s fair value represented the County’s exposure to the counterparty as of December 31, 2006. Should the counterparty to this transaction fail to perform according to the terms of the swap contract, the County faced a maximum possible loss equivalent to the swap’s \$(302,308) fair value. As of December 31, 2006, the counterparty was rated Aa2 by Moody’s Investors Service, and AA- by Standard & Poor’s.

## County of York, Pennsylvania

### Notes to Financial Statements (Continued)

#### **(7) Interest Rate Swaps (Continued)**

##### **2006 Basis Swap (Continued)**

The County's Master Swap Agreement contains netting provisions applicable to circumstances where the County enters into more than one derivative transaction with a single counterparty. Under these netting provisions, should one party become insolvent or otherwise default on its obligations, the close-out netting provisions permit the nondefaulting party to terminate all affected transactions and net any settlement amounts payable so that a single sum will be owed by, or owed to, the nondefaulting party.

*Interest Rate Risk.* The basis swap does not affect the County's exposure to interest rate risk.

*Termination Risk.* The swap was issued pursuant to the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The County or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the County will be responsible for the underlying variable rate bond obligation. Also, if at the time of termination the swap has a negative fair value, the County would be liable to the counterparty for a payment equal to the swap's fair value.

##### **2006 Constant Maturity Basis Swap**

*Objective and terms of the swap.* On September 20, 2006, the County entered into a constant maturity basis swap (the "2006 CMB swap") that relates to the County's General Obligation Bonds, Series of 2006, in the amount of \$74,890,000. The County will pay the Counterparty interest on the outstanding notional amounts of the bonds at a rate equal to 100% of the one-month London Inter-Bank Offered Rate ("LIBOR") taxable bond index, which will be netted against interest receipts from the Counterparty on the same notional amounts equal to 100% of the 10-Year Constant Maturity LIBOR (USD ISDA Swap Rate) taxable bond index less 60.28 basis points. The 2006 CMB swap is structured with a declining notional (principal) amount that mirrors the annual principal amortization of the County's series of 2006 bonds. The final termination date of the 2006 CMB swap is June 1, 2033.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(7) Interest Rate Swaps (continued)**

**2006 Constant Maturity Basis Swap (Continued)**

The terms, fair values, and credit ratings of the 2006 CMB swap as of December 31, 2006, are as follows. The notional amount of the swap matches the principal amount of the 2006 Series Bonds outstanding as of the effective date.

Associated Bond Issue	Notional Amounts	Effective Date	Variable Rate Received	Variable Rate Paid	Fair Values	Swap Termination Date	Counterparty Credit Rating
Series of 2006 GOB	\$ 74,890,000	December 1, 2007	1 month LIBOR	10 YR USD- ISDA Swap Rate less 60.28 basis points	\$ (983,140)	June 1, 2033	Aa2 / AA-
Total	<u>\$ 74,890,000</u>				<u>\$ (983,140)</u>		

*Fair value.* The swap had a negative fair value as of December 31, 2006. The fair value was estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that 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.

*Credit risk.* The swap's fair value represented the County's exposure to the counterparty as of December 31, 2006. Should the counterparty to this transaction fail to perform according to the terms of the swap contract, the County faced a maximum possible loss equivalent to the swap's \$(983,140) fair value. As of December 31, 2006, the counterparty was rated Aa2 by Moody's Investors Service, and AA- by Standard & Poor's.

The County's Master Swap Agreement contains netting provisions applicable to circumstances where the County enters into more than one derivative transaction with a single counterparty. Under these netting provisions, should one party become insolvent or otherwise default on its obligations, the close-out netting provisions permit the nondefaulting party to terminate all affected transactions and net any settlement amounts payable so that a single sum will be owed by, or owed to, the nondefaulting party.

*Interest Rate Risk.* The CMB swap does not affect the County's exposure to interest rate risk.

## County of York, Pennsylvania

### Notes to Financial Statements (Continued)

#### **(7) Interest Rate Swaps (Continued)**

##### **2006 Constant Maturity Basis Swap (Continued)**

*Termination Risk.* The swap was issued pursuant to the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The County or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. If the swap is terminated, the County will be responsible for the underlying variable rate bond obligation. Also, if at the time of termination the swap has a negative fair value, the County would be liable to the counterparty for a payment equal to the swap's fair value.

#### **(8) Short-Term Debt**

During 2006, the County issued Tax and Revenue Anticipation Notes in the amount of \$12,405,000 for cash flow purposes until the County began receiving tax receipts from the 2006 property tax. During 2006, the County repaid \$12,405,000 related to these Tax and Revenue Anticipation Notes. There was no outstanding balance at December 31, 2006 related to the issuance of this short-term debt.

During 2006, the County issued a Tax and Revenue Anticipation Note in the amount of \$13,200,000 related to the Pennsylvania Intergovernmental Medical Assistance Pooling Act. In connection with this Act, municipalities pool funds in order to facilitate medical assistance reimbursement from the Commonwealth of Pennsylvania. The County repaid \$13,200,000 related to this Tax and Revenue Anticipation Note. There was no outstanding balance at December 31, 2006 related to the issuance of this short-term debt.

#### **(9) Employee Retirement Plan (Pension Trust Fund)**

The County maintains a single-employer, contributory-defined benefit pension plan (the Plan) covering substantially all County employees. 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 follows the accounting and reporting requirements of GASB Statement No. 25.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(9) Employee Retirement Plan (Pension Trust Fund) (Continued)**

**Description of Plan**

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

Membership in the Plan is mandatory for all full-time County employees. At December 31, 2006, the Plan's membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	728
Terminated employees entitled to benefits, but not yet receiving benefits	121
Active plan members	2,248
Total members	3,097

The Plan provides retirement, death, and disability benefits. Retirement benefits vest after five years of credited service. Employees who retire at age 60, or at age 55 with 20 years of service, 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.

The general annual benefit is 2% of the employee's high three-year average salary times years of service.

Covered employees are required by the Act to contribute to the Plan at a rate of 5% of their gross pay. Employees may contribute up to an additional 10% of gross pay, at their option. The contributions are recorded in an individually identified account that is also credited with interest, calculated to yield 5.5% compounded annually. Accumulated employee contributions and credited interest, which amounted to \$43,092,349 as of December 31, 2006, vest immediately and are returned upon termination of service if the employee is not eligible for other benefits.

Administrative costs of the Plan are paid by the County General Fund. The Act makes no provision for termination of the Plan.

The County does not issue a publicly available financial report for the Plan.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(9) Employee Retirement Plan (Pension Trust Fund) (Continued)**

**Funding Status and Progress**

The unfunded actuarial liability was determined as part of an actuarial valuation at December 31, 2006 using the aggregate actuarial cost method. Significant actuarial assumptions used include (a) a rate of return on the investment of present and future assets of 7.5% per year, including inflation at 3% compounded annually, (b) projected salary increases of 4.0% - 4.5% per year, graduated in .25% increments over 2 years, including inflation at 3% compounded annually, and (c) no postretirement benefit increases. The aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities.

The Plan's funding policy provides for periodic member contributions as discussed above and employer contributions at actuarially determined rates that, expressed as a percentage of annual covered payroll, are sufficient to accumulate assets to pay benefits when due. Level percentages of payroll employer contribution rates are determined using the aggregate actuarial funding method. Significant actuarial assumptions used to compute employer contribution requirements are the same as those used to compute the standardized measure of the pension obligation discussed above.

Year Ended December 31,	Annual Required Contribution (ARC)	Interest on Net Pension Asset	ARC Adjustment	Pension Cost	County Contribution	Percentage of ARC Contributed	Change in Net Pension Asset	Net Pension Asset
2004	\$ 7,353,342	\$ (45,853)	\$ (76,023)	\$ 7,383,512	\$ 7,353,342	100%	\$ 30,170	\$ (581,200)
2005	8,206,357	(43,590)	(71,654)	8,234,421	8,206,357	100%	28,064	(553,136)
2006	7,665,899	(41,485)	(67,650)	7,692,064	7,665,899	100%	26,165	(526,971)

The net pension asset is included in other assets on the governmental activities statement of net assets.

**Legally Required Reserves**

At December 31, 2006, the County has a balance of \$43,092,349 in the Members' Annuity Reserve Account. This account is the total of the contributions deducted from the salaries of the active and terminated vested member of the retirement system and the IRC 414(h)(2) pickup contributions together with the interest additions as of December 31, 2006. Since those accumulations represent the present value as of December 31, 2006 of future benefits, the reserve balance and liability are equal and this reserve is fully funded.

## County of York, Pennsylvania

### Notes to Financial Statements (Continued)

#### **(9) Employee Retirement Plan (Pension Trust Fund) (Continued)**

The County has a balance of \$67,111,368 in the County Annuity Reserve Account as of December 31, 2006. This balance and the amounts expected to be credited in the future, plus investment earnings thereon, represent the reserves set aside for the payment of the County's share of the retirement allowances.

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. Thus, this reserve is always fully funded.

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 balance in this account was \$57,888,490 as of December 31, 2006.

#### **(10) Component Unit Employee Retirement Plans**

##### **York County Solid Waste and Refuse Authority**

The YCSWRA sponsors a defined contribution pension plan covering all employees who meet certain age and length of service requirements. The YCSWRA's contribution and pension expense for the year ended December 31, 2006 amounted to \$108,235.

During the year ended December 31, 1999, the YCSWRA adopted an Eligible Deferred Compensation Plan, under the provisions of Section 457 of the Internal Revenue Code of 1986. Under the plan, contributions by the YCSWRA on behalf of the employees are at management's discretion. No contributions were made to the plan by the YCSWRA during the year ended December 31, 2006.

All amounts deferred under both plans are held in trust for the exclusive benefit of the participating employees and are not accessible by the YCSWRA or its creditors.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(10) Component Unit Employee Retirement Plans (Continued)**

**York County Library System**

The Library System maintains a multiple-employer defined benefit pension plan for the York County Library System. The plan covers all eligible employees of the Library system, described as follows:

An employee is eligible on January 1 or July 1 after the employee completes one year of eligibility service and has reached the age of 21. Service with any of the following member libraries in the York County Library System will be counted for the purpose of meeting the eligibility rules: Hufnagel Public Library of Glen Rock, Dillsburg Area Public Library, Glatfelter Memorial Library, Kaltreider-Benfer Library, Martin Library, Mason-Dixon Public Library and Southern York County Public Library. An employee is eligible for retirement after attainment of age 65 or the fifth anniversary of participation, if later. The normal retirement pension is payable monthly as long as the participant lives. Payments cease upon death of the participant.

The normal monthly pension payment is equal to one twelfth of the sum of .65% of average annual compensation up to the Social Security integration level, plus 1.3% for average annual compensation in excess of the Social Security integration level, both multiplied by years of benefit service up to 35 years. Plus .65% of average annual compensation multiplied by years of benefit service after the first 35 years, Social Security integration level is equal to the average of the yearly compensation subject to Social Security tax for the 35 year period ending with the year you are entitled to full Social Security benefits. Average annual compensation means your annual compensation averaged over the 5 consecutive year period which produces the highest average in the last 10 years.

Former members of the York County Library System Pension Plan monthly pension benefit will be offset by the pension earned under that plan at October 22, 2003 for which an annuity has been purchased.

The System's contributions are determined on the basis of actuarial principles by an enrolled actuary with any additional contributions determined through the budgeting process of the Board of Directors.

The types of assets held by the plans include various mutual funds.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(10) Component Unit Employee Retirement Plans (Continued)**

**York County Library System (Continued)**

The weighted-average discount rate and average rate of increase in future compensation levels used in determining the actuarial present value of projected benefit obligations was 6.5% and 3.5%, respectively.

The weighted-average expected long-term rate of return applied to the fair market value of plan assets used in determining the defined benefit expense for 2006 was 6.5%.

The total contributions by the Library System for this plan amounted to \$128,837 for 2006.

As of January 1, 2006, employee membership data related to the pension plan was as follows:

Retirees and Deferred Benefit					7
Retirees and Beneficiaries Currently Receiving Benefits					9
Terminated Plan Members Entitled to But Not Yet Receiving Benefits					12
Active Plan Members					94
					122
					122

Five year trend information for the plan is as follows:

	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
2002	\$ 9,877	630.75%	\$ (300,616)
2003	70,695	132.40%	(323,490)
2004	104,459	70.30%	(292,436)
2005	110,776	121.36%	(316,099)
2006	124,901	103.33%	(320,262)

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(10) Component Unit Employee Retirement Plans (Continued)**

**York County Planning Commission**

Description

The Commission provides pension benefits for all of its permanent employees through a single-employer defined benefit pension plan controlled by the provision of the ordinance dated March 13, 1991, adopted pursuant to Act 15. The plan participates through an agreement entered into in 1991 with the Pennsylvania Municipal Retirement System (PMRS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating municipal pension plans. PMRS issues a separate Comprehensive Annual Financial Report (CAFR). A copy of the CAFR can be obtained by contacting the PMRS accounting office.

Contributions

The required contribution rate for members is 3.50% of their total compensation in accordance with the plan's governing ordinance. The Commission's contribution is actuarially determined by the PMRS Board. Act 205 requires annual contributions be based upon the plan's minimum municipal obligation (MMO). The MMO is based upon the plan's biennial actuarial valuation. Any funding requirements established by the MMO in excess of employee contributions and state aid must be paid by the municipality in accordance with Act 205. Administrative costs, including the investment manager, custodial trustee, and actuarial services are charged to the plan and funded through investment income.

Annual Pension Cost

The Commission's annual pension costs were comprised of the following for the years ended December 31, 2006:

Minimum municipal obligation				\$ 167,133
Amortization of prepaid pension expense				24,711
Administrative Fees				60
				<u>\$ 191,904</u>

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(10) Component Unit Employee Retirement Plans (Continued)**

**York County Planning Commission (Continued)**

The required contribution was determined as part of the actuarial valuation using the entry age normal actuarial method. The actuarial assumptions included a 6.0% investment rate of return and projected salary increases of 4.7%. The Commission's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period as of December 31, 2006 was 7 years.

A schedule of contributions consists of the following for the years ended December 31:

	<b>Annual Required Contribution</b>	<b>Actuarial Valuation Date Basis for Contributions</b>	<b>Percentage Contributed</b>	<b>Net Pension Obligation</b>
2002	\$ 201,601	1999	100%	\$ -
2003	165,482	2003	100%	-
2004	161,745	2003	100%	-
2005	167,723	2003	100%	-
2006	167,133	2003	100%	-

A schedule of funding progress consists of the following for the years ended December 31:

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of covered Payroll [(b-a)/c]</b>
1997	\$ 1,350,413	\$ 3,002,461	\$ 1,652,048	44.98%	\$ 1,043,510	158.32%
1999	2,085,513	3,282,633	1,197,120	63.53%	1,139,649	105.04%
2001	3,024,893	3,740,524	715,631	80.87%	1,297,772	55.14%
2003	3,718,243	4,307,095	588,852	86.33%	1,466,815	40.14%
2005	4,502,255	5,140,779	638,524	87.58%	1,619,427	39.43%

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(10) Component Unit Employee Retirement Plans (Continued)**

**York County Planning Commission (Continued)**

Deferred Compensation Plan

The Commission sponsors a Deferred Compensation Plan, under the provisions of Section 457 of the Internal Revenue Code of 1986. Under the plan, contributions by the Commission on behalf of the employees are at management's discretion. During the year ended December 31, 2006, the Commission did not make any contributions to the plan.

**(11) Commitments and Contingencies**

**Federal and Commonwealth Grants**

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

**Debt Guaranty Agreements**

The primary government has guaranteed two revenue bond issues – Series 2003A and Series 2003B of the York County Industrial Development Authority. The outstanding aggregate balance of this debt at December 31, 2006 was \$10,375,000.

The primary government has guaranteed a revenue bond issue of the Redevelopment Authority of the City of York. The outstanding balance of this debt at December 31, 2006 was \$600,000.

The primary government has guaranteed a revenue bond issue of YCSWRA. The outstanding balance of this debt at December 31, 2006 was \$60,795,000.

All of the above debt issues have dedicated revenue sources that are intended to be sufficient to meet debt service requirements.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(11) Commitments and Contingencies (Continued)**

**Line of Credit – Component Units**

During the year ended December 31, 2006, the Authority entered into a \$500,000 line of credit with Wachovia Bank, N.A. Any borrowings against this line of credit bear interest at the LIBOR rate plus 1.35%. No amounts have been borrowed on this line of credit as of December 31, 2006.

During the year ended December 31, 2006, the Authority entered into an additional \$13,500,000 line of credit agreement with Wachovia Bank, N.A. for the baseball project. The line of credit is collateralized by the RACP Grant proceeds. Any borrowings against this line of credit bear interest at the LIBOR rate plus 0.75%. No amounts have been borrowed against this line of credit as of December 31, 2006.

**Sales Leaseback Transaction**

The County executed a sales leaseback transaction on its Market Way West administration building on March 25, 2002. The County received \$800,000 in cash and \$2,460,000 in a note receivable in exchange for the building. The County will lease the building until March 2007. The gain of \$1,000,000 resulting from this transaction will be amortized over the life of the lease. Expense relating to this lease was \$344,028 in 2006. Expense related to this lease for the remaining year is as follows:

2007	\$	114,676
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**(12) Due from Other Governments**

Amounts due from other governments are primarily grants receivable from the Commonwealth of Pennsylvania at December 31, 2006 for the following funds:

<b>Governmental funds</b>	
General Fund	\$ 1,607,251
Mental Health/Mental Retardation Fund	78,178
Community Development Block Grant Fund	796,332
Children & Youth Fund	4,173,413
Other Nonmajor Funds	1,946,585
	<b>\$ 8,601,759</b>

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(13) Interfund Accounts**

Individual fund “due from other funds” and “due to other funds” balances at December 31, 2006 are as follows:

	<b>Due to Other Funds</b>	<b>Due from Other Funds</b>
<b>Governmental funds</b>		
General Fund	\$ 9,371,287	\$ 6,089,917
York HealthChoices Management Fund	325	9,506
Mental Health/Mental Retardation Fund	75,215	497,235
Community Development Block Grant Fund	-	7,757
Children and Youth Fund	5,649,216	4,419,495
Capital Projects Bond Account Fund	-	9,064
Other Nonmajor Funds	369,688	345,691
	<b>15,465,731</b>	<b>11,378,665</b>
<b>Enterprise funds</b>		
County Nursing Home Fund	83,376	3,716,238
911 Fund	17,846	472,050
	<b>101,222</b>	<b>4,188,288</b>
<b>Total</b>	<b>\$ 15,566,953</b>	<b>\$ 15,566,953</b>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided, (2) reimbursable expenditures occur and (3) payments between funds are made.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(13) Interfund Accounts (Continued)**

Individual fund “transfers in” and “transfers out” are as follows:

	<b>Transfers In</b>	<b>Transfers Out</b>
<b>Governmental funds</b>		
General Fund	\$ 125,708	\$ 17,143,249
Mental Health/Mental Retardation Fund	899,048	-
Community Development Block Grant Fund	-	21,001
Children & Youth Fund	5,717,137	-
Capital Projects Bond Account Fund	-	196,794
Other Nonmajor Funds	1,194,577	95,404
	<b>7,936,470</b>	<b>17,456,448</b>
<b>Enterprise funds</b>		
County Nursing Home Fund	4,166,823	-
911 Fund	5,353,155	-
	<b>9,519,978</b>	<b>-</b>
<b>Total</b>	<b>\$ 17,456,448</b>	<b>\$ 17,456,448</b>

Transfers from the general fund are used to move unrestricted revenues to (1) finance various programs that the government must account for in other funds in accordance with budgetary and legal authorizations, including amounts provided as subsidies or matching funds for various grant programs and (2) subsidize County Nursing Home and 911 operations.

Transfers from the community development block grant fund are used to move fund revenues to the human services fund (included in other nonmajor funds) for the truancy grant program.

Transfers from the capital projects bond account fund are used to move allocated capitalizable expenses to the 911 fund for the recording of capital assets related to 911 operations and to move accrued interest from the 2006 General Obligation Bond Issue to the general fund to fund the payment of interest expense.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(14) Excess of Expenditures over Appropriations in Major Funds**

The following major funds had an excess of actual expenditures over budget for the year ended December 31, 2006.

	Appropriations	Expenditures	Percent of Excess over Appropriations
York HealthChoices Management Fund	\$ 53,064,883	\$ 55,548,962	4.68%
Mental Health/Mental Retardation Fund	46,360,236	57,099,534	23.16%

The excess expenditures over appropriations were funded by greater than anticipated revenues in the York HealthChoices Management Fund and the Mental Health/Mental Retardation Fund.

**(15) Deficit Fund Equity**

At December 31, 2006, the County Nursing Home Fund and the 911 Fund had deficit balances in unrestricted net assets of \$2,812,396 and \$237,461, respectively. The County has recorded a reserve for these amounts in the fund balance of the General Fund.

**(16) Postretirement Health Care Benefits**

Under a contractual commitment, the County provides postretirement health care benefits to all employees who retire from the County and who meet the following criteria:

- (a) The employee has retired after January 1, 1983.
- (b) The employee has completed a minimum of eight (8) years of service with the County.
- (c) The employee has not been terminated for just cause.
- (d) The employee's service commenced prior to January 1, 1989.

Currently, approximately 281 employees will meet these eligibility requirements upon retirement. The County provides health benefits equal to the employee coverage at the time of retirement. During 2006, expenses/expenditures of \$2,402,241 were recognized for postretirement health care on a pay-as-you-go basis, on behalf of 433 eligible retirees.

## County of York, Pennsylvania

### Notes to Financial Statements (Continued)

#### **(17) Closure and Post Closure Care Costs**

State and federal laws and regulations require the YCSWRA to place a final cover on its York County Sanitary Landfill site when it stops accepting waste, and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post closure care costs will be paid after the date that the landfill stopped accepting waste, the YCSWRA recognized a portion of these closure and post closure care costs as operating expenses in each operating period based on landfill capacity used as of each balance sheet date. The \$1,315,146 reported as landfill closure and post closure care liability at December 31, 2006 (included in other liabilities) represents the cumulative amount recognized based on the use of 100% of the capacity of the landfill, less expenses paid between actual closure and December 31, 2006. The recorded liability is based on what it would cost to perform all closure and post closure care in 1998. Actual costs may be higher or lower due to inflation or deflation, changes in technology, or changes in regulations.

#### **(18) Contract Receivable/Deferred Contract Income**

On November 11, 1998, the YCSWRA executed a Consent to Assignment and Termination and Release Agreement (Agreement) with Viacom, Inc. (formerly known as CBS Corporation). Under the terms of the Agreement, Viacom agreed to pay to YCSWRA a termination fee of \$42,000,000 in exchange for a full release of all of its obligations under a 1991 agreement to operate the Resource Recovery Center. The YCSWRA simultaneously executed a service agreement with Montenay York Resource Energy Systems, LLC (MYRES) to operate the Resource Recovery Center. The YCSWRA paid monthly service fees to MYRES, which in the aggregate amounted to \$17,601,139 for the year ended December 31, 2006.

Under the terms of the Agreement with Viacom, the YCSWRA will receive \$42,000,000 million payable in seventeen installments of amounts ranging between \$1,000,000 and \$3,000,000. Payment of \$2,500,000 was received in the year ended December 31, 2006. All contract payments are recorded in other income to offset operating costs to be charged by MYRES to the YCSWRA.

Using a 9% discount rate, the present value of the future cash flows of \$15,724,902 is recorded as a contract receivable, with the \$1,084,759 being shown as the current portion as of December 31, 2006. Similar amounts are recorded as deferred contract revenue which will be amortized to income as payments are received from Viacom.

## County of York, Pennsylvania

### Notes to Financial Statements (Continued)

#### **(19) Risk Management**

##### **Self-Insurance**

The County is exposed to various risks of losses; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, natural disasters, and unemployment compensation. The County has purchased commercial insurance for all risks of losses except for injuries to employees, medical (for certain employees), and unemployment compensation. No settlements exceeded insurance coverage for each of the past three years.

The County has elected to self-insure itself for up to \$1,750,130 for injuries to employees. For risks greater than \$1,750,130 the County has purchased excess of loss insurance with an insurance carrier. As of December 31, 2006, the County has recorded a liability for claims incurred of \$1,358,014 in the county nursing home fund and \$1,471,182 as a long-term liability in the governmental activities column in the government-wide financial statements. This liability is calculated based on past loss experience; the liability has not been discounted. This liability includes an amount for allocated claim adjustment expenditures/expenses and includes salvage and subrogation. Salvage and subrogation were not material for the year ended December 31, 2006.

The County has elected to self-insure itself for medical insurance for certain employees. The County is liable for all claims up to an aggregate of \$23,684,000 or \$175,000 per individual for any one plan year. The County purchased stop loss insurance to cover all claims in excess of these deductible points. As of December 31, 2006, the County has recorded a liability for claims incurred but not reported of \$830,666 in the general fund and \$262,316 in the county nursing home fund.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(19) Risk Management (Continued)**

**Self-Insurance (Continued)**

Changes in the liabilities for self-insurance are as follows:

	<b>Medical</b>		<b>Workers' Compensation</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
Balance as of January 1	\$ 719,653	\$ 907,434	\$ 3,221,987	\$ 1,851,596
Add: Incurred claims relating to:				
Prior years	51,859	114,986	(388,904)	77,745
Current year	14,342,252	12,046,528	519,348	1,806,670
	14,394,111	12,161,514	130,444	1,884,415
Less: Payment of claims relating to:				
Prior years	771,512	1,022,420	298,587	274,999
Current year	13,249,270	11,326,875	224,648	239,025
	14,020,782	12,349,295	523,235	514,024
Balance as of December 31	\$ 1,092,982	\$ 719,653	\$ 2,829,196	\$ 3,221,987

The foregoing reconciliation reflects a deficiency in the December 31, 2005 liability for medical self-insurance of \$51,859. The foregoing reconciliation also reflects a redundancy in the December 31, 2005 liability for workers' compensation self-insurance of \$388,904. The changes in these liabilities were primarily the result of changes in estimates as more information became available.

The County participates in a claims servicing public entity risk pool (the Pool) for unemployment compensation. Under an agreement with the Pool, the County pays a monthly premium to the Pool based on past loss experience. Any surplus (deficiency) based on current-year loss experience is then refunded to (paid by) the County. Based on the County's favorable loss experience in 2006, no liability has been recorded for claims incurred but not paid as of December 31, 2006.

## County of York, Pennsylvania

### Notes to Financial Statements (Continued)

#### **(20) Restricted Assets and Related Liabilities**

At December 31, 2006, the County's governmental funds had a restricted cash balance of \$22,311,052 maintained in escrow accounts in the name of the County. At December 31, 2006, the County also had a restricted investment balance \$26,662,769. Each fund's restricted cash and investments are provided below with a brief explanation of the reasons for restriction:

- \$3,850,390 and \$1,025,494 is restricted cash and investments, respectively, in the General Fund. These balances are for various purposes, including: bail judgments, agricultural land preservation, records management, HAZ/MAT response, and workers' compensation.
- \$14,371,834 and \$3,779,196 is restricted cash in the York HealthChoices Fund and the Adams HealthChoices Fund, respectively. Of this balance \$1,768,827 and \$101,323, respectively, is restricted as incentive cash. The program's subcontractor is eligible for a bonus based on meeting performance benchmarks. This cash is restricted for that purpose. \$7,590,712 and \$1,552,873, respectively, is held as restricted cash for contingencies. These funds will pay the claims of the program if a shortage existed in their capitation income from the Commonwealth of Pennsylvania. \$5,012,295 and \$2,125,000, respectively, is held as restricted cash for reinvestment. Use of these funds is contingent upon the Department of Public Welfare approval of a reinvestment plan.
- \$58,235 is restricted cash in the York County MH/MR Fund. These funds are received from individuals designated to be used as memorials.
- \$105,125 and \$25,637,275 is restricted cash and investments, respectively, in the Capital Projects Bond Account Fund to pay for costs incurred on projects authorized by prior years' bond issues and for the following projects related to the 2006 General Obligation Bond Issue: prison expansion, administrative office building renovations, voting machines, and archive security .
- \$50,634 is restricted cash in the Domestic Relations Fund. These funds are held to be remitted to the intended third party.
- \$66,069 is restricted cash in the Comprehensive Services to the Aged Fund. This balance represents client fund accounts in which the Aging Department collects and administers individuals' funds that cannot handle their own money.

## County of York, Pennsylvania

### Notes to Financial Statements (Continued)

#### **(20) Restricted Assets and Related Liabilities (Continued)**

- \$29,569 is restricted cash in the Donations Fund as being held for specific purposes by individuals or businesses.

At December 31, 2006, the County's enterprise funds had a restricted cash balance of \$6,674,584 and a restricted investment balance of \$29,415,973. Each fund's restricted cash and investments are provided below with a brief explanation of the reasons for restriction:

- \$647,440 in the County Nursing Home Fund. Of this balance \$580,544 is restricted for the payment of patient funds held in safekeeping and \$66,896 for other deposits held in escrow.
- \$6,027,144 in the 911 Fund to pay for implementation, operation and maintenance of a Statewide integrated wireless E-911 system within the County as approved by the Pennsylvania Emergency Management Agency. \$29,415,973 of investments in the 911 Fund to pay for acquiring or constructing 911 management and communication facilities and equipment.

The YCSWRA (a component unit) is required to maintain cash and investments amounting to \$131,021,077 in trust accounts whose use are restricted under bond indentures or under consent decree and law relating to environmental protection matters attributable to the YCSWRA's operations.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

**(21) Reserved and Unreserved Designations of Fund Balance/Net Assets**

The reservations and designations of fund balance/net assets included in the fund financial statements represent portions of fund balances/net assets that are reserved/designated for various purposes and are not available for the payment of other subsequent expenditures. The following reservations/designations are included in the fund financial statements:

<b><u>Governmental Funds</u></b>		
<b><u>General Fund</u></b>		
Reserved for legal restrictions		<u>\$ 3,156,087</u>
	This line item represents amounts reserved for the Environmental Stewardship and Watershed Protection Act, Controlled Substances Act, crime victims, inmate general welfare, and a Statewide registry of protection orders.	
Reserved for loans receivable		<u>\$ 2,075,123</u>
	This line item represents amounts that are reserved for loans receivable.	
Reserved for county nursing home		<u>\$ 2,812,396</u>
	This line item represents amounts that are reserved for the deficit unrestricted net assets in the county nursing home fund.	
Reserved for 911		<u>\$ 237,461</u>
	This line item represents amounts that are reserved for the deficit unrestricted net assets in the 911 fund.	
Unreserved, designated for specific purposes		<u>\$ 4,749,473</u>
	This line item represents amounts that have been designated for just compensation deposits pursuant to the declaration of taking of land by power of eminent domain and for special events at the County's parks.	
<b><u>Capital Projects Bond Account Fund</u></b>		
Reserved for capital projects		<u>\$ 25,099,699</u>
	This line item represents amounts that are reserved for capital projects.	
<b><u>Fiduciary Funds</u></b>		
<b><u>Pension Trust Fund</u></b>		
Net assets held in trust for pension benefits		<u>\$ 187,384,550</u>
	This line item represents amounts that are reserved for future payments of members' benefits.	

## County of York, Pennsylvania

### Notes to Financial Statements (Continued)

#### **(22) Subsequent Events**

In January of 2007, the County issued Tax and Revenue Anticipation Notes, Series of 2007, in the amount of \$14,475,000. The Notes bear interest at 4.00% and are due on June 30, 2007.

On May 9, 2007, the County Commissioners approved and executed a resolution authorizing the issuance by the York County Industrial Development Authority of up to \$14,450,000 of tax-exempt financing for (i) construction and equipping of a new building which will house the Crispus Attucks Early Learning Center; (ii) renovations to and equipping of facilities that provide or will provide for the expansion of the Company's Active Living Senior Center and YouthBuild Charter School; (iii) certain renovations to low-income housing units owned by Crispus Attucks; (iv) refinancing of existing debt on various properties owned by Crispus Attucks; and (v) payment of the costs of issuing the Authority's tax-exempt financing for the foregoing purpose.

**REQUIRED SUPPLEMENTARY INFORMATION**

County of York, Pennsylvania

Schedule of Employer Contributions

<b>Year Ended December 31</b>	<b>Annual Required Contribution</b>	<b>Percentage Contributed</b>
2001	\$ 241,071	383%
2002	1,895,022	100%
2003	3,859,747	100%
2004	7,353,342	100%
2005	8,206,357	100%
2006	7,665,899	100%

The information presented in the required supplementary schedule was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	December 31, 2006
Actuarial cost method	Aggregate
Amortization method	Not applicable*
Remaining amortization period	Not applicable*
Asset valuation method	Five-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.5%
Projected salary increases	4.00%–4.5%; graduated .25% increments over 3 years
Includes inflation at:	3.0%
Cost-of-living adjustments	None

\* The aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities.

County of York, Pennsylvania

Schedule of Revenues, Expenditures, and Changes in Fund Balances –  
Budget and Actual – General Fund

Year ended December 31, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget – Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Real estate taxes	\$ 92,098,000	\$ 92,098,000	\$ 93,382,328	\$ 1,284,328
Intergovernmental	17,559,195	17,559,195	13,151,352	(4,407,843)
Departmental	26,187,590	26,187,590	27,104,132	916,542
Fines and costs	3,603,375	3,603,375	4,300,609	697,234
Hotel tax	1,200,000	1,200,000	1,372,501	172,501
Investment	2,381,700	2,381,700	4,339,556	1,957,856
Total revenues	143,029,860	143,029,860	143,650,478	620,618
<b>Expenditures</b>				
Current:				
General government	16,850,300	16,850,300	12,598,142	4,252,158
Public safety	60,201,532	60,201,532	58,198,803	2,002,729
Health, education, and welfare:				
Human Services	9,681,822	9,681,822	10,058,001	(376,179)
Judicial	26,713,618	26,713,618	26,869,375	(155,757)
Cultural and recreation	5,882,596	5,882,596	5,311,616	570,980
Conservation and community development	3,487,024	3,487,024	3,401,096	85,928
Debt service:				
Principal retirement	2,800,000	2,800,000	2,800,000	-
Interest and fiscal charges	9,276,300	9,276,300	7,325,864	1,950,436
Total expenditures	134,893,192	134,893,192	126,562,897	8,330,295
Excess of revenues over expenditures	8,136,668	8,136,668	17,087,581	8,950,913
<b>Other financing sources (uses)</b>				
Transfers in	516,139	516,139	125,708	(390,431)
Transfers out	(12,968,307)	(12,968,307)	(17,143,249)	(4,174,942)
Total other financing sources (uses)	(12,452,168)	(12,452,168)	(17,017,541)	(4,565,373)
Net change in fund balances	\$ (4,315,500)	\$ (4,315,500)	\$ 70,040	\$ 4,385,540

See Notes to Required Supplementary Information

County of York, Pennsylvania

Schedule of Revenues, Expenditures, and Changes in Fund Balances –  
Budget and Actual – York HealthChoices Management Fund

Year ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget – Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$ 45,978,146	\$ 45,978,146	\$ 54,585,873	\$ 8,607,727
Investment	468,250	468,250	963,089	494,839
Total revenues	46,446,396	46,446,396	55,548,962	9,102,566
<b>Expenditures</b>				
Current:				
Health, education, and welfare:				
Human Services	53,064,883	53,064,883	55,548,962	(2,484,079)
Total expenditures	53,064,883	53,064,883	55,548,962	(2,484,079)
Deficiency of revenues under expenditures	(6,618,487)	(6,618,487)	-	6,618,487
Net change in fund balances	\$ (6,618,487)	\$ (6,618,487)	\$ -	\$ 6,618,487

See Notes to Required Supplementary Information

County of York, Pennsylvania

Schedule of Revenues, Expenditures, and Changes in Fund Balances –  
Budget and Actual – Mental Health/Mental Retardation Fund

Year ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget – Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$ 45,080,295	\$ 45,080,295	\$ 55,446,550	\$ 10,366,255
Investment	123,836	123,836	656,472	532,636
Other	3,000	3,000	97,464	94,464
Total revenues	<u>45,207,131</u>	<u>45,207,131</u>	<u>56,200,486</u>	<u>10,993,355</u>
<b>Expenditures</b>				
Current:				
Health, education, and welfare:				
Mental health/mental retardation	<u>46,360,236</u>	<u>46,360,236</u>	<u>57,099,534</u>	<u>(10,739,298)</u>
Total expenditures	<u>46,360,236</u>	<u>46,360,236</u>	<u>57,099,534</u>	<u>(10,739,298)</u>
Deficiency of revenues under expenditures	(1,153,105)	(1,153,105)	(899,048)	254,057
<b>Other financing sources (uses)</b>				
Transfers in	<u>1,153,105</u>	<u>1,153,105</u>	<u>899,048</u>	<u>(254,057)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to Required Supplementary Information

County of York, Pennsylvania

Schedule of Revenues, Expenditures, and Changes in Fund Balances –  
Budget and Actual – Community Development Block Grant Fund

Year ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget – Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Intergovernmental	\$ 6,117,000	\$ 6,117,000	\$ 2,890,212	\$ (3,226,788)
Departmental	-	-	599,054	599,054
Investment	20,000	20,000	116,453	96,453
Other	1,220,000	1,220,000	422,687	(797,313)
Total revenues	<u>7,357,000</u>	<u>7,357,000</u>	<u>4,028,406</u>	<u>(3,328,594)</u>
<b>Expenditures</b>				
Current:				
Conservation and community development	<u>7,357,000</u>	<u>7,357,000</u>	<u>4,007,405</u>	<u>3,349,595</u>
Total expenditures	<u>7,357,000</u>	<u>7,357,000</u>	<u>4,007,405</u>	<u>3,349,595</u>
Excess of revenues over expenditures	-	-	21,001	21,001
<b>Other financing sources (uses)</b>				
Transfers out	-	-	(21,001)	(21,001)
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Notes to Required Supplementary Information

County of York, Pennsylvania

Schedule of Revenues, Expenditures, and Changes in Fund Balances –  
Budget and Actual – Children and Youth Fund

Year ended December 31, 2006

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget – Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental	\$ 27,298,000	\$ 27,298,000	\$ 25,879,772	\$ (1,418,228)
Departmental	1,692,000	1,692,000	1,380,087	(311,913)
Total revenues	28,990,000	28,990,000	27,259,859	(1,730,141)
<b>Expenditures</b>				
Current:				
Health, education, and welfare:				
Children and Youth	34,331,000	34,331,000	32,976,996	1,354,004
Total expenditures	34,331,000	34,331,000	32,976,996	1,354,004
Deficiency of revenues under expenditures	(5,341,000)	(5,341,000)	(5,717,137)	(376,137)
<b>Other financing sources (uses)</b>				
Transfers in	5,341,000	5,341,000	5,717,137	376,137
Net change in fund balances	\$ -	\$ -	\$ -	\$ -

See Notes to Required Supplementary Information

## County of York, Pennsylvania

### Notes to Required Supplementary Information

#### **(1) Budgets and Budgetary Accounting**

The County adopts budgets for the general fund and all special revenue funds, except for the Brownfields for Housing, Access Grant Program, and Donations. The County prepares a separate budget report, which is available from the Commissioners' office. Annual operating budgets are legally adopted each year through the passage of an annual budget ordinance. The County's budgets utilize a modified accrual basis. The legal level of budgetary control is established for expenditures in total at the fund level. The general and special revenue funds have legally adopted budgets. Project-length financial plans are adopted for the capital projects funds.

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. During July and August, the department heads use current financial status reports to develop financial projections for their programs for the ensuing year and review with the budget staff.
2. The Commissioners, if requested or required, then interview each department head to discuss their budgets as submitted and allow them to substantiate projected expenditures at public hearings.
3. Upon consolidation of the department and agency expenditure projections, the Commissioners ascertain the most viable method of financing them.
4. Subsequently, the Commissioners' office assembles the preliminary projections of revenues and expenditures, including salary projections, into a final budget incorporating any revisions or adjustments resulting from the aforementioned Commissioners' review.
5. By early December, the final budget is presented by the Commissioners. Pursuant to budgetary requirements as set forth in the County Code, public notice is given that the final budget is available for inspection for a period of 20 days.
6. After the 20-day inspection period, but prior to December 31, the County Commissioners adopt the final budget by enacting an appropriate resolution.

The budget may not be amended without the approval of the Commissioners. Agency department heads have the authority to transfer expenditures within line items of the funds that they administer.

## County of York, Pennsylvania

### Notes to Required Supplementary Information (Continued)

#### **(1) Budgets and Budgetary Accounting (Continued)**

The Commissioners may at any time, by resolution, make supplemental appropriations for any lawful purpose from any funds on hand or estimated to be received within the fiscal year and not otherwise appropriated, including the proceeds of any borrowing now or hereafter authorized by law. Supplemental appropriations were not made during the year. The Commissioners may authorize the transfer of any unencumbered balance of any appropriation item or any portion thereof.

Commonwealth of Pennsylvania statute requires the County's legal level of budgetary control to be at the fund level. As a management device, the county maintains budgetary control at the department line item level, as authorized by resolution of the Board of Commissioners. County's management can make transfers or overspend within a department without the approval of the Commissioners. Actual expenditures and operating transfers out may not legally exceed "budget" appropriations at the individual fund level. Appropriations lapse at the close of the fiscal year to the extent that they have not been expended. The County does not report encumbrances.

## County of York, Pennsylvania

### Combining and Individual Fund Financial Statements and Schedules

Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The following are utilized to account for those financial activities:

The Liquid Fuels Tax Fund accounts for state aid revenues used for building and improving roads and bridges.

The Domestic Relations Fund accounts for expenditures and reimbursement revenue related to the operations of the County's Child Support Enforcement Program, which is funded with federal, state, and County funds.

The following funds are used to account for revenue received from various federal, state, and local sources. These funds, which are restricted for the provision of specified social services to eligible County residents, are as follows:

- Comprehensive Services to the Aged Fund
- Human Services Fund
- Drug and Alcohol Fund

The Brownfields for Housing Fund is used to account for construction or improvements of housing that is located on previously developed sites and in core communities.

The Adams HealthChoices Management Fund exists for purposes of administration of the York/Adams HealthChoices Management program, a mandatory managed care program for those who are eligible to participate in Medical Assistance.

The Access Grant Program Fund, in cooperation with the Center for Independent Living Opportunities, administers the Access Home Modification Program for low to moderate income persons with permanent disabilities.

The Donations Fund is used to account for special bequests from County residents.

The Earn-It Fund is a juvenile restitution and community service program. It provides work opportunities for suitable juveniles to earn money and provide community service.

The Affordable Housing Fund supports the County's local affordable housing efforts. It raises revenue to enable County residents to purchase or rent residential housing.

## County of York, Pennsylvania

### Combining and Individual Fund Financial Statements and Schedules (Continued)

The Weatherization Fund receives monies from the United States Departments of Energy, Housing and Urban Development, and Labor. The Weatherization Fund provides and installs energy-conserving materials for low-income County residents.

The Downtown Hanover Improvement Fund, in cooperation with Downtown Hanover, Inc., administers a program that provides loans for businesses to rehabilitate their facilities.

The Community Services Fund receives funds from the State Department of Public Welfare to assist communities in developing local solutions to their human service needs by improving collaborative relationships with public and private organizations.

County of York, Pennsylvania

Combining Balance Sheet – Nonmajor Governmental Funds

December 31, 2006

	Liquid Fuels Tax	Domestic Relations	Comprehensive Services to the Aged	Human Services	Drug and Alcohol	Brownfields for Housing	Adams HealthChoices Management
Cash and temporary investments	\$ 391,760	\$ 438,357	\$ 476,125	\$ 100	\$ 350,114	\$ 276,650	\$ 1,587,886
Restricted cash	-	50,634	66,069	-	-	-	3,779,196
Investments	241,790	2,509,557	665,343	-	280	-	-
Receivables:							
Accounts	-	5,569	-	1,434	-	30,910	-
Due from other funds	-	51,975	29,777	173,188	114,672	-	76
Due from other governments	209,810	1,073,955	284,567	114,477	232,326	-	-
Total assets	\$ 843,360	\$ 4,130,047	\$ 1,521,881	\$ 289,199	\$ 697,392	\$ 307,560	\$ 5,367,158

**Liabilities and fund balance**

Liabilities:							
Accounts payable and accrued liabilities	\$ -	\$ 61,496	\$ 343,056	\$ 198,338	\$ 195,755	\$ 249,058	\$ 618,685
Due to other funds	-	110,822	80,774	52,635	66,613	-	2,230
Deposits held in escrow	-	50,634	66,069	-	-	-	101,323
Due to other governments	-	-	-	-	-	-	145,967
Unearned revenue	-	-	1,031,982	38,226	435,024	58,502	4,498,953
Total liabilities	-	222,952	1,521,881	289,199	697,392	307,560	5,367,158

Fund balance:

Fund balance:							
Undesignated-special revenue funds	843,360	3,907,095	-	-	-	-	-
Total fund balance	843,360	3,907,095	-	-	-	-	-
Total liabilities and fund balance	\$ 843,360	\$ 4,130,047	\$ 1,521,881	\$ 289,199	\$ 697,392	\$ 307,560	\$ 5,367,158

County of York, Pennsylvania

Combining Balance Sheet – Nonmajor Governmental Funds (Continued)

December 31, 2006

	Access Grant Program	Donations	Earn-It	Affordable Housing	Weatherization	Downtown Hanover Improvement	Community Services	Total
<b>Assets</b>								
Cash and temporary investments	\$ 205,324	\$ -	\$ 13,510	\$ 576,397	\$ 213,667	\$ 228,758	\$ -	\$ 4,758,648
Restricted cash	-	29,569	-	-	-	-	-	3,925,468
Investments	-	-	-	1,832,156	-	-	-	5,249,126
Receivables:								
Accounts	200,000	84	425	594,901	-	-	-	833,323
Due from other funds	-	-	-	-	-	-	-	369,688
Due from other governments	-	-	-	-	-	-	31,450	1,946,585
Total assets	\$ 405,324	\$ 29,653	\$ 13,935	\$ 3,003,454	\$ 213,667	\$ 228,758	\$ 31,450	\$ 17,082,838

**Liabilities and fund balance**

<b>Liabilities:</b>								
Accounts payable and accrued liabilities	\$ 6,947	\$ -	\$ -	\$ 1,451	\$ 83,991	\$ -	\$ -	\$ 1,758,777
Due to other funds	-	236	-	706	225	-	31,450	345,691
Deposits held in escrow	-	-	-	-	-	-	-	145,967
Due to other governments	-	-	-	-	16,101	-	-	234,127
Unearned revenue	398,377	-	-	598,054	113,350	228,758	-	7,401,226
Total liabilities	405,324	236	-	600,211	213,667	228,758	31,450	9,885,788

Fund balance:

Fund balance:								
Undesignated-special revenue funds	-	29,417	13,935	2,403,243	-	-	-	7,197,050
Total fund balance	-	29,417	13,935	2,403,243	-	-	-	7,197,050
Total liabilities and fund balance	\$ 405,324	\$ 29,653	\$ 13,935	\$ 3,003,454	\$ 213,667	\$ 228,758	\$ 31,450	\$ 17,082,838

County of York, Pennsylvania

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

Year ended December 31, 2006

	Liquid Fuels Tax	Domestic Relations	Comprehensive Services to the Aged	Human Services	Drug and Alcohol	Brownfields for Housing	Adams HealthChoices Management
<b>Revenues</b>							
Intergovernmental	\$ 627,984	\$ 3,167,750	\$ 8,347,507	\$ 3,532,224	\$ 3,182,553	\$ 678,124	\$ 10,644,871
Departmental	-	227,897	-	-	-	-	-
Investment	32,959	145,898	-	-	11,717	440	245,122
Other revenues	48,598	183,893	-	178,544	-	-	-
Total revenues	709,541	3,725,438	8,347,507	3,710,768	3,194,270	678,564	10,889,993
<b>Expenditures</b>							
Roads and bridges	1,000,228	-	-	-	-	-	-
Health, education, and welfare:							
Drug and alcohol	-	-	-	-	3,194,270	-	-
Office of aging	-	-	8,726,040	-	-	-	-
Human services	-	-	-	3,778,022	-	-	10,889,993
Judicial	-	4,113,158	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Conservation and Community development	-	-	-	-	-	678,564	-
Total expenditures	1,000,228	4,113,158	8,726,040	3,778,022	3,194,270	678,564	10,889,993
Excess (deficiency) of revenues over (under) expenditures	(290,687)	(387,720)	(378,533)	(67,254)	-	-	-
<b>Other financing sources (uses)</b>							
Operating transfers in	-	725,000	378,533	67,254	23,790	-	-
Operating transfers out	(36,217)	-	-	-	(23,790)	-	-
Total other financing sources (uses)	(36,217)	725,000	378,533	67,254	-	-	-
Net change in fund balances	(326,904)	337,280	-	-	-	-	-
Fund balances, January 1	1,170,264	3,569,815	-	-	-	-	-
Fund balances, December 31	\$ 843,360	\$ 3,907,095	\$ -	\$ -	\$ -	\$ -	\$ -

County of York, Pennsylvania

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds (Continued)

Year December 31, 2006

	Access Grant Program	Donations	Earn-It	Affordable Housing	Weatherization	Downtown Hanover Improvement	Community Services	Total
<b>Revenues</b>								
Intergovernmental	\$ 101,715	\$ -	\$ -	\$ -	\$ 446,225	\$ -	\$ -	\$ 30,728,953
Departmental	-	-	-	708,385	-	-	35,447	971,729
Investment	1,380	-	-	94,935	6,444	-	-	538,895
Other revenues	-	1,496	3,640	-	-	-	-	416,171
Total revenues	103,095	1,496	3,640	803,320	452,669	-	35,447	32,655,748
<b>Expenditures</b>								
Roads and bridges	-	-	-	-	-	-	-	1,000,228
Health, education, and welfare:								
Drug and alcohol	-	-	-	-	-	-	-	3,194,270
Office of aging	-	-	-	-	-	-	-	8,726,040
Human services	-	-	-	-	-	-	50	14,668,065
Judicial	-	-	2,260	-	-	-	-	4,115,418
Cultural and recreation	-	118	-	-	-	-	-	118
Conservation and Community development	103,095	-	-	110,927	452,669	-	-	1,345,255
Total expenditures	103,095	118	2,260	110,927	452,669	-	50	33,049,394
Excess (deficiency) of revenues over (under) expenditures	-	1,378	1,380	692,393	-	-	35,397	(393,646)
<b>Other financing sources (uses)</b>								
Operating transfers in	-	-	-	-	-	-	-	1,194,577
Operating transfers out	-	-	-	-	-	-	(35,397)	(95,404)
Total other financing sources (uses)	-	-	-	-	-	-	(35,397)	1,099,173
Net change in fund balances	-	1,378	1,380	692,393	-	-	-	705,527
Fund balances, January 1	-	28,039	12,555	1,710,850	-	-	-	6,491,523
Fund balances, December 31	\$ -	\$ 29,417	\$ 13,935	\$ 2,403,243	\$ -	\$ -	\$ -	\$ 7,197,050

County of York, Pennsylvania

Schedule of Revenues, Expenditures, and Changes in Fund Balances –  
Budget and Actual – Liquid Fuels Fund

Year ended December 31, 2006

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget – Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental	\$ 675,000	\$ 675,000	\$ 627,984	\$ (47,016)
Investment	13,000	13,000	32,959	19,959
Other	160,000	160,000	48,598	(111,402)
Total revenues	848,000	848,000	709,541	(138,459)
<b>Expenditures</b>				
Current:				
Road and bridges	1,043,000	1,043,000	1,000,228	42,772
Total expenditures	1,043,000	1,043,000	1,000,228	42,772
Deficiency of revenues under expenditures	(195,000)	(195,000)	(290,687)	(95,687)
<b>Other financing sources (uses)</b>				
Transfers out	(45,000)	(45,000)	(36,217)	8,783
Net change in fund balances	\$ (240,000)	\$ (240,000)	\$ (326,904)	\$ (86,904)

County of York, Pennsylvania

Schedule of Revenues, Expenditures, and Changes in Fund Balances –  
Budget and Actual – Domestic Relations Fund

Year ended December 31, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget – Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	3,161,665	\$ 3,161,665	\$ 3,167,750	\$ 6,085
Departmental	225,000	225,000	227,897	2,897
Investment	55,000	55,000	145,898	90,898
Other	60,000	60,000	183,893	123,893
Total revenues	3,501,665	3,501,665	3,725,438	223,773
<b>Expenditures</b>				
Current:				
Judicial	4,245,000	4,245,000	4,113,158	131,842
Total expenditures	4,245,000	4,245,000	4,113,158	131,842
Deficiency of revenues under expenditures	(743,335)	(743,335)	(387,720)	355,615
<b>Other financing sources (uses)</b>				
Transfers in	725,000	725,000	725,000	-
Net change in fund balances	\$ (18,335)	\$ (18,335)	\$ 337,280	\$ 355,615

County of York, Pennsylvania

Schedule of Revenues, Expenditures, and Changes in Fund Balances –  
Budget and Actual – Comprehensive Services to the Aged Fund

Year ended December 31, 2006

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget – Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental	\$ 8,709,199	\$ 8,709,199	\$ 8,347,507	\$ (361,692)
Total revenues	8,709,199	8,709,199	8,347,507	(361,692)
<b>Expenditures</b>				
Current:				
Health, education, and welfare:				
Office of aging	9,127,732	9,127,732	8,726,040	401,692
Total expenditures	9,127,732	9,127,732	8,726,040	401,692
Deficiency of revenues under expenditures	(418,533)	(418,533)	(378,533)	40,000
<b>Other financing sources (uses)</b>				
Transfers in	418,533	418,533	378,533	(40,000)
Net change in fund balances	\$ -	\$ -	\$ -	\$ -

County of York, Pennsylvania

Schedule of Revenues, Expenditures, and Changes in Fund Balances –  
Budget and Actual – Human Services Fund

Year ended December 31, 2006

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget – Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental	\$ 3,073,815	\$ 3,073,815	\$ 3,532,224	\$ 458,409
Other	175,307	175,307	178,544	3,237
Total revenues	3,249,122	3,249,122	3,710,768	461,646
<b>Expenditures</b>				
Current:				
Human Services	3,482,757	3,482,757	3,778,022	(295,265)
Total expenditures	3,482,757	3,482,757	3,778,022	(295,265)
Deficiency of revenues under expenditures	(233,635)	(233,635)	(67,254)	166,381
<b>Other financing sources (uses)</b>				
Transfers in	233,635	233,635	67,254	(166,381)
Net change in fund balances	\$ -	\$ -	\$ -	\$ -

County of York, Pennsylvania

Schedule of Revenues, Expenditures, and Changes in Fund Balances –  
Budget and Actual – Drug and Alcohol Fund

Year ended December 31, 2006

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget – Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental	\$ 3,054,999	\$ 3,054,999	\$ 3,182,553	\$ 127,554
Investment	1,000	1,000	11,717	10,717
Total revenues	<u>3,055,999</u>	<u>3,055,999</u>	<u>3,194,270</u>	<u>138,271</u>
<b>Expenditures</b>				
Current:				
Health, education, and welfare:				
Drug and alcohol	3,055,999	3,055,999	3,194,270	(138,271)
Total expenditures	<u>3,055,999</u>	<u>3,055,999</u>	<u>3,194,270</u>	<u>(138,271)</u>
Excess of revenues over expenditures	-	-	-	-
<b>Other financing sources (uses)</b>				
Transfers in	-	-	23,790	23,790
Transfers out	-	-	(23,790)	(23,790)
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

County of York, Pennsylvania

Schedule of Revenues, Expenditures, and Changes in Fund Balances –  
Budget and Actual – Brownfields for Housing Fund

Year ended December 31, 2006

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget – Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental	\$ 170,000	\$ 170,000	\$ 678,124	\$ 508,124
Investment	-	-	440	440
Total revenues	170,000	170,000	678,564	508,564
<b>Expenditures</b>				
Current:				
Conservation and community development	170,000	170,000	678,564	(508,564)
Total expenditures	170,000	170,000	678,564	(508,564)
Excess of revenues over expenditures	-	-	-	-
Net change in fund balances	\$ -	\$ -	\$ -	\$ -

County of York, Pennsylvania

Schedule of Revenues, Expenditures, and Changes in Fund Balances –  
Budget and Actual – Adams HealthChoices Management Fund

Year ended December 31, 2006

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget – Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental	\$ 8,319,823	\$ 8,319,823	\$ 10,644,871	\$ 2,325,048
Investment	105,750	105,750	245,122	139,372
Total revenues	8,425,573	8,425,573	10,889,993	2,464,420
<b>Expenditures</b>				
Current:				
Human Services	10,657,857	10,657,857	10,889,993	(232,136)
Total expenditures	10,657,857	10,657,857	10,889,993	(232,136)
Deficiency of revenues under expenditures	(2,232,284)	(2,232,284)	-	2,232,284
Net change in fund balances	\$ (2,232,284)	\$ (2,232,284)	\$ -	\$ 2,232,284

County of York, Pennsylvania

Schedule of Revenues, Expenditures, and Changes in Fund Balances –  
Budget and Actual – Access Grant Program Fund

Year ended December 31, 2006

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget – Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental	\$ 200,000	\$ 200,000	\$ 101,715	\$ (98,285)
Investment	-	-	1,380	1,380
Total revenues	200,000	200,000	103,095	(96,905)
<b>Expenditures</b>				
Current:				
Conservation and community development	200,000	200,000	103,095	96,905
Total expenditures	200,000	200,000	103,095	96,905
Excess of revenues over expenditures	-	-	-	-
Net change in fund balances	\$ -	\$ -	\$ -	\$ -

County of York, Pennsylvania

Schedule of Revenues, Expenditures, and Changes in Fund Balances –  
Budget and Actual – Earn It Fund

Year ended December 31, 2006

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget – Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Other	\$ 3,000	\$ 3,000	\$ 3,640	\$ 640
Total revenues	3,000	3,000	3,640	640
<b>Expenditures</b>				
Current:				
Judicial	3,000	3,000	2,260	740
Total expenditures	3,000	3,000	2,260	740
Excess of revenues over expenditures	-	-	1,380	1,380
Net change in fund balances	\$ -	\$ -	\$ 1,380	\$ 1,380

County of York, Pennsylvania

Schedule of Revenues, Expenditures, and Changes in Fund Balances –  
Budget and Actual – Affordable Housing Fund

Year ended December 31, 2006

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget – Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Departmental	\$ 545,000	\$ 545,000	\$ 708,385	\$ 163,385
Investment	20,000	20,000	94,935	74,935
Total revenues	565,000	565,000	803,320	238,320
<b>Expenditures</b>				
Current:				
Conservation and community development	565,000	565,000	110,927	454,073
Total expenditures	565,000	565,000	110,927	454,073
Excess of revenues over expenditures	-	-	692,393	692,393
Net change in fund balances	\$ -	\$ -	\$ 692,393	\$ 692,393

County of York, Pennsylvania

Schedule of Revenues, Expenditures, and Changes in Fund Balances –  
Budget and Actual – Weatherization Fund

Year ended December 31, 2006

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget – Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental	\$ 328,000	\$ 328,000	\$ 446,225	\$ 118,225
Investment	-	-	6,444	6,444
Total revenues	328,000	328,000	452,669	124,669
<b>Expenditures</b>				
Current:				
Conservation and community development	328,000	328,000	452,669	(124,669)
Total expenditures	328,000	328,000	452,669	(124,669)
Excess of revenues over expenditures	-	-	-	-
Net change in fund balances	\$ -	\$ -	\$ -	\$ -

County of York, Pennsylvania

Schedule of Revenues, Expenditures, and Changes in Fund Balances –  
Budget and Actual – Downtown Hanover Improvement Fund

Year ended December 31, 2006

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget – Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Intergovernmental	\$ 250,000	\$ 250,000	\$ -	\$ (250,000)
Total revenues	250,000	250,000	-	(250,000)
<b>Expenditures</b>				
Current:				
Conservation and community development	250,000	250,000	-	250,000
Total expenditures	250,000	250,000	-	250,000
Excess of revenues over expenditures	-	-	-	-
Net change in fund balances	\$ -	\$ -	\$ -	\$ -

County of York, Pennsylvania

Combining Statement of Changes in Assets and Liabilities – Agency Funds

Year ended December 31, 2006

	<b>Balance January 1, 2006</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31, 2006</b>
<b>Tax Claim Bureau</b>				
Assets:				
Cash and cash equivalents	\$ 1,206,242	\$ 21,060,742	\$ 21,429,184	\$ 837,800
Investments	222,410	1,023,189	-	1,245,599
Accounts receivable	137,191	236,574	137,190	236,575
Delinquent taxes receivable on behalf of other governments	8,987,733	21,602,380	20,525,347	10,064,766
Total assets	<u>\$ 10,553,576</u>	<u>\$ 43,922,885</u>	<u>\$ 42,091,721</u>	<u>\$ 12,384,740</u>
Liabilities:				
Due to other governments	\$ 1,227,884	\$ 1,059,258	\$ 560,261	\$ 1,726,881
Other liabilities	9,325,692	43,980,901	42,648,734	10,657,859
Total liabilities	<u>\$ 10,553,576</u>	<u>\$ 45,040,159</u>	<u>\$ 43,208,995</u>	<u>\$ 12,384,740</u>
<b>Unclaimed Money</b>				
Assets:				
Cash and cash equivalents	\$ 470,655	\$ 144,419	\$ 125,309	\$ 489,765
Accounts receivable	4,211	1,331	4,397	1,145
Total assets	<u>\$ 474,866</u>	<u>\$ 145,750</u>	<u>\$ 129,706</u>	<u>\$ 490,910</u>
Liabilities:				
Other liabilities	\$ 474,866	\$ 241,100	\$ 225,056	\$ 490,910
Total liabilities	<u>\$ 474,866</u>	<u>\$ 241,100</u>	<u>\$ 225,056</u>	<u>\$ 490,910</u>
<b>Row Offices</b>				
Assets:				
Cash and cash equivalents	\$ 9,119,825	\$ 75,040,854	\$ 77,956,317	\$ 6,204,362
Total assets	<u>\$ 9,119,825</u>	<u>\$ 75,040,854</u>	<u>\$ 77,956,317</u>	<u>\$ 6,204,362</u>
Liabilities:				
Due to other governments	\$ 4,570,927	\$ 64,939,904	\$ 65,551,283	\$ 3,959,548
Other liabilities	4,548,898	10,100,950	12,405,034	2,244,814
Total liabilities	<u>\$ 9,119,825</u>	<u>\$ 75,040,854</u>	<u>\$ 77,956,317</u>	<u>\$ 6,204,362</u>

County of York, Pennsylvania

Combining Statement of Changes in Assets and Liabilities – Agency Funds (continued)

Year ended December 31, 2006

	<b>Balance January 1, 2006</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31, 2006</b>
<b>Landfill Escrow</b>				
Assets:				
Cash and cash equivalents	\$ 851,938	\$ -	\$ 208,440	\$ 643,498
Investments	4,350,000	10,437,433	9,965,369	4,822,064
Total assets	<u>\$ 5,201,938</u>	<u>\$ 10,437,433</u>	<u>\$ 10,173,809</u>	<u>\$ 5,465,562</u>
Liabilities:				
Other liabilities	\$ 5,201,938	\$ 10,437,433	\$ 10,173,809	\$ 5,465,562
Total liabilities	<u>\$ 5,201,938</u>	<u>\$ 10,437,433</u>	<u>\$ 10,173,809</u>	<u>\$ 5,465,562</u>
<b>Total All Agency Funds</b>				
Assets:				
Cash and cash equivalents	\$ 11,648,660	\$ 96,246,015	\$ 99,719,250	\$ 8,175,425
Investments	4,572,410	11,460,622	9,965,369	6,067,663
Accounts receivable	141,402	237,905	141,587	237,720
Delinquent taxes receivable on behalf of other governments	8,987,733	21,602,380	20,525,347	10,064,766
Total assets	<u>\$ 25,350,205</u>	<u>\$ 129,546,922</u>	<u>\$ 130,351,553</u>	<u>\$ 24,545,574</u>
Liabilities:				
Due to other governments	\$ 5,798,811	\$ 65,999,162	\$ 66,111,544	\$ 5,686,429
Other liabilities	19,551,394	64,760,384	65,452,633	18,859,145
Total liabilities	<u>\$ 25,350,205</u>	<u>\$ 130,759,546</u>	<u>\$ 131,564,177</u>	<u>\$ 24,545,574</u>

County of York, Pennsylvania

Combining Statement of Changes in Assets and Liabilities – Row Offices

Year ended December 31, 2006

	<b>Balance January 1, 2006</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance December 31, 2006</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 9,119,825	\$ 75,040,854	\$ 77,956,317	\$ 6,204,362
<b>Total assets</b>	<b>\$ 9,119,825</b>	<b>\$ 75,040,854</b>	<b>\$ 77,956,317</b>	<b>\$ 6,204,362</b>
<b>Liabilities:</b>				
<b>Due to other governments</b>				
Clerk of Courts	\$ 340,967	\$ 5,004,890	\$ 4,977,533	\$ 368,324
Prothonotary	362,942	1,825,349	1,874,824	313,467
Recorder of Deeds	3,677,376	55,723,276	56,270,908	3,129,744
Register of Wills	54,206	768,604	763,877	58,933
Sheriff	119,657	1,244,366	1,288,853	75,170
Treasurer	15,779	373,419	375,288	13,910
	4,570,927	64,939,904	65,551,283	3,959,548
<b>Other liabilities</b>				
Clerk of Courts	223,626	1,083,779	927,580	379,825
Prothonotary	2,309,943	164,795	2,203,612	271,126
Sheriff	2,015,329	8,851,218	9,272,684	1,593,863
Treasurer	-	1,177	1,177	-
	4,548,898	10,100,969	12,405,053	2,244,814
<b>Total liabilities</b>	<b>\$ 9,119,825</b>	<b>\$ 75,040,873</b>	<b>\$ 77,956,336</b>	<b>\$ 6,204,362</b>

County of York, Pennsylvania

Combining Balance Sheet – Agency Funds

December 31, 2006

	<b>Tax Claim Bureau</b>	<b>Unclaimed Money</b>	<b>Row Offices</b>	<b>Landfill Escrow</b>	<b>Total Agency Funds</b>
<b>Assets</b>					
Cash and cash equivalents	\$ 837,800	\$ 489,765	\$ 6,204,362	\$ 643,498	\$ 8,175,425
Investments	1,245,599	-	-	4,822,064	6,067,663
Accounts receivable	236,575	1,145	-	-	237,720
Delinquent taxes on behalf of other governments	10,064,766	-	-	-	10,064,766
<b>Total assets</b>	<b>\$ 12,384,740</b>	<b>\$ 490,910</b>	<b>\$ 6,204,362</b>	<b>\$ 5,465,562</b>	<b>\$ 24,545,574</b>
<b>Liabilities</b>					
<b>Liabilities:</b>					
Due to other governments	\$ 1,726,881	\$ -	\$ 3,959,548	\$ -	\$ 5,686,429
Other liabilities	10,657,859	490,910	2,244,814	5,465,562	18,859,145
<b>Total liabilities</b>	<b>\$ 12,384,740</b>	<b>\$ 490,910</b>	<b>\$ 6,204,362</b>	<b>\$ 5,465,562</b>	<b>\$ 24,545,574</b>

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# County of York, Pennsylvania

## Statistical Section

This part of the County’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 County’s overall financial health.

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<i>These schedules present information to help the reader assess the affordability of the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future.</i>	
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<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place.</i>	
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<i>These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

## COUNTY OF YORK, PENNSYLVANIA

Net Assets by Component  
Last Five Years  
(accrual basis of accounting)

	Fiscal Year				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b><u>Governmental activities</u></b>					
Invested in capital assets, net of related debt	\$22,371,164	\$8,132,194	\$37,181,994	\$61,450,339	\$66,966,091
Restricted	5,465,204	14,694,012	34,142,149	15,847,972	16,517,142
Unrestricted	<u>43,973,731</u>	<u>69,308,136</u>	<u>31,277,325</u>	<u>8,659,107</u>	<u>8,542,116</u>
Total Net Assets	<u><u>\$71,810,099</u></u>	<u><u>\$92,134,342</u></u>	<u><u>\$102,601,468</u></u>	<u><u>\$85,957,418</u></u>	<u><u>\$92,025,349</u></u>
<b><u>Business-type activities</u></b>					
Invested in capital assets, net of related debt	\$9,606,970	\$8,984,149	\$8,298,788	\$11,176,610	\$12,184,861
Restricted	-	-	-	2,620,297	6,807,576
Unrestricted	<u>(6,896,721)</u>	<u>(4,103,069)</u>	<u>(3,158,616)</u>	<u>(3,299,070)</u>	<u>(3,049,857)</u>
Total Net Assets	<u><u>\$2,710,249</u></u>	<u><u>\$4,881,080</u></u>	<u><u>\$5,140,172</u></u>	<u><u>\$10,497,837</u></u>	<u><u>\$15,942,580</u></u>
<b><u>Primary government</u></b>					
Invested in capital assets, net of related debt	\$31,978,134	\$17,116,343	\$45,480,782	\$72,626,949	\$79,150,952
Restricted	5,465,204	14,694,012	34,142,149	18,468,269	23,324,718
Unrestricted	<u>37,077,010</u>	<u>65,205,067</u>	<u>28,118,709</u>	<u>5,360,037</u>	<u>5,492,259</u>
Total Net Assets	<u><u>\$74,520,348</u></u>	<u><u>\$97,015,422</u></u>	<u><u>\$107,741,640</u></u>	<u><u>\$96,455,255</u></u>	<u><u>\$107,967,929</u></u>

**COUNTY OF YORK, PENNSYLVANIA**

Changes in Net Assets  
Last Five Years  
(accrual basis of accounting)

	Fiscal Year				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Program Expenses</b>					
Governmental activities:					
General government	\$16,497,868	\$9,901,753	\$8,186,185	\$9,958,064	\$10,156,102
Public safety	45,010,561	46,761,755	51,504,975	68,757,075	59,583,122
Roads and bridges	1,028,481	1,070,320	1,460,581	1,724,826	1,519,225
Health, education, and welfare	116,407,461	118,960,319	130,691,664	150,917,113	182,502,488
Judicial	21,620,905	22,395,939	25,356,501	27,461,906	33,005,665
Cultural and recreation	4,777,294	4,135,753	3,975,262	5,052,808	5,500,997
Community development	4,422,325	4,476,961	8,120,947	9,971,653	8,753,756
Other departments and programs	18,623,218	23,384,458	27,124,485	29,719,493	0
Interest expense	2,404,939	2,199,266	6,172,075	6,047,723	8,091,591
Total governmental activities expenses	<u>230,793,052</u>	<u>233,286,524</u>	<u>262,592,675</u>	<u>309,610,661</u>	<u>309,112,946</u>
Business-type activities:					
Nursing Home	30,823,203	29,904,674	31,408,961	34,311,628	34,401,615
911 Operations	5,109,318	4,717,399	5,697,089	6,126,718	9,047,249
Total business-type activities expenses	<u>35,932,521</u>	<u>34,622,073</u>	<u>37,106,050</u>	<u>40,438,346</u>	<u>43,448,864</u>
Total primary government expenses	<u>\$266,725,573</u>	<u>\$267,908,597</u>	<u>\$299,698,725</u>	<u>\$350,049,007</u>	<u>\$352,561,810</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$29,602,142	\$25,469,334	\$4,425,195	\$4,361,634	\$4,798,047
Public safety	-	-	16,564,090	17,323,468	17,709,817
Health, education, and welfare	-	1,172,064	1,807,946	1,234,217	1,383,788
Judicial	2,912,549	3,318,048	4,121,128	3,764,266	8,648,684
Cultural and recreation	-	-	-	-	472,389
Community development	-	-	614,041	672,613	1,342,886
Operating grants and contributions					
General government	10,386,110	16,010,539	319,066	451,701	2,111,569
Public safety	-	-	14,552,398	12,304,777	3,874,309
Roads and bridges	689,455	677,436	991,347	873,349	627,984
Health, education, and welfare	78,575,133	109,802,565	122,142,092	141,926,972	167,632,598
Judicial	2,552,807	7,028,663	4,628,140	4,799,100	4,458,067
Cultural and recreation	65,029	9,853	77,833	407,797	1,478,666
Community development	3,203,928	4,045,842	6,716,449	9,017,875	4,116,276
Other departments and programs	36,579,693	-	93,330	7,500	-
Total governmental activities program revenues	<u>164,566,846</u>	<u>167,534,344</u>	<u>177,053,055</u>	<u>197,145,269</u>	<u>218,655,080</u>
Business-type activities:					
Nursing Home	23,432,665	24,963,143	29,856,030	29,876,698	30,322,892
911 Operations	3,584,593	3,420,389	3,481,393	7,216,897	7,775,303
Total business-type activities program revenues	<u>27,017,258</u>	<u>28,383,532</u>	<u>33,337,423</u>	<u>37,093,595</u>	<u>38,098,195</u>
Total primary government program revenues	<u>\$191,584,104</u>	<u>\$195,917,876</u>	<u>\$210,390,478</u>	<u>\$234,238,864</u>	<u>\$256,753,275</u>
Net (expense)/revenue					
Governmental activities	(\$66,226,206)	(\$65,752,180)	(\$85,539,620)	(\$112,465,392)	(\$90,457,866)
Business-type activities	(8,915,263)	(6,238,541)	(3,768,627)	(3,344,751)	(5,350,669)
Total primary government net expense	<u>(\$75,141,469)</u>	<u>(\$71,990,721)</u>	<u>(\$89,308,247)</u>	<u>(\$115,810,143)</u>	<u>(\$95,808,535)</u>

**COUNTY OF YORK, PENNSYLVANIA**

Changes in Net Assets  
Last Five Years (Continued)  
(accrual basis of accounting)

	Fiscal Year				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>General Revenues and Other</b>					
<b>Changes in Net Assets</b>					
Governmental activities:					
Property Taxes	\$56,980,819	\$77,374,259	\$78,458,444	\$87,464,946	\$94,214,158
Unrestricted investment earnings	2,683,173	2,907,227	3,682,117	5,009,546	8,907,615
Hotel tax	1,129,349	1,215,365	1,246,033	1,318,066	1,372,501
Other	14,145,862	12,838,944	10,570,933	10,581,200	1,401,501
Gain on sale of building	-	150,000	150,000	150,000	150,000
Proceeds from swap transactions	-	-	4,660,667	-	-
Transfers	(2,593,441)	(8,409,372)	(4,027,719)	(7,984,154)	(9,519,978)
<b>Total governmental activities</b>	<u>72,345,762</u>	<u>86,076,423</u>	<u>94,740,475</u>	<u>96,539,604</u>	<u>96,525,797</u>
Business-type activities:					
Unrestricted investment earnings	-	-	-	-	1,275,434
Transfers	2,593,441	8,409,372	4,027,719	7,984,154	9,519,978
<b>Total business-type activities</b>	<u>2,593,441</u>	<u>8,409,372</u>	<u>4,027,719</u>	<u>7,984,154</u>	<u>10,795,412</u>
<b>Total primary government</b>	<u>\$74,939,203</u>	<u>\$94,485,795</u>	<u>\$98,768,194</u>	<u>\$104,523,758</u>	<u>\$107,321,209</u>
<b>Change in Net Assets</b>					
Governmental activities	\$6,119,556	\$20,324,243	\$9,200,855	(\$15,925,788)	\$6,067,931
Business-type activities	(6,321,822)	2,170,831	259,092	4,639,403	5,444,743
<b>Total primary government</b>	<u>(\$202,266)</u>	<u>\$22,495,074</u>	<u>\$9,459,947</u>	<u>(\$11,286,385)</u>	<u>\$11,512,674</u>

**COUNTY OF YORK, PENNSYLVANIA**  
 Governmental Activities Tax Revenues by Source  
 Last Five Years  
 (accrual basis of accounting)

<b><u>Fiscal</u> <u>Year</u></b>	<b>Real Estate <u>Tax</u></b>	<b>Hotel Room <u>Tax</u></b>	<b><u>Total</u></b>
2002	\$56,980,819	\$1,129,349	\$58,110,168
2003	77,374,259	1,215,365	78,589,624
2004	78,458,444	1,246,033	79,704,477
2005	87,464,946	1,318,066	88,783,012
2006	94,214,158	1,372,501	95,586,659

**COUNTY OF YORK, PENNSYLVANIA**  
**Fund Balances of Governmental Funds**  
**Last Ten Years**  
**(modified accrual basis of accounting)**

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Fund										
Reserved	\$30,973	\$109,676	\$61,887	\$40,871	\$40,870	\$ -	\$ -	\$5,413,570	\$8,503,496	\$8,281,067
Unreserved	18,461,480	14,431,155	13,722,225	9,812,296	12,095,681	11,403,499	21,879,194	23,056,636	7,088,451	7,380,920
Total General Fund	<u>\$18,492,453</u>	<u>\$14,540,831</u>	<u>\$13,784,112</u>	<u>\$9,853,167</u>	<u>\$12,136,551</u>	<u>\$11,403,499</u>	<u>\$21,879,194</u>	<u>\$28,470,206</u>	<u>\$15,591,947</u>	<u>\$15,661,987</u>
All other-governmental funds										
Reserved										
Capital Projects Fund	\$15,649,852	\$1,186,808	\$ -	\$20,935,552	\$46,912,032	\$31,493,588	\$39,835,532	\$26,027,730	\$6,320,087	\$25,099,699
Unreserved										
Other Nonmajor Funds	2,136,877	4,063,397	3,768,604	4,600,400	5,017,368	5,465,204	6,471,220	6,348,032	6,491,523	7,197,050
Total all other governmental funds	<u>\$17,786,729</u>	<u>\$5,250,205</u>	<u>\$3,768,604</u>	<u>\$25,535,952</u>	<u>\$51,929,400</u>	<u>\$36,958,792</u>	<u>\$46,306,752</u>	<u>\$32,375,762</u>	<u>\$12,811,610</u>	<u>\$32,296,749</u>
Total fund balances of all governmental funds	<u>\$36,279,182</u>	<u>\$19,791,036</u>	<u>\$17,552,716</u>	<u>\$35,389,119</u>	<u>\$64,065,951</u>	<u>\$48,362,291</u>	<u>\$68,185,946</u>	<u>\$60,845,968</u>	<u>\$28,403,557</u>	<u>\$47,958,736</u>

**COUNTY OF YORK, PENNSYLVANIA**  
**Changes in Fund Balances of Governmental Funds**  
**Last Five Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year				
	2002	2003	2004	2005	2006
<b>Revenues</b>					
Real estate taxes	\$56,879,136	\$76,389,344	\$78,089,574	\$86,831,194	\$93,382,328
Intergovernmental	130,241,234	133,414,027	149,520,655	169,789,071	184,299,469
Departmental	29,602,142	26,872,249	25,867,845	25,780,527	30,055,002
Fines and costs	2,912,549	3,087,197	3,378,092	3,684,911	4,300,609
Hotel tax	1,129,349	1,215,365	1,246,033	1,318,066	1,372,501
Investment	2,683,173	2,907,227	3,682,117	5,009,546	8,907,615
Other	9,926,464	11,161,285	10,570,933	10,581,200	1,401,501
<b>Total Revenues</b>	<b>233,374,047</b>	<b>255,046,694</b>	<b>272,355,249</b>	<b>302,994,515</b>	<b>323,719,025</b>
<b>Expenditures</b>					
Current:					
General government	15,343,145	9,341,635	11,270,768	11,553,295	12,598,142
Public safety	45,010,561	46,802,474	50,167,283	67,080,869	58,198,803
Roads & bridges	551,949	909,980	934,533	1,213,279	1,000,228
Human Services	116,492,170	118,719,105	130,483,066	150,692,137	182,271,868
Judicial	20,485,919	21,324,134	24,258,505	25,477,550	30,984,793
Cultural and recreation	5,195,785	3,739,480	3,918,275	4,920,655	5,311,734
Community development	4,422,325	4,476,961	8,120,947	9,971,653	8,753,756
Other departments and programs	18,649,327	19,638,868	27,124,485	29,719,493	-
Capital outlay	16,136,136	29,694,855	14,222,422	18,943,258	16,882,310
Debt service:					
Principal retirement	3,370,000	13,990,000	6,375,000	2,630,000	2,800,000
Interest and fiscal charges	2,431,158	2,124,381	5,816,140	6,096,095	7,947,043
<b>Total Expenditures</b>	<b>248,088,475</b>	<b>270,761,873</b>	<b>282,691,424</b>	<b>328,298,284</b>	<b>326,748,677</b>
<b>Other financing sources (uses)</b>					
Transfers in	3,589,809	14,142,917	6,642,355	6,432,168	7,936,470
Transfers out	(6,183,250)	(26,398,188)	(10,670,074)	(14,416,322)	(17,456,448)
Issuance of debt, net	20,402,450	54,588,602	-	845,512	31,036,905
Payment to refunded bond escrow agent	(20,510,000)	(7,334,341)	-	-	-
Proceeds from swap transactions	-	-	4,660,667	-	-
Premium of bonds issued	1,711,759	539,845	-	-	1,067,904
<b>Total other financing sources (uses)</b>	<b>(989,232)</b>	<b>35,538,835</b>	<b>632,948</b>	<b>(7,138,642)</b>	<b>22,584,831</b>
<b>Net changes in fund balances</b>	<b>(\$15,703,660)</b>	<b>\$19,823,656</b>	<b>(\$9,703,227)</b>	<b>(\$32,442,411)</b>	<b>\$19,555,179</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>2.5%</b>	<b>6.7%</b>	<b>4.5%</b>	<b>2.8%</b>	<b>3.5%</b>

## COUNTY OF YORK, PENNSYLVANIA

### General Government Expenditures by Function (1) Last Ten Years

Fiscal Year	General Government Administration	General Government Judiciary	Public Safety and Corrections	(5) Community Development	Public Works and Enterprises	Culture, Recreation and Conservation	(4) Human Services	(6) Other	(2) (3) Debt Service	Capital Projects	Totals
1997	\$ 8,289,734	\$ 13,388,709	\$ 24,775,347	\$ 5,506,711	\$ 757,313	\$ 2,111,964	\$ 55,991,175	\$ 9,883,498	\$ 3,734,600	\$ 3,655,355	\$ 128,094,406
1998	8,687,362	15,090,224	28,236,160	6,826,755	543,511	2,736,604	63,245,476	10,416,026	10,073,867	15,092,756	160,948,741
1999	8,746,965	17,078,875	35,348,937	6,583,058	1,144,991	3,285,312	67,191,684	11,309,272	4,806,529	1,851,542	157,347,165
2000	9,323,987	17,964,447	39,099,867	4,265,455	731,407	4,625,632	68,552,028	11,932,657	5,401,991	3,373,979	165,271,450
2001	9,172,319	20,024,845	43,266,908	7,101,865	798,161	3,258,393	79,015,463	15,828,645	6,253,680	16,777,153	201,497,432
2002	15,343,145	20,485,919	45,010,561	4,422,325	551,949	5,195,785	116,492,170	18,649,327	5,801,158	16,136,136	248,088,475
2003	9,341,635	21,324,134	46,802,474	4,476,961	909,980	3,739,480	118,719,105	19,638,868	6,114,381	39,694,855	270,761,873
2004	10,900,101	24,258,505	50,167,283	8,120,947	934,533	3,918,275	130,483,066	27,124,485	6,880,648	19,903,581	282,691,424
2005	11,553,295	25,477,550	67,080,869	9,971,653	1,213,279	4,920,655	150,692,137	29,719,493	7,825,636	19,843,717	328,298,284
2006	12,598,142	30,984,793	58,198,803	8,753,756	1,000,228	5,311,734	182,271,868	-	10,125,864	17,503,489	326,748,677

**NOTES:**

- (1) Includes General, Special Revenue, and Capital Projects Funds.
- (2) Includes interest on tax anticipation debt as well as general obligation debt.
- (3) Does not include 911 Enterprise Fund debt.
- (4) York/Adams Mental Health/Mental Retardation and York/Adams Drug and Alcohol Funds were not included in the reporting entity in 1993, 1994, 1995 and 1996.
- (5) In 2006 includes Conservation
- (6) In 2006 allocated to specific categories

**SOURCE:**  
Annual Reports of York County Controller and annual audit reports

**COUNTY OF YORK, PENNSYLVANIA**

General Governmental Revenues by Source (1)

Last Ten Years

Fiscal Year	Real Estate Taxes	Court Costs, Fines and Forfeitures	(2)		Interest and Rents	County Charges and Earnings	(3)		(1) Totals
			Grants and Gifts	Bond Proceeds and Other					
1997	\$ 39,522,686	\$ 2,118,798	\$ 67,898,743	\$ 3,417,508	\$ 15,229,177	\$ 23,600,786	\$ 151,787,698		
1998	40,967,489	2,260,877	77,080,988	3,695,498	16,361,248	5,239,152	145,605,252		
1999	42,613,775	2,519,927	79,859,803	2,833,575	22,415,228	8,244,701	158,487,009		
2000	43,883,138	2,793,487	80,813,872	3,526,735	26,526,399	33,594,900	191,138,531		
2001	55,508,907	2,679,215	94,686,886	4,094,728	28,682,530	52,753,093	238,405,359		
2002	56,879,136	2,912,549	130,241,234	2,683,173	29,602,142	33,170,022	255,488,256		
2003	76,389,344	3,087,197	133,414,027	2,907,227	26,872,249	67,505,097	310,175,141		
2004	78,089,574	3,378,092	149,520,655	3,682,117	25,867,845	16,477,633	277,015,916		
2005	86,831,194	3,684,911	169,789,071	5,009,546	25,780,527	12,744,778	303,840,027		
2006	93,382,328	4,300,609	184,299,469	8,907,615	30,055,002	34,878,811	355,823,834		

NOTES:

- (1) Includes General, Special Revenue, and Capital Projects Funds.
- (2) York/Adams Mental Health/Mental Retardation and York/Adams Drug and Alcohol were not included in the reporting entity in 1994, 1995 and 1996.
- (3) Proceeds From Bond Issues are included in the financial section as Other Financing Sources.

SOURCE:

Annual Reports of York County Controller and annual audit reports

**COUNTY OF YORK, PENNSYLVANIA**  
 Governmental Activities Tax Revenues by Source  
 Last Ten Years  
 (modified accrual basis of accounting)

<b><u>Fiscal Year</u></b>	<b><u>Real Estate Tax</u></b>	<b><u>Hotel Room Tax</u></b>	<b><u>Total</u></b>
1997	\$39,522,686	\$ -	\$39,522,686
1998	40,967,489	-	40,967,489
1999	42,613,775	-	42,613,775
2000	43,883,138	-	43,883,138
2001	55,508,907	-	55,508,907
2002	56,879,136	1,129,349	58,008,485
2003	76,389,344	1,215,365	77,604,709
2004	78,089,574	1,246,033	79,335,607
2005	86,831,194	1,318,066	88,149,260
2006	93,382,328	1,372,501	94,754,829

**COUNTY OF YORK, PENNSYLVANIA**

Property Values (1)  
Last Ten Years  
(Unaudited)

Fiscal Year	Residential	Commercial	Agricultural	Industrial	Vacant Lots	(3) Trailers	(4) Miscellaneous/ Apartments	Utility/ Exempt	Total
1997	\$ 7,342,353,991	\$ 1,710,352,810	\$ 708,116,212	\$ 743,306,580	\$ 305,523,902	\$ 98,105,855	\$ 245,154,972	\$ 1,654,637,039	\$ 12,807,551,361
1998	11,023,247,830	1,867,709,620	1,226,087,070	1,010,510,220	456,796,640	89,584,170	385,843,600	1,634,038,660	17,693,817,810 (2)
1999	11,704,707,780	1,978,777,170	1,222,359,680	1,075,011,980	-	-	384,840,860	1,975,451,070	18,341,148,540 (2)
2000	12,103,983,490	2,395,935,030	1,023,898,900	1,125,112,590	-	-	391,009,620	1,683,458,830	18,723,398,460 (2)
2001	12,439,590,930	2,479,839,480	1,001,427,960	1,161,856,850	-	-	393,753,020	1,843,061,750	19,319,529,990 (2)
2002	12,715,796,700	2,550,265,270	1,002,565,040	1,193,356,840	-	-	395,791,040	1,862,963,660	19,720,738,550 (2)
2003	13,057,581,771	2,581,495,372	1,005,817,560	1,266,176,390	-	-	406,252,128	1,897,754,020	20,215,077,241 (2)
2004	13,495,667,036	2,560,509,677	1,020,087,944	1,314,345,100	-	-	420,738,868	2,032,688,828	20,844,037,453 (2)
2005	13,949,867,005	2,603,167,919	1,025,581,993	1,329,580,868	-	-	434,332,035	2,052,310,379	21,394,840,199 (2)
2006	18,214,548,231	2,919,893,747	1,283,373,260	1,495,328,180	-	-	526,861,140	2,245,059,290	26,685,063,848 (5)

NOTES:

- (1) Property values are the assessed value as of the beginning of the year.
- (2) In 1998, a County-wide reassessment took effect. Assessed values shown represent 100% of market values.
- (3) Effective with 1998, the Miscellaneous category was changed to Apartments.
- (4) Effective in 1999, a new category, Utility, was added. Vacant lots and trailers are no longer reported separately.
- (5) In 2006, a County-wide reassessment took effect. Assessed values shown represent 100% of market values.

SOURCE:  
Assessment Office

**COUNTY OF YORK, PENNSYLVANIA**  
 Assessed and Estimated Actual Value of Taxable Property  
 Last Ten Years

Fiscal Year	(1) (2) Real Estate Total Assessed Value	RATIO OF TOTAL ASSESSED TO TOTAL ESTIMATED ACTUAL VALUE	COUNTY REAL ESTATE MILLAGE RATE
1997	\$ 11,152,914,322	100	3.60
1998	16,059,779,150 (1)	100	2.52
1999	16,365,697,470 (1)	100	2.52
2000	17,039,939,630 (1)	100	2.52
2001	17,476,468,240 (1)	100	3.15
2002	17,857,774,890 (1)	100	3.15
2003	18,317,323,221 (1)	100	4.20
2004	18,811,348,625 (1)	100	4.20
2005	19,342,529,820 (1)	100	4.51
2006	24,440,004,558 (3)	100	3.80

NOTES:

- (1) Beginning January 1, 1998, a County-wide reassessment took effect. All taxing authorities were required to lower their effective millage rates to reflect the increase in property values as a result of the new assessed values.
- (2) Does not include Exempt and Utility assessments.
- (3) Beginning January 1, 2006, a County-wide reassessment took effect. All taxing authorities were required to lower their effective millage rates to reflect the increase in property values as a result of the new assessed values.

SOURCE: Assessment Office

**COUNTY OF YORK, PENNSYLVANIA**

Real Estate Millage Rates – Direct and Overlapping Governments - Last Ten Years

<b>(1) Fiscal Year</b>	<b>County</b>	<b>(3) Municipalities</b>	<b>(3) School District</b>	<b>Total</b>
1997	3.60	1.316	17.677	22.593
1998	2.52 (2)	0.956	13.148	16.624
1999	2.52 (2)	1.050	13.330	16.900
2000	2.52 (2)	1.082	13.367	16.969
2001	3.15 (2)	1.160	13.910	18.220
2002	3.15 (2)	1.253	15.473	19.876
2003	4.20 (2)	1.380	16.583	22.163
2004	4.20 (2)	1.544	17.725	23.469
2005	4.51 (2)	1.655	19.507	25.672
2006	3.80 (4)	1.435	16.660	21.895

NOTES:

- (1) The fiscal year shown represents the calendar year for County and Municipalities and the fiscal year for School Districts which begins in July of the year shown and spans six months into the next calendar year.
- (2) Beginning January 1, 1998, a County-wide reassessment took effect. All taxing authorities were required to lower their effective millage rates to reflect the increase in property values as a result of the new assessed values.
- (3) Each unit within these classes levies its own millage rate. The rates shown are an average.
- (4) Beginning January 1, 2006, a County-wide reassessment took effect. All taxing authorities were required to lower their effective millage rates to reflect the increase in property values as a result of the new assessed values.

SOURCE: Assessment Office

## COUNTY OF YORK, PENNSYLVANIA

Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Years

	Year Taxes Are Payable									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>County Direct Rate</b>	3.600	2.520	2.520	2.520	3.150	3.150	4.200	4.200	4.510	3.800
<b>School District Rates</b>										
Central York	12.700	10.100	10.500	11.250	12.000	13.290	14.330	15.830	17.470	15.320
Dallastown Area	16.650	12.690	13.520	15.490	15.990	16.510	17.760	20.240	21.740	18.810
Dover Area	18.800	14.050	14.550	15.550	15.550	16.050	17.420	18.770	18.770	16.800
Eastern York	19.650	13.320	13.580	13.900	14.600	15.700	16.600	17.500	19.200	16.100
Hanover Public	18.130	14.150	14.150	14.650	15.150	16.550	16.950	17.550	19.050	16.920
Northeastern	22.440	16.080	16.080	17.060	17.560	18.830	19.780	20.730	22.810	20.790
Northern	16.000	10.900	11.650	12.150	12.550	13.380	14.150	15.400	16.400	13.300
Red Lion Area	16.750	11.850	12.600	13.350	13.950	14.800	16.050	17.550	19.500	16.840
South Eastern	20.100	13.000	14.000	14.000	14.000	14.330	16.230	16.720	21.350	16.906
South Western	19.450	13.290	13.290	13.700	13.700	14.100	15.050	15.550	16.500	13.660
Southern	17.400	12.100	12.820	13.950	14.820	15.190	15.980	16.800	17.770	14.390
Spring Grove Area	16.750	11.770	11.770	12.100	12.620	14.000	15.230	16.700	18.200	15.890
West York Area	14.300	11.260	12.080	13.500	15.200	16.690	18.040	18.420	19.090	16.647
York City	25.600	18.700	18.700	18.700	20.880	21.780	22.250	24.000	27.960	27.190
York Suburban	14.670	12.100	12.400	13.170	13.950	14.900	16.220	17.500	18.570	16.834
West Shore	15.000	15.000	10.100	10.100	11.200	11.500	11.500	11.300	11.900	10.100
<b>City</b>										
York	10.520	7.980	9.730	9.730	9.730	11.390	11.390	12.520	13.520	13.170
<b>Borough Rates</b>										
Cross Roads	0.530	0.350	0.350	0.350	0.350	0.350	0.350	0.350	0.350	0.280
Dallastown	1.321	0.941	0.941	0.941	1.040	1.100	1.580	2.000	2.000	1.650
Delta	0.850	0.650	1.100	1.100	1.100	1.100	1.700	1.700	1.900	1.440
Dillsburg	2.250	1.600	1.600	1.900	2.900	2.900	2.900	2.900	2.900	2.370
Dover	2.500	1.800	1.800	1.800	1.800	1.800	1.800	1.800	1.800	1.690
East Prospect	1.500	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.750
Fawn Grove	0.625	0.400	0.400	0.400	0.400	0.400	0.600	1.300	1.300	0.720
Felton	0.500	0.320	0.320	0.320	0.320	0.320	1.100	1.100	1.100	0.950
Franklintown	2.000	1.210	1.210	1.210	1.210	1.210	1.210	1.210	1.210	1.080
Glen Rock	2.500	1.500	2.000	2.000	2.500	2.500	2.500	3.000	3.000	2.400
Goldsboro	1.000	0.725	0.725	0.725	0.725	0.750	0.750	0.750	0.750	0.750
Hellam	2.700	1.850	2.200	2.500	3.000	3.000	3.000	3.200	3.350	2.900
Hanover	3.500	2.600	2.600	2.600	2.600	2.600	2.950	4.450	4.450	3.990
Jacobus	1.500	1.100	1.100	1.100	1.100	1.300	1.300	1.300	1.300	0.923
Jefferson	1.000	0.700	1.100	1.100	1.100	2.140	2.140	2.100	2.100	1.750
Lewisberry	1.000	0.700	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.800
Loganville	0.750	0.557	0.557	0.900	1.200	1.200	1.200	1.200	1.700	1.500
Manchester	2.250	1.650	1.650	1.650	1.650	1.650	1.650	2.650	2.650	2.150
Mount Wolf	2.500	1.900	1.900	1.900	1.900	1.900	2.400	3.500	3.500	2.900
New Freedom	1.000	0.830	0.830	0.830	0.830	0.830	0.830	0.830	0.830	0.660
New Salem	0.500	0.355	0.355	0.355	0.355	0.355	0.855	1.100	1.100	0.850
North York	2.200	1.500	2.610	1.500	2.500	2.500	3.500	3.500	3.500	3.210
Railroad	1.000	0.600	0.600	0.600	0.600	0.600	0.600	0.900	0.900	0.690
Red Lion	2.000	1.660	1.660	1.660	2.660	2.660	2.660	3.560	3.560	3.173
Seven Valleys	0.650	0.425	0.425	0.425	0.425	0.425	0.425	0.425	0.425	0.349
Shrewsbury	0.900	0.640	1.070	1.070	1.070	1.070	1.600	1.600	1.600	1.200
Spring Grove	2.170	1.590	1.590	1.590	1.590	1.590	2.590	2.590	2.590	2.340
Stewartstown	1.200	0.909	1.508	1.800	2.100	2.400	2.400	2.400	3.300	2.720
Wellsville	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.420
West York	2.950	2.190	2.190	2.190	2.690	2.690	3.190	3.190	4.490	3.900
Windsor	1.648	1.106	1.106	1.106	1.117	1.117	1.117	1.117	1.517	1.261
Winterstown	0.570	0.360	0.360	0.600	0.600	0.850	0.850	0.850	0.850	0.850
Wrightsville	1.300	0.870	0.870	0.870	0.870	0.870	0.870	2.100	2.100	1.610
Yoe	1.530	1.153	1.282	1.153	1.153	1.153	1.153	1.153	1.153	0.914
York Haven	1.500	1.252	2.600	2.600	2.600	3.600	3.600	3.600	3.600	3.000
Yorkana	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250	0.250

**COUNTY OF YORK, PENNSYLVANIA**

Property Tax Rates

Direct and Overlapping Governments

Last Ten Years (Continued)

	Year Taxes Are Payable									
	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Townships</b>										
Carroll	0.660	0.430	0.430	0.430	0.430	0.430	1.430	1.430	1.430	1.120
Chanceford	0.360	0.240	0.240	0.240	0.240	0.240	0.240	0.240	0.360	0.300
Codorus	0.500	0.335	0.335	0.335	0.550	0.550	0.550	0.550	0.550	0.420
Conewago	1.500	1.150	1.150	1.150	1.150	1.150	1.150	1.260	1.300	1.300
Dover	1.000	0.750	1.000	1.000	1.000	1.000	1.000	1.000	1.000	0.828
East Hopewell	0.580	0.390	0.390	0.390	0.390	0.590	0.590	0.590	0.590	0.430
East Manchester	1.250	0.780	0.850	1.150	1.150	1.150	1.150	1.150	1.150	1.040
Fairview	0.950	0.662	1.036	1.360	1.036	1.036	1.036	1.178	1.198	1.077
Fawn	0.613	0.360	0.360	0.360	0.650	0.650	0.650	0.650	0.650	0.470
Franklin	0.300	0.225	0.225	0.200	0.200	0.200	0.200	0.200	0.200	0.200
Heidelberg	1.500	1.200	1.200	1.200	1.200	1.200	1.200	1.200	1.500	1.200
Hellam	3.000	1.650	1.650	2.000	2.000	1.500	1.500	1.800	1.800	1.606
Hopewell	0.430	0.290	0.290	0.290	0.290	0.290	0.290	0.290	0.290	0.210
Jackson	0.500	0.350	0.350	0.350	0.350	0.350	0.350	0.350	1.200	0.950
Lower Chanceford	0.650	0.420	0.450	0.500	0.550	0.600	0.600	0.700	0.700	0.600
Lower Windsor	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.000
Manchester	1.140	0.890	1.240	1.240	1.240	1.240	1.240	1.240	1.240	1.000
Manheim	1.500	1.000	1.000	1.000	1.000	1.000	1.000	1.250	1.250	1.000
Monaghan	1.500	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900
Newberry	0.600	0.450	0.450	0.450	0.450	0.450	0.450	0.450	1.500	1.290
North Codorus	0.250	0.175	0.175	0.175	0.175	0.175	0.500	0.500	0.500	0.443
North Hopewell	0.520	0.335	0.335	0.335	0.335	0.335	0.335	0.335	0.335	0.272
Paradise	0.900	0.600	0.600	0.900	1.000	1.000	1.100	1.400	1.700	1.900
Peach Bottom	0.110	0.070	0.500	0.500	0.500	0.500	0.500	0.500	0.500	0.470
Penn	2.300	1.790	1.790	1.790	2.500	2.500	2.500	2.500	2.300	1.990
Shrewsbury	0.130	0.090	0.090	0.090	0.090	0.090	0.090	0.090	0.090	0.074
Spring Garden	2.500	2.050	2.050	2.050	2.050	2.050	2.450	2.850	2.850	2.440
Springettsbury	0.911	0.682	0.627	0.627	0.627	0.727	1.077	1.077	1.077	0.870
Springfield	0.500	0.330	0.330	0.330	0.330	0.330	0.330	0.330	0.330	0.260
Warrington	0.440	0.280	0.280	0.280	0.280	0.280	0.280	0.280	0.280	0.210
Washington	0.450	0.320	0.400	0.450	0.450	0.450	0.450	0.450	0.450	0.400
West Manchester	0.443	0.358	0.358	0.358	0.358	0.358	0.358	0.358	0.250	0.214
West Manheim	2.750	1.700	1.700	1.700	1.700	2.700	2.700	2.700	2.700	2.000
Windsor	0.450	0.320	0.320	0.320	0.320	0.320	0.320	0.320	0.600	0.500
York	0.560	0.420	0.420	0.420	0.420	0.700	0.800	0.800	0.700	0.600

**COUNTY OF YORK, PENNSYLVANIA**  
Principal Property Taxpayers  
December 31, 2006

Taxpayer	2006			1997		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
Excellon Generation Company LLC	\$ 305,340,700	1	1.25%			
ES 3 York LLC	70,878,510	2	0.29%			
York Galleria LLP	58,644,090	3	0.24%			
Kinsley Equities II	57,556,620	4	0.24%			
Harley Davidson Motor Company	54,392,980	5	0.22%			
West Manchester Mall LLC	49,586,670	6	0.20%			
Waterford Associates	35,875,260	7	0.15%			
York Butterfly Limited Partnership	29,728,200	8	0.12%			
The York Development LP	27,932,410	9	0.11%	\$ 19,566,400	4	0.18%
Homewood at Hanover PA Inc	25,973,300	10	0.11%			
Crown American				61,250,730	1	0.55%
YGL Partners				37,019,420	2	0.33%
Caterpillar, Inc.				26,298,350	3	0.24%
J. J. Newberry (McCrory's)				16,186,690	5	0.15%
New Plan Realty Trust				15,414,180	6	0.14%
York Health Care Services				15,057,810	7	0.14%
P. H. Glatfelter				14,096,340	8	0.13%
G. A. David & Affiliates, Inc.				13,196,780	9	0.12%
Queensgate Associates				12,741,850	10	0.11%
<b>Total</b>	<b>\$ 715,908,740</b>		<b>2.93%</b>	<b>\$ 230,828,550</b>		<b>2.07%</b>

Source: County Assessment Office

**COUNTY OF YORK, PENNSYLVANIA**

Real Estate Taxes Levied and Collected

Last Ten Years

(Unaudited)

Fiscal Year	(1)	(2)	Percent of Levy Collected	(3)	Total Tax Collected	Total Tax Collected to Levy	(3)	Outstanding Tax – Current Year	(3)	Outstanding Tax – Prior Years	Outstanding Taxes to Levy
	Total Tax Levy	Current Tax Collected		Prior Year Tax Collected			Outstanding Tax – Current Year		Outstanding Tax – Prior Years		
1997	\$ 40,195,800	\$ 38,004,975	94.55%	\$ 2,057,332	\$ 40,062,307	99.67%	\$ 2,190,825	\$ 1,065,372	8.10%		
1998	41,377,504	38,483,237	93.01%	2,447,887	40,931,124	98.92%	2,894,267	1,232,591	9.97%		
1999	42,444,031	39,753,479	93.66%	3,068,043	42,821,522	100.89%	2,690,552	1,248,876	9.28%		
2000	44,595,870	41,609,880	93.30%	1,772,191	43,382,071	97.28%	2,985,990	2,276,902	11.80%		
2001	55,923,530	52,374,495	93.65%	3,134,412	55,508,907	99.26%	3,549,035	2,902,644	11.54%		
2002	57,663,623	53,845,638	93.38%	3,033,498	56,879,136	98.64%	3,465,071	2,842,089	10.94%		
2003	79,070,273	73,731,064	93.25%	2,658,280	76,389,344	96.61%	4,511,481	1,547,863	7.66%		
2004	80,986,732	74,193,793	91.61%	3,895,781	78,089,574	96.42%	4,225,341	3,303,720	9.30%		
2005	89,495,987	84,102,299	93.97%	2,728,895	86,831,194	97.02%	4,840,672	1,653,395	7.26%		
2006	93,965,893	90,551,553	96.37%	2,830,775	93,382,328	99.38%	4,690,112	3,304,762	8.51%		

NOTES:

- (1) Includes additions to duplicate and penalties.
- (2) Includes discounts, penalties, rebates and error adjustments.
- (3) Includes penalties and adjustments.

SOURCE:  
Annual Reports of York County Controller

**COUNTY OF YORK, PENNSYLVANIA**  
Ratio of Outstanding Debt by Type  
Last Ten Years

<b>Fiscal Year</b>	<b>Governmental Activities General Obligation Bond</b>	<b>Business-Type Activities General Obligation Bond</b>	<b>Primary Government</b>	<b>Personal Income</b>	<b>Per Capita</b>
2002	\$ 92,495,000	\$ -	\$ 92,495,000	0.84%	\$ 237.65
2003	126,335,000	-	126,335,000	1.10%	320.18
2004	119,960,000	-	119,960,000	0.97%	300.81
2005	118,175,512	-	118,175,512	0.91%	294.25
2006	146,806,565	43,988,347	190,794,912	1.35%	458.29

**COUNTY OF YORK, PENNSYLVANIA**  
Ratio of General Obligation Debt to Assessed Value of Real Estate  
and General Obligation Debt Per Capita - Last Ten Years  
(Dollars in Thousands)  
(Except Debt Per Capita)

<b>Fiscal Year</b>	<b>(1) Population</b>	<b>(2) (3) (4) Assessed Value</b>	<b>(5) General Obligation Debt</b>	<b>Ratio of General Obligation Debt to Assessed Value</b>	<b>General Obligation Debt Per Capita</b>
1997	370,518	\$ 11,152,914	\$ 46,640	0.42%	\$ 125.88
1998	372,704	16,059,779	38,945	0.24%	104.49
1999	376,586	16,365,697	36,160	0.22%	96.02
2000	381,751	17,039,940	55,265	0.32%	144.77
2001	386,299	17,476,468	85,415	0.49%	221.11
2002	389,209	17,857,775	92,495	0.52%	237.65
2003	394,581	18,317,323	126,335	0.69%	320.18
2004	398,788	18,811,349	119,960	0.64%	300.81
2005	401,613	19,342,530	118,176	0.61%	294.25
2006	416,322	24,440,005	190,795	0.78%	458.29

NOTES:

(1) York County Planning Commission

(2) County Board of Assessment

(3) In 1998, a County-wide reassessment took effect. Assessed values shown represent 100% of Market Values.

(4) Does not include Exempt and Utility assessments.

(5) Annual Reports of York County Controller

(6) In 2006, a County-wide reassessment effect.

**COUNTY OF YORK, PENNSYLVANIA**  
 Direct and Overlapping Governmental Activities Debt  
 As of December 31, 2006

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>School Districts</b>			
Central York	\$97,365,000	100%	\$97,365,000
Dallastown Area	66,315,442	100%	66,315,442
Dover Area	32,310,000	100%	32,310,000
Eastern York	58,829,000	100%	58,829,000
Hanover Public	38,535,000	100%	38,535,000
Northeastern	62,836,978	100%	62,836,978
Northern	43,439,249	100%	43,439,249
Red Lion Area	95,825,000	100%	95,825,000
South Eastern	39,724,000	100%	39,724,000
South Western	38,750,000	100%	38,750,000
Southern	48,585,000	100%	48,585,000
Spring Grove Area	85,405,000	100%	85,405,000
West York Area	37,337,402	100%	37,337,402
York City	87,028,544	100%	87,028,544
York Suburban	31,705,000	100%	31,705,000
West Shore	56,739,946	100%	56,739,946
<b>Other Schools</b>			
York Co School of Tech	43,000,000	100%	43,000,000
<b>City</b>			
York	91,964,873	100%	91,964,873

## COUNTY OF YORK, PENNSYLVANIA

Direct and Overlapping Governmental Activities Debt (Continued)  
As of December 31, 2006

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Boroughs</b>			
Cross Roads	-	100%	-
Dallastown	-	100%	-
Delta	767,407	100%	767,407
Dillsburg	483,677	100%	483,677
Dover	569,300	100%	569,300
East Prospect	-	100%	-
Fawn Grove	-	100%	-
Felton	934,419	100%	934,419
Franklintown	143,049	100%	143,049
Glen Rock	47,007	100%	47,007
Goldsboro	-	100%	-
Hellam	-	100%	-
Hanover	20,278,979	100%	20,278,979
Jacobus	-	100%	-
Jefferson	-	100%	-
Lewisberry	-	100%	-
Loganville	-	100%	-
Manchester	7,896,388	100%	7,896,388
Mount Wolf	4,180,440	100%	4,180,440
New Freedom	3,245,000	100%	3,245,000
New Salem	4,063,341	100%	4,063,341
North York	199,252	100%	199,252
Railroad	186,987	100%	186,987
Red Lion	-	100%	-
Seven Valleys	-	100%	-
Shrewsbury	-	100%	-
Spring Grove	8,495	100%	8,495
Stewartstown	-	100%	-
Wellsville	-	100%	-
West York	-	100%	-
Windsor	473,194	100%	473,194
Winterstown	-	100%	-
Wrightsville	171,527	100%	171,527
Yoe	-	100%	-
York Haven	-	100%	-
Yorkana	-	100%	-

**COUNTY OF YORK, PENNSYLVANIA**

Direct and Overlapping Governmental Activities Debt (Continued)  
As of December 31, 2006

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>Townships</b>			
Carroll	1,330,000	100%	1,330,000
Chanceford	-	100%	-
Codorus	32,451	100%	32,451
Conewago	-	100%	-
Dover	19,162,823	100%	19,162,823
East Hopewell	-	100%	-
East Manchester	288,387	100%	288,387
Fairview	14,299,868	100%	14,299,868
Fawn	22,019	100%	22,019
Franklin	-	100%	-
Heidelberg	-	100%	-
Hellam	52,678	100%	52,678
Hopewell	0.29	100%	0.29
Jackson	5,480,608	100%	5,480,608
Lower Chanceford	17,928	100%	17,928
Lower Windsor	3,760,000	100%	3,760,000
Manchester	12,247,602	100%	12,247,602
Manheim	16,415	100%	16,415
Monaghan	-	100%	-
Newberry	11,380,000	100%	11,380,000
North Codorus	29,531	100%	29,531
North Hopewell	-	100%	-
Paradise	72,604	100%	72,604
Peach Bottom	-	100%	-
Penn	4,506,083	100%	4,506,083
Shrewsbury	528,810	100%	528,810
Spring Garden	1,756,657	100%	1,756,657
Springettsbury	2,375,000	100%	2,375,000
Springfield	15,728,480	100%	15,728,480
Warrington	-	100%	-
Washington	-	100%	-
West Manchester	5,542,448	100%	5,542,448
West Manheim	5,765,219	100%	5,765,219
Windsor	1,635,000	100%	1,635,000
York	14,951,877	100%	14,951,877
Subtotal, overlapping debt			1,220,326,384
County of York direct debt			146,806,565
Total direct and overlapping debt			<u>\$1,367,132,949</u>

**COUNTY OF YORK, PENNSYLVANIA**  
**Computation of Legal Debt Margin**  
**Last Ten Years**

	Fiscal Year				
	1997	1998	1999	2000	2001
<b>Borrowing Base Revenues</b>					
Two years prior		\$76,204,888	\$72,535,359	\$80,237,964	\$84,815,237
Prior year	\$74,132,385	76,204,888	80,237,964	84,815,237	106,426,544
Current year	72,535,359	80,237,964	84,815,237	106,426,544	125,324,948
<b>Total Revenues</b>	<b>\$222,872,632</b>	<b>\$228,978,211</b>	<b>\$237,588,560</b>	<b>\$271,479,745</b>	<b>\$316,566,729</b>
<b>Debt Limit For General Obligation Bonds</b>					
Average borrowing base revenues		\$76,326,070	\$79,196,187	\$90,493,248	\$105,522,243
Debt limit percentage	x 300%				
Debt limit	222,872,631	228,978,210	237,588,561	271,479,744	316,566,729
Total outstanding bonded debt	47,919,684	39,597,342	36,160,000	55,265,000	85,415,000
<b>Legal Debt Margin</b>	<b>\$174,952,947</b>	<b>\$189,380,868</b>	<b>\$201,428,561</b>	<b>\$216,214,744</b>	<b>\$231,151,729</b>
Total outstanding bonded debt as a percentage of debt limit	21.50%	17.29%	15.22%	20.36%	26.98%
<b>Debt Limit For General Obligation Bonds and Lease Rental Debt</b>					
Average borrowing base revenues		\$76,326,070	\$79,196,187	\$90,493,248	\$105,522,243
Debt limit percentage	x 400%				
Debt limit	297,163,508	305,304,280	316,784,748	361,972,992	422,088,972
Total amount of debt applicable to debt limit	47,919,684	39,597,342	36,160,000	55,265,000	85,415,000
<b>Legal Debt Margin</b>	<b>\$249,243,824</b>	<b>\$265,706,938</b>	<b>\$280,624,748</b>	<b>\$306,707,992</b>	<b>\$336,673,972</b>
Total amount of debt applicable to debt limit as a percentage of debt limit	16.13%	12.97%	11.41%	15.27%	20.24%

**COUNTY OF YORK, PENNSYLVANIA**  
**Computation of Legal Debt Margin (Continued)**  
**Last Ten Years**

	Fiscal Year				
	2002	2003	2004	2005	2006
<b>Borrowing Base Revenues</b>					
Two years prior	\$106,426,544	\$125,324,948	\$233,374,047	\$255,046,694	\$272,355,249
Prior year	125,324,948	134,955,914	255,046,694	272,355,249	302,994,515
Current year	134,955,914	144,764,478	272,355,249	302,994,515	323,719,025
<b>Total Revenues</b>	<u>\$366,707,406</u>	<u>\$405,045,340</u>	<u>\$760,775,990</u>	<u>\$830,396,458</u>	<u>\$899,068,789</u>
<b>Debt Limit For General Obligation Bonds</b>					
Average borrowing base revenues	\$122,235,802	\$135,015,113	\$253,591,997	\$276,798,819	\$299,689,596
Debt limit percentage	x 300%				
Debt limit	366,707,406	405,045,339	760,775,991	830,396,457	899,068,788
Total outstanding bonded debt	92,495,000	126,335,000	119,960,000	118,175,512	190,794,912
<b>Legal Debt Margin</b>	<u>\$274,212,406</u>	<u>\$278,710,339</u>	<u>\$640,815,991</u>	<u>\$712,220,945</u>	<u>\$708,273,876</u>
Total outstanding bonded debt as a percentage of debt limit	25.22%	31.19%	15.77%	14.23%	21.22%
<b>Debt Limit For General Obligation Bonds and Lease Rental Debt</b>					
Average borrowing base revenues	\$122,235,802	\$135,015,113	\$253,591,997	\$276,798,819	\$299,689,596
Debt limit percentage	x 400%				
Debt limit	488,943,208	540,060,452	1,014,367,988	1,107,195,276	1,198,758,384
Total amount of debt applicable to debt limit	92,495,000	126,335,000	119,960,000	118,175,512	190,794,912
<b>Legal Debt Margin</b>	<u>\$396,448,208</u>	<u>\$413,725,452</u>	<u>\$894,407,988</u>	<u>\$989,019,764</u>	<u>\$1,007,963,472</u>
Total amount of debt applicable to debt limit as a percentage of debt limit	18.92%	23.39%	11.83%	10.67%	15.92%

**COUNTY OF YORK, PENNSYLVANIA**  
Demographic and Economic Statistics  
Last Ten Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income \$000</u>	<u>Per Capita Personal Income (1)</u>	<u>Public School Enrollment</u>	<u>Local Unemployment Rate</u>
1997	370,518	\$9,339,277	\$25,206	64,198	4.1%
1998	372,704	9,862,866	26,463	65,062	3.7%
1999	376,586	10,197,949	27,080	65,220	2.9%
2000	381,751	10,989,084	28,786	67,944	3.5%
2001	386,299	10,894,791	28,203	65,526	4.6%
2002	389,209	11,039,524	28,364	65,177	5.6%
2003	394,581	11,535,181	29,234	65,821	4.8%
2004	398,788	12,313,377	30,877	66,520	4.6%
2005	401,613	13,009,450	32,393	67,325	4.7%
2006	416,322	14,160,360	34,013	66,642	3.2%

(1) US Department of Commerce, Bureau of Economic Analysis, Office of Regional Economic Accounts

**COUNTY OF YORK, PENNSYLVANIA**  
**Principal Employers**  
**December 31, 2006**

<b>Employer (1)</b>	<b>Employees</b>	<b>Percentage of Total County Employment</b>
York Hospital	4,568	2.11%
Harley-Davidson Motor Company	2,800	1.29%
Wal-Mart Associates, Inc.	2,440	1.13%
York County	2,425	1.12%
Giant Food Stores LLC	1,943	0.90%
BAE Systems	1,405	0.65%
Hanover General Hospital	1,321	0.61%
UTZ Quality Foods, Inc.	1,245	0.57%
Kinsley Construction, Inc.	1,111	0.51%
R. H. Sheppard, Inc.	884	0.41%
<b>Total</b>	<b><u>20,142</u></b>	<b><u>9.29%</u></b>
 Total Employees in County (2)	 216,700	

Note: Information on principal employers for 1997 was not available

Source: (1) PA Department of Labor and Industry; Center for Workforce Information and Analysis.  
(2) [www.paworkstat.state.pa.us](http://www.paworkstat.state.pa.us)

**COUNTY OF YORK, PENNSYLVANIA**  
**Employees by Function/Program**  
**Last Six Years**

	2001	2002	2003	2004	2005	2006
<b>General Fund Departments</b>						
Commissioners	8	9	9	10	9	11
Solicitor	2	2	2	2	2	2
Maintenance	47	43	41	41	41	54
Voter Registration	9	9	9	8	10	10
Assessment	35	34	34	36	37	37
Weights & Measurer	2	2	2	2	2	2
Treasurer	8	8	8	9	10	8
Payroll	2	4	3	3	3	3
Controller	13	13	15	14	14	14
Training	-	-	-	-	-	2
Recorder of Deeds	14	14	16	16	15	15
Telephone & Mail Room	2	2	3	3	3	3
Information Services	22	21	20	20	19	20
Print Shop	1	1	1	1	1	1
Purchasing	2	2	2	2	3	3
Risk Management	3	2	3	3	3	3
Archives	5	5	5	6	6	7
Conservation District	12	14	14	14	14	15
Human Resources	8	9	9	8	7	8
Center for Highway Safety	4	3	4	4	4	4
Ag Land Preservation	2	2	2	2	2	3
Juvenile Probation	132	134	59	60	66	64
Adult Probation	-	-	78	81	90	83
Youth Development Center	52	46	52	51	51	44
Facilities Management	-	-	-	-	4	4
Prison	374	390	386	391	390	394
Register of Wills	10	10	9	10	10	10
Sheriff	76	78	83	91	95	106
Coroner	5	5	5	5	5	5
Prothonotary	23	23	25	23	24	26
Clerk of Courts	27	27	25	30	35	42
Public Defender	20	22	22	25	27	32
District Attorney	67	66	67	70	73	79
Court Administration	104	85	90	100	105	114
District Magistrates	105	83	82	85	88	89
Emergency Services	1	1	1	1	1	1
Divorce Masters	6	5	5	5	5	4
Emergency Management	3	4	6	7	7	7
Veterans	4	4	4	4	5	5
Parks	59	59	42	35	46	54
Fleet Management	-	-	-	-	-	4
Penn State Cooperative	9	9	11	11	10	11
<b>Total General Fund Departments</b>	<b>1,278</b>	<b>1,250</b>	<b>1,254</b>	<b>1,289</b>	<b>1,342</b>	<b>1,403</b>
<b>Non General Fund Departments</b>						
Human Services	7	7	7	7	6	10
Drug & Alcohol	13	13	12	11	12	13
MH/MR	94	106	115	118	116	123
Community Service	5	5	3	4	3	-
HealthChoices	5	4	4	5	5	4
Children & Youth	136	134	139	142	135	137
Nursing Home	533	505	525	502	515	506
911	71	75	77	81	104	94
Domestic Relations	81	82	79	78	77	75
Aging	55	58	62	63	60	60
<b>Total Non General Fund Departments</b>	<b>1,000</b>	<b>989</b>	<b>1,023</b>	<b>1,011</b>	<b>1,033</b>	<b>1,022</b>
<b>Total</b>	<b>2,278</b>	<b>2,239</b>	<b>2,277</b>	<b>2,300</b>	<b>2,375</b>	<b>2,425</b>

**COUNTY OF YORK, PENNSYLVANIA**  
**Operating Indicators by Function**  
**Last Ten Years**

Function	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
General Government										
Fiscal Affairs										
Deeds recorded	16,018	17,021	16,577	15,976	14,777	13,290	12,750	13,479	13,270	11,554
Mortgages recorded	38,079	39,064	39,140	48,187	37,314	30,890	23,838	28,908	32,702	25,322
Land Development Plans	559	567	536	563	545	591	585	665	661	688
Dwelling Units Planned	3,273	4,898	3,948	5,112	2,940	2,168	3,132	2,941	3,034	2,417
New Construction Permits	2,679	3,064	2,688	2,931	2,761	2,232	2,107	2,356	2,417	2,066
Administration										
General election information										
Registered voters	275,251	266,880	264,134	240,218	231,954	231,954	225,555	216,707	205,665	196,410
Votes cast	128,119	56,042	181,678	59,976	101,349	58,056	145,024	54,136	87,129	66,176
Percent of votes cast	46.5%	21.0%	68.8%	25.0%	43.7%	25.0%	64.3%	25.0%	42.4%	33.7%
Coroner										
Cases	437	432	490	447	484	466	481	444	421	471
Autopsies	76	74	66	63	64	78	88	68	73	67
Court System and Corrections										
Court Administration										
Estates & wills probated	1,403	1,383	1,418	1,292	1,413	1,384	1,359	1,391	1,309	1,328
Petition for Adoption	140	172	165	156	183	173	167	179	197	196
Petition for termination or relinquishment	206	200	172	186	237	200	274	214	264	122
Marriage applications	2,406	2,371	2,350	2,189	2,352	2,408	2,366	2,379	2,376	2,179
Civil cases filed	4,419	2,890	3,894	5,790	6,246	6,418	6,319	6,029	6,399	6,320
Family cases filed	2,333	2,385	3,306	386	n/a	n/a	n/a	n/a	n/a	n/a
Municipal tax cases filed	1,118	1,240	1,024	1,048	1,193	769	n/a	n/a	n/a	n/a
Judgments filed	5,203	4,394	4,075	3,754	3,911	3,605	n/a	n/a	n/a	n/a
Administrative cases	35	40	2	n/a						
Criminal cases	7,874	6,997	5,709	5,614	5,887	5,552	5,227	2,501	2,478	2,364
Juvenile cases	1,138	1,207	1,123	1,006	1,045	1,023	1,186	67	29	39
Miscellaneous cases	2,319	1,909	1,586	1,578	1,799	1,653	1,918	2,777	139	132
Summary appeals	473	472	428	411	464	492	507	147	7	5
Domestic relations active cases	16,699	17,084	17,035	17,125	17,015	16,867	n/a	n/a	n/a	n/a
Firearm permits issued	3,879	3,556	3,743	4,350	8,338	3,851	n/a	n/a	n/a	n/a
Probation										
Adult caseload	7,401	7,235	6,616	6,264	5,732	5,328	4,163	n/a	4,221	n/a
Juvenile referrals	2,148	2,198	2,378	2,426	2,287	2,342	2,796	2,616	2,672	2,562
Corrections										
Average daily population	2,036	1,833	1,831	1,778	1,916	1,902	1,682	1,428	1,189	1,139
Annual admissions	13,535	11,777	11,802	12,078	11,834	10,531	9,757	8,443	8,921	8,196
Pleasant Acres										
Nursing home beds	375	375	375	375	375	435	436	437	438	439
Independent living beds	32	32	32	32	32	n/a	n/a	n/a	n/a	n/a
Available bed days	136,875	136,875	137,250	136,875	136,875	142,275	159,210	158,775	180,675	180,675
Actual resident days	136,875	132,825	132,393	130,752	123,788	116,571	110,369	118,201	148,953	147,030
Percent occupancy	100.0%	97.0%	96.5%	95.5%	90.4%	81.9%	69.3%	74.4%	82.4%	81.4%

**COUNTY OF YORK, PENNSYLVANIA**  
**Operating Indicators by Function (Continued)**  
**Last Ten Years**

Function	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Human Services										
Adult Services										
Housing	617	900	413	533	175	438	606	n/a	n/a	n/a
Emergency shelter	420	511	250	865	696	645	10	n/a	n/a	n/a
Information/referral	35,945	35,018	31,936	32,191	27,291	27,382	29,266	n/a	n/a	n/a
Adult/Children Services										
Bridge housing	150	158	129	115	111	81	76	n/a	n/a	n/a
Rental assistance	5,875	4,863	4,107	3,277	3,150	1,274	1,398	n/a	n/a	n/a
Emergency shelter	617	480	521	777	726	338	170	n/a	n/a	n/a
Individual shelter nights	10,706	10,223	8,606	2,462	11,650	10,618	11,172	n/a	n/a	n/a
Medical transportation	1,141	805	517	596	477	385	393	n/a	n/a	n/a
Area Agency on Aging										
Home delivered meals										
Meals served	143,568	136,980	134,407	129,154	125,168	132,145	174,124	167,960	149,940	135,365
Persons served	1,011	1,113	1,029	1,033	1,008	1,067	1,387	1,429	1,213	1,163
Congregate meals										
Meals served	89,479	84,543	78,968	79,166	88,440	87,549	92,538	95,796	98,205	96,380
Persons served	1,846	1,667	1,757	1,712	1,744	1,792	1,845	1,991	2,103	2,118
Transportation										
Trips	108,600	104,718	101,136	105,867	117,152	120,351	118,410	117,616	123,912	120,715
Persons served	4,310	4,498	3,645	3,235	3,007	2,981	2,691	2,734	2,746	2,576
Children & Youth Services										
Children served	8,619	8,277	8,219	8,605	9,798	8,969	10,021	9,962	10,525	8,842
Placement days	249,118	249,736	253,595	239,379	235,628	249,989	266,366	251,670	230,861	203,482
Child abuse reports	982	904	775	808	858	831	841	856	997	942
Mental Health										
Emergency/Crisis										
intervention hours	20,210	19,223	19,252	22,364	21,793	21,337	20,881	20,923	n/a	n/a
Community residential days	19,824	20,432	19,073	17,720	20,796	20,320	19,844	22,208	n/a	n/a
Community employment hours	8,165	6,119	6,327	6,229	8,812	9,306	9,800	15,780	n/a	n/a
Community vocational rehab hours	54,938	58,077	59,025	60,665	57,897	57,479	57,060	62,800	n/a	n/a
Service case management hours	51,959	47,494	47,056	43,511	35,679	34,070	32,460	29,705	n/a	n/a
Day treatment hours	2,289	4,450	4,981	2,800	5,684	5,212	4,740	5,350	n/a	n/a
Psychiatric outpatient hours	34,733	29,483	23,494	30,969	33,013	32,676	32,338	36,190	n/a	n/a
Social rehab hours	55,991	52,902	46,144	35,772	40,510	35,558	30,605	40,321	n/a	n/a
Family based support hours	5,525	4,977	5,575	5,306	5,483	3,918	2,352	8,247	n/a	n/a
Housing support days	17,145	14,168	16,878	11,921	10,860	10,318	9,775	12,336	n/a	n/a
Psychiatric inpatient days	293	98	363	65	200	255	311	448	n/a	n/a
Mental Retardation										
Community hab (ADT) hours		83,871	142,957	140,154	134,292	127,545	120,799	110,786	n/a	n/a
Vocational rehabilitation hours		213,771	202,109	190,446	198,746	234,422	270,100	264,811	n/a	n/a
Supported employment hours		14,514	17,528	20,541	19,862	19,225	18,588	16,856	n/a	n/a
Home & community hab hours		178,064	n/a							
Transportation		6,999	6,952	6,829	6,504	6,411	6,315	5,546	n/a	n/a
Early intervention clients	1,360	1,246	1,135	1,044	951	993	916	827	n/a	n/a
Family support clients		582	571	543	542	561	578	560	n/a	n/a
Residential clients		591	579	569	553	549	546	520	n/a	n/a
Drug & Alcohol										
Intake evaluations	1,494	1,297	1,459	806	779	686	671	822	n/a	n/a
Inpatient treatment clients	393	459	328	1,537	406	249	203	318	n/a	n/a
Detoxification days	835	1,343	515	1,537	1,207	1,056	922	1,076	n/a	n/a
Methadone visits	574	512	837	737	605	319	478	n/a	n/a	n/a
Outpatient hours	3,723	9,862	16,224	7,005	7,534	7,005	7,497	42,082	n/a	n/a

**COUNTY OF YORK, PENNSYLVANIA**  
**Operating Indicators by Function (Continued)**  
**Last Ten Years**

<b>Function</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>	<b>1997</b>
Human Services (continued)										
York HealthChoices										
Ancillary										
Members	83	72	1,530	53	18	n/a	n/a	n/a	n/a	n/a
Units	512	586	3,282	274	206	n/a	n/a	n/a	n/a	n/a
BHRS										
Members	1,223	1,088	948	851	795	n/a	n/a	n/a	n/a	n/a
Units	990,092	1,029,126	913,124	591,111	500,838	n/a	n/a	n/a	n/a	n/a
Community supports										
Members	1,577	1,340	1,040	883	646	n/a	n/a	n/a	n/a	n/a
Units	245,345	227,703	198,918	132,422	50,632	n/a	n/a	n/a	n/a	n/a
Inpatient drug & alcohol										
Members	17	14	12	13	23	n/a	n/a	n/a	n/a	n/a
Units	143	122	77	56	159	n/a	n/a	n/a	n/a	n/a
Inpatient mental health										
Members	724	565	531	526	392	n/a	n/a	n/a	n/a	n/a
Units	10,321	8,294	7,792	6,353	4,475	n/a	n/a	n/a	n/a	n/a
Non-hospital drug & alcohol										
Members	343	274	213	199	130	n/a	n/a	n/a	n/a	n/a
Units	10,740	7,721	6,129	5,901	2,946	n/a	n/a	n/a	n/a	n/a
Other services										
Members	227	106	164	20	15	n/a	n/a	n/a	n/a	n/a
Units	44,401	6,446	4,723	1,198	1,408	n/a	n/a	n/a	n/a	n/a
Outpatient drug & alcohol										
Members	732	593	522	401	246	n/a	n/a	n/a	n/a	n/a
Units	16,996	11,708	7,497	5,197	3,192	n/a	n/a	n/a	n/a	n/a
Outpatient mental health										
Members	6,415	5,536	4,540	4,391	3,406	n/a	n/a	n/a	n/a	n/a
Units	169,647	148,066	128,667	152,028	96,771	n/a	n/a	n/a	n/a	n/a
RTF accredited										
Members	188	169	122	86	83	n/a	n/a	n/a	n/a	n/a
Units	169,647	148,066	128,667	152,028	96,771	n/a	n/a	n/a	n/a	n/a
RTF non-accredited										
Members	19	23	27	9	8	n/a	n/a	n/a	n/a	n/a
Units	2,191	2,535	3,433	1,358	805	n/a	n/a	n/a	n/a	n/a

**COUNTY OF YORK, PENNSYLVANIA**  
**Operating Indicators by Function (Continued)**  
**Last Ten Years**

Function	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Human Services (continued)										
Adams HealthChoices										
Ancillary										
Members	7	1	220	4	n/a	n/a	n/a	n/a	n/a	n/a
Units	34	4	475	20	n/a	n/a	n/a	n/a	n/a	n/a
BHRS										
Members	250	223	204	208	173	n/a	n/a	n/a	n/a	n/a
Units	211,977	221,953	264,246	164,081	133,406	n/a	n/a	n/a	n/a	n/a
Community supports										
Members	248	208	146	175	95	n/a	n/a	n/a	n/a	n/a
Units	51,063	32,626	19,863	15,230	8,881	n/a	n/a	n/a	n/a	n/a
Inpatient drug & alcohol										
Members	1	2	1	1	3	n/a	n/a	n/a	n/a	n/a
Units	13	12	7	3	37	n/a	n/a	n/a	n/a	n/a
Inpatient mental health										
Members	90	80	91	85	50	n/a	n/a	n/a	n/a	n/a
Units	1,654	1,310	1,366	1,197	636	n/a	n/a	n/a	n/a	n/a
Non-hospital drug & alcohol										
Members	56	29	30	22	16	n/a	n/a	n/a	n/a	n/a
Units	1,505	882	796	558	277	n/a	n/a	n/a	n/a	n/a
Other services										
Members	54	44	44	5	5	n/a	n/a	n/a	n/a	n/a
Units	4,420	2,572	3,084	606	395	n/a	n/a	n/a	n/a	n/a
Outpatient drug & alcohol										
Members	167	104	95	91	55	n/a	n/a	n/a	n/a	n/a
Units	3,884	2,497	1,665	1,495	1,112	n/a	n/a	n/a	n/a	n/a
Outpatient mental health										
Members	937	896	756	717	539	n/a	n/a	n/a	n/a	n/a
Units	22,200	20,933	16,517	19,548	11,815	n/a	n/a	n/a	n/a	n/a
RTF accredited										
Members	50	38	31	31	22	n/a	n/a	n/a	n/a	n/a
Units	8,826	5,643	4,829	4,790	2,352	n/a	n/a	n/a	n/a	n/a
RTF non-accredited										
Members	1	-	4	2	2	n/a	n/a	n/a	n/a	n/a
Units	52	-	381	62	148	n/a	n/a	n/a	n/a	n/a

Source: By reporting department.  
n/a: Information not available.

**COUNTY OF YORK, PENNSYLVANIA**

Capital Asset Statistics by Function  
Last Five Years

<u>Function</u>	Fiscal Year				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Governmental Fund</b>					
<u>Corrections</u>					
Motor Vehicles					
Juvenile Probation	6	6	6	6	6
Adult Probation	4	4	4	4	5
Youth Development Center	1	1	1	1	1
Prison	12	13	13	13	13
Buildings	2	2	2	2	2
<u>Cultural and Recreation</u>					
Motor Vehicles					
Parks	20	21	19	20	20
Number of Parks	8	8	8	8	8
Parks Acreage	3,991	3,991	3,991	3,991	3,991
Buildings	6	6	6	6	6
<u>General Government</u>					
Motor Vehicles					
Conservation District	8	8	9	9	9
Coroner	1	1	2	2	2
Fleet Management	0	0	0	5	6
Highway Safety	1	1	1	1	1
Human Resources	1	1	1	1	1
Maintenance	3	3	3	4	4
Penn State Coop Extension	1	1	1	2	2
Weights and Measures	0	0	0	1	1
Buildings	4	4	5	5	4
<u>Health Education and Welfare</u>					
Motor Vehicles					
Aging	1	1	2	2	2
Children & Youth	8	11	13	15	13
MH/MR	2	2	2	2	2
Veterans Affairs	1	1	1	1	1
Buildings	2	2	2	2	2
<u>Judicial</u>					
Motor Vehicles					
District Attorney	7	8	8	9	10
Sheriff	11	18	22	25	28
Buildings	1	1	1	1	2
<u>Public Safety</u>					
Motor Vehicles					
Emergency Management	3	3	4	4	6
Emergency Services	0	0	1	1	1
<u>Road and Bridges</u>					
Motor Vehicles					
Liquid Fuels	4	5	5	5	5
<b>Enterprise Funds</b>					
<u>County Nursing Home</u>					
Motor Vehicles	8	10	10	10	11
Buildings	1	1	1	1	1
<u>911 Fund</u>					
Motor Vehicles	3	3	3	3	4
Buildings	2	2	2	2	2