

COUNTY OF YORK
YORK, PENNSYLVANIA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2012

PREPARED BY THE OFFICE OF THE CONTROLLER

ROBERT P. GREEN, CONTROLLER

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 FOR THE YEAR ENDED DECEMBER 31, 2012

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Office of County Controller

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Controller

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County of York, Pennsylvania

June 18, 2013

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, 2012, 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 Governmental 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.

Management assumes full responsibility for the completeness and reliability of the information contained in the report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Zelenkofske Axelrod LLC, Certified Public Accountants, have issued an unqualified ("clean") opinion on the County of York's financial statements for the year ended June 30, 2012. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A is a complement to this letter of transmittal and should be read in conjunction with it.

Profile of the Government

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.

Local Economy

Major industries located within the government's boundaries include information and professional services, wholesale and retail trade, manufacturing firms, education services, and health care. A diversity of industry and the proximity to Harrisburg, Baltimore, Washington, and Philadelphia in the northeastern corridor has helped in a dynamic economic growth.

The location of York County provides two bedroom communities. One community falls in the northern region and travels to Harrisburg for work and the southern region community travels to Baltimore. The County is sixth in the Commonwealth of Pennsylvania in new home construction, with the York/Hanover region growing at a fast pace.

As the National economy has fallen into decline, jobs have become scarce and company layoffs have increased. Although in the last year, York County has done better than most economies. The County's unemployment rate as of December 2012 was 7.5%, an increase of 0.4% from December 2011's unemployment rate of 7.1%. The Commonwealth of Pennsylvania and National unemployment rates for December 2012 were 7.9% and 7.8%, respectively, which the state increased and the national rate decreased from 2011. York County was 0.4% lower than the State, and 0.3% lower than the National rate.

Jobs are important, but salary is also a large factor in where families will live. A large part of York County's growth is from the Baltimore area bringing with it higher housing and service costs. York County salaries are lower than the state average and the difference in the population growth rate between the county and the state has caused an even larger gap in salaries over the past decade. The County in the past has added jobs to adjust to the increase in population, but factors such as rising costs and the lack of increase in salaries determines what families can afford, where they will live, and work.

Long-term Financial Planning

Unassigned fund balance in the general fund was 7.7% of total general fund revenues at December 31, 2012. The County adopted a formal Fund Balance Policy in 2011 to be compliant with GASB Statement No. 54. York County is dedicated to maintaining a reasonable fund balance sufficient to mitigate current and future financial risks and to ensure stable tax rates. The policy allows the County to effectively react with existing resources to emergency situations and unanticipated events. It also limits the size of tax anticipation notes, maintains or improves a strong bond rating thereby reducing future interest expense, and exercises good fiscal management by permitting the development of a more responsible and responsive long-term financial plan. The County informally budgets to approximate breakeven revenues and expenses on an annual basis and to retain a consistent amount of unassigned fund balance from year to year. The County is not currently planning any significant increases in operations or major projects, other than those already in progress.

Relevant Financial Policies

For four consecutive years in a row, 2009, 2010, 2011, and 2012, budgetary guidelines were issued for all departments so that the County could keep the same level of service without increasing taxes. With the decline of the economy, the County of York did not want to place additional burden on the taxpayers. With the exclusion of salary increases, all departments were tasked with little or no increases in departmental expenditures.

In 2011, the County of York adopted a Debt Management Policy. The Debt Management Policy consists of guidelines and directives applicable to the ongoing financing of capital expenditures

and tax anticipation borrowings. The objectives of the policy is to assure that the County incurs debt only when appropriate and with a long term perspective, to minimize interest rates and issuance costs associated with the debt, to minimize the length and total debt service cost over the life of debt issue, and to preserve financing flexibility and debt capacity for future Boards of Commissioners.

Major Initiatives

Family Group Decision Making

Family Group Decision Making is an evidence-based approach that gives authority to and empowers families by allowing them to draw on family experiences, knowledge and resources to create and implement plans that provide for the safety, permanency and well-being of their family. York County has been very successful in utilizing this proven practice to achieve permanency, ensure safety, and reduce truancy at higher levels for children while ultimately reducing costs for the county by eliminating unnecessary placements. In 2010 York County began providing this service directly with even greater success. Bringing the service internally has led to a superior quality of service and increased accessibility to the Human Service agencies, resulting in better outcomes.

Conflict Attorney Panel

In 2010, the York County Court of Common Pleas, under the leadership of then President Judge Renn and Judge Thompson, implemented a Conflict Attorney Panel in order to reduce the escalating cost of third-party contracted special counsel fees. The County of York was incurring over \$1.2 million of special counsel fees annually for attorneys who represented indigent clients who could not be defended by the Public Defender's Office due to a conflict of interest. The panel is comprised of eleven attorneys assigned to handle criminal and juvenile delinquency cases and two attorneys to handle mental health related cases. Panel attorneys are compensated at an annual salary of \$38,000 and \$17,500 respectively, and are assigned a fixed number of cases on an annual basis. The implementation of the Conflict Attorney Panel has been instrumental in reducing Court appointed third-party attorney fees by approximately \$200,000 a year.

Work Release Facility

The County of York has long been recognized for its progressive alternative sentencing programs designed to avoid incarceration for non-violent offenders, rehabilitate inmates and reduce recidivism. Among the more effective programs has been the Prison Work Release program. Inmates who exhibit good behavior and demonstrate a willingness to integrate back into the community are given the opportunity to work outside the prison environment with partnering businesses and community organizations. With a current capacity of 150 inmates housed in a minimum security facility, the Work Release program cannot accommodate all those whom wish to participate. To expand the program, the County has acquired a 36,000 sq. foot property adjacent to the Prison facility. A \$6.9 million renovation project is currently underway

to reconfigure the property to house up to 300 work release inmates in a minimum housing arrangement that will also facilitate the necessary support and administrative functions.

York County Treatment Courts

The York County Treatment Courts started with the implementation of the Drug Treatment Court in 1997, followed by the Mental Health Treatment in 2005, DUI Treatment Court in 2010 and the Veterans' Treatment Court in 2012.

As of December 2012, 486 clients have graduated from a York County Treatment Court Program. In 2012 alone, 22,395 jail days were saved, resulting in an overall cost savings of \$866,160 to the County. The recidivism rate is 26%, which is dramatically less than the national average. Clients are required to have their high school diploma, a GED, or basic reading skills in order to graduate. Intangible benefits for the graduates include reunification with their families, including their children, and becoming a productive, positive member of society.

The Drug Treatment Court was selected by the National Drug Court Institute as one of ten National Mentor Courts in the Nation and provides training to courts which are starting such a court.

York County Drug Treatment Court

The York County Drug Treatment Court was established in October of 1997 to address the high-risk recidivist non-violent drug offender. This Court has the capacity for 150 participants. By targeting this population, the Drug Treatment Court is able to stop the cycle of drug abuse and reduce jail days; therefore, prevent these offenders from re-entering the criminal justice system. This creates a cost savings within the York County Prison, Magisterial District Justices, Public Defender's Office, District Attorney's Office, the Judiciary and the Adult Probation Department.

York County's Drug Treatment Court is well established within the community and has been recognized by the County Commissioners and the Criminal Justice Advisory Board as a cost effective way to address the needs of the drug addicted offender in this county. In fact, the National Association of Drug Court Professionals through their training arm, the National Drug Court Institute, chose the program to be a National Mentor Court. York was recognized as one of ten courts across the United States to represent these agencies and provide training and technical assistance to jurisdictions looking to implement a Drug Court or for already established programs looking to implement Drug Court Best Practices. In April 2012, the York County Drug Treatment Court program received accreditation from the Pennsylvania State Supreme Court.

As of December 31, 2012, the York County Drug Treatment Court program has processed 2,830 referrals, admitted 1,003 offenders, cleared 2,190 cases from the York County Court of Common Pleas, and successfully graduated 384 clients. Most significantly, the program's recidivism rate is only 26% since its inception.

In 2012, the York County Drug Treatment Court program graduated 47 clients. The 47 clients saved a total of 9,998 jail days. The average cost of jail is \$84 a day. This is a cost savings of \$829,834. The average cost to participate in the Drug Court program is \$11,280. That is a total cost of \$530,152 for 47 clients to participate in the program. Subtracting the cost to participate in

the program from the money saved in jail days, the total cost savings to the County of York is \$299,682.

York County Mental Health Treatment Court

With the success of the Drug Treatment Court, York County established an adult Mental Health Treatment Court in May of 2005. This Court has the capacity for 35 participants. Individuals with mental illness are at increased risk for contact with law enforcement due to increased risks for homelessness, lack of service availability in the community and inability to access entitlements in a timely fashion. Peter Early, the author of the book *Crazy*, suggests prisons have become our new mental health hospitals. What has happened in York supports this claim. When services were in place, individuals with mental illness were less likely to be homeless and less likely to spend long periods of time incarcerated. National findings such as the "Bureau of Justice Statistics Special Report, Mental Health Problems of Prison and Jail Inmates," (September, 2006) also supports the argument, 64% of individuals incarcerated nationwide have a mental health problem.

The Mental Health Court works to actively engage services, stabilize housing and address needs in the community that has led the individual into the criminal justice system. Since its inception, 39 individuals have graduated from the Mental Health Court and more than 150 cases were cleared from the criminal docket. Of the 42 graduates, only five individuals have recidivated or re-entered the criminal justice system, giving the program a 12% recidivism rate.

In April 2010, the York County Mental Health Court program participated in a national study by the National Center for State Courts. York County's Mental Health Court was one of four Courts selected in the country to participate in the creation of performance measures for Mental Health Courts. The York County Mental Health Court program is listed in the national publication for the National Center for State Courts.

In 2012, the York County Mental Health Court program graduated 5 clients. Those 5 clients saved a total of 691 days in jail. This was a cost savings to the county of \$57,353. The average cost for the 5 clients to participate in the Mental Health Court was \$56,399. Subtract the cost to participate from the cost saved in jail days; the total cost savings is \$954. The Mental Health Court program has a 12% recidivism rate. Research shows that once individuals with mental illness penetrate into the criminal justice system, it is often the beginning of a revolving door in and out of jail. The low recidivism rate assures most of these clients will not return to the criminal justice system; therefore, saving the county additional dollars.

York County DUI Court

York County is currently fourth in the Commonwealth for Driving Under the Influence (DUI) offenses and has been consistently third or fourth across the Commonwealth since 2005. Those counties reporting higher rates (Philadelphia, Allegheny, Montgomery, and Delaware) are densely populated urban areas. York County has a very diverse population of urban, suburban and rural areas. Considering the size and population of this county, the instances of DUI offenses are considered very high. The ratio of DUI offenses per population totals in York County is similar to the offense ratios in Philadelphia County.

York County's DUI Court was formally established in May 2010 with a capacity of 100 participants. Currently, the program is serving 180 clients and has exceeded its maximum allowable admittance of 150 clients. Currently there is a wait list to enter into the DUI Court Program.

In 2012, the York County DUI Court graduated 35 clients. The 35 clients saved a total of 11,256 days in the York County Prison, which saved a total of \$934,248. The cost for the 35 clients to participate in the DUI court program was \$394,794. Subtract the cost to participate from the money saved in jail days; the total cost savings to the county from the DUI court program is \$539,454. Since the start of the DUI Court program, 53 clients have graduated the program. Only two clients have received new criminal charges after graduation. The recidivism rate for DUI court is 4%.

Veterans Court

Resulting from our military operations in Iraq and Afghanistan, an estimated 550,000 Veterans under the age of 25 suffer from a substance abuse or mental health disorder; and these diagnoses have increased nearly 40 percent since 2004. Left untreated, they can directly lead to homelessness and involvement in the criminal justice system. Courts around the country are reporting an increase in the number of Veterans they are seeing and, in response, are creating Veterans Treatment Courts. Veterans Treatment Courts are hybrid Drug and Mental Health Courts that recognize the unique military culture while addressing distinct Veteran issues, such as Post-traumatic Stress Disorder, Traumatic Brain Injury, and Military Sexual Trauma.

The Veterans Treatment Court seeks to divert eligible veteran-defendants with substance dependency and/or mental illness that are charged with a criminal offense to a specialized criminal court docket. Veterans are identified through screening and assessments. The veterans voluntarily participate in a judicially supervised treatment plan that a team of court staff, veteran health care professionals, veteran peer mentors, Alcohol & Drug health care professionals and mental health professionals develop with the veteran. Upon successful completion of the program, pending charges may be reduced or dropped, depending on their severity.

In February 2012, the York County Treatment Courts started a hybrid Veterans Treatment Court. Using staff already in place from our existing treatment courts, Judge Craig T. Trebilcock presided over this new treatment court program. The program currently has a total of 15 clients with another 5 pending admission. The Veterans Treatment Court successfully graduated its first participant in November 2012.

The Veterans Court program was awarded money from the NADCP to attend training in Buffalo, New York during the spring of 2013. The goal of the training is to observe the operations of the Buffalo Veterans Court program and hopefully come back with some tools to accentuate the program.

The York County Probation Department will enter a concept paper to the Pennsylvania Commission on Crime and Delinquency to fund a full-time Veterans Court probation officer in 2014. The announcement of the award will not occur until May 2013.

DUI Court Expansion

In early 2011, the Criminal Justice Advisory Board (CJAB) at the request of President Judge Stephen Linebaugh decided to make the management of DUI cases a priority because they represent one third of our criminal case load.

The CJAB formed a coalition of stakeholders including, the County Commissioners, Court of Common Pleas Judges, District Court Judges, Court Administration, the Clerk of Courts, the District Attorney's Office, the Public Defender's Office, the Probation Department, the York County Prison, York/Adams Drug and Alcohol, the Sheriff's Office, the York County Police Chiefs Association and various other law enforcement agencies. CJAB's review of the problem revealed that approximately 25% of offenders were repeat offenders. A closer look at these cases also revealed an opportunity to focus on improving public safety and providing these offenders with an opportunity for treatment. All individuals stopped for DUI are screened and if they are repeat offenders, they will be fitted with an alcohol monitoring bracelet within days of their stop. The wearing of this bracelet and staying alcohol free will be a condition of their bail.

The previous procedure allowed defendants to remain free without restriction until they were sentenced. Our experience has been that most of these folks will candidly admit that without the bracelet they would have continued to drink and drive. With the new program, each individual is also required as a condition of bail to obtain a drug and alcohol evaluation and comply with treatment.

Bankruptcy Trustee Hearings

The Bankruptcy Trustee Program was established by the United States Department of Justice in the 1970's for the purpose of having people who filed Bankruptcy appear before an appointed Trustee to answer questions regarding their financial circumstances and ability to pay debt. Those hearings have been conducted in the past in the York County Judicial Center, and since January 1, 2012, are now being conducted in the York County Administration Center.

By conducting these hearings locally, those York County residents who have filed for Bankruptcy, as well as their attorneys, are allowed to attend the hearing within York County instead of having to travel to Harrisburg to appear at a hearing in the Federal Building. Not only is this a significant convenience for the residents of York County, but it is a more cost effective and efficient way of handling these hearings. The savings on gas is considerable.

All of this results in better service to the York County residents who are already facing significant financial hardships, as most Bankruptcies are caused by job loss, illness and divorce, with the resulting foreclosures and loss of other assets.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County of York for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2011. This is the twenty-first consecutive year that York County has achieved this prestigious award. In order to be awarded a

Certificate of Achievement, the government had to publish an easily readable and efficiently organized comprehensive annual financial report that satisfied 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 CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

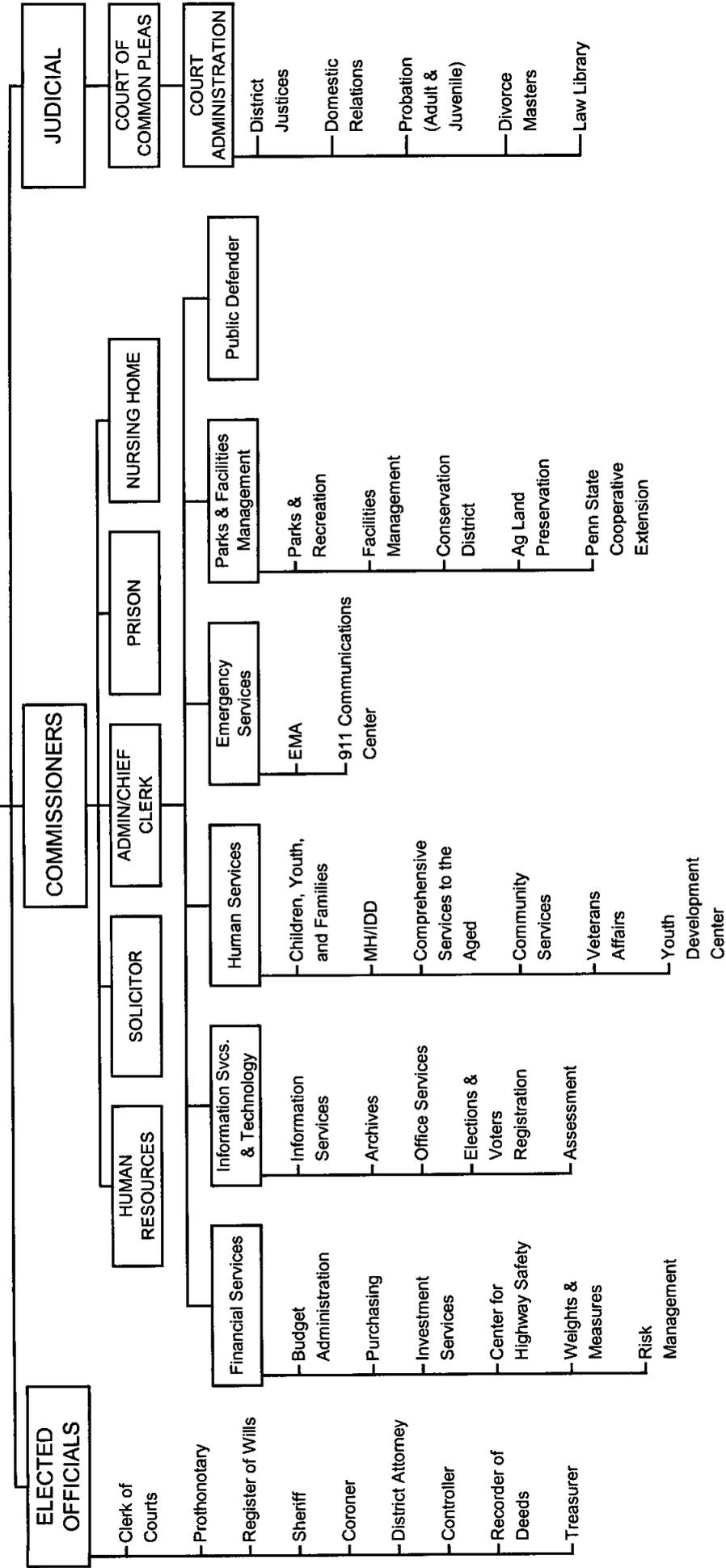
The completion of this CAFR represents the twenty-second time York County has prepared such a report and demonstrates a commitment to continue the excellence in financial reporting previously recognized. It could not have been completed in such a comprehensive manner, nor on a timely basis, without the 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 'R. Green', with a large, stylized flourish extending from the end of the signature.

**Robert P. Green
Controller**

YORK COUNTY GOVERNMENT VOTERS



YORK COUNTY OFFICIALS

December 31, 2012

JUDICIARY COURT OF COMMON PLEAS

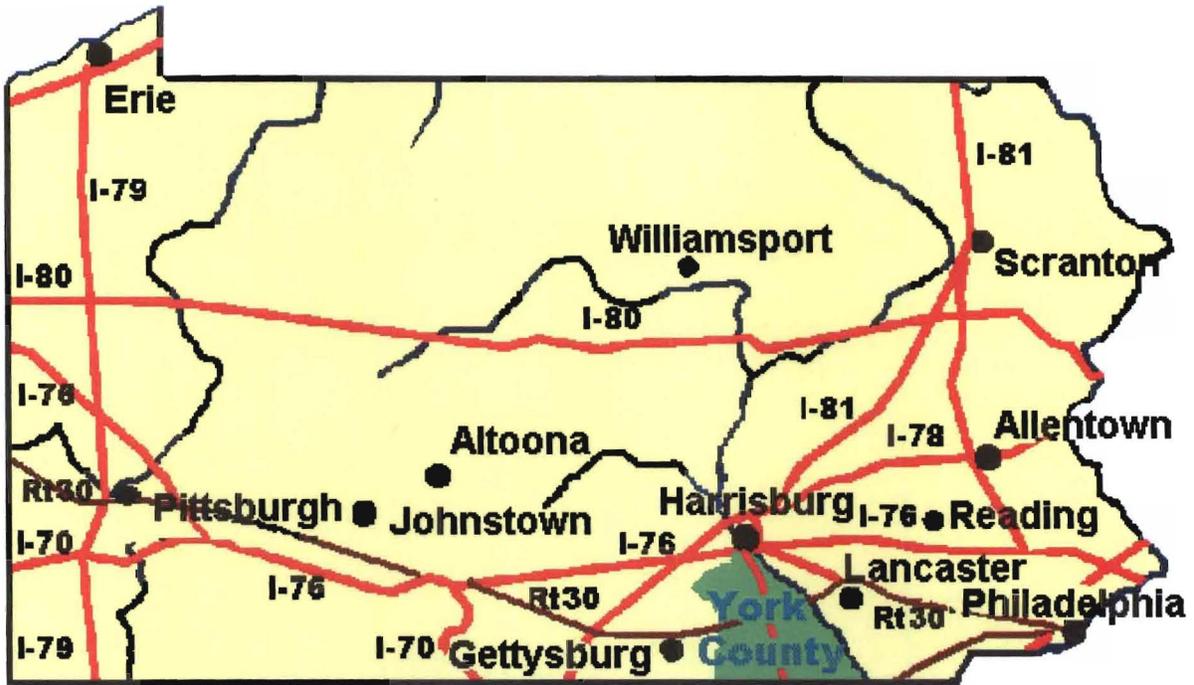
PRESIDENT JUDGE
JUDGE
JUDGE
JUDGE
JUDEG
JUDGE
JUDGE

HONORABLE STEPHEN P. LINEBAUGH
HONORABLE JOSEPH C. ADAMS
HONORABLE PENNY L. BLACKWELL
HONORABLE MICHAEL E. BORTNER
HONORABLE JOHN H. CHRONISTER
HONORABLE SHERYL ANN DORNEY
HONORABLE THOMAS H. KELLEY, VI
HONORABLE JOHN S. KENNEDY
HONORABLE MARIA MUSTI COOK
HONORABLE HARRY M. NESS
HONORABLE RICHARD K. RENN
HONORABLE GREGORY M. SNYDER
HONORABLE ANDREA MARCECA STRONG
HONORABLE JOHN W. THOMPSON, JR.
HONORABLE CRAIG TREBILCOCK

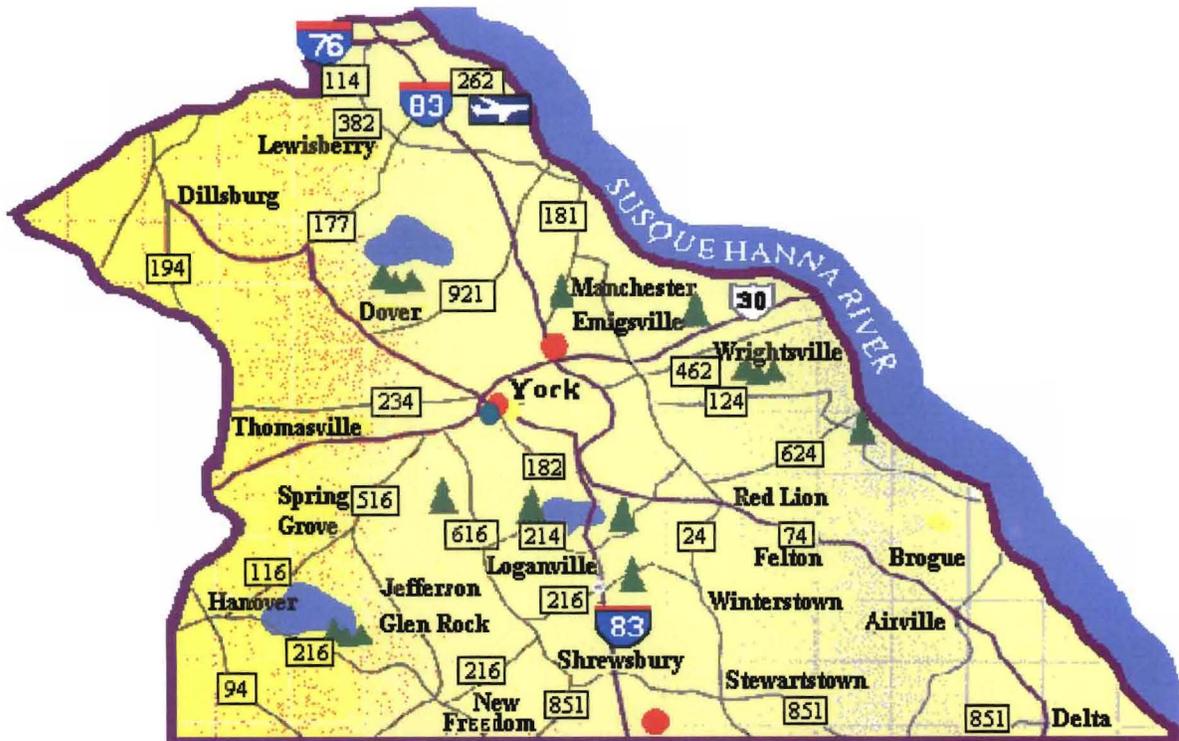
ELECTED COUNTY OFFICIALS

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

M. STEVEN CHRONISTER
CHRISTOPHER B. REILLY
P. DOUGLAS HOKE
ROBERT P. GREEN
BARRY L. BLOSS
BARBARA L. BAIR
RANDI L. REISINGER
BRADLEY C. JACOBS
DONALD R. O'SHELL, JR.
PAMELA S. LEE
RICHARD P. KEUERLEBER, III
THOMAS L. KEARNEY



COMMONWEALTH OF PENNSYLVANIA



YORK COUNTY

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, 2011

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.



Christopher P. Moynell
President

Jeffrey R. Enen
Executive Director

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Zelenkofske Axelrod LLC

INDEPENDENT AUDITORS' REPORT

County Commissioners
County of York
York, Pennsylvania

Report on the Financial Statements

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, 2012, and the related notes to the financial statements, which collectively comprise the COUNTY OF YORK's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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%, 99.2%, and 87.6% of the assets, net position, and revenues, respectively, of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has 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 on the report 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. The financial statements of the York County Solid Waste and Refuse Authority, the York County Industrial Development Authority, and the York County Library System were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Harrisburg	Lehigh Valley	Philadelphia	Pittsburgh
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	3800 McKnight E. Drive, Suite 3805 Pittsburgh, PA 15237 412.367.7102 Fax 412.367.7103

Zelenkofske Axelrod LLC

County Commissioners
County of York
York, Pennsylvania

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2012, 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.

Adoptions of New GASB's

As described in Note 1 to the financial statements, in 2012 the COUNTY OF YORK adopted the remaining provisions of Governmental Accounting Standards Board's Statement No. 57, "*OPEB Measurement by Agent Employers and Agent Multi-Employer Plans*," the provisions of Statement No. 60, "*Accounting and Financial Reporting for Service Concession Arrangements*," Statement No. 62, "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*," Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*," and Statement No. 64, "*Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53*".

Zelenkofske Axelrod LLC

County Commissioners
County of York
York, Pennsylvania

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of employer contributions and funding progress, schedule of funding progress for postemployment benefits other than pensions, and budgetary comparison schedules on pages 19 through 32, page 124, page 125, and pages 126 through 130 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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 nonmajor fund financial statements and budget and actual schedules (other supplementary information), and statistical section are presented for the purposes of additional analysis and are not a required part of the financial statements.

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

Zelenkofske Axelrod LLC

County Commissioners
County of York
York, Pennsylvania

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 do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2013 on our consideration of the COUNTY OF YORK's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of York's internal control over financial reporting and compliance.

Zelenkofske Axelrod LLC

ZELENKOFKSKE AXELROD LLC

Harrisburg, Pennsylvania
June 18, 2013

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, 2012. 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, 2012. Certain reclassifications were made to prior year amounts to conform to the current year presentation.

Financial Highlights

- The County had \$196,091,512 of governmental activities general obligation debt outstanding as of December 31, 2012. This represents an increase of \$4,950,489 or 2.6% from the previous year. The increase pertains to debt issued of \$9.1 million and the issuance of \$77.4 million in refunding bonds that was offset by principal payments of \$81.6 million. Business-type activities general obligation debt decreased as a result of principal payments in the amount of \$1.7 million. As of December 31, 2012, the business-type activities general obligation debt outstanding was \$47,380,755.
- The assets of the County's governmental activities exceeded its liabilities as of December 31, 2012 by \$26,743,070 (net position). Of this amount, there was a deficit of unrestricted net position of \$49,381,731.
- York County's total primary government net position decreased by \$14.3 million. Net position of the governmental activities decreased by \$12.9 million or 32.6%. \$5.0 million related to the increase in the general obligations debt, \$3.1 million for the annual required contribution that was not funded for OPEB benefits in the current year and \$1.0 million for the unfunded annual required contribution (ARC) to the pension plan. The remaining decrease is further detailed on page 21 of this MD&A. The net position of the business-type activities decreased by \$1.5 million or 14.3%. The decrease was due primarily to the \$1.5 million annual required contribution that was not funded for OPEB benefits in the current year.
- At the end of the fiscal year, York County's governmental funds reported combined ending fund balances of \$31,129,338 a decrease of \$10,208,159 in comparison with the prior year. Approximately 36.0% of this total amount, \$11,197,326 is available for spending at the government's discretion (unassigned fund balances) within the boundaries set forth in the governmental fund's purpose, which is consistent with prior years. The majority of this decrease is reflected in the General Fund (\$7,999,410 or 24.8% decrease from the prior year) resulting from higher expenditures and transfers out.

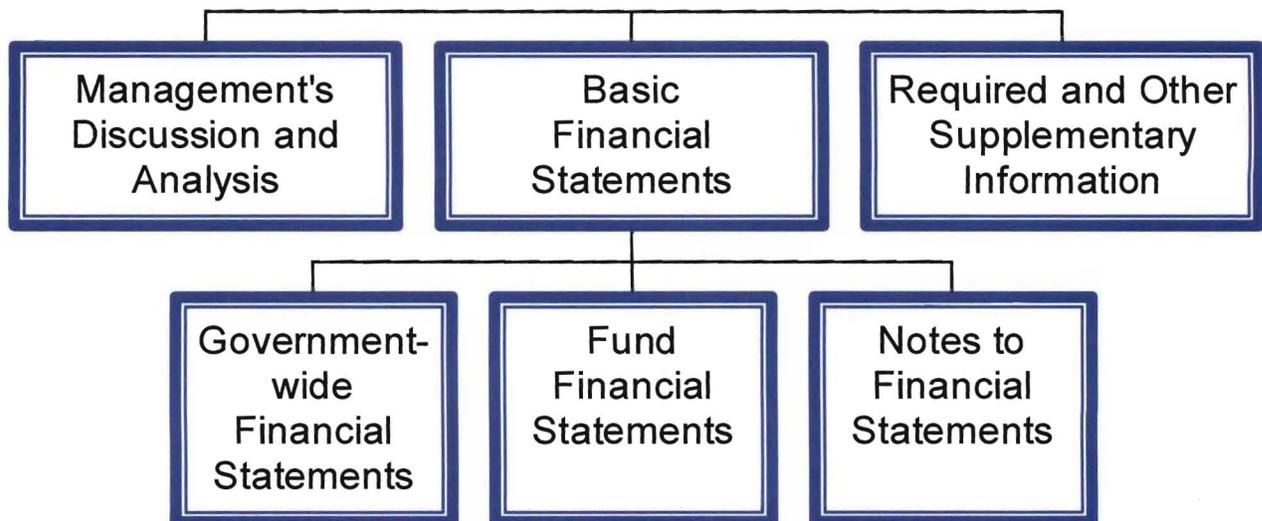
Financial Highlights (Continued)

- At the end of the fiscal year, unassigned fund balance for the General Fund was \$12,765,062 or 7.3% of total General Fund expenditures and transfers out.

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 Position and Statement of Activities. Fiduciary activities, whose resources are not available to finance County programs, are excluded from these statements.

The Statement of Net Position presents the County's total assets, deferred outflows, liabilities, and deferred inflows with the difference reported as net position. Over time, increases or

Government-Wide Financial Statements (Continued)

decreases in net position 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 position 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.

Both the Statement of Net Position 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, capital 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 activities to be accounted for in separate funds, while other funds are established to control and manage resources restricted or committed 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.

Fund Financial Statements (Continued)

- 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 position. A statement of changes in fiduciary net position 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 eleventh year that the County has presented its financial statements using the reporting model required by GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis (MD&A) – for State and Local Governments*.

Net Position

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

	Governmental Activities		Business-Type Activities	
	2012	2011	2012	2011
	(\$ in millions)			
Assets				
Capital assets, net	\$ 239.5	\$ 235.6	\$ 65.2	\$ 66.2
Other assets	74.1	90.8	9.6	8.5
Total assets	<u>313.6</u>	<u>326.4</u>	<u>74.8</u>	<u>74.7</u>
Liabilities				
Current liabilities	60.9	67.1	4.9	4.4
Long-term liabilities	226.0	219.7	61.1	60.0
Total liabilities	<u>286.9</u>	<u>286.8</u>	<u>66.0</u>	<u>64.4</u>
Net Position				
Net investment in capital assets	67.9	70.1	15.8	16.4
Restricted	8.2	9.6	3.0	3.2
Unrestricted	(49.4)	(40.1)	(10.0)	(9.3)
Total net position	<u>\$ 26.7</u>	<u>\$ 39.6</u>	<u>\$ 8.8</u>	<u>\$ 10.3</u>

Financial Analysis of the County as a Whole (Continued)

The County derives its revenues from property taxes which the County imposed a real estate millage rate that remained constant at 4.15 mills. Total real estate assessed values increased by 0.5% for 2012. In 2012, property tax revenue increased by \$479,916 or 0.4%.

Net position of the County of York's governmental activities decreased by \$12.9 million or 32.6% (\$26.7 million compared to \$39.6 million). The majority was a result of the increase of \$5.0 million of general obligation debt and another \$3.1 million of the decrease related to the amount of the annual required contribution that was not funded for OPEB benefits in the current year. \$1.0 million of the decrease was due to unfunded annual required contribution (ARC) to the pension plan. The remaining \$3.8 million of the decrease was primarily due to increased transfers to business-type activities and various other items.

Governmental Activities unrestricted net position—the part of net position that can be used to finance the day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements—changed from \$(40.1) million at December 31, 2011 to \$(49.4) million at the end of this year.

The net position of our business-type activities decreased by \$1.5 million or 14.3% (\$8.8 million compared to \$10.3 million). The majority of the decrease was related to the amount of the annual required contribution that was not funded for OPEB benefits in the current year of \$1.5 million. Unrestricted net position of business-type activities further deteriorated from a negative \$9.3 million in 2011 to a negative \$10.0 million in 2012.

York County's total assets as of December 31, 2012 are \$388.4 million, a decrease of \$12.6 million. Investments decreased \$12.5 million due to the County used the investments to fund current year expenses and the York/Adams Health Choices Programs were allowed by DPW to hold more funds in restricted accounts to fund future expenses of these programs. Liabilities increased \$1.7 million totaling \$352.9 million. \$7.4 million increase in long-term liabilities was offset by a decrease of \$5.7 million in short-term liabilities (unearned revenues recognized in 2012). The increase in long-term liabilities was due to current year OPEB cost in excess of payments made of \$4.6 million, increase of general obligation debt of \$3.7 million, unfunded (ARC) pension liability of \$1.2 million and offset by a reduction of \$1.0 million for payments made against the litigation liability.

Financial Analysis of the County as a Whole (Continued)

Changes in Net Position

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

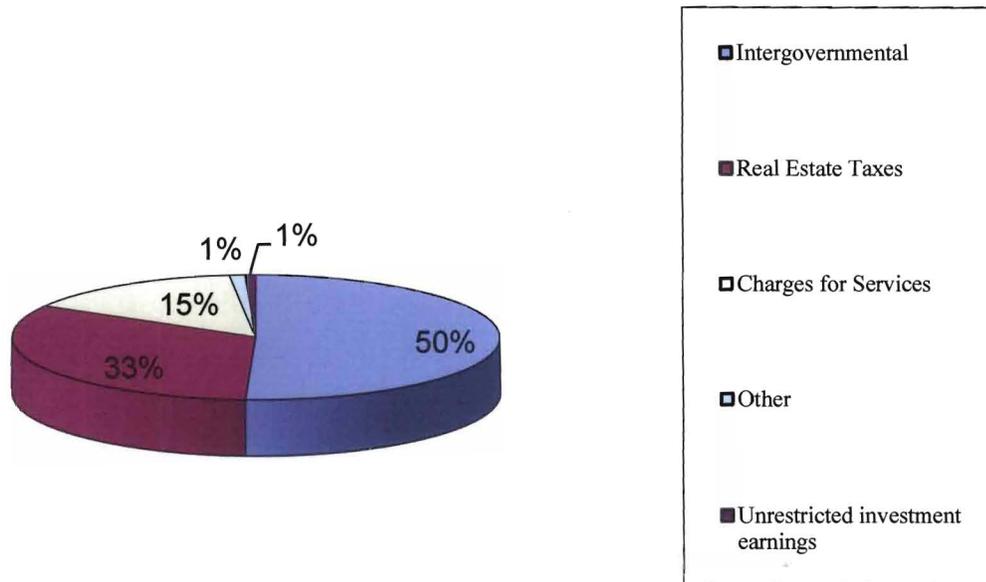
	Governmental Activities		Business-Type Activities	
	2012	2011	2012	2011
	(\$ in millions)			
Revenue				
Program revenues:				
Charges for services	\$ 50.7	\$ 47.3	\$ 38.7	\$ 38.7
Operating grants and contributions	171.5	170.1	-	-
Capital grants and contributions	0.7	1.8	-	0.2
General revenues:				
Real estate taxes	110.9	110.4	-	-
Other	1.9	1.6	-	-
Unrestricted investment gain/(loss)	2.3	(10.6)	-	-
Hotel taxes	1.6	1.6	-	-
Total revenues	339.6	322.2	38.7	38.9
Expenses				
General government	14.2	13.6	-	-
Public safety	66.7	64.0	-	-
Roads and bridges	1.3	1.7	-	-
Health, education and welfare	182.8	178.2	-	-
Judicial	41.4	41.6	-	-
Cultural and recreation	7.6	7.4	-	-
Community development	11.8	12.9	-	-
Interest expense	7.8	5.8	-	-
Nursing home	-	-	41.8	41.0
911 operations	-	-	17.3	15.4
Total expenses	333.6	325.2	59.1	56.4
Increase (decrease) in net position before transfers	6.0	(3.0)	(20.4)	(17.5)
Transfers	(18.9)	(18.1)	18.9	18.1
Change in net position	(12.9)	(21.1)	(1.5)	0.6
Net position – beginning	39.6	60.7	10.3	9.7
Net position – ending	\$ 26.7	\$ 39.6	\$ 8.8	\$ 10.3

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, 2012:

Sources of Revenues Total Revenues of \$339.6 Million



Total government-wide revenues of \$339.6 million were derived primarily from intergovernmental grants, representing 50% of the total. Intergovernmental grants accounted for \$172.2 million. The second largest source of revenue came from real estate taxes of \$110.9 million, which comprised 33% of the total. Revenue to house INS detainees and state boarding of prisoners accounted for 49% of the \$50.7 million in charges for services, which represented 15% of total revenues, followed by unrestricted investment earnings of \$2.3 million. Hotel tax accounted for \$1.6 million of the \$3.5 million of other revenues.

Total revenues increased by \$17.4 million during 2012. The majority of the increase in 2012 came from unrestricted investment earnings of \$2.3 million compared to unrestricted investment loss of \$(10.6) million from 2011. Charges for services increased by \$3.4 million, of which \$2.3 million related to revenue to house INS detainees and state boarding of prisoners.

Financial Analysis of the County as a Whole (Continued)

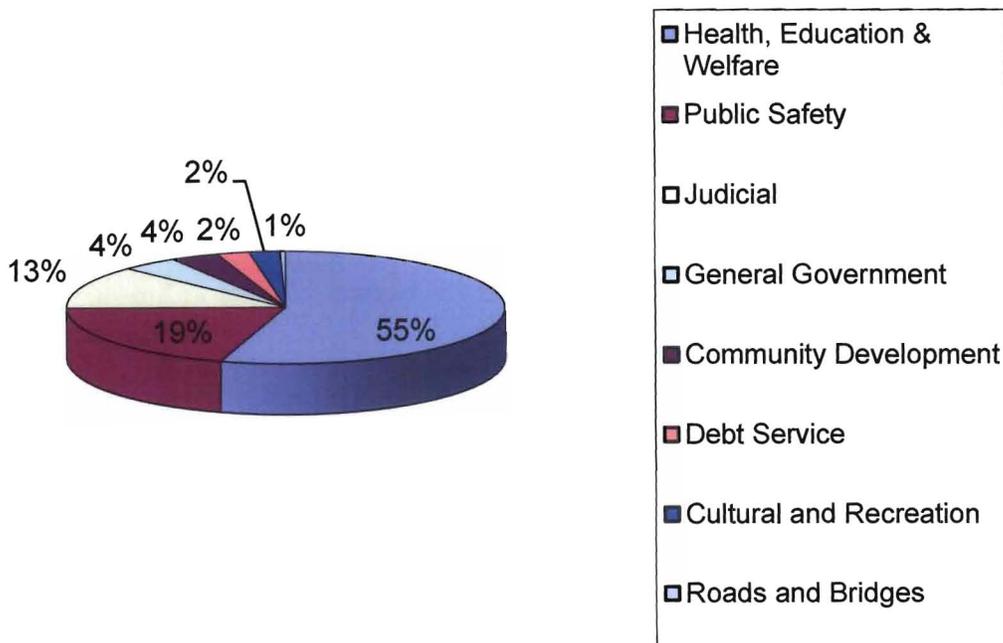
Business-Type Activities

Total business-type revenues of \$38.7 million, decreased \$0.2 million from 2011, were derived from charges for sales and services from the County Nursing Home of \$32.6 million, and telephone surcharge revenues from 911 operations of \$6.1 million. The County Nursing Home revenues increased by \$0.4 million from higher occupancy rates. 911 revenues decreased by \$0.6 million which was due to a decrease in wireless funding.

Governmental Activities

The following chart graphically depicts the functional expenses for the fiscal year ended December 31, 2012:

Functional Expenses
Total Expenses of \$333.6 Million



Financial Analysis of the County as a Whole (Continued)

Governmental Activities (Continued)

Total expenses in 2012 were \$333.6 million. The expenses cover a wide range of services, with health, education, and welfare being the largest at \$182.8 million comprising 55% of total expenses. Within health, education, and welfare; Human services, Children, Youth, and Families, and MH/IDD had the largest expenses at \$96.3 million, \$45.8 million, and \$29.0 million, respectively. The second largest category is public safety at \$66.7 million comprising 19% of total expenses. The other categories are as follows: judicial at \$41.4 million, general government at \$14.2 million, community development at \$11.8 million, cultural and recreation at \$7.6 million, interest expense at \$7.8 million, and roads and bridges at \$1.3 million.

Expenditures increased in 2012 by \$8.4 million which represented only a 2.6% increase. The majority of the increase came from health, education, and welfare which accounted for \$4.6 million. The second largest increase was public safety at \$2.7 million.

Business Type Activities

Total expenses in 2012 were \$59.1 million, an increase of \$2.7 million from 2011. The County nursing home comprised 70.7% of the total, having total operating and administrative expenses of \$41.8 million, which included depreciation expense of \$0.9 million. The 911 operations incurred \$17.3 million in total expenses, which included bond interest expense of \$2.0 million and depreciation expense of \$4.1 million. Expenditures increased primarily due to an increase in depreciation expense of \$2.0 million for the 911 operations.

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, Mental Health/Intellectual and Developmental Disabilities Fund, Children and Youth Fund, and Community Development Block Grant Fund. For the fiscal year ended December 31, 2012, the County of York governmental funds had a combined ending fund balance of \$31.1 million, a decrease of \$10.2 million from fiscal year 2011.

Financial Analysis of the County's Funds (Continued)

Governmental Funds (Continued)

The General Fund is the primary operating fund of the County of York. The General Fund had a fund balance of \$24.3 million, a decrease of \$8.0 million. The General Fund had an excess of revenues over expenditures of \$22.8 million for 2012 before other financing sources/(uses). General Fund net transfers out of (\$30.8) million accounted for all of the other financing sources/(uses).

The increase in General Fund revenues from the prior year was \$2.4 million with expenditures increasing by \$5.0 million. The majority of the increase in expenditures came from public safety of \$3.6 million. General Fund had transfers out of \$30.8 million which represented an increase of \$0.6 million. The majority of the transfers out are related to the Enterprise Funds of \$19.0 million. The Nursing Home accounted for \$9.7 million and the 911 Fund of \$9.3 million.

The General Fund supplements the Children, Youth, and Families Fund and the Mental Health and Intellectual and Developmental Disabilities Fund through transfers for the amount of the fund's expenditures in excess of their revenues. The General Fund transfer to the Children, Youth, and Families Fund in 2012 was \$9.7 million. Mental Health and Intellectual and Developmental Disabilities Fund had transfers in from the General Fund of \$0.9 million. The change in transfers to the Children, Youth, and Families Fund and the Mental Health and Intellectual and Developmental Disabilities Fund were insignificant.

The Children, Youth, and Families Fund had expenditures of \$45.8 million in 2012 compared to \$42.5 million in 2011. Higher expenditures of \$3.3 million were due primarily to an increased level of placements for children in 2012 compared to 2011 fiscal year.

The Community Development Block Grant Program revenues and expenditures decreased by \$0.7 million primarily due to fewer projects incurred expenditures for the neighborhood stabilization and community development block grant programs.

The fund balance for Other Nonmajor Funds decreased from \$9.1 million in 2011 to \$6.9 million in 2012. Affordable Housing accounted for the majority of the \$2.2 million decrease at \$1.7 million.

Enterprise Funds

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

Financial Analysis of the County's Funds (Continued)

Enterprise Funds (Continued)

As of December 31, 2012, the net position (deficit) of the County's nursing home amounted to \$(4.0) million and those for 911 operations amounted to \$12.9 million. The nursing home's net position increased by \$0.5 million due to greater transfers in than loss incurred for the 2012 fiscal year. 911 Fund had a decrease of net position of \$1.9 million due to higher expenses than revenues. 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 \$304.7 million as of December 31, 2012. This represented an increase of \$2.9 million, or 1.0% over the previous year's total of \$301.8 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	
	2012	2011	2012	2011	2012	2011
Land	\$ 53,443,932	\$ 53,210,552	\$ 260,065	\$ 260,065	\$ 53,703,997	\$ 53,470,617
Construction in progress	10,816,674	4,021,954	2,344,680	607,653	13,161,354	4,629,607
Buildings and improvements	204,097,248	202,683,565	37,612,661	37,608,303	241,709,909	240,291,868
Leasehold assets	-	-	2,116,845	997,500	2,116,845	997,500
Furniture, Fixtures, and Equipment	16,572,296	14,702,670	51,639,275	50,506,690	68,211,571	65,209,360
Easements	17,977,571	17,977,571	-	-	17,977,571	17,977,571
Bridges, roads and rail trail	23,229,887	23,229,887	-	-	23,229,887	23,229,887
Less accumulated depreciation	(86,613,419)	(80,228,721)	(28,795,616)	(23,787,151)	(115,409,035)	(104,015,872)
Total capital assets, net	\$ 239,524,189	\$ 235,597,478	\$ 65,177,910	\$ 66,193,060	\$ 304,702,099	\$ 301,790,538

Governmental activities increased construction in progress by \$6.8 million. The majority of the increase related to new projects at the prison with the new work release facility totaling \$4.2 million and energy efficiency upgrades of \$2.6 million. Furniture, fixtures, and equipment increased by \$1.9 million. The majority of this increase also related to the prison which accounted for \$1.0 million in central control room upgrades. The Prothonotary's Office installed a new court system for \$0.4 million. The County continues its plan to purchase Magisterial District offices; therefore, increasing buildings and improvements by \$0.7 million of the \$1.4 million increase in this category. The Youth Development Center also replaced the roof and windows for \$0.4 million.

Financial Analysis of the County's Funds (Continued)

Capital Asset and Debt Administration (Continued)

Capital Assets (Continued)

The County business-type activities increased construction in progress by \$1.7 million. The 911 Center started a new phone system with cost accumulating to \$1.2 million for 2012. The nursing home did laundry room renovations of \$0.4 million. Leasehold assets increased \$1.1 million due to a lease purchase of mobile date computers for the 911 center.

Long-Term Debt

As of December 31, 2012, the County had \$243,472,267 of general obligation debt outstanding. This was an increase of \$3.7 million, or 1.5% from the previous year. The following details activity related to general obligation bonds during 2012:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Beginning balance at January 1, 2012	\$ 191,141,023	\$ 48,634,383
Debt issued	86,526,978	447,338
Less principal payments	<u>(81,576,489)</u>	<u>(1,700,966)</u>
Ending balance at December 31, 2012	<u>\$ 196,091,512</u>	<u>\$ 47,380,755</u>

Bond Rating

All bonds issued carry a municipal bond insurance policy from FSA, which assures payment of the respective principal and interest to the registered owners of the bonds. All bonds issued are rated AA by Standard & Poor's' Rating Services.

More detailed information concerning long-term debt activity and capital asset activity is disclosed in Note 7 and Note 6, 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 approved a few minor amendments to the original budget and the Board also 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 and will provide budget adjustments within their respective departments.

General Fund Budgetary Highlights (Continued)

The County had a few minor amendments to the original 2012 revenue budget. Actual revenue received totaled \$166.3 million or 99.4% of the final budget. Intergovernmental revenues contributed to a majority of the variance in which reimbursements for grants were not received during 2012 due to expenditures not incurred.

The County had a few minor amendments to the original 2012 expenditure budget. Actual expenditures totaled \$143.4 million or 98.5% of the final budget. A positive variance for judicial and public safety expenditures of \$2.3 million accounted for a majority of the variance due to grants not being expended in 2012 fiscal year.

Actual transfers out totaled \$30.9 million or 123.4% of the final budget. The negative variance is primarily due to increased transfers to the nursing home business-type activities of \$5.8 million over budget.

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 4.15 mills to 4.52 mills.
- The County's general fund budgeted expenses will increase \$10.4 million.
- The rising wage and medical health care costs.
- The County budgeted \$10.0 million for the annual required contribution to the retirement fund.
- 2013 budget does not use any unrestricted fund balance to balance the budget.

The County's General Fund has been growing at a pace approximating 4.6% per year or almost \$6.5 million annually. The year-over-year increases can be attributed to four specific areas: (1) growth in manpower costs to meet increasing customer demand for services; (2) rising cost of employee benefits including health and retirement; (3) increased operating costs for materials and services; and (4) capital project debt service costs related to new facilities and systems. The County's employee benefits are budgeted at \$34.9 million with 12 positions being eliminated to the workforce. Health care costs still continue to increase but the County is trying to maintain an increased rate of only 7.0% for 2013. Government administration budgeted expenses increased by \$0.4 million. The court system and public safety budgeted expenses increased \$4.1 million, which includes court and court related functions, corrections, and public safety. The County's budget for 2013 reflects the annual required retirement contribution to be approximately \$10.0 million, which is \$1.8 million less than the ARC.

These factors were considered in preparing the County's 2013 budget. Amounts available for appropriation in the general fund budget are \$188.9 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**

BASIC FINANCIAL STATEMENTS

County of York, Pennsylvania

Statement of Net Position

December 31, 2012

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and cash equivalents	\$ 21,063,317	\$ 358,180	\$ 21,421,497	\$ 3,921,860
Receivables:				
Taxes, net	4,072,209	-	4,072,209	-
Accounts	12,060,991	6,051,179	18,112,170	11,090,675
Due from other governments	4,448,779	55,761	4,504,540	213,239
Loan and note	10,535,000	-	10,535,000	471,983
Internal balances	743,246	(743,246)	-	-
Investments	18,285,207	-	18,285,207	8,157,754
Investments in derivative instruments	(20,033,500)	-	(20,033,500)	-
Bond issuance costs, net	533,642	420,802	954,444	417,778
Restricted cash	6,906,719	3,448,036	10,354,755	4,113,651
Restricted investments	14,924,070	-	14,924,070	142,151,799
Other assets	569,294	79,026	648,320	944,986
Capital assets not being depreciated	82,238,177	2,604,745	84,842,922	10,893,859
Capital assets being depreciated, net of depreciation	157,286,012	62,573,165	219,859,177	41,366,726
Total assets	313,633,163	74,847,648	388,480,811	223,744,310
Liabilities				
Accounts payable and accrued liabilities	24,699,515	3,890,516	28,590,031	1,804,498
Due to other governments	352,975	-	352,975	-
Deposits held in escrow	6,210,942	422,520	6,633,462	-
Accrued interest payable	1,112,007	191,289	1,303,296	201,663
Unearned revenue	28,481,649	422,514	28,904,163	5,279,011
Other liabilities	-	-	-	563,845
Long-term liabilities:				
Due within one year	21,707,364	3,224,664	24,932,028	9,082,957
Due in more than one year	204,325,641	57,870,672	262,196,313	10,458,392
Total liabilities	286,890,093	66,022,175	352,912,268	27,390,366
Net position				
Net investment in capital assets	67,906,109	15,768,477	83,674,586	33,420,554
Restricted:				
General government	23,574	-	23,574	-
Public safety	-	3,025,516	3,025,516	-
Road and bridges	1,946,958	-	1,946,958	-
Judicial	5,200,748	-	5,200,748	-
Cultural and recreation	84,532	-	84,532	-
Conservation and community development	962,880	-	962,880	-
Capital activity and debt service	-	-	-	133,573,989
Legal purposes	-	-	-	12,691,461
Unrestricted (Deficit)	(49,381,731)	(9,968,520)	(59,350,251)	16,667,940
Total net position	\$ 26,743,070	\$ 8,825,473	\$ 35,568,543	\$ 196,353,944

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

County of York, Pennsylvania

Statement of Activities

Year ended December 31, 2012

Functions/Programs	Net (Expense) Revenue and Changes in Net Position							Component Units
	Program Revenues			Primary Government				
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total		
Primary government:								
Governmental activities:								
General government	\$ 14,205,257	\$ 5,327,711	\$ 468,549	\$ -	\$ (8,408,997)	\$ -	\$ (8,408,997)	\$ -
Public safety	66,650,009	32,323,146	2,022,447	-	(32,304,416)	-	(32,304,416)	-
Roads and bridges	1,258,214	-	718,375	674,181	134,342	-	134,342	-
Health, education, and welfare:								
Drug and alcohol	3,213,219	-	3,090,645	-	(122,574)	-	(122,574)	-
Mental health/intellectual disabilities	29,007,159	-	28,100,071	-	(907,088)	-	(907,088)	-
Office of aging	8,477,552	192,052	7,767,655	-	(517,845)	-	(517,845)	-
Children and youth	45,803,328	529,705	35,544,686	-	(9,728,937)	-	(9,728,937)	-
Human services	96,282,274	82,972,794	82,972,794	-	(13,309,480)	-	(13,309,480)	-
Judicial	41,400,929	11,140,323	5,085,176	-	(25,175,430)	-	(25,175,430)	-
Cultural and recreation	7,548,223	759,235	575,376	-	(6,213,612)	-	(6,213,612)	-
Conservation and community development	11,814,282	415,490	5,148,684	-	(6,250,108)	-	(6,250,108)	-
Interest expense	7,803,749	-	-	-	(7,803,749)	-	(7,803,749)	-
Total governmental activities	333,464,195	50,687,662	171,494,458	674,181	(110,607,894)	-	(110,607,894)	-
Business-type activities:								
Nursing home	41,814,427	32,576,225	-	-	-	(9,238,202)	(9,238,202)	-
911 operations	17,298,660	6,086,877	-	-	-	(11,211,783)	(11,211,783)	-
Total business-type activities	59,113,087	38,663,102	-	-	-	(20,449,985)	(20,449,985)	-
Total primary government	\$ 392,577,282	\$ 89,350,764	\$ 171,494,458	\$ 674,181	(110,607,894)	(20,449,985)	(131,057,879)	-
Component units:								
York County Solid Waste and Refuse Authority	\$ 45,401,104	\$ 45,551,986	\$ -	\$ -	-	-	150,882	150,882
York County Industrial Development Authority	1,937,690	755,698	-	944,401	-	-	(237,591)	(237,591)
York County Library System	7,235,050	2,283,721	4,853,706	-	-	-	(97,623)	(97,623)
York County Planning Commission	3,997,292	2,580,187	1,445,000	-	-	-	27,895	27,895
Total component units	\$ 58,571,136	\$ 51,171,592	\$ 6,298,706	\$ 944,401	-	-	(156,437)	(156,437)
General revenues:								
Property taxes					110,899,632	-	110,899,632	-
Unrestricted investment earnings					2,302,482	24,594	2,327,076	152,888
Hotel tax					1,567,531	-	1,567,531	-
Other					1,942,832	-	1,942,832	-
Transfers					(18,954,553)	18,954,553	-	-
Total general revenues and transfers					97,757,924	18,979,147	116,737,071	152,888
Change in net position					(12,849,970)	(1,470,838)	(14,320,808)	(3,549)
Net position - beginning					39,593,040	10,296,311	49,889,351	196,357,493
Net position - ending					\$ 26,743,070	\$ 8,825,473	\$ 35,568,543	\$ 196,353,944

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

County of York, Pennsylvania

Balance Sheet – Governmental Funds

December 31, 2012

	General Fund	York Health Choices Management Fund	Mental Health and Intellectual Disabilities Fund	Children, Youth, and Families Fund	Community Development Block Grant Fund	Other Nonmajor Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 9,807,347	\$ 3,191,752	\$ 775,288	\$ 13,923	\$ 589,306	\$ 6,685,701	\$ 21,063,317
Restricted cash	4,744,603	1,449,900	60,922	-	-	651,294	6,906,719
Investments	3,436,008	8,008,553	2,131,174	-	-	4,709,472	18,285,207
Restricted investments	389,612	12,718,108	-	-	-	1,816,350	14,924,070
Receivables:							
Taxes, net	4,072,209	-	-	-	-	-	4,072,209
Accounts	4,355,311	-	57,755	16,549	5,195,020	2,436,356	12,060,991
Due from other funds	2,694,621	-	21,099	232,713	-	1,921,664	4,870,097
Due from other governments	904,756	-	20,279	2,133,496	99,253	1,290,995	4,448,779
Loan and note	10,535,000	-	-	-	-	-	10,535,000
Other assets	440,895	-	-	-	-	13,324	454,219
Total assets	\$ 41,380,362	\$ 25,368,313	\$ 3,066,517	\$ 2,396,681	\$ 5,883,579	\$ 19,525,156	\$ 97,620,608

	General Fund	York Health Choices Management Fund	Mental Health and Intellectual Disabilities Fund	Children, Youth, and Families Fund	Community Development Block Grant Fund	Other Nonmajor Funds	Total Governmental Funds
Liabilities and fund balances							
Liabilities:							
Accounts payable and accrued liabilities	\$ 8,564,915	\$ 8,824,166	\$ 1,628,221	\$ 2,119,622	\$ 173,230	\$ 3,389,361	\$ 24,699,515
Due to other funds	906,377	1,010,218	663,995	-	2,765	1,543,496	4,126,851
Deposits held in escrow	4,160,200	1,449,900	-	-	-	600,842	6,210,942
Due to other governments	-	351,171	-	-	-	1,804	352,975
Deferred revenue	3,481,988	13,732,858	774,301	277,059	5,707,584	7,127,197	31,100,987
Total liabilities	17,113,480	25,368,313	3,066,517	2,396,681	5,883,579	12,662,700	66,491,270

Fund balances:							
Nonspendable	10,735,000	-	-	-	-	-	10,735,000
Restricted:							
General government	23,574	-	-	-	-	-	23,574
Road and bridges	-	-	-	-	-	1,946,958	1,946,958
Judicial	-	-	-	-	-	5,200,748	5,200,748
Cultural and recreation	-	-	-	-	-	84,532	84,532
Conservation and community development	-	-	-	-	-	962,880	962,880
Committed	-	-	-	-	-	235,074	235,074
Assigned	743,246	-	-	-	-	-	743,246
Unassigned (Deficit)	12,765,062	-	-	-	-	(1,567,736)	11,197,326
Total fund balances	24,266,882	25,368,313	3,066,517	2,396,681	5,883,579	6,862,456	31,129,338
Total liabilities and fund balances	\$ 41,380,362	\$ 25,368,313	\$ 3,066,517	\$ 2,396,681	\$ 5,883,579	\$ 19,525,156	\$ 97,620,608

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 Position

December 31, 2012

Total Fund Balances of Governmental Funds:	\$ 31,129,338
Amounts reported for governmental activities in the Statement of Net Position 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.	239,524,189
The funds record only the tax revenue received through a period of 60 days subsequent to year-end. The statement of net position includes a receivable for the County's anticipated collections on the levy.	2,619,338
The funds record bond issuance costs as a current period expenditure while those costs are capitalized on the statement of net position and amortized over the life of the bonds.	533,642
Assets/Liabilities not available to pay for current period's expenditures and therefore not reported in the funds.	
Investments in derivative instruments	(20,033,500)
Other assets	115,075
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 Position. Long-term liabilities at year-end consist of:	
General obligation bonds and notes payable	(196,091,512)
Litigation liability	(1,500,000)
Unamortized premium	(1,175,788)
Accrued interest payable	(1,112,007)
Workers compensation claims liability	(598,004)
Accrued compensated absences	(4,388,101)
Liability for other postemployment benefits	(17,469,058)
Liability for pension benefits	(4,810,542)
Total Net Position of Governmental Activities	<u>\$ 26,743,070</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, 2012

	General Fund	York HealthChoices Management Fund	Mental Health and Intellectual and Developmental Disabilities Fund	Children, Youth, and Families Fund	Community Development Block Grant Fund	Other Nonmajor Funds	Total Governmental Funds
Revenues							
Real estate taxes	\$ 110,850,508	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,850,508
Intergovernmental	4,930,498	67,758,114	28,100,071	35,544,686	3,340,993	32,494,277	172,168,639
Departmental	43,162,915	-	-	529,705	64,324	1,455,126	45,212,070
Fines and costs	5,475,592	-	-	-	-	-	5,475,592
Hotel tax	1,567,531	-	-	-	-	-	1,567,531
Investment	276,715	57,332	10,911	-	2,888	44,948	392,794
Other	-	-	-	-	115,976	1,826,856	1,942,832
Total revenues	166,263,759	67,815,446	28,110,982	36,074,391	3,524,181	35,821,207	337,609,966
Expenditures							
Current:							
General government	13,307,481	-	-	-	-	-	13,307,481
Public safety	62,882,815	-	-	-	-	826,914	63,709,729
Roads and bridges	-	-	-	-	-	684,990	684,990
Health, education, and welfare:							
Drug and alcohol	-	-	-	-	-	3,213,219	3,213,219
Mental health/intellectual disabilities	-	-	29,007,159	-	-	-	29,007,159
Office of aging	-	-	-	-	-	8,477,552	8,477,552
Children and youth	-	-	-	45,803,328	-	-	45,803,328
Human services	11,124,237	67,815,446	-	-	-	15,790,800	94,730,483
Judicial	33,306,862	-	-	-	-	5,299,699	38,606,561
Cultural and recreation	8,276,860	-	-	-	-	3,922	8,280,782
Conservation and community development	4,598,516	-	-	-	3,567,137	3,620,923	11,786,576
Capital outlay	304,776	-	-	-	-	10,198,757	10,503,533
Debt service:							
Principal retirement	4,094,034	-	-	-	-	77,482,455	81,576,489
Interest and fiscal charges	5,551,945	-	-	-	-	150,723	5,702,668
Total expenditures	143,447,526	67,815,446	29,007,159	45,803,328	3,567,137	125,749,954	415,390,550
Excess (deficiency) of revenues over (under) expenditures	22,816,233	-	(896,177)	(9,728,937)	(42,956)	(89,928,747)	(77,780,584)
Other financing sources (uses)							
Transfers in	54,670	-	896,177	9,728,937	42,956	1,617,315	12,340,055
Transfers out	(30,870,313)	-	-	-	-	(424,295)	(31,294,608)
Issuance of debt	-	-	-	-	-	9,106,978	9,106,978
Issuance of refunding bonds	-	-	-	-	-	77,420,000	77,420,000
Total other financing sources (uses)	(30,815,643)	-	896,177	9,728,937	42,956	87,719,998	67,572,425
Net change in fund balances	(7,999,410)	-	-	-	-	(2,208,749)	(10,208,159)
Fund balances, January 1	32,266,292	-	-	-	-	9,071,205	41,337,497
Fund balances, December 31	24,266,882	\$ -	\$ -	\$ -	\$ -	6,862,456	\$ 31,129,338

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, 2012

Net change in fund balances - total governmental funds \$ (10,208,159)

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 (\$10,503,533)
and depreciation expense (\$6,576,822) is a reconciling item. 3,926,711

Amount represents the change in the receivable recorded over 60 days.
The funds report only receipts through 60 days of subsequent period.
Statement of Activities includes full amount of levy deemed collectible
by the County. 49,124

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 Position.
Accordingly, the repayment of principal and the proceeds of bond issuance
are reported as an expenditure and revenue in the governmental funds,
respectively, but reduce/increase the liability in the Statement of Net
Position. The amounts related to the above items that make up differences
are:

Proceeds from bonds and notes issuance	(9,106,978)
Proceeds from refunding bonds issuance	(77,420,000)
Principal repayments on general obligation bonds	81,576,489
Payments for litigation liability	1,000,000

Pursuant to the modified accrual 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:

Workers compensation expense	1,944,815
Compensated absence expense	(246,840)
Other postemployment benefits expense	(3,126,736)
Investment gain from derivative instruments	1,909,688
Pension expense	(1,021,453)
Accrual of interest on long-term debt	37,765
Amortization of bond premium	56,134
Amortization of issuance costs	(25,550)
Amortization of deferred refunding loss	(2,194,980)

Change in net position of governmental activities \$ (12,849,970)

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

County of York, Pennsylvania

Statement of Fund Net Position – Enterprise Funds

December 31, 2012

	County Nursing Home Fund	911 Fund	Total
Assets			
Current assets:			
Cash	\$ 1,000	\$ 357,180	\$ 358,180
Accounts receivable	5,768,316	282,863	6,051,179
Due from other governments	-	55,761	55,761
Bond issuance costs, net	-	420,802	420,802
Restricted cash	422,520	3,025,516	3,448,036
Other assets	59,986	19,040	79,026
Total current assets	6,251,822	4,161,162	10,412,984
Noncurrent assets:			
Capital assets not being depreciated	537,050	2,067,695	2,604,745
Capital assets being depreciated, net of depreciation	9,467,267	53,105,898	62,573,165
Total noncurrent assets	10,004,317	55,173,593	65,177,910
Total assets	\$ 16,256,139	\$ 59,334,755	\$ 75,590,894
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 2,330,492	\$ 1,560,024	\$ 3,890,516
Due to other funds	743,246	-	743,246
Deposits held in escrow	422,520	-	422,520
Accrued interest payable	25,026	166,263	191,289
Unearned revenue	83,690	338,824	422,514
General obligation debt	680,338	1,602,426	2,282,764
Liability for workers' compensation self-insurance	80,914	-	80,914
Capital lease obligation	-	219,076	219,076
Compensated absences	481,336	160,574	641,910
Total current liabilities	4,847,562	4,047,187	8,894,749
Noncurrent liabilities:			
General obligation debt	5,906,618	40,331,492	46,238,110
Liability for workers' compensation self-insurance	541,499	-	541,499
Capital lease obligation	-	669,483	669,483
Compensated absences	157,949	52,693	210,642
Liability for other postemployment benefits	7,191,679	1,077,823	8,269,502
Liability for pension benefits	1,638,751	302,685	1,941,436
Total noncurrent liabilities	15,436,496	42,434,176	57,870,672
Total liabilities	20,284,058	46,481,363	66,765,421
Net position (deficit)			
Net investment in capital assets	3,417,361	12,351,116	15,768,477
Restricted for public safety	-	3,025,516	3,025,516
Unrestricted (deficit)	(7,445,280)	(2,523,240)	(9,968,520)
Total net position (deficit)	\$ (4,027,919)	\$ 12,853,392	\$ 8,825,473

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 Position – Enterprise Funds

Year ended December 31, 2012

	County Nursing Home Fund	911 Fund	Total
Operating revenues:			
Charges for sales and services:			
Charges for services	\$ 32,576,225	\$ -	\$ 32,576,225
Telephone surcharge revenue	-	6,086,877	6,086,877
Total operating revenues	<u>32,576,225</u>	<u>6,086,877</u>	<u>38,663,102</u>
Operating expenses:			
Operating/administrative	40,632,242	11,168,230	51,800,472
Depreciation	878,247	4,145,212	5,023,459
Total operating expenses	<u>41,510,489</u>	<u>15,313,442</u>	<u>56,823,931</u>
Operating loss	(8,934,264)	(9,226,565)	(18,160,829)
Nonoperating revenue (expense)			
Investment income	19	24,575	24,594
Bond interest	(303,938)	(1,985,218)	(2,289,156)
Total nonoperating expense	<u>(303,919)</u>	<u>(1,960,643)</u>	<u>(2,264,562)</u>
Loss before transfers	(9,238,183)	(11,187,208)	(20,425,391)
Transfers in	9,706,368	9,248,185	18,954,553
Change in net position	<u>468,185</u>	<u>(1,939,023)</u>	<u>(1,470,838)</u>
Total net position (deficit), January 1	(4,496,104)	14,792,415	10,296,311
Total net position (deficit), December 31	<u>\$ (4,027,919)</u>	<u>\$ 12,853,392</u>	<u>\$ 8,825,473</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, 2012

	County Nursing Home		
	Fund	911 Fund	Total
Cash flows from operating activities			
Cash received on patient accounts	\$ 32,182,019	\$ -	\$ 32,182,019
Cash received from telephone surcharge revenue	-	6,165,939	6,165,939
Cash payments for material and supplies	(3,291,555)	(79,626)	(3,371,181)
Cash payments for patient services	(8,281,900)	-	(8,281,900)
Cash payments for program services	-	(1,770,456)	(1,770,456)
Cash payments for salaries and employee benefits	(29,349,514)	(7,775,308)	(37,124,822)
Net cash used in operating activities	<u>(8,740,950)</u>	<u>(3,459,451)</u>	<u>(12,200,401)</u>
Cash flows from investing activities			
Investment income	19	24,575	24,594
Net cash provided by investing activities	<u>19</u>	<u>24,575</u>	<u>24,594</u>
Cash flows from noncapital financing activities			
Transfers from other funds	9,706,368	9,248,185	18,954,553
Net cash provided by noncapital financing activities	<u>9,706,368</u>	<u>9,248,185</u>	<u>18,954,553</u>
Cash flows from capital and related financing activities			
Interest expense	(304,680)	(2,024,400)	(2,329,080)
Proceeds from the issuance of general obligation notes	447,338	-	447,338
Payments on capital lease	-	(230,786)	(230,786)
Principal payments on bonds	(222,513)	(1,478,453)	(1,700,966)
Purchases of capital assets	(898,930)	(1,996,053)	(2,894,983)
Net cash used in capital and related financing activities	<u>(978,785)</u>	<u>(5,729,692)</u>	<u>(6,708,477)</u>
Net increase/(decrease) in cash and cash equivalents	(13,348)	83,617	70,269
Cash and cash equivalents, January 1	436,868	3,299,079	3,735,947
Cash and cash equivalents, December 31	<u>\$ 423,520</u>	<u>\$ 3,382,696</u>	<u>\$ 3,806,216</u>
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	\$ (8,934,264)	\$ (9,226,565)	\$ (18,160,829)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation	878,247	4,145,212	5,023,459
Changes in assets and liabilities in:			
Accounts receivable	(394,206)	84,000	(310,206)
Due from other governments	-	(4,938)	(4,938)
Other assets	-	(19,040)	(19,040)
Accounts payable	(815,874)	1,310,038	494,164
Due to other funds	(743,248)	(7,640)	(750,888)
Deposits held in escrow	(13,348)	-	(13,348)
Compensated absences payable	22,944	117	23,061
Liability for other postemployment benefits	1,257,581	193,335	1,450,916
Liability for pension benefits	138,348	66,030	204,378
Liability for workers' compensation self-insurance	(137,130)	-	(137,130)
Total adjustments	<u>193,314</u>	<u>5,767,114</u>	<u>5,960,428</u>
Net cash used in operating activities	<u>\$ (8,740,950)</u>	<u>\$ (3,459,451)</u>	<u>\$ (12,200,401)</u>
Noncash financing activities:			
Amortization of bond issuance costs	\$ -	\$ (20,038)	\$ (20,038)
Amortization of bond premium	-	54,291	54,291
Capital lease	-	(1,119,345)	(1,119,345)
	<u>\$ -</u>	<u>\$ (1,085,092)</u>	<u>\$ (1,085,092)</u>
Reconciliation of cash to Statement of Net Position			
Cash	\$ 1,000	\$ 357,180	\$ 358,180
Restricted cash	422,520	3,025,516	3,448,036
	<u>\$ 423,520</u>	<u>\$ 3,382,696</u>	<u>\$ 3,806,216</u>

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

County of York, Pennsylvania

Statement of Fiduciary Net Position – Fiduciary Funds

December 31, 2012

	Pension Trust	
	Fund	Agency Funds
Assets		
Cash and cash equivalents	\$ 6,688,302	\$ 9,208,417
Investments:		
Certificates of deposit	9,171,875	1,522,246
U.S. treasuries	26,263,512	-
U.S. government agency obligations	5,413,896	1,296,115
Corporate bonds	31,157,159	-
Municipal bonds	-	525,000
Stocks	73,496,133	-
Fixed income mutual funds	-	4,443,534
International equity mutual funds	32,737,730	-
Equity mutual funds	66,694,113	-
Other	637,534	1,181
Receivables:		
Delinquent taxes on behalf of other governments	-	13,417,681
Accounts	-	11,653
Total assets	<u>\$ 252,260,254</u>	<u>\$ 30,425,827</u>
Liabilities		
Liabilities:		
Due to other governments	\$ -	\$ 6,175,082
Other liabilities	-	24,250,745
Total liabilities	<u>-</u>	<u>\$ 30,425,827</u>
Net position		
Net position held in trust for pension benefits	<u>\$ 252,260,254</u>	

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

County of York, Pennsylvania

Statement of Changes in Fiduciary Net Position – Pension Trust Fund

Year ended December 31, 2012

Additions:	
Employer contributions	\$ 10,000,000
Employee contributions	<u>5,310,335</u>
Total contributions	15,310,335
Investment income:	
Net appreciation in fair value of investments	20,783,940
Interest	2,068,990
Dividends	<u>3,971,674</u>
Total investment income	<u>26,824,604</u>
Total additions	<u>42,134,939</u>
Deductions:	
Benefit payments	11,830,981
Refunds of contributions	<u>1,259,794</u>
Total deductions	<u>13,090,775</u>
Net increase	29,044,164
Net position held in trust for pension benefits, beginning of year	<u>223,216,090</u>
Net position held in trust for pension benefits, end of year	<u>\$ 252,260,254</u>

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

County of York, Pennsylvania

Combining Statement of Net Position – Discretely Presented Component Units

December 31, 2012

	Solid Waste and Refuse Authority	Industrial Development Authority	Library System	Planning Commission	Total
Assets					
Cash and cash equivalents	\$ 2,181,727	\$ 519,174	\$ 134,401	\$ 1,086,558	\$ 3,921,860
Accounts receivable	10,312,065	392,369	102,992	283,249	11,090,675
Due from other governments	-	213,239	-	-	213,239
Notes receivable	-	471,983	-	-	471,983
Investments	2,500,690	4,724,094	932,970	-	8,157,754
Bond issuance costs, net	417,778	-	-	-	417,778
Restricted cash	4,113,651	-	-	-	4,113,651
Restricted investments	142,151,799	-	-	-	142,151,799
Other assets	218,967	34,134	40,071	651,814	944,986
Capital assets not being depreciated	5,914,555	4,979,304	-	-	10,893,859
Capital assets being depreciated, net of depreciation	13,575,389	27,165,960	574,864	50,513	41,366,726
Total assets	\$ 181,386,621	\$ 38,500,257	\$ 1,785,298	\$ 2,072,134	\$ 223,744,310
Liabilities and net position					
Liabilities:					
Accounts payable and accrued liabilities	\$ 1,458,631	\$ 57,146	\$ 176,198	\$ 112,523	\$ 1,804,498
Accrued interest payable	201,663	-	-	-	201,663
Unearned revenue	5,277,334	1,677	-	-	5,279,011
Other liabilities	530,029	33,816	-	-	563,845
Long-term liabilities:					
Due within one year	8,750,000	332,957	-	-	9,082,957
Due in more than one year	9,448,570	846,000	56,077	107,745	10,458,392
Total liabilities	25,666,227	1,271,596	232,275	220,268	27,390,366
Net position:					
Net investment in capital assets	1,709,152	31,086,025	574,864	50,513	33,420,554
Restricted					
Capital activity and debt service	133,573,989	-	-	-	133,573,989
Legal purposes	12,691,461	-	-	-	12,691,461
Unrestricted					
	7,745,792	6,142,636	978,159	1,801,353	16,667,940
Total net position	\$ 155,720,394	\$ 37,228,661	\$ 1,553,023	\$ 1,851,866	\$ 196,353,944

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, 2012

	Solid Waste and Refuse Authority	Industrial Development Authority	Library System	Planning Commission	Total
Program revenues:					
Charges for goods and services	\$ 45,551,986	\$ 755,698	\$ 2,283,721	\$ 2,580,187	\$ 51,171,592
Operating grants and contributions	-	-	4,853,706	1,445,000	6,298,706
Capital grants and contributions	-	944,401	-	-	944,401
Total program revenues	45,551,986	1,700,099	7,137,427	4,025,187	58,414,699
General revenues:					
Unrestricted investment earnings/(loss)	-	39,556	112,708	624	152,888
Total revenues	45,551,986	1,739,655	7,250,135	4,025,811	58,567,587
Expenses	45,401,104	1,937,690	7,235,050	3,997,292	58,571,136
Change in net position	150,882	(198,035)	15,085	28,519	(3,549)
Net position, January 1	155,569,512	37,426,696	1,537,938	1,823,347	196,357,493
Net position, December 31	\$ 155,720,394	\$ 37,228,661	\$ 1,553,023	\$ 1,851,866	\$ 196,353,944

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

County of York, Pennsylvania

Notes to Financial Statements

December 31, 2012

(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/Intellectual and Developmental Disabilities 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 discretely presented 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 YCSWRA's Series of 1997 revenue bonds (See note 14).

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. 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 2012 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 Governmental Accounting Standards Board 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. GASB Statement No. 34 focuses on the County as a whole and on major individual funds (within the fund financial statements).

Government-Wide Financial Statements

The government-wide financial statements (statement of net position and statement of activities) report information on all of the non-fiduciary activities of the primary government and its component 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.

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 (Continued)

In the government-wide statement of net position, 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 position.

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.

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 position, revenues and expenditures/expenses. Emphasis under GASB Statement No. 34 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.

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 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 365 days. Property taxes due but not collected within 60 days after year-end are reflected as deferred 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.

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.

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 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 Intellectual and Developmental Disabilities 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.

The Children, Youth, and Families 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.

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)

Governmental Funds (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 that are restricted and to administer a rental rehabilitation program that provides loans to multifamily property owners to rehabilitate rental units for low income and elderly occupancy.

Enterprise Funds

Enterprise Funds are used to account for operations of the County Nursing Home and 911 activities that are financed and operated 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.

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

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)

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.

Pooled Cash and Temporary Investments

Cash balances and temporary investments of the General Fund, the Human Services, 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.

County of York, Pennsylvania
Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

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. Certain nonparticipating contracts such as nonnegotiable certificates of deposit 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 with an indefinite useful life and is recorded in the government-wide financial statements.

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.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

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. Easements with an indefinite useful live are considered intangible assets of the County and accordingly are not depreciated.

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:

Buildings and improvements	40 years
Furniture, fixtures, and equipment	5-15 years
Bridges, roads, and rail trail	20-50 years
Leasehold assets	5 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)

Receivables

Taxes, Note Receivable, and the Nursing Home accounts receivable are shown net of an allowance for uncollectible amounts. The County recorded an allowance for uncollectible note receivable and an allowance for uncollectible property taxes in the General fund of \$1,446,995 and \$452,468, respectively as of December 31, 2012. The County recorded an allowance for uncollectible accounts receivable of the Nursing Home in the amount of \$1,778,732 as of December 31, 2012.

Due from other governments balance represents amounts due from governments for various grant programs. The loan receivable represents funds loaned to York County Agricultural Society.

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 position. 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 and Deferred Revenues

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

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

Fund Balance

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable fund balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.
- Restricted fund balance – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners. These amounts cannot be used for any other purpose unless the Board of Commissioners remove or change the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed.
- Assigned fund balance – This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. The Board of Commissioners delegated the responsibility to approve/or remove assigned fund balance that reflect the Commissioner's intended use of the resources to the Chief Clerk.
- Unassigned fund balance – This classification represents amounts that are available for any purpose.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance and lastly unassigned fund balance.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

Net Position

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position are categorized as net investment in capital assets, restricted, and unrestricted.

- *Net investment in capital assets* – This category includes the County’s capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted net position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted net position* – This category represents net position of the County, not restricted for any project or other purpose.

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government did not have an item that qualifies for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government did not have an item that qualifies for reporting in this category.

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. For capital leases in the proprietary fund types, acquisition costs are capitalized with an offsetting entry to capital lease payable.

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 adjustments due to future audits, reviews, and investigations by third-party payers. 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.

Adoption of Governmental Accounting Standards Board Statements

The County adopted the remaining provisions of GASB statement No. 57, "*OPEB Measurement by Agent Employers and Agent Multi-Employer Plans*". The adoption of the remaining provisions of this statement had no effect on previously reported amounts.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

Adoption of Governmental Accounting Standards Board Statements (Continued)

The County adopted the requirements of GASB statement No. 60, *“Accounting and Financial Reporting for Service Concession Arrangements”*. The adoption of this statement had no effect on previously reported amounts.

The County adopted the requirements of GASB statement No. 62, *“Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements”*. The adoption of this statement had no effect on previously reported amounts.

The County adopted the requirements of GASB statement No. 63, *“Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”*. The adoption of this statement resulted in replacing the term “net assets” with the term “net position” throughout the financial statements.

The County adopted the requirements of GASB statement No. 64, *“Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53”*. The adoption of this statement had no effect on previously reported amounts.

Pending Changes in Accounting Principles

In November 2010, the GASB issued Statement No. 61, *“The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34”*. The County is required to adopt statement No. 61 for its calendar year 2013 financial statements.

In March 2012, the GASB issued Statement No. 65, *“Items Previously Reported as Assets and Liabilities”*. The County is required to adopt statement No. 65 for its calendar year 2013 financial statements.

In March 2012, the GASB issued Statement No. 66, *“Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62”*. The County is required to adopt statement No. 66 for its calendar year 2013 financial statements.

In June 2012, the GASB issued Statement No. 67, *“Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25”*. The County is required to adopt statement No. 67 for its calendar year 2014 financial statements.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

Pending Changes in Accounting Principles (Continued)

In June 2012, the GASB issued Statement No. 68, “Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27”. The County is required to adopt statement No. 68 for its calendar year 2015 financial statements.

In January 2013, the GASB issued Statement No. 69, “Government Combinations and Disposals of Government Operations”. The County is required to adopt statement No. 69 for its calendar year 2014 financial statements.

In April 2013, the GASB issued Statement No. 70, “Accounting and Financial Reporting for Nonexchange Financial Guarantees”. The County is required to adopt statement No. 70 for its calendar year 2014 financial statements.

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

(2) Deposit and Investment Risk

As of December 31, 2012, the County had the following debt investments and maturities within its excess operating and agency fund accounts:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Fixed Income Mutual Funds	\$ 5,869,479	\$ 1,425,945	\$ 4,443,534	\$ -	\$ -
Certificates of Deposit	6,580,742	5,158,521	1,422,221	-	-
U.S. Government Agencies	11,296,978	10,650,754	-	646,224	-
Municipal Bonds	17,250,154	1,880,094	1,550,000	2,275,000	11,545,060
Investment Derivatives	(20,033,500)	-	-	-	(20,033,500)
Total	<u>\$ 20,963,853</u>	<u>\$ 19,115,314</u>	<u>\$ 7,415,755</u>	<u>\$ 2,921,224</u>	<u>\$ (8,488,440)</u>

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(2) Deposit and Investment Risk (Continued)

As of December 31, 2012, 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	\$ 26,263,512	\$ 1,041,660	\$ 16,878,965	\$ 7,553,007	\$ 789,880
Certificates of Deposit	9,171,875	-	8,925,028	246,847	-
U.S. Government Agencies	5,413,896	-	3,963,409	-	1,450,487
Corporate Bonds	31,157,159	468,876	13,911,554	14,420,690	2,356,039
Total	<u>\$ 72,006,442</u>	<u>\$ 1,510,536</u>	<u>\$ 43,678,956</u>	<u>\$ 22,220,544</u>	<u>\$ 4,596,406</u>

All corporate bonds within the excess operating fund accounts and the retirement plan accounts are floating rate or auction rate notes that are liquid on a daily basis or putable 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.

See Note 8 for information on interest rate risk for the County’s derivative instruments.

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 Barclay Capital Intermediate Term Government Credit/Index.

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.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(2) Deposit and Investment Risk (Continued)

As of December 31, 2012, the County's operating investments in cash equivalents, fixed income mutual funds, and U.S. Government Agencies were rated AAA by Standard & Poor's. \$2,540,000 (15%), \$2,710,251 (15%), and \$11,999,903 (70%) of the County's operating investments in municipal bonds as of December 31, 2012 were rated AAA, AA, and A respectively, by Standard & Poor's.

See Note 8 for information on credit risk for the County's derivative instruments.

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. Investments in investment grade bonds (rated below Baa) are permissible but may not constitute more than 20% of the fixed income portfolio.

As of December 31, 2012, all of the County's retirement investments in cash equivalents and U.S. Government Agencies were rated AAA and AA, respectively, by Standard & Poor's. \$2,903,740 (9%), \$8,800,009 (28%), \$18,955,345 (61%), and \$498,065 (2%) of the County's retirement investments in corporate bonds as of December 31, 2012 were rated AAA, AA, A, and BBB respectively, by Standard & Poor's.

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, 2012, \$33,334,567 of the County's deposits were exposed to custodial credit risk, as they were collateralized with securities held by the pledging financial institution and uninsured. At December 31, 2012, \$6,929,653 of the County's investments in certificates of deposits were exposed to custodial credit risk, as they were collateralized with securities held by the pledging financial institution and uninsured. 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 fair 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 fair value of the fixed income

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(2) Deposit and Investment Risk (Continued)

Concentration of Credit Risk (Continued)

portfolio. The policy does not limit investments in U.S. Treasury Securities as a percentage of fixed income investments at fair value. The policy does limit investments in Federal Agency Securities to 50% of the fair value of the fixed income portfolio, with an investment in an individual Federal Agency not to exceed 25% of the value of the fixed income market portfolio.

More than 5% of the County's governmental activities investments are in the Federal Home Loan Bank, Pennsylvania Economic Development, Allegheny County PA, and Allegheny County Industrial Development Authority. These investments are 27%, 15%, 7%, and 6%, respectively, of the County's governmental activities investments.

More than 5% of the County's general fund investments are in the Red Lion School District. This investment is 13% of the County's general fund investments. More than 5% of the County's mental health and intellectual disabilities fund investments are in Federal Home Loan Bank and Pennsylvania Economic Development. These investments are 59% and 7%, respectively, of the County's mental health/intellectual and developmental disabilities fund investments.

More than 5% of the County's health choices management fund investments are in Federal Home Loan Bank, Pennsylvania Economic Development, Allegheny County PA, and Allegheny County Industrial Development Authority. These investments are 28%, 19%, 10%, and 7%, respectively, of the County's health choices management fund investments. More than 5% of the County's nonmajor governmental funds investments are in the Federal Home Loan Bank, Westmoreland County PA, Wilkesburg PA, and Washington County PA. These investments are 31%, 9%, 6%, and 5%, respectively, of the County's nonmajor governmental funds investments.

None of the County's retirement investment concentrations exceeded 5%.

(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, 2012, the carrying values of the YCSWRA's cash deposits amounted to \$2,181,727 and the bank balances amounted to \$2,191,824. Of the bank balances, an unlimited number of noninterest-bearing transaction accounts and up to \$250,000 of other deposit accounts are covered by the Federal Deposit Insurance Corporation (FDIC) in the YCSWRA's name as of December 31, 2012.

Bank balances are categorized as follows as of December 31, 2012:

Amount insured by federal depository insurance, including fully insured, non-interest bearing accounts	\$ 2,156,517
Collateralized with securities held by the pledging financial institution's trust department held in the YCSWRA's name	<u>35,307</u>
	<u>\$ 2,191,824</u>

The temporary unlimited federal insurance coverage for non-interest bearing accounts expired December 31, 2012. These accounts are subject to the \$250,000 limit effective January 1, 2013.

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, 2012:

Securities held by the pledging financial institution's trust department, but in the YCSWRA's name	<u>\$ 2,500,690</u>
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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)

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 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. 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, 2012:

At fair value:	
Cash equivalents	\$ 4,045,330
U.S. Government and Agency investments	121,094,845
County of York, PA - general obligation note	10,535,002
	<u>\$ 135,675,177</u>
Current portion	\$ 126,640,552
Non-current portion	9,034,625
	<u>\$ 135,675,177</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

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)

Closure Funds (Continued)

Section 1109 Trust Fund (Continued)

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 YCSWRA's name.

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, 2012:

At fair value:

Section 1109 Trust Fund	\$ 6,581,814
Collateral Bond	435,745
	<u>\$ 7,017,559</u>

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)

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 a minimum of \$2,000,000. All funds are held by M&T Investment Group, as Trustee, in the YCSWRA's name.

Self-insurance trust fund consists of the following as of December 31, 2012:

At fair value:

Cash equivalents	\$ 55,058
U.S. Government and Agency Investments	255,947
Fixed income funds	2,450,088
	<u>\$ 2,761,093</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 trash 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

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)

Landfill Trust Fund (Continued)

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, 2012:

At fair value:

Stewartstown Borough Trust Fund	
Cash equivalents	\$ 13,263
Fixed income funds	<u>798,358</u>
	<u>\$ 811,621</u>

Interest Rate Risk

The YCSWRA's investments consist of the following as of December 31, 2012:

Investment Type	Maturity Date	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Cash and cash equivalents:					
Wilmington U.S. Government Money Market Fund		4,113,653	-	-	-
Federated Treasury Obligation MMF #395		69,836	-	-	-
Certificates of deposit:					
BMW Bank of NA	8/18/2014	-	200,348	-	-
Discover Bank	8/22/2014	-	245,412	-	-
Firstbank PR	8/18/2014	-	245,429	-	-
GE Capital Bank	8/14/2014	-	245,191	-	-
Goldman Sachs Bank	8/22/2014	-	240,403	-	-
Sallie Mae Bank	8/15/2014	-	245,439	-	-
Debt securities:					
FFCB	11/23/2020	-	-	646,224	-
Treasury Inflation Protected Securities Series IX	7/15/2013	255,946	-	-	-

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	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Debt securities (Continued):					
United States Treasury Note	7/15/2013	853,919	-	-	-
United States Treasury Note	7/15/2013	853,919	-	-	-
United States Treasury Note	7/15/2013	3,516,134	-	-	-
United States Treasury Note	7/15/2013	3,943,093	-	-	-
United States Treasury Note	7/15/2013	3,089,175	-	-	-
United States Treasury Note	8/15/2013	2,554,544	-	-	-
United States Treasury Note	8/15/2013	10,539,375	-	-	-
United States Treasury Note	8/15/2013	3,056,419	-	-	-
United States Treasury Note	8/15/2013	8,782,813	-	-	-
United States Treasury Note	9/30/2013	435,745	-	-	-
United States Treasury Note	3/31/2014	-	4,636,541	-	-
United States Treasury Note	3/31/2014	-	5,604,610	-	-
United States Treasury Note	3/31/2014	-	17,323,340	-	-
United States Treasury Note	3/31/2014	-	28,023,050	-	-
United States Treasury Note	3/31/2014	-	15,641,957	-	-
United States Treasury Note	5/31/2014	-	970,456	-	-
United States Treasury Note	5/31/2014	-	900,423	-	-
United States Treasury Note	5/31/2014	-	3,501,645	-	-
United States Treasury Note	5/31/2014	-	4,101,927	-	-
United States Treasury Note	5/31/2014	-	3,201,504	-	-
GS Short Dur Gov In (447)		4,443,534	-	-	-
Blackrock PA Municipal Bond Fund		1,382,677	-	-	-
SEI Tax Exempt Trust PA Municipal Bond Fund Class B		1,394,987	-	-	-
Wilmington Short Duration Government Bond Fund		2,971,472	-	-	-
County of York, PA General Obligation Note	11/1/2029	425,000	2,435,000	3,045,000	4,630,000
		<u>\$ 52,682,241</u>	<u>\$ 87,762,675</u>	<u>\$ 3,691,224</u>	<u>\$ 4,630,000</u>

Credit Risk

As of December 31, 2012, all of the YCSWRA's rated investments in debt securities were rated Aaa by Moody's and AAA or AA 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 short-term 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 its investments or collateral securities that are in the possession of an outside party. As of December 31, 2012, \$2,535,997 of the YCSWRA's deposits and short-term 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. As of December 31, 2012, more than 5% of the YCSWRA's investments are in United States Treasury Notes and County of York, PA General Obligation Note. As of December 31, 2012, these investments are 81.69% and 7.08% respectively, of the YCSWRA's total investments.

York County Industrial Development Authority

The Authority is governed by the deposit and investment limitations of Commonwealth of Pennsylvania (Commonwealth) law. The Commonwealth requires the Authority to adopt an investment policy. The Authority's investment policy follows those requirements set forth by the Commonwealth. The Authority does not invest in any securities not approved by the Commonwealth.

Commonwealth statutes require that any depository holding public funds maintain investment securities in amounts equal to the total of all public funds on deposit. The securities may be held in the name of the depository, but must be pledged as collateral for those public funds.

The Commonwealth authorizes the following types of deposits and investments municipal authorities may have:

- United States of America Treasury bills.
- Short-term obligations (less than 13 months) of the United States of America or its agencies or instrumentalities.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

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

York County Industrial Development Authority (Continued)

- Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation (FDIC), the Federal Savings and Loan Insurance Corporation, or the National Credit Union Share Insurance Fund to the extent that such accounts are so insured, and, for any amounts above the insured maximum, provided that approved collateral as provided by law therefore shall be pledged by the depository.
- Obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, the Commonwealth or any of its agencies or instrumentalities. These investments include any bonds issued by the Commonwealth or any municipality or school district carrying the backing of the taxation powers of the governmental unit issuing the debt.
- Shares of an investment company registered under the Investment Company Act of 1940 whose shares are registered under the Securities Act of 1933 if the only investments of that company are in the authorized investments for municipal authority's funds listed above.
- Sovereign debt if the instruments are dollar denominated and backed by the full faith and credit of the sovereign government and if the investments do not exceed more than two percent of the market value of the municipal authority's assets at the time of investment and if the maturity of the instruments does not exceed 15 years and if the obligations are permitted investments of the State Employees' Retirement System and it is established that the issuer had issued such sovereign debt over a period of at least 30 years and has not defaulted on any payment on its obligations.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

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

York County Industrial Development Authority

Deposits

The deposits held at December 31, 2012 were as follows:

<u>Type</u>	<u>Maturities</u>	<u>Carrying Value</u>
Demand Deposits		\$ 482,815
Time Deposits; 1.34% to 3.2%	05/2014- 06/2017	620,000
		<u>\$ 1,102,815</u>

Custodial Credit Risk

Deposits in financial institutions had a bank balance of \$1,242,908 at December 31, 2012, \$75,240 of which was exposed to custodial credit risk, which were uninsured but collateralized by securities pledged and held by the financial institutions' trust departments or agents, not in the Authority's name, in accordance with Commonwealth law.

Investments

The Authority's investments, reported at fair value, consisted of the following as of December 31, 2012:

	<u>Investment Maturities (in Years)</u>				<u>Fair Value</u>
	<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>	
Federal Home Loan Bank	\$ 201,503	\$ -	\$ -	\$ -	\$ 201,503
Federal Home Loan Mortgage Corporation	537,171	-	-	-	537,171
Federal National Mortgage Association	200,177	252,113	-	-	452,290
Money Market Investments	36,359	-	-	-	36,359
U.S. Treasury Notes	658,935	2,254,195	-	-	2,913,130
	<u>\$ 1,634,145</u>	<u>\$ 2,506,308</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,140,453</u>

County of York, Pennsylvania

Notes to Financial Statements (Continued)

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

York County Industrial Development Authority (Continued)

As of December 31, 2012, all of the Authority's investments were rated AAA by Moody's and Standard & Poor's (unaudited).

Custodial Credit Risk

Custodial credit risk is the risk that the counterparty to an investment transaction will fail and the government will not recover the value of the investment or collateral securities that are in possession of an outside party. The Authority does not have a formal investment policy for any fund for custodial credit risk. All of the Authority's investments are held by the financial institutions' trust departments or agents in the Authority's name.

The institution holding the Authority's investments is a member of the Securities Investor Protection Corporation (SIPC). SIPC insures the cash and securities in each investor's account up to \$500,000 against loss in the case of a failed brokerage firm or misappropriation of assets by the broker, however only up to \$250,000 for cash investments. The Authority has over \$500,000 in investments at the institution, thus would be insured up to \$500,000 by the SIPC in the event such failure or misappropriation occurs.

Interest Rate Risk

The Authority has a formal investment policy which states that at the time of purchase, the maximum final maturity for any single issue should be between five and seven years, depending on whether there is a significant benefit to having a seven year maturity date. Also, the investment policy states that ladder maturity dates may not exceed an average maturity of five years. Maturities of investments held at December 31, 2012 are provided in the previous schedule.

Credit Risk and Concentration of Credit Risk

The Authority's investment policy sets limits as to the levels of allowable concentration risk. The money market portion of the investment portfolio is not to exceed one percent of the total portfolio. The Federal National Mortgage Association portion may not exceed 20% of the total investment portfolio. No portion, except for United States Treasury Notes, shall exceed 40% of the total investment portfolio.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

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

York County Industrial Development Authority (Continued)

Credit Risk and Concentration of Credit Risk (Continued)

At December 31, 2012, more than five percent of the Authority's investments were in Federal Home Loan Mortgage Corporation and Federal National Mortgage Association securities. As of December 31, 2012, these investments were 10.92% and 12.97%, respectively, of the Authority's total investments.

York County Library System

As of December 31, 2012, the Library System had the following cash and cash equivalents and debt investments with their respective maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More than 10
Cash Equivalents	\$ 77,494	\$ 77,494	\$ -	\$ -	\$ -
Fixed Income Mutual Funds	337,235	28,995	94,448	193,474	20,318
Mutual Funds	595,735	N/A	N/A	N/A	N/A
Total	<u>\$ 1,010,464</u>	<u>\$ 106,489</u>	<u>\$ 94,448</u>	<u>\$ 193,474</u>	<u>\$ 20,318</u>

In addition to cash equivalents and investments, an additional cash balance of \$56,907 is reported on the balance sheet. Total cash equivalents and investments are reported as follows:

Cash and Cash Equivalents	\$ 134,401
Investments	932,970
	<u>\$ 1,067,371</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.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

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

York County Library System (Continued)

Credit Risk

The Library's System's investment policy is for fixed income securities purchases to be of at least investment grade B.

As of December 31, 2012, 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>
Fixed Income Mutual Funds	AAA	9%
Fixed Income Mutual Funds	AA	3%
Fixed Income Mutual Funds	A	46%
Fixed Income Mutual Funds	BBB	23%
Fixed Income Mutual Funds	BB	6%
Fixed Income Mutual Funds	B	13%

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 deposits or investments or collateral securities that are in the possession of an outside party. As of December 31, 2012, none of the Library System's cash in bank of \$173,375 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 U.S. Government and its agencies, for which there is no limit. More than 5% of the Library System's investments are in PIMCO and Wilmington Short-Term Corporate Bd Instl. (Fixed Income Mutual Fund). These investments are 17% and 5% of the Library System's total investments.

County of York, Pennsylvania
Notes to Financial Statements (Continued)

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

York County Planning Commission

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Commission does not have a formal policy for custodial credit risk. As of December 31, 2012, the book balance of the Commission's deposits was \$5,001,397 and the bank balance was \$5,086,294. Of the bank balances at December 31, 2012, \$250,000 was covered by federal depository insurance and \$3,888,513 was collateralized under Act No. 72 (Act) of the 1971 Session of the Pennsylvania General Assembly, in which financial institutions were granted the authority to secure deposits of public bodies by pledging a pool of assets, as defined in the Act, to cover all public funds deposited in excess of federal depository insurance limits. At December 31, 2012, \$947,781 is invested in an external investment pool with PLGIT.

PLGIT separately issues audited financial statements, which are available to the public. The fair value of the Commission's position in the external investment pool is equivalent to the value of the pool shares. The Commonwealth is the formal external regulatory oversight for the external investment pool. At December 31, 2012, PLGIT carried an AAA rating and had an average maturity of less than one year.

Concentration of Credit Risk

The Commission places no limit on the amount the Commission may invest in any one issuer. All of the Commission's temporary investments consist of temporary investments with PLGIT (18.95%).

(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.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(4) Property Taxes (Continued)

The County is permitted by the County Code of the Commonwealth of Pennsylvania to levy property taxes up to 25 mills on every dollar of adjusted valuation for general County purposes exclusive of the requirements for the payment of interest and principal on funded debt. The property tax rate for 2012 was 4.15 mills with .1 mill pertaining to a dedicated library tax.

The County recorded an allowance for uncollectible taxes of \$452,468 as of December 31, 2012. This represents the County's estimate of taxes earned but ultimately expected not to be collected.

(5) Component Unit 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. 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, which was later purchased by Covanta Energy (CYRES), to operate the Resource Recovery Center. The YCSWRA paid monthly service fees to CYRES, which in the aggregate amounted to \$21,209,711 for the year ended December 31, 2012.

Under the terms of the Agreement with Viacom, the YCSWRA will receive \$42,000,000 payable in seventeen installments of amounts ranging between \$1,000,000 and \$3,000,000. Payment of \$3,000,000 was received in the year ended December 31, 2012. All contract payments are recorded in other income to offset operating costs to be charged by CYRES to the YCSWRA.

Using a 9% discount rate, the present value of the future cash flows of \$5,277,334 is recorded as a contract receivable, with \$2,525,040 being shown as the current portion as of December 31, 2012. Similar amounts are recorded as deferred contract income which will be amortized to income as payments are received from Viacom.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(6) Capital Assets

A summary of changes in the capital assets for the year ended December 31, 2012 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities				
Capital assets not being depreciated (cost):				
Land	\$ 53,210,552	\$ 233,380	\$ -	\$ 53,443,932
Construction in progress	4,021,954	9,101,800	2,307,080	10,816,674
Easements	17,977,571	-	-	17,977,571
Total capital assets not being depreciated	<u>75,210,077</u>	<u>9,335,180</u>	<u>2,307,080</u>	<u>82,238,177</u>
Capital assets being depreciated (cost):				
Buildings and improvements	202,683,565	1,413,683	-	204,097,248
Furniture, fixtures, and equipment	14,702,670	2,061,750	192,124	16,572,296
Bridges, roads, and rail trail	23,229,887	-	-	23,229,887
Total capital assets being depreciated	<u>240,616,122</u>	<u>3,475,433</u>	<u>192,124</u>	<u>243,899,431</u>
Less accumulated depreciation for:				
Buildings and improvements	54,191,155	4,991,476	-	59,182,631
Furniture, fixtures, and equipment	11,620,368	1,014,920	192,124	12,443,164
Bridges, roads, and rail trail	14,417,198	570,426	-	14,987,624
Total accumulated depreciation	<u>80,228,721</u>	<u>6,576,822</u>	<u>192,124</u>	<u>86,613,419</u>
Total capital assets being depreciated, net	<u>160,387,401</u>	<u>(3,101,389)</u>	<u>-</u>	<u>157,286,012</u>
Total capital assets, governmental activities	<u>\$ 235,597,478</u>	<u>\$ 6,233,791</u>	<u>\$ 2,307,080</u>	<u>\$ 239,524,189</u>
Business-type activities				
Capital assets not being depreciated (cost):				
Land	\$ 260,065	\$ -	\$ -	\$ 260,065
Construction in Progress	607,653	2,344,680	607,653	2,344,680
Total capital assets not being depreciated	<u>867,718</u>	<u>2,344,680</u>	<u>607,653</u>	<u>2,604,745</u>
Capital assets being depreciated (cost):				
Buildings and improvements	37,608,303	4,358	-	37,612,661
Leasehold assets	997,500	1,119,345	-	2,116,845
Furniture, fixtures, and equipment	50,506,690	1,147,579	14,994	51,639,275
Total capital assets being depreciated	<u>89,112,493</u>	<u>2,271,282</u>	<u>14,994</u>	<u>91,368,781</u>
Less accumulated depreciation for:				
Buildings and improvements	8,676,062	1,198,226	-	9,874,288
Furniture, fixtures, and equipment	14,146,839	3,624,081	14,994	17,755,926
Leasehold assets	964,250	201,152	-	1,165,402
Total accumulated depreciation	<u>23,787,151</u>	<u>5,023,459</u>	<u>14,994</u>	<u>28,795,616</u>
Total capital assets being depreciated, net	<u>65,325,342</u>	<u>(2,752,177)</u>	<u>-</u>	<u>62,573,165</u>
Total capital assets, business-type activities	<u>\$ 66,193,060</u>	<u>\$ (407,497)</u>	<u>\$ 607,653</u>	<u>\$ 65,177,910</u>

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(6) Capital Assets (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance
Component units				
Capital assets not being depreciated (cost):				
Land	\$ 8,049,615	\$ 1,870,190	\$ -	\$ 9,919,805
Construction in progress	8,757,066	344,346	8,127,358	974,054
Total capital assets not being depreciated	<u>16,806,681</u>	<u>2,214,536</u>	<u>8,127,358</u>	<u>10,893,859</u>
Capital assets being depreciated (cost):				
Buildings and improvements	160,384,432	2,777,685	192,288	162,969,829
Furniture, fixtures, and equipment	7,784,350	707,273	614,046	7,877,577
Total capital assets being depreciated	<u>168,168,782</u>	<u>3,484,958</u>	<u>806,334</u>	<u>170,847,406</u>
Less accumulated depreciation for:				
Buildings and improvements	117,876,239	6,182,415	188,538	123,870,116
Furniture, fixtures, and equipment	5,489,654	690,429	569,519	5,610,564
Total accumulated depreciation	<u>123,365,893</u>	<u>6,872,844</u>	<u>758,057</u>	<u>129,480,680</u>
Total capital assets being depreciated, net	<u>44,802,889</u>	<u>(3,387,886)</u>	<u>48,277</u>	<u>41,366,726</u>
Total capital assets, business-type activities	<u>\$ 61,609,570</u>	<u>\$ (1,173,350)</u>	<u>\$ 8,175,635</u>	<u>\$ 52,260,585</u>

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

Governmental activities	
Public safety	\$ 2,125,595
General government	720,371
Judicial	2,259,795
Health, education, and welfare	657,073
Road and bridges	573,224
Cultural and recreation	240,764
Total depreciation expense – governmental activities	<u>\$ 6,576,822</u>
Business-type activities	
County Nursing Home Fund	\$ 878,247
911 Fund	4,145,212
Total depreciation expense - business-type activities	<u>\$ 5,023,459</u>
Component units	
York County Planning Commission	\$ 32,201
York County Library System	288,414
York County Industrial Development Authority	1,045,342
York County Solid Waste and Refuse Authority	5,506,887
Total depreciation expense - component units	<u>\$ 6,872,844</u>

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(7) Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended December 31, 2012:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation debt	\$ 191,141,023	\$ 86,526,978	\$ 81,576,489	\$ 196,091,512	\$ 17,269,566
Litigation liability	2,500,000	-	1,000,000	1,500,000	1,000,000
Unamortized bond premium	1,231,922	-	56,134	1,175,788	56,134
Liability for workers' compensation self-insurance	2,542,819	592,820	2,537,635	598,004	77,740
Compensated absences	4,141,261	3,411,453	3,164,613	4,388,101	3,303,924
Liability for other postemployment benefits	14,342,322	7,216,576	4,089,840	17,469,058	-
Liability for pension benefits	3,789,089	1,021,453	-	4,810,542	-
	<u>\$ 219,688,436</u>	<u>\$ 98,769,280</u>	<u>\$ 92,424,711</u>	<u>\$ 226,033,005</u>	<u>\$ 21,707,364</u>
Business-type activities					
General obligation debt	\$ 48,634,383	\$ 447,338	\$ 1,700,966	\$ 47,380,755	\$ 2,228,473
Unamortized bond premium	1,194,410	-	54,291	1,140,119	54,291
Liability for workers' compensation self-insurance	759,543	339,417	476,547	622,413	80,914
Compensated absences	829,491	639,347	616,286	852,552	641,910
Liability for other postemployment benefits	6,818,586	3,465,315	2,014,399	8,269,502	-
Liability for pension benefits	1,737,058	204,378	-	1,941,436	-
Capital lease obligation	-	1,119,345	230,786	888,559	219,076
	<u>\$ 59,973,471</u>	<u>\$ 6,215,140</u>	<u>\$ 5,093,275</u>	<u>\$ 61,095,336</u>	<u>\$ 3,224,664</u>

Compensated absences, the liability for workers' compensation self-insurance, the net pension obligation, and the net postemployment benefit obligation are liquidated by the general fund, children & youth fund, mental health and intellectual disabilities fund, and certain other nonmajor funds.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(7) Long-Term Liabilities (Continued)

Governmental activities general obligation debt consisted of the following individual issues at December 31, 2012 (Payable from General Fund Tax Revenues):

<p>\$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.</p>	\$ 19,290,000
<p>\$74,890,000 Series of 2006 – general obligation bonds (\$21,836,334 for Governmental Activities and \$50,258,666 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.</p>	20,391,583
<p>\$11,700,000 Series A of 2009 – general obligation note with interest on the outstanding balance due semi-annually on May 1 and November 1 at a fixed rate equal to 4.63% for the period November 1, 2009 to November 1, 2014. After November 1, 2014, the interest rate will be variable rate equal to the Wall Street Prime Rate plus 500 basis points, not to exceed 15%. Principal due in annual installments on November, increasing from \$370,000 in 2010 to \$825,000 in 2029.</p>	10,535,000
<p>\$52,550,000 Series of 2010 – general obligation bonds with interest due semiannually June 1 and December 1 at various annual rates from 2.00% to 5.00%. Principal due in annual installments on June 1, increasing from \$105,000 in 2011 to \$44,735,000 in 2036.</p>	52,340,000
<p>\$3,293,000 Series A of 2010 – general obligation note with interest on the outstanding balance due monthly at a fixed rate equal to 4.50%. Principal due in monthly installments increasing from 7,265 in November 2012 to \$17,995 in October 2032.</p>	3,213,196
<p>\$20,000,000 Series of 2011 – general obligation note (\$12,901,733 for Governmental Activities and \$447,338 for Business-Type Activities) with interest on the outstanding balance due quarterly at a variable rate equal to 65% of 1 month LIBOR plus 85 basis points. Principal due on maturity on April 15, 2013.</p>	12,901,733
<p>\$16,740,000 Series 1 of 2012 – general obligation bonds with interest due semiannually June 1 and December 1 at a rate of 70% of 1-month LIBOR plus 75 basis points. Principal due in annual installments on June 1, increasing from \$655,000 in 2013 to \$15,405,000 in 2015.</p>	16,740,000
<p>\$28,300,000 Series 2 of 2012 – general obligation bonds with interest due semiannually June 1 and December 1 at a rate of 70% of 1-Month LIBOR plus 75 basis points. Principal due in annual installments on June 1, increasing from \$805,000 in 2013 to \$26,640,000 in 2015.</p>	28,300,000
<p>\$32,380,000 Series 3 of 2012 – general obligation bond with interest due semiannually June 1 and December 1 at a rate of 70% of 1-month LIBOR plus 75 basis points. Principal due in annual installments on June 1, increasing from \$365,000 in 2013 to \$31,635,000 in 2015.</p>	32,380,000
<p>Total general obligation debt</p>	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; text-align: right;">\$ 196,091,512</div>

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(7) Long-Term Liabilities (Continued)

The General Obligation Bonds Series 1 of 2012, Series 2 of 2012, Series 3 of 2012, and the General Obligation Bonds Series of 2006 descriptions described in the table above do not reflect the swap transactions disclosed in Note 8. However, the amounts of those bonds are reflective of the swap transactions described in Note 8.

In April 2011, the County issued General Obligation Note, Series of 2011, in the amount of \$20,000,000. The principal of this note is payable in full, upon maturity, on April 15, 2013. Interest payments on the outstanding principal are due quarterly, beginning on July 15, 2011. The interest rate on the Series of 2011 notes is a variable rate of 65% of 1 month LIBOR plus 85 basis points, not to exceed 12%. The County draws on the note as needed to fund the various capital projects. The principal balance outstanding on the note at December 31, 2011 was \$3,794,755. During 2012, the County drew down note proceeds of \$9,554,316 (\$9,106,978 for Governmental Activities and \$447,338 for Business-Type Activities). The principal balance outstanding on the note at December 31, 2012 was \$13,349,071 (\$12,901,733 for Governmental Activities and \$447,338 for Business-Type Activities).

In October 2012, the County issued General Obligation Bonds, Series 1 of 2012, Series 2 of 2012, and Series 3 of 2012, in the amount of \$77,420,000. The principal of these bonds is payable in annual installments increasing from \$1,825,000 in 2013 to \$73,680,000 in 2015. Concurrently, the County entered into a Note Purchase Agreement related to the issuance of the General Obligation Note Series of 2015 in the maximum amount of \$72,160,000. The purpose of the General Obligation Notes Series of 2015 is to provide funds for the payment of the maturing principal balances of the County's outstanding General Obligation Bonds, Series 1 of 2012, Series 2 of 2012, and Series 3 of 2012 and to pay the costs of issuing the notes. Interest payments on the outstanding principal shall be due semi-annually, on June 1 and December 1 of each year, beginning December 1, 2012. The interest rate on the Series 1 of 2012, Series 2 of 2012, and Series 3 of 2012 General Obligation Bonds is a variable rate equal to 70% of 1-Month LIBOR plus 75 basis points, not to exceed a maximum rate of 15%. The proceeds of the bonds were used to currently refund the outstanding principal of the General Obligation Notes Series 1 of 2010, Series 2 of 2010, and Series 3 of 2010. The County paid issuance costs of \$29,724. A payment of \$77,420,000 was made to redeem the general obligation notes and was recorded in the Capital Projects Bond Account Fund in the Statement of Revenues, Expenditures, and Changes in Fund Balances. The bonds increased debt service payments for the County by \$1,632,168 and resulted in an economic loss of \$1,524,628. The principal balance outstanding on the bonds at December 31, 2012 was \$77,420,000.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(7) Long-Term Liabilities (Continued)

The annual requirements to amortize Governmental Activities general obligation bonds outstanding for the year ended December 31, 2012 are as follows, *assuming current interest rates remain the same*:

	Principal	Interest and Remarketing Costs	Total
2013	\$ 17,269,566	\$ 5,627,324	\$ 22,896,890
2014	4,553,729	5,498,357	10,052,086
2015	76,425,911	5,330,948	81,756,859
2016	2,859,849	4,906,677	7,766,526
2017	2,879,039	4,752,425	7,631,464
2018-2022	14,384,343	21,211,872	35,596,215
2023-2027	13,002,916	17,091,771	30,094,687
2028-2032	12,320,157	12,918,219	25,238,376
2033-2036	52,396,002	5,301,027	57,697,029
	<u>\$ 196,091,512</u>	<u>\$ 82,638,620</u>	<u>\$ 278,730,132</u>

Business-Type Activities general obligation debt consisted of the following individual issues at December 31, 2012:

	General Obligation Debt
\$74,890,000 Series of 2006 – general obligation bonds (\$21,836,334 for Governmental Activities and \$50,258,666 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.	\$ 46,933,417
\$20,000,000 Series of 2011 – general obligation note (\$12,901,733 for Governmental Activities and \$447,338 for Business-Type Activities) with interest on the outstanding balance due quarterly at a variable rate equal to 65% of 1 month LIBOR plus 85 basis points. Principal due on maturity on April 15, 2013.	447,338
Total general obligation debt	<u>\$ 47,380,755</u>

The Series of 2006 descriptions described in the table above do not reflect the swap transactions disclosed in Note 8.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(7) Long-Term Liabilities (Continued)

The annual requirements to amortize Business-Type Activities general obligation bonds outstanding for the year ended December 31, 2012 are as follows, *assuming current interest rates remain the same*:

	Principal	Interest and Remarketing Costs	Total
2013	\$ 2,228,473	\$ 2,257,212	\$ 4,485,685
2014	1,875,245	2,172,482	4,047,727
2015	1,983,298	2,076,018	4,059,316
2016	2,094,837	1,979,302	4,074,139
2017	2,206,376	1,877,009	4,083,385
2018-2022	10,568,297	7,672,140	18,240,437
2023-2027	7,622,976	5,330,977	12,953,953
2028-2032	7,072,254	2,553,888	9,626,142
2033-2037	11,728,999	80,691	11,809,690
	<u>\$ 47,380,755</u>	<u>\$ 25,999,719</u>	<u>\$ 73,380,474</u>

As determined under the Commonwealth of Pennsylvania Local Government Unit Debt Act of 1972, the nonelectoral debt limit of the County at December 31, 2012 was \$1,000,731,051 compared to \$243,472,267 of related outstanding debt.

Total debt of the component units consisted of the following individual issues as of December 31, 2012:

	York County Solid Waste and Refuse Authority (YCSWRA)	York County Industrial Development Authority (Authority)	Total Component Units
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.	\$ 18,110,000	\$ -	\$ 18,110,000
Note payable for the Marketview Arts Center improvement project; loan agreement with a private lender; due 7/19/2023	-	846,000	846,000
Line of credit with Integrity Bank	-	332,957	332,957
	<u>18,110,000</u>	<u>1,178,957</u>	<u>19,288,957</u>
Plus: unamortized premium	88,750	-	88,750
Less: current portion	8,750,000	332,957	9,082,957
	<u>\$ 9,448,750</u>	<u>\$ 846,000</u>	<u>\$ 10,294,750</u>

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(8) Interest Rate Swaps

The County is a party to contracts for various derivative instruments, as discussed below.

At December 31, 2012, the County has the following derivative instruments outstanding:

	Current Notional Amount	Classification	Fair Value		Changes in Fair Value	
			Amount	Amount	Classification	Amount
Governmental Activities						
Investment Derivatives:						
2005 Pay-Fixed Interest Rate Swap	\$ 16,715,000	Investment	\$ (3,989,781)		Unrestricted Investment Gain	\$ 117,284
2003 Pay-Fixed Interest Rate Swap	\$ 28,265,000	Investment	\$ (6,453,561)		Unrestricted Investment Gain	\$ 174,240
2005 Pay-Fixed Interest Rate Swap	\$ 31,565,000	Investment	<u>\$ (9,779,668)</u>		Unrestricted Investment Gain	<u>\$ 448,477</u>
Total Pay-Fixed Interest Rate Swaps			<u>\$ (20,223,010)</u>			<u>\$ 740,001</u>
2006 Basis Swap	\$ 67,325,000	Investment	<u>\$ 189,510</u>		Unrestricted Investment Gain	<u>\$ 1,169,687</u>
Total Investment Derivatives			<u>\$ (20,033,500)</u>			<u>\$ 1,909,688</u>

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(8) Interest Rate Swaps (Continued)

The fair values of the swaps 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.

Terms of derivative instruments

The following table displays the terms of the County's derivative instruments outstanding at December 31, 2012, along with the credit rating of the counterparty.

	<u>Type</u>	<u>Current Notional Amounts</u>	<u>Effective Date</u>	<u>Maturity Date</u>	<u>Terms</u>	<u>Counterparty Credit Rating</u>
2005	Pay-fixed interest rate swap	\$ 16,715,000	12/01/10	06/01/30	Pay 4.335%; receive 87.3% of 1-Month LIBOR	Aa3 / AA-
2003	Pay-fixed interest rate swap	\$ 28,265,000	12/02/10	06/02/31	Pay 4.06%; receive 87.5% of 1-Month LIBOR	Aa3 / AA-
2005	Pay-fixed interest rate swap	\$ 31,565,000	12/01/10	06/01/33	Pay 4.43%; receive 88.3% of 1-Month LIBOR	Aa3 / AA-
2006	Basis Swap	\$ 67,325,000	02/22/06	06/01/33	Pay SIFMA; receive 67% of 1-Month LIBOR plus 42.39 basis	Aa3 / AA-

County of York, Pennsylvania
Notes to Financial Statements (Continued)

(8) Interest Rate Swaps (Continued)

Derivative Instrument Risks

Credit risk. The 2006 basis swap's fair value represents the County's credit exposure to the counterparty as of December 31, 2012. Should the counterparty fail to perform according to the terms of the swap agreement, the County would experience a maximum possible loss equivalent to the swap's \$189,510 fair value. The County executes its derivative instruments with one counterparty that comprises 100% percent of its net exposure to credit risk. As of December 31, 2012, the counterparty was rated Aa3 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 County is exposed to interest rate risk on the 2003 and 2005 pay-fixed interest rate swaps. As LIBOR decreases, the County's net payment on the swaps increases.

Termination Risk. The swaps were issued pursuant to the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The Swaps may also be terminated if the County's credit rating falls below Baa/BBB. The County or the counterparty may terminate the swaps 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 swaps have a negative fair value, the County would be liable to the counterparty for a payment equal to the swap's fair value.

Market-Access Risk. The County intends to issue refunding notes for the debt related to the 2003 and 2005 pay fixed interest rate swaps in 2015. The County reduced its exposure to market-access risk by entering into a note purchase agreement with PNC Bank to issue refunding notes in 2015.

Basis Risk. The County is exposed to basis risk under the 2006 basis swap to the extent that SIFMA trades at a greater than expected percentage of LIBOR for an extended period of time and/or in a high interest rate environment. As of December 31, 2012, the SIFMA rate of .13% was less than the 67% of 1-month LIBOR rate plus 42.39 basis points of .565%.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(9) Short-Term Debt

During 2012, the County issued Tax and Revenue Anticipation Notes in the amount of \$17,955,000 for cash flow purposes until the County began receiving tax receipts from the 2012 property tax. During 2012, the County repaid \$17,955,000 related to these Tax and Revenue Anticipation Notes. There was no outstanding balance at December 31, 2012 related to the issuance of this short-term debt.

(10) York County Post-Employment Benefit Plan

Plan Description. The County administers a single-employer postemployment benefit plan (the Plan) that covers health and life insurance benefits for eligible retirees. On January 5, 1983, the York County Retirement Board passed a resolution in accordance with the Commonwealth of Pennsylvania County Pension Law, Act 96, Section 19 (16 PS 11669) providing the authority under which benefit provisions for the Plan were established and may be amended. The Plan does not issue a publicly available financial report.

Funding Policy. The contribution requirements of the County are established and may be amended by resolution of the York County Retirement Board. The Plan does not require any contributions from Plan members. The County funds the Plan on a pay-as-you-go basis. For 2012, the County's contribution to the plan was \$6,104,239.

Annual OPEB Cost and Net OPEB Obligation. The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(10) York County Post-Employment Benefit Plan (Continued)

The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation to the Plan:

	<u>Governmental Activities</u>	<u>County Nursing Home</u>	<u>911 Fund</u>	<u>Total Primary Government</u>
Annual required contribution (ARC)	\$ 7,472,301	\$ 3,072,574	\$ 514,317	\$ 11,059,192
Interest on net OPEB obligation	573,693	237,363	35,380	846,436
Adjustment to ARC	<u>(829,418)</u>	<u>(343,169)</u>	<u>(51,150)</u>	<u>(1,223,737)</u>
Annual OPEB costs (expense)	7,216,576	2,966,768	498,547	10,681,891
Contributions made	<u>(4,089,840)</u>	<u>(1,709,187)</u>	<u>(305,212)</u>	<u>(6,104,239)</u>
Increase in net OPEB obligation	3,126,736	1,257,581	193,335	4,577,652
Net OPEB obligation - beginning of year	<u>14,342,322</u>	<u>5,934,098</u>	<u>884,488</u>	<u>21,160,908</u>
Net OPEB obligation - end of year	<u>\$ 17,469,058</u>	<u>\$ 7,191,679</u>	<u>\$ 1,077,823</u>	<u>\$ 25,738,560</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010, 2011, and 2012 were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/10	\$10,015,691	49.9%	\$16,744,312
12/31/11	\$10,760,639	59.0%	\$21,160,908
12/31/12	\$10,681,891	57.1%	\$25,738,560

Funded Status and Funding Progress. As of January 1, 2011, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$182,299,039 and there were no assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$182,299,039. The covered payroll was \$93.9 million, and the ratio of the UAAL to the covered payroll was 194.1%.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(10) York County Post-Employment Benefit Plan (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2011 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return, which is the expected long-term investment yield on the investments that are expected to be used to finance the payments of benefits, a health care cost trend rate of 9% initially, reduced by decrements to an ultimate rate of 5% after 5 years. The actuarial assumptions also include a dental and vision cost trend rate of 6% and an inflation rate of 2.5%. The UAAL is being amortized using the level dollar method over a period of 30 years on an open basis.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(11) Component Unit Post-Employee Retirement Plan

York County Planning Commission

Plan Descriptions

In addition to the pension plan benefits, the Commission provides certain post-employment healthcare benefits to its retirees through one single-employer, defined benefit other post-employment benefit (OPEB) plan. The OPEB plan does not issue a separate report.

Per Section 1000 of the Commission's employee handbook, effective May 6, 2008, the Commission will provide retired employees with medical coverage for a period of time after retirement.

Eligibility: Any non-uniformed employee who retires and has attained age 62 with at least 25 years of service with the Commission.

Benefits: Medical coverage is provided to the participant until age 65.

The schedule of benefits and sharing of costs is as follows:

<u>Year After Employment</u>	<u>Employer Share of Costs</u>	<u>Employee Share of Costs</u>
1	75%	25%
2	50%	50%
3	25%	75%
4	No benefit	No benefit

Note: Actuarial valuation assumed an average employer and employee contribution rate of 50%.

Funding Policy and Annual OPEB Costs

The Commission's contribution is based on projected pay-as-you-go financing requirements. For the year ended December 31, 2012, the Commission made \$13,613 of contributions to the OPEB plan.

The Commission opted to not fund the OPEB contribution and will continue to fund the annual OPEB cost on a pay-as-you-go basis.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(11) Component Unit Post-Employee Retirement Plan (Continued)

York County Planning Commission (Continued)

Funding Policy and Annual OPEB Costs (Continued)

The Commission's annual OPEB costs (expense) for the plan is calculated based on the annual required contribution of the employer (ARC). The Commission has elected to calculate the ARC and related information using the alternative measurement method permitted by governmental accounting standards for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARC are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions:

Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time for the valuation and on the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculation.

The projections of benefits for financial reporting purposes do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost-sharing between the employer and plan members in the future.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(11) Component Unit Post-Employee Retirement Plan (Continued)

York County Planning Commission (Continued)

Information as of the latest actuarial valuation follows:

Valuation date	12/31/2012
Actuarial cost method	Entry age normal, level percentage of payroll
Actuarial assumptions:	
Interest rate	2.0%
Mortality	Life expectancies based on the 2000 mortality tables for males and females projected 10 years
Turnover	Standard turnover assumptions from GASB Statement No. 45, paragraph 35b
Health insurance premiums	Based on 2012 health and dental insurance premiums.
Health care cost trend rates:	

	Health	Pharmacy	Dental	Vision
2012	8.0%	9.0%	3.5%	3.0%
2013	7.0%	8.0%	3.0%	3.0%
2014	6.0%	7.0%	3.0%	3.0%
2015	5.5%	6.0%	3.0%	3.0%
2016	5.3%	5.8%	3.0%	3.0%
2017	5.2%	5.6%	3.0%	3.0%
2018	5.2%	5.6%	3.0%	3.0%
2019	5.2%	5.5%	3.0%	3.0%
2020	5.2%	5.5%	3.0%	3.0%
2021+	4.7%	4.7%	3.0%	3.0%

Amortization period	27 year open period
Actuarial value of assets	Not applicable
Inflation rate	2.0%

Three-Year Trend Information

	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
2012	\$ 42,343	32.1%	\$ 107,745
2011	44,285	0.0%	79,015
2010	17,365	0.0%	34,730

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(11) Component Unit Post-Employee Retirement Plan (Continued)

York County Planning Commission (Continued)

Annual OPEB Cost and Net OPEB Obligation

The Commission's estimated annual OPEB costs and net OPEB obligations to the Plan for the year ended December 31, 2012 were as follows:

Annual required contribution	\$ 43,689
Interest of Net OPEB Obligation	1,580
Adjustment to ARC	<u>(2,926)</u>
Annual OPEB cost	42,343
Contribution made	<u>(13,613)</u>
Change in Net OPEB Obligation	28,730
Net OPEB Obligation, beginning	<u>79,015</u>
Net OPEB Obligation, ending	<u><u>\$ 107,745</u></u>

Funded Status and Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL As a Percentage of Covered Payroll (b-a/c)
12/31/2012	\$ -	\$ 462,932	\$ 462,932	0%	\$ 1,968,074	23.52%
12/31/2011	-	424,448	424,448	0%	1,981,468	21.42%
11/1/2009	-	160,788	160,788	0%	N/A	N/A

Summary of Employer Contributions

Year Ending	Annual Required Contribution	Actual Contribution	Percentage Contributed
12/31/2012	\$ 43,689	\$ 13,613	31.2%
12/31/2011	44,378	-	0.0%
12/31/2010	17,365	-	0.0%

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(12) Employee Retirement Plan (Pension Trust Fund)

The County maintains a single-employer, contributory-defined benefit pension plan (the Plan) that covers all employees of the County. 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, Statement No. 27, and Statement No. 50.

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, 2012, the Plan's membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	985
Terminated employees entitled to benefits, but not yet receiving benefits	179
Active plan members	<u>2,401</u>
Total members	<u><u>3,565</u></u>

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 4.0% compounded annually. Accumulated employee contributions and credited interest, which amounted to \$59,421,651 as of December 31, 2012, 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)

(12) Employee Retirement Plan (Pension Trust Fund) (Continued)

Funding Status and Progress

As of December 31, 2012, the most recent actuarial valuation date, the plan was 81.0 % funded. The actuarial accrued liability for benefits was \$321.5 million, and the actuarial value of assets was \$260.4 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$61.1 million. The actuarial value of assets as a percentage of the actuarial accrued liability was 81.0%. The covered payroll was \$104.5 million, and the ratio of the UAAL to the covered payroll was 58.5%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

In the December 31, 2012 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included; (a) 7.5 percent investment rate of return, (b) 4.0 percent projected salary increases, and (c) no postretirement benefit increases. Both (a) and (b) included an inflation component of 3%. The actuarial value of assets was determined using the greater of the market value of the assets as of the valuation date and the actuarial value of assets as of the prior valuation date plus contributions and other deposits except investment income minus benefit payments and administrative expenses or other payments plus credited interest at 1% less than the plans' assumed rate to the valuation date in accordance with the method approved by the Commonwealth of Pennsylvania under Act 44 Section 210A(1). The actuarial value of assets will be limited to a maximum of 120% and a minimum of 80% of the market value of assets as of the valuation date. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2012 was 23 years.

Year Ended December 31,	Annual Required Contribution (ARC)	Interest on Net Pension Asset	ARC Adjustment	Pension Cost	County Contribution	Percentage of Pension Cost Contributed	Change in Net	
							Pension (Asset)/ Obligation	Net Pension (Asset)/ Obligation
2010	\$ 10,666,047	\$ 167,836	\$ 272,031	\$ 10,561,852	\$ 8,000,000	75.74%	\$ 2,561,852	\$ 4,799,661
2011	10,950,633	359,975	584,122	10,726,486	10,000,000	93.23%	726,486	5,526,147
2012	11,484,752	414,461	673,382	11,225,831	10,000,000	89.08%	1,225,831	6,751,978

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(12) Employee Retirement Plan (Pension Trust Fund) (Continued)

During 2012, the County did not fully fund their annual required contribution in the amount of \$1,484,752. At December 31, 2012, the County has recorded an accumulated pension liability of \$4,810,542 and \$1,941,436 in the statement of net position for governmental and business-type activities, respectively, for the cumulative unfunded net pension obligation.

Legally Required Reserves

At December 31, 2012, the County has a balance of \$59,421,651 in the Members' Annuity Reserve Account. This account is the total of the contributions deducted from the salaries of the active and terminated vested members of the retirement system and the IRC 414(h)(2) pickup contributions together with the interest additions as of December 31, 2012. Since those accumulations represent the present value as of December 31, 2012 of future benefits, the reserve balance and liability are equal and this reserve is fully funded.

The County has a balance of \$63,180,631 in the County Annuity Reserve Account as of December 31, 2012. 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 \$114,683,255 as of December 31, 2012.

(13) Component Unit Employee Retirement Plans

York County Solid Waste and Refuse Authority

The YCSWRA sponsors a defined contribution retirement plan covering all employees who meet certain age and length of service requirements. The YCSWRA's contribution and retirement expense for the year ended December 31, 2012 amounted to \$131,900.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(13) Component Unit Employee Retirement Plans

York County Solid Waste and Refuse Authority (Continued)

During the year ended December 31, 1999, the Authority 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, 2012.

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.

York County Library System

Effective April 30, 2011 the York County Library System terminated its single-employer defined benefit plan allowing participants to roll over their balances to the York County Library System Retirement Plan (The "Plan"), a 401(k) plan.

Description of the plan

The Library System maintained a single-employer defined contribution 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 for the purposes of salary deferrals if they have attained the age of 21 and have completed 1 year of service. Employees may elect to reduce compensation by a specific dollar amount and have that amount contributed to the plan on a pre-tax basis as a salary deferral not exceeding the limit set forth by the IRS. Participants are 100% vested once they are eligible to contribute. The Library System makes a contribution equal to 100% of the employees' salary deferrals that do not exceed 3% of the employees' compensation plus 50% of your salary deferrals between 3% and 5% of the employees' compensation. Employee contributions for the year ended December 31, 2012 was \$33,963. Employer contributions to the plan were \$25,937.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(13) Component Unit Employee Retirement Plans

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 of 1974. 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.

Plan Membership

As of January 1, 2011, the date of the latest actuarial valuation, the pension plan's membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	17
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	8
Active Plan Members	<u>44</u>
Total Members	<u><u>69</u></u>

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.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(13) Component Unit Employee Retirement Plans (Continued)

York County Planning Commission (Continued)

Annual Pension Cost

The Commission's annual pension costs were comprised of the following for the year ended December 31, 2012:

Annual required contribution	\$	212,746
Adjustment to ARC		67,207
Annual pension cost		279,953
Contributions made		(287,786)
Change in prepaid pension expenses		(7,833)
Net prepaid pension expense, beginning		(559,871)
Net prepaid pension expense, ending	\$	(567,704)

The required contribution was determined as part of the actuarial valuation using the entry age normal actuarial method. The actuarial values of plan assets are stated at fair value. The actuarial assumptions included a 6.0% investment rate of return and projected salary increases based on a salary scale. The Commission's unfunded actuarial accrued liability is being amortized as a level dollar on a closed basis. The remaining amortization period as of December 31, 2012, was fourteen years.

Trend Information

Year Ended December 31,	Annual Pension Cost	Contributions Made	Actuarial Valuation Date Basis for Contributions	Percentage Contributed	Net Pension Asset
2010	\$ 246,872	\$ 517,060	2009	209.4%	\$ (483,593)
2011	\$ 260,197	\$ 336,475	2011	129.3%	\$ (559,871)
2012	\$ 279,953	\$ 287,786	2011	102.8%	\$ (567,704)

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(13) Component Unit Employee Retirement Plans (Continued)

York County Planning Commission (Continued)

Summary of Employer Contributions

<u>Year Ended December 31</u>	<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage Contributed</u>
2007	\$ 185,386	\$ 185,386	100%
2008	\$ 200,890	\$ 200,910	100%
2009	\$ 219,596	\$ 219,636	100%
2010	\$ 217,000	\$ 517,060	238%
2011	\$ 206,455	\$ 336,475	163%
2012	\$ 212,746	\$ 287,786	135%

Funded Status and Funding Progress

The schedule of funding progress below presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of covered Payroll [(b-a)/c]</u>
1/1/2001	\$ 3,024,893	\$ 3,740,524	\$ 715,631	80.87%	\$ 1,297,772	55.14%
1/1/2003	\$ 3,718,243	\$ 4,307,095	\$ 588,852	86.33%	\$ 1,466,815	40.14%
1/1/2005	\$ 4,502,255	\$ 5,140,779	\$ 638,524	87.58%	\$ 1,619,427	39.43%
1/1/2007	\$ 5,297,643	\$ 5,998,245	\$ 700,602	88.32%	\$ 1,742,123	40.22%
1/1/2009	\$ 6,287,879	\$ 6,914,902	\$ 627,023	90.93%	\$ 2,036,293	30.79%
1/1/2011	\$ 7,476,482	\$ 7,281,624	\$ (194,858)	102.68%	\$ 2,153,525	-9.05%

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(13) 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. The Commission views this plan as the employee's investment account. The Commission has not made contributions to this plan in the past and does not anticipate making contributions in the future. During the year ended December 31, 2012, the Commission did not make any contributions to the plan.

(14) Commitments and Contingencies

Litigation

In the normal course of business, there are various claims and suits pending against the County and its elected officials. Management is of the opinion that these matters will not have a material adverse effect on the County's financial position at December 31, 2012.

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 Agreement

The primary government has guaranteed the Series of 1997 Refunding Revenue Bonds of YCSWRA. The outstanding balance of this debt at December 31, 2012, was \$28,110,000.

The primary government has guaranteed the Series of 2003 B Revenue Bonds (Taxable) of the York County Economic Development Corporation. The outstanding balance of this debt at December 31, 2012, was \$2,500,000.

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)

(14) Commitments and Contingencies (Continued)

Lines of Credit – Component Units

In 2010, the Authority established a \$1,000,000 unsecured line of credit with Integrity Bank for working capital and various project needs of the Authority. Borrowings against the line bears interest at the New York Prime Rate, which was 3.25% at December 31, 2012. As of December 31, 2012, \$332,957 had been drawn on the line related to the Harley-Davidson West Campus and Marketview Arts Center projects and was outstanding.

In February 2012, the Authority established a \$500,000 line of credit, secured by \$560,000 of the Authority's investment portfolio, for short-term gap funding for the Marketview Arts Center project. The line was utilized during 2012, and was paid in full and closed on December 14, 2012.

(15) Due from Other Governments

Amounts due from other governments are primarily grants receivable from the Commonwealth of Pennsylvania at December 31, 2012, for the following funds:

Governmental funds	
General Fund	\$ 904,756
Mental Health and Intellectual and Developmental Disabilities Fund	20,279
Children, Youth, and Families Fund	2,133,496
Community Development Block Grant Fund	99,253
Other Nonmajor Funds	1,290,995
	<u>\$ 4,448,779</u>
Enterprise Fund	
911 Fund	\$ 55,761
	<u>\$ 55,761</u>

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(16) Interfund Accounts

Individual fund “due from other funds” and “due to other funds” balances at December 31, 2012, are as follows:

	Due from Other Funds	Due to Other Funds
Governmental funds		
General Fund	\$ 2,694,621	\$ 906,377
York HealthChoices Management Fund	-	1,010,218
Mental Health and Intellectual and Developmental Disabilities Fund	21,099	663,995
Children, Youth, and Families Fund	232,713	-
Community Development Block Grant Fund	-	2,765
Other Nonmajor Funds	1,921,664	1,543,496
	<u>4,870,097</u>	<u>4,126,851</u>
Enterprise funds		
County Nursing Home Fund	-	743,246
911 Fund	-	-
	<u>-</u>	<u>743,246</u>
Total	<u>\$ 4,870,097</u>	<u>\$ 4,870,097</u>

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)

(16) Interfund Accounts (Continued)

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

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental funds		
General Fund	\$ 54,670	\$ 30,870,313
Mental Health and Intellectual and Developmental Disabilities Fund	896,177	-
Children, Youth, and Families Fund	9,728,937	-
Community Development Block Grant Fund	42,956	-
Other Nonmajor Funds	<u>1,617,315</u>	<u>424,295</u>
	12,340,055	31,294,608
 Enterprise funds		
County Nursing Home Fund	9,706,368	-
911 Fund	<u>9,248,185</u>	-
	18,954,553	-
Total	<u>\$ 31,294,608</u>	<u>\$ 31,294,608</u>

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.

(17) Excess of Expenditures over Appropriations in Major Funds

The following major fund had an excess of actual expenditures over budget for the year ended December 31, 2012.

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Percent of Excess over Appropriations</u>
York HealthChoices Management Fund	\$ 62,890,774	\$ 67,815,446	7.83%
Children, Youth, and Families Fund	\$ 45,249,000	\$ 45,803,328	1.23%

The excess expenditures over appropriations in the York HealthChoices Management Fund were funded by greater than anticipated revenues and the expenditures over appropriations in the Children, Youth, and Families Fund were funded by the General Fund.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(18) Deficit Fund Equity

The Capital Projects Bond Account Fund had a deficit balance in unassigned fund balance of \$1,567,736. The deficit balance was due to the County paid or accrued expenditures for the fund but did not drawdown note proceeds to fund the expenditures as of December 31, 2012.

(19) Landfill Closure and Post Closure Care Costs – Component Unit

The YCSWRA completed closure construction on the York County Sanitary Landfill during the year ended December 31, 1998. State and federal laws and regulations require the YCSWRA place a final cover on the landfill site when it stopped 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 landfill closure and postclosure care liability of \$530,029 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, 2012. 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.

(20) 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 significant settlements exceeded insurance coverage for each of the past three years.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(20) Risk Management (Continued)

Self-Insurance (Continued)

The County has elected to self-insure itself for workers compensation claims. The County is liable for all claims up to \$600,000 per individual for any one plan year. The County purchased stop loss insurance to cover all claims in excess of \$600,000 per individual in any plan year. As of December 31, 2012, the County has recorded a liability for claims incurred of \$622,413 in the county nursing home fund and \$598,004 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, 2012.

The County has elected to self-insure itself for medical insurance for certain employees. The County is liable for all claims up to \$300,000 plus \$40,000 aggregating deductible per individual for any one plan year. Once the aggregating deductible has been met, all future stop loss reimbursements for that contract year are payable upon reaching the stated deductible of \$300,000 per covered member. The County purchased stop loss insurance to cover all claims in excess of these deductible points. As of December 31, 2012, the County has recorded a liability for claims incurred of \$1,458,114 as account payable in the general fund and \$387,600 as accounts payable in the county nursing home fund.

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

	<u>Medical</u>		<u>Workers' Compensation</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Balance as of January 1	\$ 2,146,443	\$ 1,274,220	\$ 3,302,362	\$ 3,053,211
Add: Incurred claims relating to:				
Prior years	361,956	2,707	(1,740,359)	627,685
Current year	26,183,005	24,533,127	592,820	479,734
	<u>26,544,961</u>	<u>24,535,834</u>	<u>(1,147,539)</u>	<u>1,107,419</u>
Less: Payment of claims relating to:				
Prior years	2,267,653	1,276,927	510,409	496,014
Current year	24,578,037	22,386,684	423,997	362,254
	<u>26,845,690</u>	<u>23,663,611</u>	<u>934,406</u>	<u>858,268</u>
Balance as of December 31	<u>\$ 1,845,714</u>	<u>\$ 2,146,443</u>	<u>\$ 1,220,417</u>	<u>\$ 3,302,362</u>

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(20) Risk Management (Continued)

Self-Insurance (Continued)

The foregoing reconciliation reflects a deficiency in the December 31, 2011 liability for medical self-insurance of \$361,956. The foregoing reconciliation also reflects a redundancy in the December 31, 2011 liability for workers' compensation self-insurance of \$1,740,359. 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 quarterly premium to the Pool based on past loss experience. Based on the County's favorable loss experience in 2012, no liability has been recorded for claims incurred, but not paid as of December 31, 2012.

(21) Restricted Assets and Related Liabilities

At December 31, 2012, the County's governmental funds had a restricted cash balance of \$6,906,719 maintained in escrow accounts in the name of the County. At December 31, 2012, the County also had a restricted investment balance \$14,924,070. Each fund's restricted cash and investments are provided below with a brief explanation of the reasons for the restriction:

- \$4,744,603 and \$389,612 are restricted cash and investments in the General Fund. These balances are for various purposes, including: agricultural land preservation, records management, disaster assistance, and workers' compensation.
- \$1,449,900/\$12,718,108 and \$509,672/\$1,816,350 are restricted cash/investments in the York HealthChoices Fund and the Adams HealthChoices Fund, respectively. Of this balance, \$245,629 and \$1,727,399, respectively, is restricted as incentive cash/investments. The program's subcontractor is eligible for a bonus based on meeting performance benchmarks. This cash/investments is restricted for that purpose. \$1,287,617 and \$11,290,981, respectively, is held as restricted cash/investments for contingencies. These funds will pay the claims of the program if a shortage existed in their capitation income from the Commonwealth of Pennsylvania. \$426,326 and \$1,516,078, respectively, is held as restricted cash/investments for reinvestment. Use of these funds is contingent upon the Department of Public Welfare approval of a reinvestment plan.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(21) Restricted Assets and Related Liabilities (Continued)

- \$60,922 is restricted cash in the York County MH/IDD Fund. These funds are received from individuals designated to be used as memorials.
- \$258 is restricted cash in the Capital Projects Bond Account Fund to pay for costs to fund certain capital projects related to the \$20,000,000 2011 General Obligation Note.
- \$52,943 is restricted cash in the Domestic Relations Fund. These funds are held to be remitted to the intended third party.
- \$3,889 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.
- \$84,532 is restricted cash in the Donations Fund as being held for specific purposes by individuals or businesses.

At December 31, 2012, the County's enterprise funds had a restricted cash balance of \$3,448,036. Each fund's restricted cash is provided below with a brief explanation of the reasons for the restriction:

- \$422,520 of cash in the county nursing home fund. Of this balance \$376,326 is restricted for the payment of patient funds held in safekeeping and \$46,194 for other deposits held in escrow.
- \$3,025,516 of cash in the 911 fund is restricted for payment of eligible 911 wireless expenses.

The YCSWRA (a component unit) is required to maintain cash and investments amounting to \$146,265,450 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)

(22) Fund Balance/Net Position

The constraints on fund balance included in the governmental fund financial statements represent portions of fund balances that are nonspendable, restricted, committed, or assigned for various purposes and are not available for the payment of other subsequent expenditures. The following nonspendable, restricted, committed, and assigned fund balances are included in the governmental fund financial statements:

Governmental Funds

General Fund

Nonspendable \$ 10,735,000

This line item represents \$10,535,000 for a loan receivable and \$200,000 for prepaid health insurance for a high deductible health insurance plan.

Restricted for General Government \$ 23,574

This line item represents amounts restricted for the payment of worker's compensation claims in the amount of \$23,574.

Assigned \$ 743,246

This line item represents \$743,246 assigned for future expenditures of the County's Nursing Home Fund.

Nonmajor Funds

Restricted

Liquid Fuels Tax (Roads and Bridges) \$ 1,946,958

This line item represents amounts that are restricted by grantors for the future payments of expenditures for the building and improvement of roads and bridges.

Domestic Relations (Judicial) \$ 4,325,389

This line item represents amounts that are restricted by grantors for the future payments of expenditures for the operation of the Child Support Enforcement Program.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(22) Fund Balance/Net Position (Continued)

Nonmajor Funds (Continued)

Restricted (Continued)

Drug Task Force (Judicial) \$ 875,359

This line item represents amounts that are restricted by enabling legislation for the future payments of expenditures for the operation of the Drug Task Force.

Donations (Culture and Recreation) \$ 84,532

This line item represents amounts that are restricted by bequests from county residents for the future payments of expenditures for improvements to county parks.

Affordable Housing (Conservation and Development) \$ 962,880

This line item represents amounts that are restricted by enabling legislation for the future payments of expenditures to enable county residents to purchase or rent residential housing.

Committed

Earn It \$ 18,166

This line item represents amounts that are committed for the future payments of expenditures for the juvenile restitution and community service program.

Prison Telephone \$ 216,908

This line item represents amounts that are committed for the future payments of expenditures for the benefit of prisoners in the county prison.

Net Position

The restrictions on fund balance/net position included in the fund financial statements and the government-wide statements represent portions of net position that are restricted for various purposes and are not available for the payment of other subsequent expenditures. The following restricted net positions are included in the fund financial statements and the government-wide financial statements

Governmental Activities

All applicable restricted governmental fund balance amounts disclosed above are also recorded as restricted net position in the Governmental Activities Statement of Net Position.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(22) Fund Balance/Net Position (Continued)

Business Type Activites

911 Fund

Restricted for Public Safety \$ 3,025,516

This line item represents amounts that are restricted by grantors to be used in accordance with the requirements of the 911 wireless program.

Fiduciary Funds

Pension Trust Fund

Net position held in trust for pension benefits \$ 252,260,254

This line item represents amounts that are held in trust for future payments of members' benefits.

(23) Litigation Liability

The liability consists of an eminent domain settlement for \$5.5 million that occurred during 2008. The settlement is payable in annual installments beginning on June 30, 2009 through June 30, 2014, with an interest rate of 6.00%.

The annual requirements to amortize maturities of the outstanding liability for the year ended December 31, 2012, are as follows:

	Principal	Interest	Total
2013	\$ 1,000,000	\$ 90,000	\$ 1,090,000
2014	500,000	15,000	515,000
	<u>\$ 1,500,000</u>	<u>\$ 105,000</u>	<u>\$ 1,605,000</u>

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(24) Loan and Note Receivables

Concurrent to the issuance of the Series A of 2009 General Obligation Notes, the County entered into a loan and security agreement, a mortgage agreement, and a promissory note with the York County Agricultural Society (“Society”) to secure the loan collectively “the Agreement” in the amount of \$11,700,000. Under the Agreement, the Society will pay the principal and interest costs of the outstanding debt in monthly installments of \$76,215 to the County of York until October 10, 2014; and, thereafter the monthly installment will be adjusted to correspond to the new interest rate on the General Obligation Notes. The interest rate on the loan is a fixed rate equal to 4.63% for the period from November 1, 2009 to November 1, 2014. After November 1, 2014, the interest rate shall be adjusted to equal the Wall Street Prime Rate on such date plus 500 basis points, not to exceed a maximum interest rate of 15%. The balance of the loan at December 31, 2012, was \$10,535,000.

The County also has a mortgage note receivable with HW York Properties Inc. related to the sale/leaseback of the building located at 1 West Market Way. The County receives a monthly payment of \$19,704 beginning in May of 2002 and ending in April of 2020. The note has an interest rate of 6.75%. After May of 2012, HW York Properties Inc. is no longer making monthly payments and the property will be sold at a sheriff’s sale in June of 2013. The balance of the note at December 31, 2012, was \$1,446,995. The County has deemed the note to be uncollectible and has accordingly recorded an allowance of \$1,446,995 in the General Fund.

The annual principal and interest amounts on the loan for the year ended December 31, 2012, are as follows:

	Principal	Interest	Total
2013	\$ 425,000	\$ 487,770	\$ 912,770
2014	445,000	468,093	913,093
2015	465,000	447,490	912,490
2016	485,000	425,960	910,960
2017	510,000	403,504	913,504
2018-2022	2,910,000	1,641,262	4,551,262
2023-2027	3,645,000	902,620	4,547,620
2028-2029	1,650,000	115,594	1,765,594
Total	\$ 10,535,000	\$ 4,892,293	\$ 15,427,293

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(25) Operating leases

The County leases various towers under operating leases with expiration dates greater than one year. Minimum rental payments at December 31, 2012 are as follows:

2013	\$ 212,987
2014	218,863
2015	224,482
2016	204,443
2017	49,686
2018-2022	246,629
2023-2027	282,731
2028-2031	<u>202,306</u>
Total	<u>\$ 1,642,127</u>

Rental expense totaled \$259,310 for the year ended December 31, 2012.

(26) Capital Lease

In April of 2012, the County's 911 Fund leased 200 mobile data computers and NetMotion Software in the amount of \$1,119,345 bearing an interest rate of 1.9% and expiring in January 2016. The following is a schedule of future minimum lease payments under the capital lease agreement together with the present value of the net minimum lease payments as of December 31, 2012:

Total Minimum Lease Payments	\$ 926,416
Less: Amount Representing Interest	<u>(37,857)</u>
Total Present Value of Net Minimum Lease Payments	888,559
Less: Amounts Due within One Year	<u>219,076</u>
Long Term Capital Lease Payable	<u>\$ 669,483</u>

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(26) Capital Lease (Continued)

Future minimum capital lease payments as of December 31, 2012:

2013	\$ 219,076
2014	219,018
2015	223,135
2016	<u>227,330</u>
Total Future Minimum Lease Payments	<u>\$ 888,559</u>

At December 31, 2012, the County has leased equipment disclosed as leasehold assets in Note 6 in the amount of \$2,116,845 with an accumulated depreciation of \$1,165,402. The County incurred \$201,152 of depreciation expense during 2012.

(27) Subsequent Event

In January of 2013, the County issued Tax and Revenue Anticipation Notes, Series of 2013, in the amount of \$19,950,000. The Notes bear interest at 1.00% and are due on April 30, 2013.

In March of 2013, the County issued General Obligation Bonds, Series of 2013, in the amount of \$40,910,000. The bonds mature in various amounts from June 1, 2014 thru June 1, 2038 at a fixed interest rate of 2% to 5%. The proceeds of the bonds will be used to (1) currently refund the County's outstanding General Obligation Bonds, Series of 2003, (2) currently refund the County's outstanding General Obligation Note, Series of 2011, (3) undertake various capital projects of the County, and (4) pay the costs of issuing the bonds.

(28) Subsequent Events – Component Units

York County Solid Waste and Refuse Authority

On February 23, 2013 the Resource Recovery Center experienced a turbine failure. The YCSWRA is currently assessing the impact of this event. The YCSWRA anticipates the turbine will be out of service for approximately 85 days, and believes this to be an insurable event.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(28) Subsequent Events – Component Units (Continued)

York County Solid Waste and Refuse Authority (Continued)

The YCSWRA is estimating the potential loss resulting from the turbine failure, if any, will be limited to its insurance deductible limits. The business interruption insurance deductible is equivalent to 30 days of lost revenues or approximately \$1,500,000. The property damage deductible for the turbine is \$250,000. No amounts have been accrued by YCSWRA in its financial statements as of December 31, 2012 related to this subsequent event.

York County Industrial Development Authority

In February 2013, the Authority signed a Purchase and Sales Agreement with an unrelated third party for the sale of the Harley-Davidson West Campus property of \$4,184,700. The agreement includes provisions of time for the purchaser's inspection, with additional extensions, which permit the purchaser to terminate the Agreement within the inspection time period. Upon sale of the property, the Authority will be required to share net profits of the sale equally with Harley-Davidson.

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REQUIRED SUPPLEMENTARY INFORMATION

County of York, Pennsylvania

Schedule of Employer Contributions and Funding Progress

Schedule of Employer Contributions

Year Ended December 31	Annual Required Contribution	Percentage Contributed
2007	\$ 7,199,423	100%
2008	\$ 7,383,314	100%
2009	\$ 9,332,399	71%
2010	\$ 10,666,047	75%
2011	\$ 10,950,633	91%
2012	\$ 11,484,752	87%

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, 2012
Actuarial cost method	Entry Age
Amortization method	Level percentage of projected payroll
Remaining amortization period	23 years, closed
Asset valuation method	Greater of market value and actuarial value as described in section 210A(1) of Act 44 of 2009 of the Commonwealth of Pennsylvania
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	4.00%
Includes inflation at:	3.00%
Cost-of-living adjustments	None

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2008	\$ 196,954,958	\$ 245,378,742	\$ 48,423,784	80.3%	\$ 91,673,555	52.8%
12/31/2009	\$ 210,319,427	\$ 269,381,916	\$ 59,062,489	78.1%	\$ 94,978,984	62.2%
12/31/2010	\$ 225,346,700	\$ 287,309,457	\$ 61,962,757	78.4%	\$ 98,095,169	63.2%
12/31/2011	\$ 242,460,283	\$ 306,718,599	\$ 64,258,316	79.0%	\$ 101,994,045	63.0%
12/31/2012	\$ 260,440,177	\$ 321,582,762	\$ 61,142,585	81.0%	\$ 104,455,415	58.5%

As the County used the aggregate actuarial cost method prior to December 31, 2007, only five years are presented in the above schedule.

Effective December 31, 2012 the mortality table has been changed and the salary increase assumption has been lowered from 4.5% to 4.0%. The effect of these changes is a decrease in the actuarial accrued liability of \$2,036,761 and a corresponding decrease in the ARC of \$450,280.

County of York, Pennsylvania

Schedule of Funding Progress for Postemployment Benefits Other Than Pensions

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2007	\$ -	\$ 100,954,417	\$ 100,954,417	0%	\$ 80,530,461	125.4%
1/1/2009	\$ -	\$ 152,089,381	\$ 152,089,381	0%	\$ 91,673,555	165.9%
1/1/2011	\$ -	\$ 182,299,039	\$ 182,299,039	0%	\$ 93,916,913	194.1%

The increase in the actuarial accrued liability was primarily due to projected future mortality rates have been updated to reflect mortality improvement in the general population, future medical costs were based upon actual costs incurred in recent years, and the actuarial cost method was changed from the projected unit credit actuarial cost method to the entry age normal actuarial cost method.

County of York, Pennsylvania

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

Year ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget –
	Original	Final		Positive (Negative)
Revenues				
Real estate taxes	\$ 110,100,000	\$ 110,100,000	\$ 110,850,508	\$ 750,508
Intergovernmental	5,078,599	6,629,952	4,930,498	(1,699,454)
Departmental	42,444,450	43,342,450	43,162,915	(179,535)
Fines and costs	5,717,900	5,717,900	5,475,592	(242,308)
Hotel tax	1,200,000	1,200,000	1,567,531	367,531
Investment	280,000	280,000	276,715	(3,285)
Total revenues	164,820,949	167,270,302	166,263,759	(1,006,543)
Expenditures				
Current:				
General government	12,153,387	12,762,476	13,307,481	(545,005)
Public safety	63,513,101	63,605,668	62,882,815	722,853
Health, education, and welfare:				
Human Services	11,201,002	11,208,612	11,124,237	84,375
Judicial	33,147,775	34,887,862	33,306,862	1,581,000
Cultural and recreation	7,463,216	7,463,216	8,276,860	(813,644)
Conservation and community development	4,617,174	4,617,174	4,598,516	18,658
Capital outlay	-	-	304,776	(304,776)
Debt service:				
Principal retirement	4,094,034	4,094,034	4,094,034	-
Interest and fiscal charges	7,059,583	7,059,583	5,551,945	1,507,638
Total expenditures	143,249,272	145,698,625	143,447,526	2,251,099
Excess of revenues over expenditures	21,571,677	21,571,677	22,816,233	1,244,556
Other financing sources (uses)				
Transfers in	3,445,000	3,445,000	54,670	(3,390,330)
Transfers out	(25,016,677)	(25,016,677)	(30,870,313)	(5,853,636)
Total other financing sources (uses)	(21,571,677)	(21,571,677)	(30,815,643)	(9,243,966)
Net change in fund balances	\$ -	\$ -	\$ (7,999,410)	\$ (7,999,410)

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget – Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 62,137,010	\$ 62,137,010	\$ 67,758,114	\$ 5,621,104
Investment	20,250	20,250	57,332	37,082
Other	70,000	70,000	-	(70,000)
Total revenues	62,227,260	62,227,260	67,815,446	5,588,186
Expenditures				
Current:				
Health, education, and welfare:				
Human Services	62,890,774	62,890,774	67,815,446	(4,924,672)
Total expenditures	62,890,774	62,890,774	67,815,446	(4,924,672)
Deficiency of revenues under expenditures	(663,514)	(663,514)	-	663,514
Net change in fund balances	\$ (663,514)	\$ (663,514)	\$ -	\$ 663,514

See Notes to Required Supplementary Information

County of York, Pennsylvania

Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual – Mental Health and Intellectual and Developmental Disabilities Fund

Year ended December 31, 2012

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget – Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 28,803,385	\$ 28,803,385	\$ 28,100,071	\$ (703,314)
Investment	13,000	13,000	10,911	(2,089)
Other	-	-	-	-
Total revenues	<u>28,816,385</u>	<u>28,816,385</u>	<u>28,110,982</u>	<u>(705,403)</u>
Expenditures				
Current:				
Health, education, and welfare:				
Mental health/intellectual disabilities	29,799,407	29,799,407	29,007,159	792,248
Total expenditures	<u>29,799,407</u>	<u>29,799,407</u>	<u>29,007,159</u>	<u>792,248</u>
Deficiency of revenues under expenditures	(983,022)	(983,022)	(896,177)	86,845
Other financing sources				
Transfers in	983,022	983,022	896,177	(86,845)
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, Youth, and Families Fund

Year ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget – Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 37,682,000	\$ 37,682,000	\$ 35,544,686	\$ (2,137,314)
Departmental	725,000	725,000	529,705	(195,295)
Total revenues	38,407,000	38,407,000	36,074,391	(2,332,609)
Expenditures				
Current:				
Health, education, and welfare:				
Children and youth	45,249,000	45,249,000	45,803,328	(554,328)
Total expenditures	45,249,000	45,249,000	45,803,328	(554,328)
Deficiency of revenues under expenditures	(6,842,000)	(6,842,000)	(9,728,937)	(2,886,937)
Other financing sources (uses)				
Transfers in	6,842,000	6,842,000	9,728,937	2,886,937
Net change in fund balances	\$ -	\$ -	\$ -	\$ -

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget –
	Original	Final		Positive (Negative)
Revenues				
Intergovernmental	\$ 7,135,000	\$ 7,135,000	\$ 3,340,993	\$ (3,794,007)
Departmental	-	-	64,324	64,324
Investment	-	-	2,888	2,888
Other	500,000	500,000	115,976	(384,024)
Total revenues	7,635,000	7,635,000	3,524,181	(4,110,819)
Expenditures				
Current:				
Conservation and community development	7,635,000	7,635,000	3,567,137	4,067,863
Total expenditures	7,635,000	7,635,000	3,567,137	4,067,863
Excess of revenues over expenditures	-	-	(42,956)	(42,956)
Other financing sources (uses)				
Transfers in	-	-	42,956	42,956
Total other financing sources (uses)	-	-	42,956	42,956
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 Brownsfields For Housing, Drug Task Force, Access Grant Program, Donations, Core Communities, Prison Telephone Funds, Continuum of Care, and DOE Weatherization Funds. 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 of accounting. 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 department heads 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. 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 a resolution of the Board of Commissioners. County's management can overspend at the department level and make transfers between departments 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.

OTHER SUPPLEMENTARY INFORMATION

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 restricted or committed to expenditures for specified purposes. Capital Project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays. 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 Drug Task Force Fund is used to account for revenues and expenditures related to controlled substances.

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).

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.

County of York, Pennsylvania

Combining and Individual Fund Financial Statements and Schedules (Continued)

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.

The LIHEAP Weatherization Fund receives monies from the United States Department of Health and Human Services to provide and install 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 Core Communities Fund is used to account for construction or improvements of housing that is located on previously developed sites.

The Prison Telephone Fund is used to account for prison telephone commissions.

The ARRA Weatherization Fund is funded through the American Recovery and Reinvestment Act (ARRA) and receives monies from the U.S. Departments of Energy and Health and Human Services. The ARRA Weatherization Fund provides and installs energy-conserving materials for low-income County Residents.

The DOE Weatherization Fund receives monies from the United States Department of Energy to provide and install energy-conserving materials for low-income County residents.

The Continuum of Care Fund supports Homeless Assistance Grants, including the Homeless Management Information System (HMIS), through funding from the U.S. Department of Housing and Urban Development.

County of York, Pennsylvania

Combining Balance Sheet – Nonmajor Governmental Funds

December 31, 2012

	Liquid Fuels Tax	Domestic Relations	Comprehensive Services to the Aged	Human Services	Drug and Alcohol	Brownfields for Housing	Adams HealthChoices Management	Drug Task Force	Continuum of Care	Capital Projects Bond Account Fund	DOE Weatherization
Assets											
Cash and cash equivalents	\$ 1,946,958	\$ 1,904,600	\$ 344,875	\$ -	\$ 352,000	\$ -	\$ 1,194,564	\$ 184,738	\$ -	\$ -	\$ 16,401
Restricted cash	-	52,943	3,889	-	-	-	509,672	-	-	258	-
Investments	-	1,721,151	1,451,449	-	-	-	165,997	810,254	-	-	-
Restricted investments	-	-	-	-	-	-	1,816,350	-	-	-	-
Receivables:											
Accounts	-	4,757	328	510	2,063	230,007	-	117	-	5,050	-
Due from other funds	-	-	183	686,403	19,308	-	984,204	-	-	1,475	-
Due from other governments	-	801,984	33,937	-	164,924	-	-	-	4,844	-	180,060
Other assets	-	-	-	-	-	-	13,324	-	-	-	-
Total assets	\$ 1,946,958	\$ 4,485,435	\$ 1,834,661	\$ 686,913	\$ 538,295	\$ 230,007	\$ 4,684,111	\$ 995,109	\$ 4,844	\$ 6,783	\$ 196,461
Liabilities and fund balance											
Liabilities:											
Accounts payable and accrued liabilities	\$ -	\$ 77,398	\$ 429,761	\$ 153,369	\$ 268,865	\$ -	\$ 1,714,657	\$ 39,178	\$ 1,565	\$ 472,772	\$ 13,877
Due to other funds	-	29,705	117,792	183	59,100	-	8	1,469	3,279	1,101,747	182,584
Deposits held in escrow	-	52,943	3,889	-	-	-	458,102	79,103	-	-	-
Due to other governments	-	-	-	-	-	-	1,804	-	-	-	-
Deferred revenue	-	-	1,283,219	533,361	210,330	230,007	2,509,540	-	-	-	-
Total liabilities	-	160,046	1,834,661	686,913	538,295	230,007	4,684,111	119,750	4,844	1,574,519	196,461
Fund balances (Deficit):											
Restricted:											
Road and bridges	1,946,958	-	-	-	-	-	-	-	-	-	-
Judicial	-	4,325,389	-	-	-	-	-	875,359	-	-	-
Cultural and recreation	-	-	-	-	-	-	-	-	-	-	-
Conservation and community development	-	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-	-	-	-	-	(1,567,736)	-
Total fund balance	1,946,958	4,325,389	-	-	-	230,007	4,684,111	875,359	4,844	(1,567,736)	-
Total liabilities and fund balance	\$ 1,946,958	\$ 4,485,435	\$ 1,834,661	\$ 686,913	\$ 538,295	\$ 230,007	\$ 4,684,111	\$ 995,109	\$ 4,844	\$ 6,783	\$ 196,461

County of York, Pennsylvania

Combining Balance Sheet – Nonmajor Governmental Funds (Continued)

December 31, 2012

	Access Grant Program	Donations	Earn-It	Affordable Housing	Downtown		ARRA Weatherization	Prison Telephone	ARRA Weatherization	Total
					LIHEAP Weatherization	Hanover Improvement				
Assets										
Cash and cash equivalents	-	-	24,948	191,963	2,186	227,819	-	290,204	4,445	6,685,701
Restricted cash	-	84,532	-	-	-	-	-	-	-	651,294
Investments	-	-	-	560,621	-	-	-	-	-	4,709,472
Restricted investments	-	-	-	-	-	-	-	-	-	1,816,350
Receivables:										
Accounts	200,000	-	23	1,910,726	-	-	-	82,775	-	2,436,356
Due from other funds	-	-	-	230,091	-	-	-	-	-	1,921,664
Due from other governments	-	-	-	-	105,246	-	-	-	-	1,290,995
Other assets	-	-	-	-	-	-	-	-	-	13,324
Total assets	\$ 200,000	\$ 84,532	\$ 24,971	\$ 2,893,401	\$ 107,432	\$ 227,819	\$ -	\$ 372,979	\$ 4,445	\$ 19,525,156
Liabilities and fund balance										
Liabilities:										
Accounts payable and accrued liabilities	-	-	-	312	59,803	-	-	156,071	1,733	3,389,361
Due to other funds	-	-	-	-	47,629	-	-	-	-	1,543,496
Deposits held in escrow	-	-	6,805	-	-	-	-	-	-	600,842
Due to other governments	-	-	-	1,930,209	-	227,819	-	-	2,712	1,804
Deferred revenue	200,000	-	-	-	-	227,819	-	-	-	7,127,197
Total liabilities	200,000	-	6,805	1,930,521	107,432	227,819	-	156,071	4,445	12,662,700
Fund balances (Deficit):										
Restricted:										
Road and bridges	-	-	-	-	-	-	-	-	-	1,946,938
Judicial	-	-	-	-	-	-	-	-	-	5,200,748
Cultural and recreation	-	84,532	-	-	-	-	-	-	-	84,532
Conservation and community development	-	-	-	962,880	-	-	-	-	-	962,880
Committed	-	-	18,166	-	-	-	-	216,908	-	235,074
Unassigned (Deficit)	-	84,532	18,166	962,880	-	-	-	216,908	-	(1,567,736)
Total fund balance	\$ 200,000	\$ 84,532	\$ 24,971	\$ 2,893,401	\$ 107,432	\$ 227,819	\$ -	\$ 372,979	\$ 4,445	\$ 19,525,156
Total liabilities and fund balance										

County of York, Pennsylvania

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

Year ended December 31, 2012

	Liquid Fuels Tax	Domestic Relations	Comprehensive Services to the Aged	Human Services	Drug and Alcohol	Brownfields for Housing	Adams HealthChoices Management	Drug Task Force	Continuum of Care	Capital Projects Bond Account Fund	DOE Weatherization
Revenues											
Intergovernmental	\$ 1,392,556	\$ 3,416,553	\$ 7,767,655	\$ 3,170,656	\$ 3,090,645	\$ 421	\$ 11,866,021	\$ -	\$ 73,892	\$ -	\$ 196,461
Departmental	-	136,005	192,052	-	-	-	-	-	-	-	-
Investment	7,455	11,669	-	2,039	2,039	9	13,040	3,158	-	-	-
Other	56,256	31,696	-	737,344	20,535	-	-	886,420	-	27,098	-
Total revenues	1,456,267	3,595,923	7,959,707	3,907,980	3,113,219	430	11,879,061	889,578	73,892	27,099	196,461
Expenditures											
Current:											
Public safety	684,990	-	-	-	-	-	-	-	-	-	-
Roads and bridges	-	-	-	-	-	-	-	-	-	-	-
Health, education, and welfare:											
Drug and alcohol	-	-	-	-	3,213,219	-	-	-	-	-	-
Office of aging	-	-	8,477,552	-	-	-	-	-	-	-	-
Human services	-	-	-	3,911,739	-	-	11,879,061	-	-	-	-
Judicial	-	4,206,909	-	-	-	-	-	1,089,951	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-	-
Conservation and community development	276,775	-	-	-	-	430	-	-	73,892	9,921,982	196,461
Capital outlay	-	-	-	-	-	-	-	-	-	77,420,000	-
Debt service:											
Principal retirement	-	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	961,765	4,206,909	8,477,552	3,911,739	3,213,219	430	11,879,061	1,089,951	73,892	87,341,982	196,461
Excess (deficiency) of revenues over (under) expenditures	494,502	(610,986)	(517,845)	(3,839)	(100,000)	-	-	(200,373)	-	(87,314,883)	-
Other financing sources (uses)											
Transfers in	-	741,675	517,845	3,839	100,000	-	-	-	-	-	928
Transfers out	(54,631)	-	-	-	-	-	-	-	-	(72,713)	(928)
Issuance of debt	-	-	-	-	-	-	-	-	-	9,106,978	-
Issuance of refunding bonds	-	-	-	-	-	-	-	-	-	77,430,000	-
Total other financing sources (uses)	(54,631)	741,675	517,845	3,839	100,000	-	-	(200,373)	-	86,454,265	-
Net change in fund balances	439,871	130,689	-	-	-	-	-	1,075,732	-	(866,618)	-
Fund balances (Deficit), January 1	1,507,087	4,194,700	-	-	-	-	-	-	-	(707,118)	-
Fund balances (Deficit), December 31	\$ 1,946,958	\$ 4,325,389	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 875,359	\$ -	\$ (1,567,736)	\$ -

County of York, Pennsylvania

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

Year ended December 31, 2012

	Access Grant Program	Donations	Earns-It	Affordable Housing	LIHEAP Weatherization	Downtown Hanover Improvement	Care Communities	Prison Telephone	ARRA Weatherization	Total
Revenues										
Intergovernmental	\$ 6,467	\$ -	\$ -	\$ -	\$ 650,957	\$ -	\$ 4,515	\$ -	\$ 857,478	\$ 32,494,277
Departmental	-	-	-	351,166	-	-	-	775,903	-	1,455,126
Investment	137	39	-	5,151	73	-	96	2,081	-	44,948
Other	-	59,125	2,933	3,549	-	-	-	-	-	1,826,856
Total revenues	6,604	59,164	2,933	361,866	651,030	-	4,611	777,984	857,478	35,821,207
Expenditures										
Current:										
Public safety	-	-	-	-	-	-	-	826,914	-	826,914
Roads and bridges	-	-	-	-	-	-	-	-	-	684,990
Health, education, and welfare:										
Drug and alcohol	-	-	-	-	-	-	-	-	-	3,213,219
Office of aging	-	-	-	-	-	-	-	-	-	8,477,532
Human services	-	-	-	-	-	-	-	-	-	15,790,800
Judicial	-	-	2,839	-	-	-	-	-	-	5,299,699
Cultural and recreation	-	3,922	-	-	-	-	-	-	-	3,922
Conservation and community development	-	-	-	1,829,489	651,030	-	4,611	-	838,406	3,620,923
Capital outlay	6,604	-	-	-	-	-	-	-	-	10,198,757
Debt service:										
Principal retirement	-	-	-	62,455	-	-	-	-	-	77,482,455
Interest and fiscal charges	-	-	-	150,723	-	-	-	-	-	150,723
Total expenditures	6,604	3,922	2,839	2,042,667	651,030	-	4,611	826,914	838,406	125,749,954
Excess (deficiency) of revenues over (under) expenditures	-	55,242	94	(1,680,801)	-	-	-	(48,930)	(928)	(89,928,747)
Other financing sources (uses)										
Transfers in	-	-	-	126,050	126,050	-	-	-	928	1,617,315
Transfers out	-	(39)	-	(169,934)	(126,050)	-	-	-	-	(424,293)
Issuance of debt	-	-	-	-	-	-	-	-	-	9,106,978
Issuance of refunding bonds	-	-	-	-	-	-	-	-	-	77,420,060
Total other financing sources (uses)	-	(39)	-	(43,884)	-	-	-	(48,930)	928	87,719,998
Net change in fund balances	-	55,203	94	(1,724,685)	-	-	-	(48,930)	-	(2,208,749)
Fund balances (Deficit), January 1	-	29,329	18,072	2,687,565	-	-	-	265,838	-	9,071,205
Fund balances (Deficit), December 31	\$ -	\$ 84,532	\$ 18,166	\$ 962,880	\$ -	\$ -	\$ -	\$ 216,908	\$ -	\$ 6,862,456

County of York, Pennsylvania

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

Year ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget – Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 675,000	\$ 675,000	\$ 1,392,556	\$ 717,556
Investment	-	-	7,455	7,455
Other	348,750	348,750	56,256	(292,494)
Total revenues	1,023,750	1,023,750	1,456,267	432,517
Expenditures				
Current:				
Road and bridges	778,500	778,500	684,990	93,510
Capital outlay	-	-	276,775	(276,775)
Total expenditures	778,500	778,500	961,765	(183,265)
Excess of revenues over expenditures	245,250	245,250	494,502	249,252
Other financing uses				
Transfers out	(55,500)	(55,500)	(54,631)	869
Net change in fund balances	\$ 189,750	\$ 189,750	\$ 439,871	\$ 250,121

County of York, Pennsylvania

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

Year ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget – Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 3,502,360	\$ 3,502,360	\$ 3,416,553	\$ (85,807)
Departmental	165,000	165,000	136,005	(28,995)
Investment	12,500	12,500	11,669	(831)
Other	33,000	33,000	31,696	(1,304)
Total revenues	3,712,860	3,712,860	3,595,923	(116,937)
Expenditures				
Current:				
Judicial	5,085,490	5,085,490	4,206,909	878,581
Total expenditures	5,085,490	5,085,490	4,206,909	878,581
Deficiency of revenues under expenditures	(1,372,630)	(1,372,630)	(610,986)	761,644
Other financing sources				
Transfers in	741,675	741,675	741,675	-
Net change in fund balances	\$ (630,955)	\$ (630,955)	\$ 130,689	\$ 761,644

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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget – Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 7,804,140	\$ 7,804,140	\$ 7,767,655	\$ (36,485)
Departmental	397,372	397,372	192,052	(205,320)
Total revenues	8,201,512	8,201,512	7,959,707	(241,805)
Expenditures				
Current:				
Health, education, and welfare:				
Office of aging	8,719,358	8,719,358	8,477,552	241,806
Total expenditures	8,719,358	8,719,358	8,477,552	241,806
Deficiency of revenues under expenditures	(517,846)	(517,846)	(517,845)	1
Other financing sources				
Transfers in	517,846	517,846	517,845	(1)
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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget – Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 4,606,063	\$ 4,606,063	\$ 3,170,656	\$ (1,435,407)
Other	749,290	749,290	737,244	(12,046)
Total revenues	5,355,353	5,355,353	3,907,900	(1,447,453)
Expenditures				
Current:				
Human services	5,569,513	5,569,513	3,911,739	1,657,774
Total expenditures	5,569,513	5,569,513	3,911,739	1,657,774
Deficiency of revenues under expenditures	(214,160)	(214,160)	(3,839)	210,321
Other financing sources				
Transfers in	214,160	214,160	3,839	(210,321)
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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget – Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 3,080,153	\$ 3,080,153	\$ 3,090,645	\$ 10,492
Investment	3,000	3,000	2,039	(961)
Other	-	-	20,535	20,535
Total revenues	3,083,153	3,083,153	3,113,219	30,066
Expenditures				
Current:				
Health, education, and welfare:				
Drug and alcohol	3,183,153	3,183,153	3,213,219	(30,066)
Total expenditures	3,183,153	3,183,153	3,213,219	(30,066)
Deficiency of revenues under expenditures	(100,000)	(100,000)	(100,000)	-
Other financing sources				
Transfers in	100,000	100,000	100,000	-
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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget –
	Original	Final		Positive (Negative)
Revenues				
Intergovernmental	\$ 12,319,450	\$ 12,319,450	\$ 11,866,021	\$ (453,429)
Investment	4,750	4,750	13,040	8,290
Other	11,200	11,200	-	(11,200)
Total revenues	12,335,400	12,335,400	11,879,061	(456,339)
Expenditures				
Current:				
Human services	12,397,525	12,397,525	11,879,061	518,464
Total expenditures	12,397,525	12,397,525	11,879,061	518,464
Deficiency of revenues under expenditures	(62,125)	(62,125)	-	62,125
Net change in fund balances	\$ (62,125)	\$ (62,125)	\$ -	\$ 62,125

County of York, Pennsylvania

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

Year ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget – Positive (Negative)
	Original	Final		
Revenues				
Other	\$ 3,000	\$ 3,000	\$ 2,933	\$ (67)
Total revenues	3,000	3,000	2,933	(67)
Expenditures				
Current:				
Judicial	3,000	3,000	2,839	161
Total expenditures	3,000	3,000	2,839	161
Excess of revenues over expenditures	-	-	94	94
Net change in fund balances	\$ -	\$ -	\$ 94	\$ 94

County of York, Pennsylvania

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

Year ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget – Positive (Negative)
	Original	Final		
Revenues				
Departmental	\$ 595,000	\$ 595,000	\$ 351,166	\$ (243,834)
Investment	5,000	5,000	5,151	151
Other	-	-	5,549	5,549
Total revenues	600,000	600,000	361,866	(238,134)
Expenditures				
Current:				
Conservation and community development	600,000	600,000	1,829,489	(1,229,489)
Debt service:				
Principal retirement	-	-	62,455	(62,455)
Interest and fiscal charges	-	-	150,723	(150,723)
Total expenditures	600,000	600,000	2,042,667	(1,442,667)
Deficiency of revenues under expenditures	-	-	(1,680,801)	(1,680,801)
Other financing sources (uses)				
Transfer in	-	-	126,050	126,050
Transfer out	-	-	(169,934)	(169,934)
Total other financing sources	-	-	(43,884)	(43,884)
Net change in fund balances	\$ -	\$ -	\$ (1,724,685)	\$ (1,724,685)

County of York, Pennsylvania

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

Year ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget –
	Original	Final		Positive (Negative)
Revenues				
Intergovernmental	\$ 371,000	\$ 371,000	\$ 650,957	\$ 279,957
Investment	-	-	73	73
Other	-	-	-	-
Total revenues	371,000	371,000	651,030	280,030
Expenditures				
Current:				
Conservation and community development	371,000	371,000	651,030	(280,030)
Total expenditures	371,000	371,000	651,030	(280,030)
Excess of revenues over expenditures	-	-	-	-
Other financing sources (uses)				
Transfer in	-	-	126,050	126,050
Transfer out	-	-	(126,050)	(126,050)
Total other financing sources	-	-	-	-
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, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget – Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 250,000	\$ 250,000	\$ -	\$ (250,000)
Total revenues	250,000	250,000	-	(250,000)
Expenditures				
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

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

Year ended December 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget – Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,009,000	\$ 1,009,000	\$ 857,478	\$ (151,522)
Investment	-	-	-	-
Total revenues	1,009,000	1,009,000	857,478	(151,522)
Expenditures				
Current:				
Conservation and community development	1,009,000	1,009,000	858,406	150,594
Total expenditures	1,009,000	1,009,000	858,406	150,594
Deficiency of revenues under expenditures	-	-	(928)	(928)
Other financing sources (uses)				
Transfer in	-	-	928	928
Total other financing sources	-	-	928	928
Net change in fund balances	\$ -	\$ -	\$ -	\$ -

County of York, Pennsylvania

Combining Statement of Changes in Assets and Liabilities – Agency Funds

Year ended December 31, 2012

	Balance January 1, 2012	Additions	Deletions	Balance December 31, 2012
Tax Claim Bureau				
Assets:				
Cash and cash equivalents	\$ 1,397,205	\$ 28,725,683	\$ 29,275,531	\$ 847,357
Investments	801,121	474,976	-	1,276,097
Accounts receivable	133,080	11,657	133,084	11,653
Delinquent taxes receivable on behalf of other governments	12,929,840	24,493,944	24,006,103	13,417,681
Total assets	\$ 15,261,246	\$ 53,706,260	\$ 53,414,718	\$ 15,552,788
Liabilities:				
Due to other governments	\$ 1,860,590	\$ 1,122,624	\$ 1,103,309	\$ 1,879,905
Other liabilities	13,400,656	55,885,078	55,612,851	13,672,883
Total liabilities	\$ 15,261,246	\$ 57,007,702	\$ 56,716,160	\$ 15,552,788
Unclaimed Money				
Assets:				
Cash and cash equivalents	\$ 312,368	\$ 91,807	\$ 150,220	\$ 253,955
Total assets	\$ 312,368	\$ 91,807	\$ 150,220	\$ 253,955
Liabilities:				
Other liabilities	\$ 312,368	\$ 91,807	\$ 150,220	\$ 253,955
Total liabilities	\$ 312,368	\$ 91,807	\$ 150,220	\$ 253,955
Row Offices				
Assets:				
Cash and cash equivalents	\$ 6,170,583	\$ 56,786,014	\$ 54,919,328	\$ 8,037,269
Total assets	\$ 6,170,583	\$ 56,786,014	\$ 54,919,328	\$ 8,037,269
Liabilities:				
Due to other governments	\$ 3,524,912	\$ 44,001,018	\$ 43,230,753	\$ 4,295,177
Other liabilities	2,645,671	12,784,996	11,688,575	3,742,092
Total liabilities	\$ 6,170,583	\$ 56,786,014	\$ 54,919,328	\$ 8,037,269

County of York, Pennsylvania

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

Year ended December 31, 2012

	Balance January 1, 2012	Additions	Deletions	Balance December 31, 2012
Landfill Escrow				
Assets:				
Cash and cash equivalents	\$ 1,803,819	\$ 1,719,971	\$ 3,453,954	\$ 69,836
Investments	4,666,102	7,508,488	5,662,611	6,511,979
Total assets	\$ 6,469,921	\$ 9,228,459	\$ 9,116,565	\$ 6,581,815
Liabilities:				
Other liabilities	\$ 6,469,921	\$ 9,228,458	\$ 9,116,564	\$ 6,581,815
Total liabilities	\$ 6,469,921	\$ 9,228,458	\$ 9,116,564	\$ 6,581,815
Total All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 9,683,975	\$ 87,323,475	\$ 87,799,033	\$ 9,208,417
Investments	5,467,223	7,983,464	5,662,611	7,788,076
Accounts receivable	133,080	11,657	133,084	11,653
Delinquent taxes receivable on behalf of other governments	12,929,840	24,493,944	24,006,103	13,417,681
Total assets	\$ 28,214,118	\$ 119,812,540	\$ 117,600,831	\$ 30,425,827
Liabilities:				
Due to other governments	\$ 5,385,502	\$ 45,123,642	\$ 44,334,062	\$ 6,175,082
Other liabilities	22,828,616	77,990,339	76,568,210	24,250,745
Total liabilities	\$ 28,214,118	\$ 123,113,981	\$ 120,902,272	\$ 30,425,827

County of York, Pennsylvania

Combining Statement of Changes in Assets and Liabilities – Row Offices

Year ended December 31, 2012

	Balance January 1, 2012	Additions	Deletions	Balance December 31, 2012
Assets:				
Cash and cash equivalents	\$ 6,170,583	\$ 56,786,014	\$ 54,919,328	\$ 8,037,269
Total assets	\$ 6,170,583	\$ 56,786,014	\$ 54,919,328	\$ 8,037,269
Liabilities:				
Due to other governments				
Clerk of courts	\$ 1,039,533	\$ 8,424,038	\$ 8,401,032	\$ 1,062,539
Prothonotary	182,959	2,627,767	2,660,429	150,297
Register of wills	80,386	915,877	933,354	62,909
Recorder of deeds	2,056,324	29,662,745	29,002,342	2,716,727
Sheriff	138,139	1,933,293	1,792,318	279,114
Treasurer	27,571	437,298	441,278	23,591
	3,524,912	44,001,018	43,230,753	4,295,177
Other liabilities				
Clerk of courts	147,701	1,197,199	1,199,026	145,874
Prothonotary	620,222	649,750	375,792	894,180
Sheriff	1,876,297	10,891,112	10,067,704	2,699,705
Treasurer	1,451	46,935	46,053	2,333
	2,645,671	12,784,996	11,688,575	3,742,092
Total liabilities	\$ 6,170,583	\$ 56,786,014	\$ 54,919,328	\$ 8,037,269

County of York, Pennsylvania

Combining Balance Sheet – Agency Funds

December 31, 2012

	Tax Claim Bureau	Unclaimed Money	Row Offices	Landfill Escrow	Total Agency Funds
Assets					
Cash and cash equivalents	\$ 847,357	\$ 253,955	\$ 8,037,269	\$ 69,836	\$ 9,208,417
Investments:					
Certificates of Deposit	100,025	-	-	1,422,221	1,522,246
U.S government obligations	649,891	-	-	646,224	1,296,115
Municipal bonds	525,000	-	-	-	525,000
Fixed income mutual funds	-	-	-	4,443,534	4,443,534
Other	1,181	-	-	-	1,181
Delinquent taxes on behalf of other governments	13,417,681	-	-	-	13,417,681
Accounts receivable	11,653	-	-	-	11,653
Total assets	\$ 15,552,788	\$ 253,955	\$ 8,037,269	\$ 6,581,815	\$ 30,425,827
Liabilities					
Liabilities:					
Due to other governments	\$ 1,879,905	\$ -	\$ 4,295,177	\$ -	\$ 6,175,082
Other liabilities	13,672,883	253,955	3,742,092	6,581,815	24,250,745
Total liabilities	\$ 15,552,788	\$ 253,955	\$ 8,037,269	\$ 6,581,815	\$ 30,425,827

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 contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	
Revenue Capacity	166
<i>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</i>	
Debt Capacity.....	175
<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>	
Demographic and Economic Information.....	182
<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>	
Operating Information	185
<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 Position by Component
2012
(accrual basis of accounting)

2012

Governmental activities

Net investment in capital assets	\$67,906,109
Restricted	8,218,692
Unrestricted	<u>(49,381,731)</u>
Total Net Position	<u><u>\$26,743,070</u></u>

Business-type activities

Net investment in capital assets	\$15,768,477
Restricted	3,025,516
Unrestricted	<u>(9,968,520)</u>
Total Net Position	<u><u>\$8,825,473</u></u>

Primary government

Net investment in capital assets	\$83,674,586
Restricted	11,244,208
Unrestricted	<u>(59,350,251)</u>
Total Net Position	<u><u>\$35,568,543</u></u>

NOTE: This schedule is being prepared prospectively in accordance with GASB 63. The next schedule has been included to provide prior years' information as it was originally presented in the prior years' reports.

COUNTY OF YORK, PENNSYLVANIA

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities									
Invested in capital assets, net of related debt	\$8,132,194	\$37,181,994	\$61,450,339	\$66,966,091	\$60,735,611	\$56,686,414	\$64,406,876	\$71,979,387	\$70,136,376
Restricted	14,694,012	34,142,149	15,847,972	16,517,142	8,663,320	8,615,489	9,478,645	7,954,284	9,570,727
Unrestricted	69,308,136	31,277,325	8,659,107	8,542,116	23,750,107	4,690,702	(9,642,796)	(19,233,413)	(40,114,063)
Total Net Assets	<u>\$92,134,342</u>	<u>\$102,601,468</u>	<u>\$85,957,418</u>	<u>\$92,025,349</u>	<u>\$93,149,038</u>	<u>\$69,992,605</u>	<u>\$64,242,725</u>	<u>\$60,700,258</u>	<u>\$39,593,040</u>
Business-type activities									
Invested in capital assets, net of related debt	\$8,984,149	\$8,298,788	\$11,176,610	\$12,184,861	\$20,327,930	\$19,613,487	\$16,424,814	\$16,620,389	\$16,358,248
Restricted	0	0	2,620,297	6,807,576	457,070	1,931,678	1,904,105	1,692,364	3,196,664
Unrestricted	(4,103,069)	(3,158,616)	(3,299,070)	(3,049,857)	(3,170,496)	(6,102,728)	(7,941,894)	(8,595,207)	(9,258,601)
Total Net Assets	<u>\$4,881,080</u>	<u>\$5,140,172</u>	<u>\$10,497,837</u>	<u>\$15,942,580</u>	<u>\$17,614,504</u>	<u>\$15,442,437</u>	<u>\$10,387,025</u>	<u>\$9,717,546</u>	<u>\$10,296,311</u>
Primary government									
Invested in capital assets, net of related debt	\$17,116,343	\$45,480,782	\$72,626,949	\$79,150,952	\$81,063,541	\$76,299,901	\$80,831,690	\$88,599,776	\$86,494,624
Restricted	14,694,012	34,142,149	18,468,269	23,324,718	9,120,390	10,547,167	11,382,750	9,646,648	12,767,391
Unrestricted	65,205,067	28,118,709	5,360,037	5,492,259	20,579,611	(1,412,026)	(17,584,690)	(27,828,620)	(49,372,664)
Total Net Assets	<u>\$97,015,422</u>	<u>\$107,741,640</u>	<u>\$96,455,255</u>	<u>\$107,967,929</u>	<u>\$110,763,542</u>	<u>\$85,435,042</u>	<u>\$74,629,750</u>	<u>\$70,417,804</u>	<u>\$49,889,351</u>

NOTE: The County implemented GASB Statement 51 and 53 beginning in 2010; and, therefore, prior years have not been adjusted to reflect implementation of these standards.

COUNTY OF YORK, PENNSYLVANIA

Changes in Net Position
2012
(accrual basis of accounting)

2012

Program Expenses

Governmental activities:

General government	\$14,205,257
Public safety	66,650,009
Roads and bridges	1,258,214
Health, education, and welfare	182,783,532
Judicial	41,400,929
Cultural and recreation	7,548,223
Conservation and community development	11,814,282
Interest expense	7,803,749
Total governmental activities expenses	<u>333,464,195</u>

Business-type activities:

Nursing Home	41,814,427
911 Operations	17,298,660
Total business-type activities expenses	<u>59,113,087</u>

Total primary government expenses

\$392,577,282

Program Revenues

Governmental activities:

Charges for services:

General government	\$5,327,711
Public safety	32,323,146
Health, education, and welfare	721,757
Judicial	11,140,323
Cultural and recreation	759,235
Conservation and community development	415,490

Operating grants and contributions

General government	468,549
Public safety	2,022,447
Roads and bridges	718,375
Health, education, and welfare	157,475,851
Judicial	5,085,176
Cultural and recreation	575,376
Conservation and community development	5,148,684

Capital Grants and contributions

Roads and bridges	674,181
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Total governmental activities program revenues

222,856,301

Business-type activities:

Nursing Home	32,576,225
911 Operations	6,086,877
Total business-type activities program revenues	<u>38,663,102</u>

Total primary government program revenues

\$261,519,403

COUNTY OF YORK, PENNSYLVANIA
 Changes in Net Position (Continued)
 2012
 (accrual basis of accounting)

2012

Net (expense)/revenue	
Governmental activities	(\$110,607,894)
Business-type activities	<u>(20,449,985)</u>
Total primary government net expense	<u><u>(\$131,057,879)</u></u>

**General Revenues and Other
 Changes in Net Position**

Governmental activities:	
Property Taxes	\$110,899,632
Unrestricted investment earnings	2,302,482
Hotel tax	1,567,531
Other	1,942,832
Transfers	<u>(18,954,553)</u>
Total governmental activities	<u>97,757,924</u>

Business-type activities:	
Unrestricted investment earnings	24,594
Transfers	<u>18,954,553</u>
Total business-type activities	<u>18,979,147</u>

Total primary government	<u><u>\$116,737,071</u></u>
--------------------------	-----------------------------

Change in Net Position	
Governmental activities	(\$12,849,970)
Business-type activities	<u>(1,470,838)</u>
Total primary government	<u><u>(\$14,320,808)</u></u>

NOTE: This schedule is being prepared prospectively in accordance with GASB 63. The next schedule has been included to provide prior years' information as it was originally presented in the prior years' reports.

COUNTY OF YORK, PENNSYLVANIA

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Program Expenses									
Governmental activities:									
General government	\$9,901,753	\$8,186,185	\$9,958,064	\$10,156,102	\$14,251,594	\$14,419,988	\$14,137,543	\$14,640,710	\$13,553,130
Public safety	46,761,755	51,504,975	52,757,075	59,583,122	68,060,405	73,715,098	79,233,907	60,711,011	63,954,882
Roads and bridges	1,070,320	1,460,581	1,724,826	1,519,225	1,555,772	1,599,298	1,414,983	1,222,838	1,745,365
Health, education, and welfare	118,960,319	130,691,664	150,917,113	182,502,488	185,328,405	192,665,487	187,215,186	177,988,772	178,166,138
Judicial	22,395,939	25,356,501	27,461,906	33,005,865	37,723,009	38,718,385	40,673,541	40,303,397	41,611,232
Cultural and recreation	4,135,753	3,975,262	5,052,808	5,500,997	5,544,178	11,559,587	8,015,683	6,911,070	7,388,731
Conservation and community development	4,476,961	8,120,947	9,971,853	8,753,756	10,780,340	9,606,441	9,812,529	14,873,633	12,949,541
Other departments and programs	23,384,458	27,124,485	29,719,493	0	0	0	0	0	0
Interest expense	2,199,266	6,172,075	6,047,723	8,091,591	8,174,354	7,992,510	8,752,020	8,837,074	5,838,841
Total governmental activities expenses	233,286,524	262,592,675	293,610,661	309,112,946	331,418,057	350,276,794	349,255,392	320,488,505	325,207,860
Business-type activities:									
Nursing Home	29,904,674	31,408,961	34,311,628	34,401,615	36,278,618	38,935,764	40,283,554	39,864,197	40,954,101
911 Operations	4,717,399	5,697,089	6,126,718	9,047,249	10,517,763	11,015,753	13,574,231	14,739,989	15,448,100
Total business-type activities expenses	34,622,073	37,106,050	40,438,346	43,448,864	46,796,381	49,951,517	53,857,785	54,604,186	56,402,201
Total primary government expenses	\$267,908,597	\$299,698,725	\$334,049,007	\$352,561,810	\$378,214,438	\$400,228,311	\$403,113,177	\$375,092,701	\$381,610,061
Program Revenues									
Governmental activities:									
Charges for services:									
General government	\$25,469,334	\$4,425,195	\$4,361,634	\$4,798,047	\$4,320,286	\$4,047,166	\$4,290,494	\$4,937,098	\$4,942,983
Public safety	0	16,564,090	17,323,468	17,709,817	25,326,805	23,832,635	25,057,041	28,407,477	29,548,437
Health, education, and welfare	1,172,064	1,807,946	1,234,217	1,383,788	1,172,476	1,217,476	796,376	842,838	957,623
Judicial	3,318,048	4,121,128	3,764,266	8,648,684	8,948,401	9,605,638	10,105,989	11,082,481	10,842,412
Cultural and recreation	0	0	0	472,389	356,738	1,088,990	796,590	601,593	678,867
Conservation and community development	0	614,041	672,613	1,342,886	735,994	431,326	446,313	459,155	319,216
Operating grants and contributions	16,010,539	319,066	451,701	2,111,569	681,218	489,157	559,971	579,609	686,093
General government	0	14,552,398	12,304,777	3,874,309	4,306,031	2,512,450	3,840,805	2,777,420	2,963,707
Public safety	0	991,347	873,349	627,984	741,487	825,491	792,344	679,314	1,759,372
Roads and bridges	677,436	122,142,092	141,926,972	167,632,598	172,546,400	181,039,486	173,959,176	154,766,870	152,185,462
Health, education, and welfare	109,802,565	4,828,140	4,799,100	4,458,067	4,782,595	4,697,532	5,156,901	5,153,466	5,438,185
Judicial	7,028,663	77,833	407,797	1,478,666	401,071	1,811,168	615,200	1,366,854	585,940
Cultural and recreation	9,853	6,716,449	9,017,875	4,116,276	4,735,902	4,107,192	7,871,503	8,480,754	6,517,311
Conservation and community development	4,045,842	93,330	7,500	0	0	0	0	0	0
Other departments and programs	0	0	7,500	0	0	0	0	0	0
Capital Grants and contributions	0	0	0	0	0	0	0	0	0
General government	0	0	0	0	0	0	0	2,714,932	673,205
Roads and bridges	0	0	0	0	0	0	0	1,827,996	751,528
Health, education, and welfare	0	0	0	0	0	0	0	0	365,734
Total governmental activities program revenues	167,534,344	177,053,055	197,145,269	218,655,080	229,055,609	235,685,707	234,290,713	224,687,867	219,216,073
Business-type activities:									
Nursing Home	24,963,143	29,856,030	29,876,698	30,322,892	32,754,622	31,660,066	30,368,739	34,225,173	32,204,714
911 Operations	3,420,389	3,481,393	7,216,897	7,775,303	4,847,911	4,544,574	5,811,237	6,206,753	6,706,462
Total business-type activities program revenues	28,383,532	33,337,423	37,093,595	38,098,195	37,602,533	36,204,640	36,179,976	40,433,926	38,911,176
Total primary government program revenues	\$195,917,876	\$210,390,478	\$234,238,864	\$256,753,275	\$266,658,142	\$271,890,347	\$270,470,689	\$265,121,783	\$258,127,249

COUNTY OF YORK, PENNSYLVANIA

Changes in Net Assets (Continued)

Last Nine Years
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Net (expense)/revenue									
Governmental activities	(\$85,752,180)	(\$85,539,620)	(\$96,465,392)	(\$90,457,866)	(\$102,362,448)	(\$114,591,087)	(\$114,964,679)	(\$95,800,648)	(\$105,991,787)
Business-type activities	(6,238,541)	(3,788,627)	(3,344,751)	(5,350,669)	(9,193,848)	(13,746,877)	(17,677,809)	(14,170,270)	(17,491,025)
Total primary government net expense	(\$71,990,721)	(\$89,308,247)	(\$99,810,143)	(\$95,808,535)	(\$111,556,296)	(\$128,337,964)	(\$132,642,488)	(\$109,970,918)	(\$123,482,812)
General Revenues and Other									
Changes in Net Assets									
Governmental activities:									
Property Taxes	\$77,374,259	\$78,458,444	\$87,464,946	\$94,214,158	\$100,174,845	\$99,583,850	\$108,377,613	\$109,249,003	\$110,419,716
Unrestricted investment earnings	2,907,227	3,682,117	5,009,546	8,907,615	8,639,127	5,460,750	3,243,451	(10,844,101)	(10,568,496)
Hotel tax	1,215,365	1,246,033	1,318,066	1,372,501	1,494,914	1,461,458	1,301,778	1,340,664	1,495,347
Other	12,838,944	10,570,933	10,581,200	1,401,501	2,970,608	1,948,805	3,046,577	3,623,839	1,588,306
Gain (Loss) sale of assets	150,000	150,000	150,000	150,000	37,500	(1,917)	0	0	0
Special item - litigation expense	0	0	(16,000,000)	0	0	(5,500,000)	0	0	0
Proceeds from swap transactions	0	4,660,667	0	0	0	0	0	0	0
Transfers	(8,409,372)	(4,027,719)	(7,984,154)	(9,519,978)	(9,830,857)	(11,518,292)	(12,604,620)	(13,484,220)	(18,050,304)
Total governmental activities	86,076,423	94,740,475	80,539,604	96,525,797	103,486,137	91,434,654	109,214,799	89,865,185	84,884,569
Business-type activities:									
Unrestricted investment earnings	0	0	0	1,275,434	1,034,915	56,518	17,777	16,571	19,486
Transfers	8,409,372	4,027,719	7,984,154	9,519,978	9,830,857	11,518,292	12,604,620	13,484,220	18,050,304
Total business-type activities	8,409,372	4,027,719	7,984,154	10,795,412	10,865,772	11,574,810	12,622,397	13,500,791	18,069,790
Total primary government	\$94,485,795	\$98,768,194	\$88,523,758	\$107,321,209	\$114,351,909	\$103,009,464	\$121,837,196	\$103,385,976	\$102,954,359
Change In Net Assets									
Governmental activities	\$20,324,243	\$9,200,855	(\$15,925,788)	\$6,067,931	\$1,123,689	(\$23,156,433)	(\$5,749,880)	(\$5,915,463)	(\$21,107,218)
Business-type activities	2,170,831	259,092	4,639,403	5,444,743	1,671,924	(2,172,067)	(5,055,412)	(669,479)	578,765
Total primary government	\$22,495,074	\$9,459,947	(\$11,286,385)	\$11,512,674	\$2,795,613	(\$25,328,500)	(\$10,805,292)	(\$6,584,942)	(\$20,528,453)

NOTE: The County implemented GASB Statement 51 and 53 beginning in 2010; and, therefore, prior years have not been adjusted to reflect implementation of these standards.

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

<u>Year</u>	<u>Real Estate Tax</u>	<u>Hotel Room Tax</u>	<u>Total</u>
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
2007	100,174,845	1,494,914	101,669,759
2008	99,583,850	1,461,458	101,045,308
2009	108,377,613	1,301,778	109,679,391
2010	109,249,003	1,340,664	110,589,667
2011	110,419,716	1,495,347	111,915,063
2012	110,899,632	1,567,531	112,467,163

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

	(1) 2003	(1) 2004	(1) 2005	(1) 2006	(1) 2007	2008	2009	2010	2011	2012
General Fund										
Reserved	\$ 21,879,194	\$ 5,413,570	\$ 8,503,496	\$ 8,281,067	\$ 7,928,694	\$ 9,616,046	\$ 23,217,673	\$ 21,855,801	\$ -	\$ -
Unreserved	-	23,056,636	23,068,451	16,599,451	15,784,554	4,514,853	9,409,965	15,151,606	-	-
Nonspendable	-	-	-	-	-	-	-	-	12,443,854	10,735,000
Restricted	-	-	-	-	-	-	-	-	76,314	23,574
Committed	-	-	-	-	-	-	-	-	35,896	-
Assigned	-	-	-	-	-	-	-	-	4,886,484	743,246
Unassigned	-	-	-	-	-	-	-	-	14,823,744	12,765,062
Total General Fund	\$ 21,879,194	\$ 28,470,206	\$ 31,591,947	\$ 24,880,518	\$ 23,713,248	\$ 14,130,899	\$ 32,627,638	\$ 37,007,407	\$ 32,266,292	\$ 24,266,882
All other-governmental funds										
Reserved	\$ 39,835,532	\$ 26,027,730	\$ 6,320,087	\$ 25,099,699	\$ 26,984,494	\$ 9,749,272	\$ 2,196,319	\$ 1,550,052	\$ -	\$ -
Capital Projects Fund	6,471,220	6,348,032	6,491,523	7,197,050	6,503,313	6,493,878	7,658,505	7,657,671	-	-
Other Nonmajor Funds	-	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	9,494,413	8,195,118
Restricted	-	-	-	-	-	-	-	-	283,910	235,074
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	(707,118)	(1,567,736)
Unassigned	-	-	-	-	-	-	-	-	9,071,205	6,862,456
Total all other governmental funds	\$ 46,306,752	\$ 32,375,762	\$ 12,811,610	\$ 32,296,749	\$ 33,487,807	\$ 16,243,150	\$ 9,854,824	\$ 9,207,723	\$ 9,071,205	\$ 6,862,456
Total fund balances of all governmental funds	\$ 68,185,946	\$ 60,845,968	\$ 44,403,557	\$ 57,177,267	\$ 57,201,055	\$ 30,374,049	\$ 42,482,462	\$ 46,215,130	\$ 41,337,497	\$ 31,129,338

NOTE:
 (1) Certain reclassifications were made to prior year amounts to conform to the 2008-2010 presentation.

The County implemented GASB Statement 54 beginning in 2011; and, therefore prior years have not been adjusted to reflect implementation of this standard.

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues										
Real estate taxes	\$76,389,344	\$78,089,574	\$86,831,194	\$93,382,328	\$98,751,116	\$102,903,780	\$108,695,090	\$109,762,800	\$110,537,455	\$110,850,508
Intergovernmental	133,414,027	149,520,655	169,789,071	184,299,469	188,194,704	195,482,476	192,795,900	178,347,215	171,926,535	172,168,639
Departmental	26,872,249	25,867,845	25,780,527	30,055,002	35,969,407	34,990,258	36,158,035	40,495,979	41,834,161	45,212,070
Fines and costs	3,087,197	3,378,092	3,684,911	4,300,609	4,891,498	5,212,973	5,336,778	5,844,863	5,455,377	5,475,592
Hotel tax	1,215,365	1,246,033	1,318,066	1,372,501	1,494,914	1,461,458	1,301,778	1,340,664	1,495,347	1,567,531
Investment	2,907,227	3,682,117	5,009,546	8,907,615	8,639,127	5,460,750	3,243,451	192,854	233,130	392,794
Other	11,161,285	10,570,933	10,581,200	1,401,501	2,970,608	1,948,805	3,046,577	3,623,839	1,588,306	1,942,832
Total Revenues	255,046,694	272,355,249	302,984,515	323,719,025	340,911,374	347,460,500	350,577,609	339,608,014	333,070,311	337,609,966
Expenditures										
Current:										
General government	9,341,635	11,270,768	11,553,295	12,598,142	13,443,367	13,330,319	11,497,949	12,603,984	12,235,067	13,307,481
Public safety	46,802,474	50,167,283	51,080,869	64,980,272	68,057,879	73,909,519	78,884,544	59,640,040	60,324,918	63,709,729
Roads & bridges	909,980	934,533	1,213,279	1,000,228	1,045,462	1,086,155	907,161	706,836	1,173,337	684,990
Health, education, and welfare	118,719,105	130,483,066	150,692,137	182,271,868	183,875,350	191,241,668	185,051,300	175,797,999	175,964,324	181,231,741
Judicial	21,324,134	24,258,505	25,477,550	30,984,793	35,078,905	36,019,082	37,459,480	37,068,087	38,308,518	38,606,561
Cultural and recreation	3,739,480	3,918,275	4,920,655	5,311,734	5,089,034	11,011,254	8,330,435	7,626,813	8,101,030	8,280,782
Conservation and community development	4,476,961	8,120,947	9,971,653	8,753,756	10,755,287	9,573,955	9,755,949	14,815,978	12,894,200	11,786,576
Other departments and programs	19,638,868	27,124,485	29,719,493	-	10,755,287	-	-	-	-	-
Capital outlay	29,694,855	14,222,422	18,943,258	16,882,310	15,682,655	33,820,265	8,115,158	8,673,486	8,386,541	10,503,533
Debt service:										
Principal retirement	13,990,000	6,375,000	2,630,000	2,800,000	2,970,000	3,765,895	1,279,243	3,692,743	3,963,066	81,576,489
Interest and fiscal charges	2,124,381	5,816,140	6,096,095	7,947,043	8,163,415	8,266,213	8,961,225	5,526,084	5,584,394	5,702,668
Total Expenditures	270,761,873	282,691,424	312,298,284	333,530,146	344,161,354	382,024,325	350,242,444	326,152,050	326,935,395	415,390,550
Other financing sources (uses)										
Transfers in	14,142,917	6,642,355	6,432,168	7,936,470	7,201,633	5,984,578	8,469,230	10,891,978	12,366,333	12,340,055
Transfers out	(26,398,188)	(10,670,074)	(14,416,322)	(17,456,448)	(17,032,490)	(17,502,870)	(21,073,850)	(24,376,198)	(30,416,637)	(31,294,608)
Transfer of bond proceeds, net	-	-	-	-	6,595,642	(13,368,104)	(1,399,175)	(25,801)	-	-
Payment to refunded bond/notes	(7,334,341)	-	-	-	-	(130,237,555)	(10,130,000)	(134,253,867)	-	-
Premium of bonds issued	539,845	-	-	-	-	-	-	1,831,066	-	-
Issuance of refunding bonds/notes	54,588,602	-	-	-	-	131,002,555	10,130,000	133,390,000	-	77,420,000
Bond discount	-	-	-	-	-	(150,188)	-	-	-	-
Proceeds from swap transactions/bonds	-	4,660,667	845,512	-	-	-	5,850,000	-	-	-
Issuance of debt, net	-	-	-	32,104,809	6,508,983	32,008,403	19,927,043	2,819,526	7,037,755	9,106,978
Total other financing sources (uses)	35,539,835	632,948	(7,138,642)	22,584,831	3,273,768	7,736,819	11,773,248	(9,723,296)	(11,012,549)	67,572,425
Net changes in fund balances	\$19,823,656	(\$9,703,227)	(\$16,442,411)	\$12,773,710	\$23,788	(\$26,827,006)	\$12,108,413	\$3,732,668	(\$4,877,633)	(\$10,208,159)
Debt service as a percentage of noncapital expenditures	6.7%	4.5%	3.0%	3.4%	3.4%	3.5%	3.0%	2.9%	3.0%	21.6%

County of York, Pennsylvania

General Government Expenditures by Function (1)

Last Ten Years

Year	General Government	Public Safety	Road and Bridges	Health, Education and Welfare	Judicial	Culture and Recreation	(4)			Totals	
							Conservation and Community Development	Capital Outlay	(2)(3) Debt Service		
2003	\$ 9,341,635	\$ 46,802,474	\$ 909,980	\$ 118,719,105	\$ 21,324,134	\$ 3,739,480	\$ 4,476,961	\$ 39,694,855	\$ 6,114,381	\$ 19,638,868	\$ 270,761,873
2004	10,900,101	50,167,283	934,533	130,483,066	24,258,505	3,918,275	8,120,947	19,903,581	6,880,648	27,124,485	282,691,424
2005	11,553,295	51,080,869	1,213,279	150,692,137	25,477,550	4,920,655	9,971,653	19,843,717	7,825,636	29,719,493	312,298,284
2006	12,598,142	64,980,272	1,000,228	182,271,868	30,984,793	5,311,734	8,753,756	17,503,489	10,125,864	-	333,530,146
2007	13,443,367	68,057,879	1,045,462	183,875,350	35,078,905	5,089,034	10,755,287	15,682,655	11,133,415	-	344,161,354
2008	13,330,319	73,909,519	1,086,155	191,241,668	36,019,082	11,011,254	9,573,955	33,820,265	12,032,108	-	382,024,325
2009	11,497,949	78,884,544	907,161	185,051,300	37,459,480	8,330,435	9,755,949	8,115,158	10,240,468	-	350,242,444
2010	12,603,984	59,640,040	706,836	175,797,999	37,068,087	7,626,813	14,815,978	8,673,486	9,218,827	-	326,152,050
2011	12,235,067	60,324,918	1,173,337	175,964,324	38,308,518	8,101,030	12,894,200	8,386,541	9,547,460	-	326,935,395
2012	13,307,481	63,709,729	684,990	181,231,741	38,606,561	8,280,782	11,786,576	10,503,533	87,279,157	-	415,390,550

- 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 Enterprise Funds debt.
 (4) In 2006 includes Conservation
 (5) 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

Year	Real Estate Taxes	Intergovernmental	Departmental	Fines and costs	Investment	(2)		(1) Totals
						Bond Proceeds and Other		
2003	\$ 76,389,344	\$ 133,414,027	\$ 26,872,249	\$ 3,087,197	\$ 2,907,227	\$ 67,505,097		\$ 310,175,141
2004	78,089,574	149,520,655	25,867,845	3,378,092	3,682,117	16,477,633		277,015,916
2005	86,831,194	169,789,071	25,780,527	3,684,911	5,009,546	12,744,778		303,840,027
2006	93,382,328	184,299,469	30,055,002	4,300,609	8,907,615	34,878,811		355,823,834
2007	98,751,116	188,194,704	35,969,407	4,891,498	8,639,127	17,570,147		354,015,999
2008	102,903,780	195,482,476	34,990,258	5,212,973	5,460,750	22,665,374		366,715,611
2009	108,695,090	192,795,900	36,158,035	5,336,778	3,243,451	28,726,223		374,955,477
2010	109,762,800	178,347,215	40,495,979	5,844,663	192,854	8,725,427		343,368,938
2011	110,537,455	171,926,535	41,834,161	5,455,377	233,130	10,121,408		340,108,066
2012	110,850,508	172,168,639	45,212,070	5,475,592	392,794	12,617,341		346,716,944

NOTES:

(1) Includes General, Special Revenue, and Capital Projects Funds.

(2) Includes Proceeds From Bond Issues which are included in the financial section as Other Financing Sources, Hotel Tax Revenue, and Other Revenue.

SOURCE:

Annual Reports of York County Controller and annual audit reports

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

<u>Year</u>	<u>Real Estate</u> <u>Tax</u>	<u>Hotel Room</u> <u>Tax</u>	<u>Total</u>
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
2007	98,751,116	1,494,914	100,246,030
2008	102,903,780	1,461,458	104,365,238
2009	108,695,090	1,301,778	109,996,868
2010	109,762,800	1,340,664	111,103,464
2011	110,537,455	1,495,347	112,032,802
2012	110,850,508	1,567,531	112,418,039

County of York, Pennsylvania

Property Values (1)

Last Ten Years
(Unaudited)

Year	Residential	Commercial	Agricultural	Industrial	Miscellaneous/ Apartments	Utility/ Exempt	Total
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
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
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
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 (2)
2007	18,935,263,993	3,016,730,827	1,302,861,410	1,521,024,870	553,290,360	2,588,846,790	27,918,018,250 (2)
2008	19,501,908,968	2,764,454,128	1,340,938,634	1,531,585,761	574,153,882	2,945,100,185	28,658,141,558 (2)
2009	19,872,206,413	2,774,301,329	1,342,949,640	1,551,709,559	575,328,905	2,700,447,914	28,816,943,760 (2)
2010	20,094,341,592	2,798,005,281	1,367,172,208	1,648,549,199	572,315,263	2,712,941,302	29,193,324,845 (2)
2011	20,250,978,863	2,847,780,035	1,370,314,145	1,681,083,004	576,469,708	2,698,957,561	29,425,583,316 (2)
2012	20,337,789,984	2,883,718,207	1,374,013,078	1,691,899,470	580,202,016	2,742,852,707	29,610,475,462 (2)

NOTES:

- (1) Property values are the assessed value as of the beginning of the year.
- (2) 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

<u>Year</u>	<u>(1) Real Estate Total Assessed Value</u>	<u>RATIO OF TOTAL ASSESSED TO TOTAL ESTIMATED ACTUAL VALUE</u>	<u>COUNTY REAL ESTATE MILLAGE RATE</u>
2003	18,317,323,221	100	4.20
2004	18,811,348,625	100	4.20
2005	19,342,529,820	100	4.51
2006	24,440,004,558 (2)	100	3.80
2007	25,329,171,460 (2)	100	3.91
2008	25,713,041,373 (2)	100	4.00
2009	26,116,495,846 (2)	100	4.15
2010	26,480,383,543 (2)	100	4.15
2011	26,726,625,755 (2)	100	4.15
2012	26,867,622,725 (2)	100	4.15

NOTES:

- (1) Does not include Exempt and Utility assessments.
- (2) 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

(1) Year	County Direct Rates			Overlapping Rates		Total
	Basic Rate	Library Tax	Total Rate	(2) Municipalities	(2) School District	
2003	4.20	0.00	4.20	1.380	16.583	22.163
2004	4.20	0.00	4.20	1.544	17.725	23.469
2005	4.41	0.10	4.51	1.655	19.507	25.672
2006	3.70	0.10	3.80 (3)	1.435	16.660	21.895
2007	3.81	0.10	3.91 (3)	1.555	17.653	23.118
2008	3.90	0.10	4.00 (3)	1.646	18.400	24.046
2009	4.05	0.10	4.15 (3)	1.711	18.400	24.261
2010	4.05	0.10	4.15 (3)	1.761	19.445	25.356
2011	4.05	0.10	4.15 (3)	1.875	19.756	25.781
2012	4.05	0.10	4.15 (3)	1.989	20.233	26.372

NOTES:

- (1) The fiscal year shown represents the calendar year for the 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) Each unit within these classes levies its own millage rate. The rates shown are an average.
- (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

Property Tax Rates
Direct and Overlapping Governments
Last Ten Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
County Direct Rate	4.200	4.200	4.510	3.800	3.910	4.000	4.150	4.150	4.150	4.150
School District Rates										
Central York	14.330	15.830	17.470	15.320	16.310	16.810	16.810	17.760	17.760	17.760
Dallastown Area	17.760	20.240	21.740	18.810	19.810	20.850	20.840	22.260	22.260	22.260
Dover Area	17.420	18.770	18.770	16.800	17.820	18.870	18.870	20.330	20.530	21.000
Eastern York	16.600	17.500	19.200	16.100	17.380	18.340	18.340	18.850	19.050	19.350
Hanover Public	16.950	17.550	19.050	16.920	17.720	18.490	18.490	19.070	19.070	19.450
Northeastern	19.780	20.730	22.810	20.790	21.740	21.740	21.740	23.280	23.720	24.260
Northern	14.150	15.400	16.400	13.300	13.870	13.870	13.870	14.369	14.614	14.920
Red Lion Area	16.050	17.550	19.500	16.840	18.690	20.440	20.440	22.060	22.060	22.389
South Eastern	16.230	16.720	21.350	16.906	17.832	18.831	18.831	20.482	20.851	21.206
South Western	15.050	15.550	16.500	13.660	14.240	15.750	15.750	16.280	16.550	16.890
Southern	15.980	16.800	17.770	14.390	15.080	15.020	15.020	16.620	16.840	17.170
Spring Grove Area	15.230	16.700	18.200	15.890	17.200	18.340	18.340	19.130	19.670	20.083
West York Area	18.040	18.420	19.090	16.647	17.330	18.265	18.265	19.812	19.812	20.228
York City	22.250	24.000	27.960	27.190	29.540	29.540	29.540	29.540	31.078	33.736
York Suburban	16.220	17.500	18.570	16.834	17.688	18.740	18.740	20.171	20.453	20.712
West Shore	11.500	11.300	11.900	10.100	10.200	10.500	10.500	11.100	11.780	12.320
City										
York	11.390	12.520	13.520	13.170	13.670	14.670	15.640	15.640	17.390	20.370
Borough Rates										
Cross Roads	0.350	0.350	0.350	0.280	0.280	0.280	0.280	0.280	0.280	0.280
Dallastown	1.580	2.000	2.000	1.650	1.650	1.650	1.650	1.650	1.650	1.650
Delta	1.700	1.700	1.900	1.440	1.900	1.900	3.000	3.000	3.000	3.000
Dillsburg	2.900	2.900	2.900	2.370	2.370	2.370	2.370	2.370	2.370	2.370
Dover	1.800	1.800	1.800	1.690	1.690	1.690	1.690	1.690	1.690	1.690
East Prospect	1.000	1.000	1.000	0.750	1.000	1.000	1.000	1.000	1.000	1.070
Fawn Grove	0.600	1.300	1.300	0.720	1.000	1.000	1.000	1.000	1.250	1.250
Felton	1.100	1.100	1.100	0.950	1.100	1.700	1.700	1.900	2.200	2.400
Franklintown	1.210	1.210	1.210	1.080	1.880	1.880	1.880	1.880	1.880	1.880
Glen Rock	2.500	3.000	3.000	2.400	2.500	2.600	2.800	2.800	2.800	2.950
Goldsboro	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750
Hellam	3.000	3.200	3.350	2.900	3.100	3.300	3.400	3.400	3.400	3.400
Hanover	2.950	4.450	4.450	3.990	3.990	3.990	3.990	3.990	3.990	3.990
Jacobus	1.300	1.300	1.300	0.923	1.300	1.300	1.300	1.500	1.700	1.700
Jefferson	2.140	2.100	2.100	1.750	1.750	2.758	3.346	3.450	4.200	4.200
Lewisberry	1.000	1.000	1.000	0.800	0.800	0.800	0.800	0.800	1.300	1.300
Loganville	1.200	1.200	1.700	1.500	1.500	2.000	2.000	2.000	2.000	2.000
Manchester	1.650	2.650	2.650	2.150	2.150	2.150	2.150	2.150	2.150	2.650
Mount Wolf	2.400	3.500	3.500	2.900	2.900	2.900	2.900	2.900	2.900	3.600
New Freedom	0.830	0.830	0.830	0.660	0.700	0.750	0.810	0.850	0.910	0.970
New Salem	0.855	1.100	1.100	0.850	0.850	0.850	0.850	0.850	0.850	0.850
North York	3.500	3.500	3.500	3.210	3.710	3.710	4.710	4.710	5.500	6.000
Railroad	0.600	0.900	0.900	0.690	0.690	0.690	0.690	0.690	0.690	0.690
Red Lion	2.660	3.560	3.560	3.173	3.350	3.700	3.700	4.200	4.200	4.200
Seven Valleys	0.425	0.425	0.425	0.349	0.600	0.600	0.600	0.600	1.200	1.200
Shrewsbury	1.070	1.600	1.600	1.200	1.200	1.420	1.500	1.500	1.700	1.700
Spring Grove	2.590	2.590	2.590	2.340	2.340	2.340	2.840	2.840	2.840	3.340
Stewartstown	2.400	2.400	3.300	2.720	2.720	2.850	2.850	2.850	2.850	2.850
Wellsville	0.500	0.500	0.500	0.420	0.420	0.420	0.420	0.420	0.420	0.420
West York	3.190	3.190	4.490	3.900	4.900	4.900	4.900	5.500	6.500	6.500
Windsor	1.117	1.117	1.517	1.261	1.261	1.261	1.500	1.423	1.723	1.723
Winterstown	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850
Wrightsville	0.870	2.100	2.100	1.610	2.290	2.290	2.690	3.090	3.090	3.090
Yoe	1.153	1.153	1.153	0.914	1.914	2.955	2.955	2.955	3.455	3.455
York Haven	3.600	3.600	3.600	3.000	3.000	3.000	4.000	4.000	4.000	4.000
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 (Continued)
Last Ten Years

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Townships										
Carroll	1.430	1.430	1.430	1.120	1.120	1.120	1.620	1.620	1.620	1.620
Chanceford	0.240	0.240	0.360	0.300	0.300	0.300	0.300	0.300	0.300	0.300
Codorus	0.550	0.550	0.550	0.420	0.420	0.420	0.420	0.600	0.600	0.600
Conewago	1.150	1.260	1.300	1.300	1.300	1.450	1.450	1.450	1.450	1.450
Dover	1.000	1.000	1.000	0.828	0.828	1.000	1.000	1.000	1.000	1.000
East Hopewell	0.590	0.590	0.590	0.430	0.430	0.430	0.430	0.430	0.430	0.430
East Manchester	1.150	1.150	1.150	1.040	1.040	1.040	1.040	1.040	1.040	1.040
Fairview	1.036	1.178	1.198	1.077	1.396	1.600	1.600	1.600	1.600	2.350
Fawn	0.650	0.650	0.650	0.470	0.470	0.470	0.470	0.470	0.470	0.470
Franklin	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.600
Heidelberg	1.200	1.200	1.500	1.200	1.200	1.500	1.500	1.500	1.500	1.500
Hellam	1.500	1.800	1.800	1.606	1.800	1.800	1.800	1.800	1.800	1.800
Hopewell	0.290	0.290	0.290	0.210	0.210	0.210	0.210	0.210	0.210	0.210
Jackson	0.350	0.350	1.200	0.950	0.950	0.950	0.950	0.950	0.950	0.950
Lower Chanceford	0.600	0.700	0.700	0.600	0.650	0.700	0.750	0.770	0.800	0.830
Lower Windsor	0.000	0.000	0.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Manchester	1.240	1.240	1.240	1.000	1.000	1.000	1.000	1.100	1.100	1.500
Manheim	1.000	1.250	1.250	1.000	1.000	1.000	1.100	1.100	1.100	1.500
Monaghan	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900	0.900
Newberry	0.450	0.450	1.500	1.290	1.790	1.790	1.790	1.790	1.790	1.790
North Codorus	0.500	0.500	0.500	0.443	0.750	1.000	1.000	1.500	2.450	2.450
North Hopewell	0.335	0.335	0.335	0.272	0.272	0.272	0.272	0.272	0.272	0.272
Paradise	1.100	1.400	1.700	1.900	1.900	1.900	1.900	1.900	1.900	1.900
Peach Bottom	0.500	0.500	0.500	0.470	0.470	0.470	0.470	0.470	0.470	0.470
Penn	2.500	2.500	2.300	1.990	1.990	1.990	2.300	2.950	3.200	3.350
Shrewsbury	0.090	0.090	0.090	0.074	0.074	0.074	0.074	0.074	0.074	0.074
Spring Garden	2.450	2.850	2.850	2.440	2.440	2.440	2.440	2.440	2.440	2.440
Springettsbury	1.077	1.077	1.077	0.870	0.870	0.870	0.870	0.870	0.870	0.870
Springfield	0.330	0.330	0.330	0.260	0.260	0.260	0.300	0.300	0.300	0.500
Warrington	0.280	0.280	0.280	0.210	0.210	0.210	0.210	0.210	0.210	0.210
Washington	0.450	0.450	0.450	0.400	0.400	0.450	0.450	0.450	0.450	0.450
West Manchester	0.358	0.358	0.250	0.214	0.214	0.214	0.214	0.214	0.214	0.214
West Manheim	2.700	2.700	2.700	2.000	2.000	2.100	2.100	2.390	2.390	3.000
Windsor	0.320	0.320	0.600	0.500	0.500	0.600	0.600	0.600	0.600	0.600
York	0.800	0.800	0.700	0.600	0.600	0.600	0.700	0.700	0.700	0.700

COUNTY OF YORK, PENNSYLVANIA
Principal Property Taxpayers
December 31

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
ES 3 York LLC	\$ 115,106,330	1	0.43%			
York Galleria LLP	58,644,090	2	0.22%			
Church & Dwight Co Inc	36,870,190	3	0.14%			
Homewood at Hanover PA Inc	36,537,790	4	0.14%			
Equity Industrial A York LLC	34,530,943	5	0.13%			
Delco Plaza I L P	27,509,680	6	0.10%			
OSS Realty Company	26,174,340	7	0.10%			
Harley Davidson Motor Company	26,076,690	8	0.10%			
Yorkkat Realty LLP	25,500,000	9	0.09%			
P R Financing LTD	25,237,750	10	0.09%			
Exelon Generation Co. LLC				\$ 305,276,970	1	1.67%
Crown American Financing Partnership				74,274,620	2	0.41%
York Galleria LLP				63,082,480	3	0.34%
ES 3 York LLC				47,202,980	4	0.26%
Kinsley Equities II				45,759,390	5	0.25%
The York Development, LP				37,557,470	6	0.21%
Wellspan Healthcare Services				24,628,590	7	0.13%
Edens & Avant Financing				22,790,180	8	0.12%
ISTAR GT LP				22,464,120	9	0.12%
Fenton LLC				22,324,820	10	0.12%
Total	\$ 412,187,803		1.54%	\$ 665,361,620		3.63%

Source: County Assessment Office

County of York, Pennsylvania

Real Estate Taxes Levied and Collected

Last Ten Years
(Unaudited)

Year	Taxes Levied for the Fiscal Year		Collected within the Fiscal Year of the Levy		Collections in Subsequent Years		Total Collections to Date	
	Fiscal Year	Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Percentage of Levy	
2003	\$ 79,070,273	\$ 73,731,064	93.25%	\$ 2,658,280	\$ 76,389,344	96.61%		
2004	80,986,732	74,193,793	91.61%	3,895,781	78,089,574	96.42%		
2005	89,495,987	84,102,299	93.97%	2,728,895	86,831,194	97.02%		
2006	93,965,893	90,551,553	96.37%	2,840,653	93,392,206	99.39%		
2007	99,298,832	95,589,866	96.26%	3,180,616	98,770,482	99.47%		
2008	104,176,402	95,136,200	91.32%	2,452,406	97,588,606	93.68%		
2009	108,549,695	100,423,781	92.51%	3,553,203	103,976,984	95.79%		
2010	110,058,789	101,302,412	92.04%	4,728,016	106,030,428	96.34%		
2011	111,162,049	102,604,108	92.30%	2,729,705	105,333,813	94.76%		
2012	111,717,356	103,500,130	92.64%	-	103,500,130	92.64%		

SOURCE:
Annual Reports of York County Controller

COUNTY OF YORK, PENNSYLVANIA

Ratio of Outstanding Debt by Type
Last Ten Years

Year	Governmental Activities		Business-Type Activities		Primary Government	Personal Income	Per Capita
	General Obligation Debt	General Obligation Debt	General Obligation Debt	Capital Leases			
2003	\$ 126,335,000	\$ -	\$ -	-	\$ 126,335,000	1.10%	\$ 320.18
2004	119,960,000	-	-	-	119,960,000	0.99%	300.81
2005	118,175,512	-	-	-	118,175,512	0.91%	289.08
2006	146,806,565	43,988,347	-	-	190,794,912	1.37%	458.29
2007	156,941,190	37,392,705	783,437	-	195,117,332	1.33%	463.41
2008	172,580,594	50,536,704	599,357	-	223,716,655	1.49%	536.70
2009	189,829,219	51,790,122	407,638	-	242,026,979	1.58%	564.25
2010	188,066,334	50,258,666	207,962	-	238,532,962	1.50%	548.39
2011	191,141,023	48,634,383	0	-	239,775,406	1.50%	547.41
2012	196,091,512	47,380,755	888,559	-	244,360,826	1.50%	547.41

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

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 Population and Debt Per Capita)

Year	(1) Population	(2) (3) (5) Assessed Value	(4) General Obligation Debt	Ratio of General Obligation Debt to Assessed Value	General Obligation Debt Per Capita
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	408,801	19,342,530	118,176	0.61%	289.08
2006	416,322	24,440,005	190,795	0.78%	458.29
2007	421,049	25,329,171	194,334	0.77%	461.55
2008	416,839	25,713,041	223,117	0.87%	535.26
2009	428,937	26,116,496	241,619	0.93%	563.30
2010	434,972	26,480,384	238,325	0.90%	547.91
2011	436,200	26,726,626	239,775	0.90%	549.69
2012	437,846	26,867,623	243,472	0.91%	556.07

NOTES:

- (1) www.ycedc.org
- (2) County Board of Assessment
- (3) Does not include Exempt and Utility assessments.
- (4) Annual Reports of York County Controller
- (5) In 2006, a County-wide reassessment took effect.

COUNTY OF YORK, PENNSYLVANIA
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2012

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
School Districts			
Central York	\$67,005,000	100%	\$67,005,000
Dallastown Area	87,890,000	100%	87,890,000
Dover Area	55,300,406	100%	55,300,406
Eastern York	49,994,600	100%	49,994,600
Hanover Public	22,850,000	100%	22,850,000
Northeastern	79,000,000	100%	79,000,000
Northern	32,368,000	100%	32,368,000
Red Lion Area	83,105,000	100%	83,105,000
South Eastern	31,853,000	100%	31,853,000
South Western	25,760,000	100%	25,760,000
Southern	42,330,000	100%	42,330,000
Spring Grove Area	85,835,000	100%	85,835,000
West York Area	8,863,987	100%	8,863,987
York City	125,804,941	100%	125,804,941
York Suburban	41,730,000	100%	41,730,000
West Shore*	56,445,000	45%	25,400,250
Other Schools			
York Co School of Tech	32,385,000	100%	32,385,000
City			
York	116,211,423	100%	116,211,423

Source: Each individual governmental unit

Note 1 - Method to calculate overlapping debt is the percentage applicable multiplied by the total debt reported by each governmental unit.

* West Shore Area School District partially resides in York and Cumberland Counties. The percentage of overlapping debt is estimated using taxable square miles. Applicable percentages were estimated by dividing the portion the taxable square miles within the Counties boundaries for the school district by the total taxable square miles for the school district.

COUNTY OF YORK, PENNSYLVANIA

Direct and Overlapping Governmental Activities Debt (Continued)
As of December 31, 2012

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Boroughs			
Cross Roads	\$0	100%	\$0
Dallastown	0	100%	0
Delta	0	100%	0
Dillsburg	276,943	100%	276,943
Dover	3,555,849	100%	3,555,849
East Prospect	0	100%	0
Fawn Grove	0	100%	0
Felton	866,343	100%	866,343
Franklintown	0	100%	0
Glen Rock	0	100%	0
Goldsboro	0	100%	0
Hellam	0	100%	0
Hanover	39,403,570	100%	39,403,570
Jacobus	0	100%	0
Jefferson	128,557	100%	128,557
Lewisberry	0	100%	0
Loganville	0	100%	0
Manchester	5,656,792	100%	5,656,792
Mount Wolf	2,662,020	100%	2,662,020
New Freedom	0	100%	0
New Salem	3,328,369	100%	3,328,369
North York	93,662	100%	93,662
Railroad	12,510	100%	12,510
Red Lion	0	100%	0
Seven Valleys	103,409	100%	103,409
Shrewsbury	0	100%	0
Spring Grove	414,940	100%	414,940
Stewartstown	2,590,000	100%	2,590,000
Wellsville	0	100%	0
West York	0	100%	0
Windsor	346,012	100%	346,012
Winterstown	24,501	100%	24,501
Wrightsville	0	100%	0
Yoe	0	100%	0
York Haven	0	100%	0
Yorkana	0	100%	0

Source: Each individual governmental unit

Note 1 - Method to calculate overlapping debt is the percentage applicable multiplied by the total debt reported by each governmental unit.

COUNTY OF YORK, PENNSYLVANIA

Direct and Overlapping Governmental Activities Debt (Continued)
As of December 31, 2012

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Townships			
Carroll	\$987,727	100%	\$987,727
Chanceford	0	100%	0
Codorus	0	100%	0
Conewago	0	100%	0
Dover	25,983,993	100%	25,983,993
East Hopewell	21,513	100%	21,513
East Manchester	8,318,812	100%	8,318,812
Fairview	9,440,061	100%	9,440,061
Fawn	22,218	100%	22,218
Franklin	0	100%	0
Heidelberg	0	100%	0
Hellam	791,809	100%	791,809
Hopewell	0	100%	0
Jackson	133,456	100%	133,456
Lower Chanceford	0	100%	0
Lower Windsor	162,636	100%	162,636
Manchester	7,957,219	100%	7,957,219
Manheim	5,607	100%	5,607
Monaghan	0	100%	0
Newberry	10,940,000	100%	10,940,000
North Codorus	7,824,970	100%	7,824,970
North Hopewell	640,000	100%	640,000
Paradise	319,227	100%	319,227
Peach Bottom	100,904	100%	100,904
Penn	17,878,659	100%	17,878,659
Shrewsbury	625,000	100%	625,000
Spring Garden	0	100%	0
Springettsbury	24,755,000	100%	24,755,000
Springfield	11,044,582	100%	11,044,582
Warrington	0	100%	0
Washington	0	100%	0
West Manchester	220,000	100%	220,000
West Manheim	10,820,000	100%	10,820,000
Windsor	225,000	100%	225,000
York	3,420,000	100%	3,420,000
Subtotal, overlapping debt			1,215,788,477
County of York direct debt			<u>196,091,512</u>
Total direct and overlapping debt			<u><u>\$1,411,879,989</u></u>

Source: Each individual governmental unit

Note 1 - Method to calculate overlapping debt is the percentage applicable multiplied by the total debt reported by each governmental unit.

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

	Year				
	2003	2004	2005	2006	2007
Borrowing Base Revenues					
Two years prior	\$125,324,948	\$233,374,047	\$255,046,694	\$272,355,249	\$302,994,515
Prior year	134,955,914	255,046,694	272,355,249	302,994,515	323,719,025
Current year	144,764,478	272,355,249	302,994,515	323,719,025	340,911,374
Total Revenues	<u>\$405,045,340</u>	<u>\$760,775,990</u>	<u>\$830,396,458</u>	<u>\$899,068,789</u>	<u>\$967,624,914</u>
Debt Limit For General Obligation Bonds					
Average borrowing base revenues	\$135,015,113	\$253,591,997	\$276,798,819	\$299,689,596	\$322,541,638
Debt limit percentage	x 300%	x 300%	x 300%	x 300%	x 300%
Debt limit	<u>405,045,339</u>	<u>760,775,991</u>	<u>830,396,457</u>	<u>899,068,788</u>	<u>967,624,914</u>
Total outstanding bonded debt	<u>126,335,000</u>	<u>119,960,000</u>	<u>118,175,512</u>	<u>190,794,912</u>	<u>194,333,895</u>
Legal Debt Margin	<u>\$278,710,339</u>	<u>\$640,815,991</u>	<u>\$712,220,945</u>	<u>\$708,273,876</u>	<u>\$773,291,019</u>
Total outstanding bonded debt as a percentage of debt limit	31.19%	15.77%	14.23%	21.22%	20.08%
Debt Limit For General Obligation Bonds and Lease Rental Debt					
Average borrowing base revenues	\$135,015,113	\$253,591,997	\$276,798,819	\$299,689,596	\$322,541,638
Debt limit percentage	x 400%	x 400%	x 400%	x 400%	x 400%
Debt limit	<u>540,060,452</u>	<u>1,014,367,988</u>	<u>1,107,195,276</u>	<u>1,198,758,384</u>	<u>1,290,166,552</u>
Total amount of debt applicable to debt limit	<u>126,335,000</u>	<u>119,960,000</u>	<u>118,175,512</u>	<u>190,794,912</u>	<u>195,117,332</u>
Legal Debt Margin	<u>\$413,725,452</u>	<u>\$894,407,988</u>	<u>\$989,019,764</u>	<u>\$1,007,963,472</u>	<u>\$1,095,049,220</u>
Total amount of debt applicable to debt limit as a percentage of debt limit	23.39%	11.83%	10.67%	15.92%	15.12%

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

	Year				
	2008	2009	2010	2011	2012
Borrowing Base Revenues					
Two years prior	\$323,719,025	\$340,911,374	\$347,460,500	\$347,077,609	\$334,966,358
Prior year	340,911,374	347,460,500	347,077,609	334,966,358	329,674,101
Current year	347,460,500	347,077,609	334,966,358	329,674,101	336,090,592
Total Revenues	<u>\$1,012,090,899</u>	<u>\$1,035,449,483</u>	<u>\$1,029,504,467</u>	<u>\$1,011,718,068</u>	<u>\$1,000,731,051</u>
Debt Limit For General Obligation Bonds					
Average borrowing base revenues	\$337,363,633	\$345,149,828	\$343,168,156	\$337,239,356	\$333,577,017
Debt limit percentage	x 300%				
Debt limit	<u>1,012,090,899</u>	<u>1,035,449,484</u>	<u>1,029,504,468</u>	<u>1,011,718,068</u>	<u>1,000,731,051</u>
Total outstanding bonded debt	<u>223,117,298</u>	<u>241,619,341</u>	<u>238,325,000</u>	<u>239,775,406</u>	<u>243,472,267</u>
Legal Debt Margin	<u>\$788,973,601</u>	<u>\$793,830,143</u>	<u>\$791,179,468</u>	<u>\$771,942,662</u>	<u>\$757,258,784</u>
Total outstanding bonded debt as a percentage of debt limit	22.05%	23.33%	23.15%	23.70%	24.33%
Debt Limit For General Obligation Bonds and Lease Rental Debt					
Average borrowing base revenues	\$337,363,633	\$345,149,828	\$343,168,156	\$337,239,356	\$333,577,017
Debt limit percentage	x 400%				
Debt limit	<u>1,349,454,532</u>	<u>1,380,599,312</u>	<u>1,372,672,624</u>	<u>1,348,957,424</u>	<u>1,334,308,068</u>
Total amount of debt applicable to debt limit	<u>223,716,655</u>	<u>242,026,979</u>	<u>238,532,962</u>	<u>239,775,406</u>	<u>243,472,267</u>
Legal Debt Margin	<u>\$1,125,737,877</u>	<u>\$1,138,572,333</u>	<u>\$1,134,139,662</u>	<u>\$1,109,182,018</u>	<u>\$1,090,835,801</u>
Total amount of debt applicable to debt limit as a percentage of debt limit	16.58%	17.53%	17.38%	17.77%	18.25%

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

<u>Year</u>	<u>Population</u>	<u>Personal Income \$000</u>	<u>Per Capita Personal Income (1)</u>	<u>Public School Enrollment (2)</u>	<u>Local Unemployment Rate (3)</u>
2003	394,581	\$ 11,441,271	\$ 28,996	65,821	4.8%
2004	398,788	12,068,122	30,262	66,520	4.6%
2005	408,801	12,922,608	31,611	67,325	4.7%
2006	416,322	13,904,322	33,398	66,642	3.2%
2007	421,049	14,681,137	34,868	67,853	3.6%
2008	416,839	15,008,288	36,005	67,318	4.8%
2009	428,937	15,281,738	35,627	67,075	9.2%
2010	434,972	15,856,034	36,453	66,646	7.9%
2011	436,200	15,921,300	36,500	65,957	7.1%
2012	437,846	15,981,379	36,500	64,871	7.5%

- (1) US Department of Commerce, Bureau of Economic Analysis, Office of Regional Economic Accounts
(2) Aggregated from information provided by each school district in York County
(3) US Bureau of Labor Statistics

COUNTY OF YORK, PENNSYLVANIA
Principal Employers
December 31, 2012

Employer (1)	Employees	Percentage of Total County Employment
York Hospital	8,369	3.91%
Federal Government	3,432	1.60%
York County	2,571	1.20%
Giant Food Stores LLC	2,325	1.09%
Wal-Mart Associates, Inc.	1,952	0.91%
BAE Systems	1,730	0.81%
UTZ Quality Foods, Inc.	1,363	0.64%
Kinsley Construction, Inc.	1,295	0.60%
Harley-Davidson Motor Company	1,205	0.56%
Hanover General Hospital	783	0.37%
Total	<u>25,025</u>	<u>11.68%</u>

Total Employees in County (2) 214,200

Note: Information on principal employers for 2003 was not available

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

COUNTY OF YORK, PENNSYLVANIA

**Employees by Function/Program
Last Ten Years**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund Departments										
Commissioners	9	10	9	11	8	9	7	6	6	6
Solicitor	2	2	2	2	3	3	3	3	3	2
Maintenance	41	41	41	54	44	42	41	41	41	39
Voter Registration	9	8	10	10	10	9	8	7	7	7
Assessment	34	36	37	37	37	33	30	28	28	25
Weights & Measures	2	2	2	2	2	2	1	1	1	1
Treasurer	8	9	10	8	10	10	10	10	9	10
Payroll	3	3	3	3	3	3	3	3	3	3
Controller	15	14	14	14	15	15	13	13	12	12
Training	-	-	-	2	2	-	-	-	-	-
Recorder of Deeds	16	16	15	15	14	15	14	12	11	12
Telephone & Mail Room	3	3	3	3	3	3	3	3	3	2
Information Services	20	20	19	20	21	20	21	19	19	20
Print Shop	1	1	1	1	-	-	-	-	-	-
Public Relations	-	-	-	-	-	-	-	1	1	1
Purchasing	2	2	3	3	3	3	3	3	3	3
Risk Management	3	3	3	3	2	2	2	2	2	-
Archives	5	6	6	7	7	7	7	7	7	7
Conservation District	14	14	14	15	16	16	16	16	15	15
Human Resources	9	8	7	8	9	10	10	8	10	12
Center for Highway Safety	4	4	4	4	4	4	4	4	4	4
Ag Land Preservation	2	2	2	3	4	4	3	3	3	3
Juvenile Probation	59	60	66	64	64	63	63	62	61	60
Adult Probation	78	81	90	83	93	92	92	98	98	105
Youth Development Center	52	51	51	44	54	64	50	41	37	41
Facilities Management	-	-	4	4	4	3	2	2	2	2
Prison	386	391	390	394	411	439	472	469	489	514
Register of Wills	9	10	10	10	9	10	9	9	9	10
Sheriff	83	91	95	106	104	106	105	104	104	99
Coroner	5	5	5	5	5	5	5	5	5	5
Prothonotary	25	23	24	26	26	28	27	28	28	28
Clerk of Courts	25	30	35	42	44	43	39	41	39	39
Public Defender	22	25	27	32	31	31	32	32	33	35
District Attorney	67	70	73	79	79	76	72	75	78	76
Criminal Response Unit	-	-	-	-	-	6	13	14	14	13
Court Administration	90	100	105	114	115	115	98	101	94	104
District Magistrates	82	85	88	89	89	88	94	88	91	89
Emergency Services	1	1	1	1	1	1	1	1	1	1
Divorce Masters	5	5	5	4	4	4	4	4	4	4
Emergency Management	6	7	7	7	7	7	7	6	6	6
Veterans	4	4	5	5	5	6	6	6	6	6
Parks	42	35	46	54	51	48	46	48	49	48
Fleet Management	-	-	-	4	4	4	4	4	4	4
Penn State Cooperative	11	11	10	11	12	12	10	10	10	9
Total General Fund Departments	1,254	1,289	1,342	1,403	1,429	1,461	1,450	1,438	1,450	1,482
Non General Fund Departments										
Human Services	7	7	6	10	11	11	10	10	13	18
Drug & Alcohol	12	11	12	13	12	12	9	11	12	12
MH/MR	115	118	116	123	130	134	131	134	131	128
Community Service	3	4	3	-	-	-	-	-	-	-
HealthChoices	4	5	5	4	6	7	6	7	7	5
Children & Youth	139	142	135	137	138	132	130	136	141	144
Nursing Home	525	502	515	506	516	530	520	527	524	538
911	77	81	104	94	103	115	115	125	131	121
Domestic Relations	79	78	77	75	79	74	69	68	64	63
Aging	62	63	60	60	60	63	63	68	69	60
Total Non General Fund Departments	1,023	1,011	1,033	1,022	1,055	1,078	1,053	1,086	1,092	1,089
Total	2,277	2,300	2,375	2,425	2,484	2,539	2,503	2,524	2,542	2,571

Source: York County Payroll System

COUNTY OF YORK, PENNSYLVANIA

Operating Indicators by Function

Last Ten Years

Function	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Government										
Fiscal Affairs										
Deeds recorded	10,244	9,673	10,201	10,694	11,577	14,182	16,018	17,021	16,577	15,976
Mortgages recorded	19,651	17,725	19,344	24,034	24,657	32,217	38,079	39,064	39,140	48,187
Land Development Plans	219	164	236	278	380	453	559	567	536	563
Dwelling Units Planned	781	618	714	1,195	858	1,788	3,273	4,898	3,948	5,112
New Construction Permits	670	673	891	1,083	1,375	1,899	2,679	3,064	2,688	2,931
Administration										
General election information										
Registered voters	280,195	269,020	268,107	264,161	299,412	278,994	275,251	266,880	264,134	240,218
Votes cast	191,432	39,165	132,341	50,337	197,132	58,910	128,119	56,042	181,678	59,976
Percent of votes cast	68.3%	14.6%	49.4%	19.1%	65.8%	21.1%	46.5%	21.0%	68.8%	25.0%
Coroner										
Cases	455	490	471	477	449	443	437	432	490	447
Autopsies	61	61	52	90	81	90	76	74	66	63
Court System and Corrections										
Court Administration										
Estates & wills probated	2,068	2,113	1,903	1,945	1,892	1,773	1,403	1,383	1,418	1,292
Petition for Adoption	109	108	128	144	165	145	140	172	165	156
Petition for termination or relinquishment	105	88	120	142	213	203	206	200	172	186
Marriage applications	2,201	2,309	2,186	2,170	2,352	2,240	2,406	2,371	2,350	2,189
Civil cases filed	5,098	5,089	6,876	6,635	6,373	4,776	4,419	2,890	3,894	5,790
Family cases filed	2,292	2,292	2,363	2,281	2,283	2,526	2,333	2,385	3,306	386
Municipal tax cases filed	8,921	9,593	8,827	1,545	1,300	1,039	1,118	1,240	1,024	1,048
Judgments filed	7,802	8,335	7,712	7,725	7,039	4,810	5,203	4,394	4,075	3,754
Administrative cases	40	40	41	35	28	23	35	40	2	n/a
Criminal cases	9,226	7,974	7,630	7,762	8,153	8,058	7,874	6,997	5,709	5,614
Juvenile cases	728	741	869	804	923	822	662	703	620	546
Dependency Cases	236	206	175	163	318	348	476	504	503	460
Miscellaneous cases	3,358	3,247	2,970	2,883	2,624	2,605	2,319	1,909	1,586	1,578
Summary appeals	473	521	651	596	550	548	473	472	428	411
Domestic relations active cases	14,004	14,465	14,345	14,495	15,363	16,077	16,699	17,084	17,035	17,125
Firearm permits issued	10,395	6,375	5,388	6,181	5,605	7,908	3,879	3,556	3,743	4,350
Probation										
Adult caseload	10,795	9,939	10,135	9,306	9,104	8,805	7,401	7,235	6,616	6,264
Juvenile referrals	1,771	1,637	1,925	2,003	2,264	2,389	2,148	2,198	2,378	2,426
Corrections										
Average daily population	2,343	2,378	2,316	2,256	2,253	2,134	2,036	1,833	1,831	1,778
Annual admissions	16,193	22,020	23,748	23,415	24,831	19,129	13,535	11,777	11,802	12,078
Pleasant Acres										
Nursing home beds	375	375	365	355	375	375	375	375	375	375
Independent living beds	32	32	32	32	32	32	32	32	32	32
Available bed days	137,250	136,875	133,225	129,575	137,250	136,875	136,875	136,875	137,250	136,875
Actual resident days	131,676	130,535	129,519	126,395	130,203	130,782	136,875	132,825	132,393	130,752
Percent occupancy	95.9%	95.4%	97.2%	97.5%	94.9%	95.5%	100.0%	97.0%	96.5%	95.5%

COUNTY OF YORK, PENNSYLVANIA

Operating Indicators by Function (Continued)

Last Ten Years

Function	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Human Services										
Adult Services										
Housing	-	-	-	-	529	542	617	900	413	533
Emergency shelter	576	603	567	655	610	801	420	511	250	865
Information/referral	33,552	36,084	33,969	32,842	40,199	38,194	35,945	35,018	31,936	32,191
Adult/Children Services										
Bridge housing	113	122	114	105	135	137	150	158	129	115
Rental assistance	3,929	1,967	3,747	4,096	4,050	5,098	5,875	4,863	4,107	3,277
Emergency shelter	909	695	590	800	576	696	617	480	521	777
Individual shelter nights	13,538	13,392	11,470	12,568	10,754	10,630	10,706	10,223	8,606	2,462
Medical transportation	1,325	2,033	1,627	1,624	1,940	1,482	1,141	805	517	596
Area Agency on Aging										
Home delivered meals										
Meals served	113,899	113,503	102,508	123,816	145,811	136,420	143,568	136,980	134,407	129,154
Persons served	763	727	681	755	1,052	991	1,011	1,113	1,029	1,033
Congregate meals										
Meals served	186,951	149,672	106,314	81,188	78,565	83,966	89,479	84,543	78,968	79,166
Persons served	4,067	3,307	2,748	1,829	1,751	1,846	1,846	1,667	1,757	1,712
Transportation										
Trips	61,154	76,117	81,256	94,248	110,764	104,884	108,600	104,718	101,136	105,867
Persons served	n/a	n/a	n/a	n/a	n/a	n/a	4,310	4,498	3,645	3,235
Children, Youth, and Families										
Children served	8,405	8,601	7,871	7,810	8,483	8,622	8,619	8,277	8,219	8,605
Placement days	189,454	176,605	178,998	238,011	272,312	282,924	249,118	249,736	253,595	239,379
Child abuse reports	1,240	1,124	1,113	1,093	1,098	996	982	904	775	808
Mental Health										
Emergency/Crisis										
intervention hours	24,446	22,674	23,679	25,144	24,710	20,754	20,210	19,223	19,252	22,364
Community treatment team hrs	2,203	2,001	2,259	4,393	4,393	n/a	n/a	n/a	n/a	n/a
Community residential days	28,095	29,950	29,235	25,672	27,364	27,859	19,824	20,432	19,073	17,720
Community employment hours	1,312	1,218	10,674	8,126	9,152	10,575	8,165	6,119	6,327	6,229
Community vocational rehab hours	59,569	78,006	60,111	58,797	56,100	56,804	54,938	58,077	59,025	60,665
Service case management										
hours	58,062	55,308	59,719	58,071	54,696	51,406	51,959	47,494	47,056	43,511
Day treatment hours	4,921	5,492	2,779	4,462	4,906	4,559	2,289	4,450	4,981	2,800
Psychiatric outpatient hours	34,617	35,012	33,698	36,786	37,322	36,041	34,733	29,483	23,494	30,969
Social rehab hours	52,007	55,633	60,466	56,870	58,861	54,830	55,991	52,902	46,144	35,772
Family based support hours	7,868	8,818	7,448	11,388	9,744	7,480	5,525	4,977	5,575	5,306
Housing support days	16,871	17,151	17,029	18,044	18,135	21,047	17,145	14,168	16,878	11,921
Psychiatric inpatient days	195	297	223	161	109	234	293	98	363	65
Intellectual and Developmental Disabilities										
Community hab (ADT) hours	312,859	290,701	249,633	117,596	87,742	76,749	113,169	83,871	142,957	140,154
Vocational rehabilitation hours	390,741	420,703	477,567	250,802	197,655	195,359	294,772	213,771	202,109	190,446
Supported employment hours	3,729	4,059	10,861	7,795	7,957	7,923	14,774	14,514	17,528	20,541
Home & community hab hours	604,688	633,952	561,968	327,312	278,730	252,436	184,155	178,064	n/a	n/a
Respite service hours	82,833	64,439	51,145	60,588	52,201	61,187	n/a	n/a	n/a	n/a
Specialized treatment hours	8	2,835	15	23,744	23,602	18,919	n/a	n/a	n/a	n/a
Transportation	15,853	11,434	7,936	7,773	7,437	7,414	7,198	6,999	6,952	6,829
Early intervention clients	1,523	1,420	1,405	1,348	1,322	1,324	1,360	1,246	1,135	1,044
Family support clients	301	271	314	228	238	292	611	582	571	543
Residential clients	414	416	409	632	618	627	609	591	579	569
Drug & Alcohol										
Intake evaluations	2,264	4,549	6,681	2,180	2,258	1,507	1,494	1,297	1,459	806
Inpatient treatment clients	181	615	160	242	535	902	393	459	328	1,537
Detoxification days	2,274	2,279	2,151	2,346	1,864	1,904	835	1,343	515	1,537
Methadone visits	2,074	4,207	447	734	553	651	574	512	837	737
Outpatient hours	11,046	21,236	33,460	24,860	21,908	19,689	3,723	9,862	16,224	7,005

COUNTY OF YORK, PENNSYLVANIA
Operating Indicators by Function (Continued)

Last Ten Years

Function	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Human Services (continued)										
York HealthChoices										
Ancillary										
Members	532	336	370	181	68	88	83	72	1,530	53
Units	2,449	2,405	2,636	1,113	386	477	512	586	3,282	274
BHRS										
Members	2,125	1,925	1,697	1,637	1,401	1,320	1,223	1,088	948	851
Units	1,477,014	1,469,904	1,352,969	1,264,062	1,112,149	1,083,439	990,092	1,029,126	913,124	591,111
Community supports										
Members	2,423	1,992	2,052	1,864	1,465	1,440	1,577	1,340	1,040	883
Units	271,029	278,740	263,560	260,020	247,277	263,603	245,345	227,703	198,918	132,422
Inpatient drug & alcohol										
Members	14	16	10	14	14	18	17	14	12	13
Units	96	144	100	145	166	213	143	122	77	56
Inpatient mental health										
Members	985	904	860	845	699	717	724	565	531	526
Units	12,838	12,388	12,149	11,494	9,778	10,070	10,321	8,294	7,792	6,353
Non-hospital drug & alcohol										
Members	861	801	743	668	460	385	343	274	213	199
Units	34,517	30,935	31,449	24,575	17,066	15,056	10,740	7,721	6,129	5,901
Other services										
Members	888	778	639	497	329	194	227	106	164	20
Units	163,339	154,910	132,878	130,269	90,553	56,322	44,401	6,446	4,723	1,198
Outpatient drug & alcohol										
Members	1,292	1,194	1,260	1,250	1,093	711	732	593	522	401
Units	32,426	34,352	32,896	30,287	17,427	11,110	16,996	11,708	7,497	5,197
Outpatient mental health										
Members	10,802	10,149	9,583	9,056	7,997	7,000	6,415	5,536	4,540	4,391
Units	242,426	230,549	236,030	244,809	212,434	202,660	169,647	148,066	128,667	152,028
RTF accredited										
Members	100	111	103	134	180	215	188	169	122	86
Units	18,423	20,752	17,581	24,097	33,036	38,418	169,647	148,066	128,667	152,028
RTF non-accredited										
Members	12	15	19	21	20	18	19	23	27	9
Units	3,340	3,072	3,182	3,737	3,734	2,726	2,191	2,535	3,433	1,358

COUNTY OF YORK, PENNSYLVANIA

Operating Indicators by Function (Continued)

Last Ten Years

Function	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Human Services (continued)										
Adams HealthChoices										
Ancillary										
Members	76	74	85	34	5	8	7	1	220	4
Units	342	812	1,140	154	28	50	34	4	475	20
BHRS										
Members	527	455	403	371	311	270	250	223	204	208
Units	434,519	402,344	361,269	374,450	278,591	243,382	211,977	221,953	264,246	164,081
Community supports										
Members	422	307	359	343	238	249	248	208	146	175
Units	49,549	54,353	49,943	49,714	45,500	53,551	51,063	32,626	19,863	15,230
Inpatient drug & alcohol										
Members	2	1	1	2	1	4	1	2	1	1
Units	7	2	20	18	8	80	13	12	7	3
Inpatient mental health										
Members	121	119	130	125	89	77	90	80	91	85
Units	1,590	1,512	2,074	1,910	1,872	1,197	1,654	1,310	1,366	1,197
Non-hospital drug & alcohol										
Members	105	110	111	99	61	57	56	29	30	22
Units	3,821	4,307	5,236	4,468	2,541	2,217	1,505	882	796	558
Other services										
Members	132	148	149	108	46	50	54	44	44	5
Units	9,290	10,490	10,609	5,017	3,384	3,633	4,420	2,572	3,084	606
Outpatient drug & alcohol										
Members	231	213	208	201	162	160	167	104	95	91
Units	4,714	4,221	4,717	2,899	2,111	2,527	3,884	2,497	1,665	1,495
Outpatient mental health										
Members	1,659	1,540	1,452	1,396	1,141	993	937	896	756	717
Units	31,628	34,512	38,407	30,483	26,645	16,998	22,200	20,933	16,517	19,548
RTF accredited										
Members	19	28	39	41	46	49	50	38	31	31
Units	2,486	3,966	6,060	7,884	8,917	7,968	8,826	5,643	4,829	4,790
RTF non-accredited										
Members	2	5	3	1	5	5	1	0	4	2
Units	361	966	289	128	683	772	52	0	381	62

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

COUNTY OF YORK, PENNSYLVANIA
 Capital Asset Statistics by Function
 Last Ten Years

Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Fund										
<u>Corrections</u>										
Motor Vehicles										
Juvenile Probation	6	6	6	6	6	6	5	5	5	5
Adult Probation	4	4	4	5	5	5	4	4	3	6
Youth Development Center	1	1	1	1	1	1	1	2	3	3
Prison	13	13	13	13	13	13	13	13	15	16
Buildings	2	2	2	2	2	2	2	2	2	2
<u>Cultural and Recreation</u>										
Motor Vehicles										
Parks	21	19	20	20	21	24	24	23	24	24
Number of Parks	8	9	9	9	10	10	10	10	10	10
Parks Acreage	3,991	4,070	4,070	4,070	4,261	4,261	4,261	4,261	4,261	4,275
Buildings	6	6	6	6	6	6	7	7	7	7
<u>General Government</u>										
Motor Vehicles										
Conservation District	8	9	9	9	9	9	9	9	9	9
Coroner	1	2	2	2	2	2	2	2	3	3
Fleet Management	0	0	5	6	5	6	6	6	9	13
Highway Safety	1	1	1	1	1	1	1	1	1	1
Human Resources	1	1	1	1	0	0	0	0	0	0
Maintenance	3	3	4	4	5	5	5	5	5	6
Penn State Coop Extension	1	1	2	2	4	5	5	5	5	5
Weights and Measures	0	0	1	1	1	1	1	1	1	1
Buildings	4	5	5	4	4	4	4	4	4	4
<u>Health Education and Welfare</u>										
Motor Vehicles										
Aging	1	2	2	2	5	4	4	4	5	5
Children & Youth	11	13	15	13	13	13	13	13	14	13
MH/MR	2	2	2	2	2	2	2	2	2	2
Veterans Affairs	1	1	1	1	1	1	0	0	0	0
Buildings	2	2	2	2	2	2	2	1	1	1
<u>Judicial</u>										
Motor Vehicles										
District Attorney	8	8	9	10	12	12	12	12	11	13
Sheriff	18	22	25	28	29	32	31	31	34	33
Buildings	1	1	1	2	4	7	7	10	10	11
<u>Public Safety</u>										
Motor Vehicles										
Emergency Management	3	4	4	6	5	4	4	4	4	4
Emergency Services	0	1	1	1	1	1	1	1	1	1
<u>Road and Bridges</u>										
Motor Vehicles										
Liquid Fuels	5	5	5	5	4	5	5	5	5	5
Business Funds										
<u>County Nursing Home</u>										
Motor Vehicles	10	10	10	11	10	9	9	9	8	8
Buildings	1	1	1	1	1	1	1	1	1	1
<u>911 Fund</u>										
Motor Vehicles	3	3	3	4	7	7	7	7	7	7
Buildings	2	2	2	2	2	2	2	2	2	2

Source: York County Fixed Asset System