

COUNTY OF YORK
YORK, PENNSYLVANIA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended December 31, 2013

PREPARED BY THE OFFICE OF THE CONTROLLER

ROBERT P. GREEN, CONTROLLER

COUNTY OF YORK, PENNSYLVANIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2013

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Office of County Controller

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County of York, Pennsylvania

June 20, 2014

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, 2013, 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 December 31, 2013. 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 auditors' 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 61 "The Financial Reporting Entity" an amendment of GASB 14 and GASB 34, 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 have the potential to provide the County with a 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 61 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 2013 was 5.8%, a decrease of 1.7% from December 2012's unemployment rate of 7.5%. The Commonwealth of Pennsylvania and National unemployment rates for December 2013 were 6.8% and 6.7%, respectively, which both the state and the national rate decreased from 2012. York County was 1.0% lower than the State, and .9% lower than the National rate.

Jobs are important, but salary is also a large factor when families are deciding where they 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 7.4% of total general fund revenues at December 31, 2013. 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 five consecutive years in a row, starting with 2009 through 2013, 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 are 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 the 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 \$5.8 million renovation project was completed in 2013 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 Court in 2005, DUI Treatment Court in 2010 and the Veterans' Treatment Court in 2012.

In 2013, the York County Treatment Courts introduced Buster, our Court House Facility Dog. Buster is the first facility dog in the Country to assist treatment court participants. There are 35 counties in the United States that have a canine program, primarily for victim witness interviews. York is the only Veteran Treatment Court in the Country to have a facility dog program that directly benefits York County Veterans. York is also the first Probation Department on the East Coast to incorporate a Courthouse Facility Dog Program.

The York County Treatment Courts have adopted the Courage to Change program as part of its curriculum for participants in 2013. This program uses an evidence based, cognitive behavioral therapy manual to guide participants in making life decisions that will produce positive outcomes. The program will also be adopted by the Adult Probation Department in late 2014.

Throughout the year, various staff members from the Treatment Courts took turns promoting the positive aspects of the program to influential members of the York community. These speaking engagements included events at the Rotary Club of York, the York Economic Alliance, Legal Lines television program, WITF's Smart Talk, and at the Pennsylvania Association of Drug Court Professionals Conference. The York County Treatment Courts has also been asked to present a concept paper to speak at the National Association of Drug Court Professionals in Anaheim, California in 2014.

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, 2013, the York County Drug Treatment Court program has processed 3,169 referrals, admitted 1,132 offenders, and successfully graduated 435 clients. Most significantly, the program's recidivism rate is only 21% and it has a 63% retention rate.

In 2013, the York County Drug Treatment Court program graduated 41 clients. These 41 clients saved a total of 10,609 jail days. The average cost of jail is \$83 a day. This is a cost savings of \$880,547. The average cost to participate in the Drug Court program is \$11,033. That is a total cost of \$452,353 for 41 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 \$428,194.

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 this argument; 64% of individuals incarcerated nationwide have a mental health problem.

The Mental Health Treatment 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, 51 individuals have graduated from the Mental Health Treatment Court. The program has a 10% recidivism rate and a 79% retention rate.

In April 2010, the York County Mental Health Treatment Court program participated in a national study by the National Center for State Courts. York County's Mental Health Treatment 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 Treatment Court program is listed in the national publication for the National Center for State Courts.

In 2013, the York County Mental Health Treatment Court program graduated six clients. These six clients saved a total of 960 days in jail. This is a cost savings to the county of \$79,680. The

average cost for these six clients to participate in the Mental Health Treatment Court was \$66,199. Subtracting the cost to participate from the cost saved in jail days; the total cost savings is \$13,481. The Mental Health Treatment Court program has a 10% 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 160 clients and has exceeded its maximum allowable admittance of 150 clients.

In 2013, the York County DUI Court graduated 38 clients. These 38 clients saved a total of 8,880 days in the York County Prison, which saved a total of \$737,040. The cost for these 38 clients to participate in the DUI court program was \$419,259. Subtracting the cost to participate from the money saved in jail days; the total cost savings to the county from the DUI court program is \$317,781. Since the start of the DUI Court program, 91 clients have graduated the program. Only eight clients have received new criminal charges after graduation. Six of the eight new criminal offenses were new DUI charges. The recidivism rate for DUI court is 11% and the retention rate is 93%.

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 25 clients with another 5 pending admission. The Veterans Treatment Court successfully graduated its first participant in November 2012.

In 2013, the Veterans Court Program graduated seven clients. These seven clients saved a total of 3,596 jail days, saving the county \$298,468. The cost for these seven clients to participate in Veterans Court was \$77,232. Subtracting the cost to participate in the program from the money saved in jail days, the Veterans Court Program recognized a total savings of \$221,236.

Due to the program only being in full operation for two years, the York County Probation Department is unable to provide reliable data for recidivism or retention rates. These numbers will be provided with accuracy in the 2014 CAFR report.

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.

York County's 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, 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. 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.

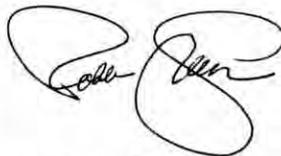
Awards and Acknowledgements

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, 2012. This is the twenty-second 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-third 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.

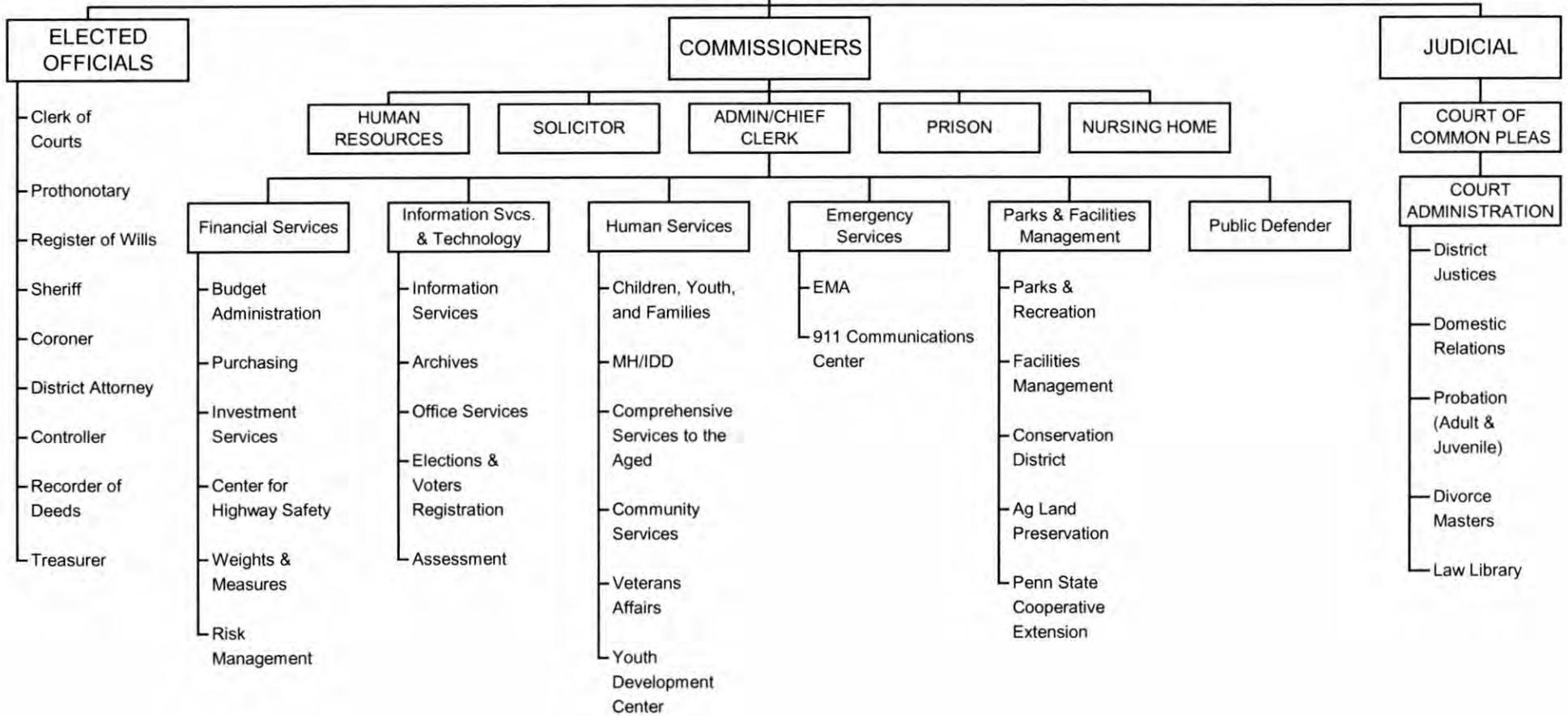
Sincerely,

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

**Robert P. Green
Controller**

YORK COUNTY GOVERNMENT

VOTERS



YORK COUNTY OFFICIALS

December 31, 2013

JUDICIARY COURT OF COMMON PLEAS

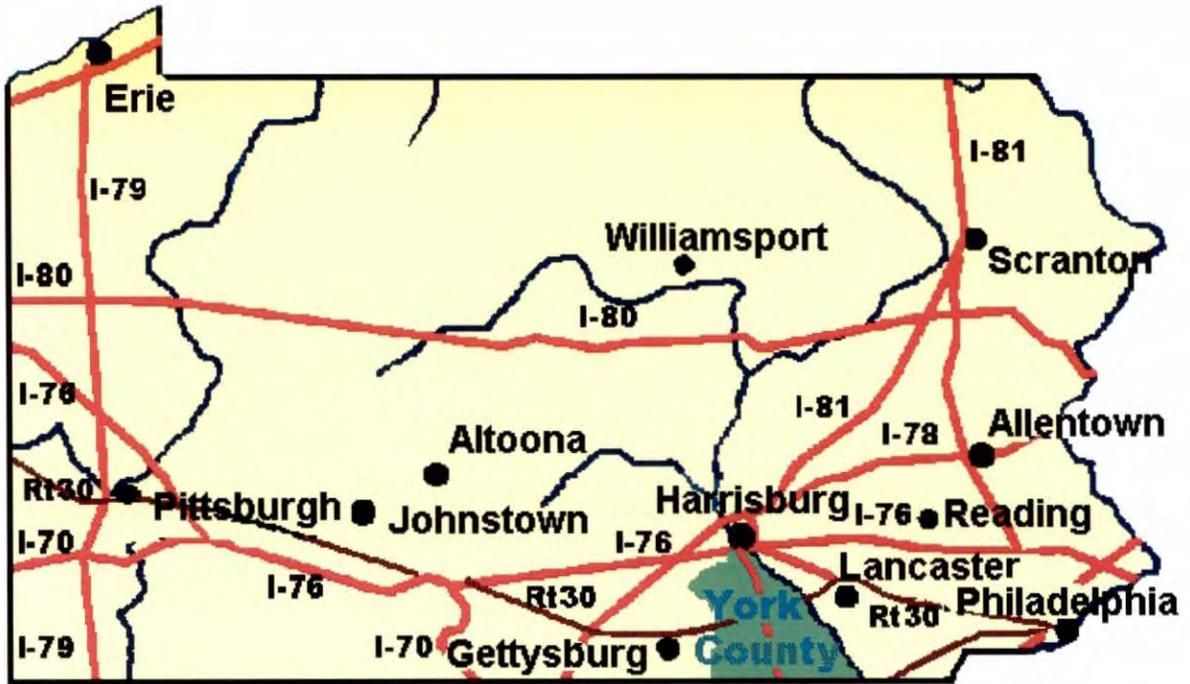
PRESIDENT JUDGE
JUDGE

HONORABLE STEPHEN P. LINEBAUGH
HONORABLE JOSEPH C. ADAMS
HONORABLE PENNY L. BLACKWELL
HONORABLE MICHAEL E. BORTNER
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

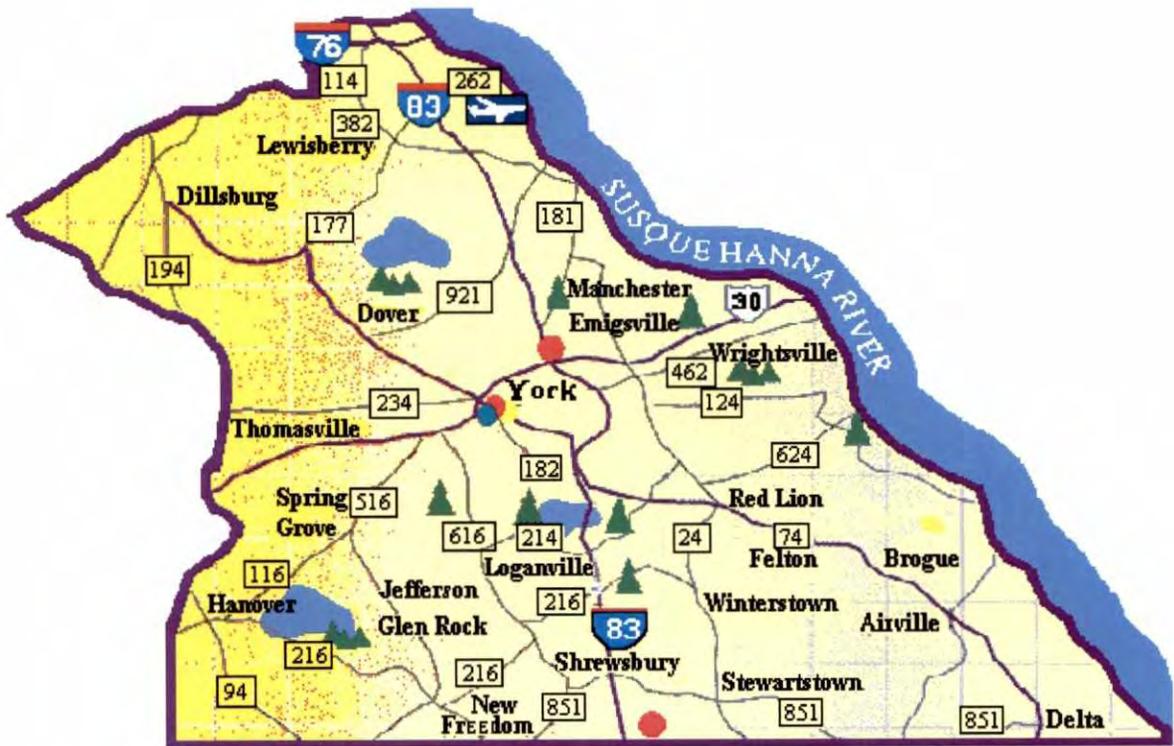
ELECTED COUNTY OFFICIALS

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



Government Finance Officers Association

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, 2012

Executive Director/CEO

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, 2013, 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 99.0%, 99.1%, and 86.3% of the assets, net position, and revenues, respectively, of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those aggregate discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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

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Harrisburg, PA 17109
717.561.9200 Fax 717.561.9202

Philadelphia

2370 York Road, Suite A-5
Jamison, PA 18929
215.918.2277 Fax 215.918.2302

Pittsburgh

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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 auditors' 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 auditors consider 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 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, 2013, 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.

Adoption of Governmental Accounting Standards Board Pronouncements

As described in Note 1 to the financial statements, in 2013 the COUNTY OF YORK adopted the provisions of Governmental Accounting Standards Board's Statement No. 61, "*The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*," the provisions of Statement No. 65, "*Items Previously Reported as Assets and Liabilities*," and the provisions of Statement No. 66, "*Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62*". Our opinion is not modified with respect to these matters.

Zelenkofske Axelrod LLC

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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 purposes of additional analysis and are not a required part of the basic 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual 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 20, 2014 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 20, 2014

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, 2013. 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, 2013.

Financial Highlights

- The County had \$199,655,524 of governmental activities general obligation debt outstanding as of December 31, 2013. This represents an increase of \$3,564,012 or 1.8% from the previous year. This increase pertains to debt issued of \$11.8 million and the issuance of \$30.5 million in refunding bonds, which were offset by principal payments of \$18.8 million, payments refunded bond escrow agent of \$19.3, and a transfer of bond proceeds of \$.6 million. Business-type activities general obligation debt decreased as a result of principal payments in the amount of \$3.1 million, which was offset by issuance of additional debt of \$0.9 million, issuance of refunding bonds of \$1.3 million, and the transfer of bond proceeds of \$0.6 million. As of December 31, 2013, the business-type activities general obligation debt outstanding was \$47,060,085.
- The assets of the County's governmental activities exceeded its liabilities and deferred inflow of resources as of December 31, 2013 by \$31,741,956 (net position). Of this amount, there was a deficit unrestricted net position of \$38,684,114.
- York County's total primary government net position increased by \$3.8 million. Net position of the governmental activities increased by \$5.5 million or 21.1% primarily due to an \$8.7 million gain on the County's investment derivative instruments less a \$3.6 million increase in the general obligation debt. The net position of the business-type activities decreased by \$1.8 million or 20.9%. This decrease was due primarily to the \$0.8 million annual required contribution that was not funded for OPEB and pension benefits in the current year and a decrease in 911 wireless funding.
- At the end of the fiscal year, York County's governmental funds reported combined ending fund balances of \$38,393,910; an increase of \$7,264,572 in comparison with the prior year. Approximately 34.0% of this total amount, or \$13,058,552, 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 increase is reflected in the Other Nonmajor Funds of \$8,037,537 derived primarily from the issuance of the 2013 General Obligation Bonds.

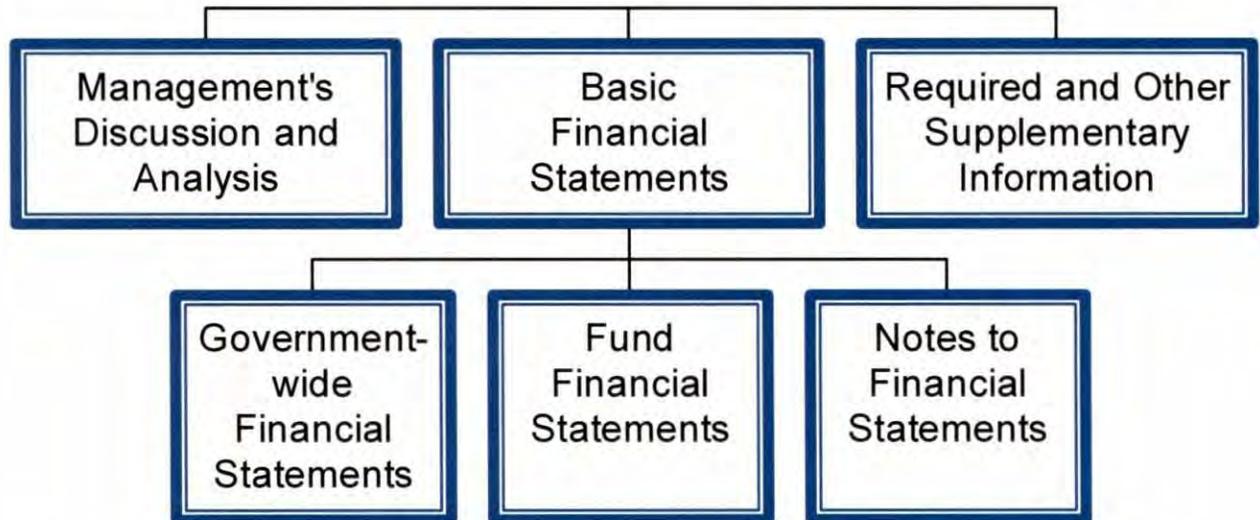
Financial Highlights (Continued)

- At the end of the fiscal year, unassigned fund balance for the General Fund was \$13,058,552 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. These 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 decreases in net position may serve as a gauge as to whether the financial position of the County is improving or deteriorating.

Government-Wide Financial Statements (Continued)

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 twelfth 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	
	2013	2012	2013	2012
	(\$ in millions)			
Assets				
Capital assets, net	\$ 238.6	\$ 239.5	\$ 62.4	\$ 65.2
Other assets	101.1	73.6	9.6	9.2
Total assets	339.7	313.1	72.0	74.4
Liabilities				
Current liabilities	72.1	60.9	4.1	4.9
Long-term liabilities	235.6	226.0	61.3	61.1
Total liabilities	307.7	286.9	65.4	66.0
Deferred inflow of resources	0.3	-	-	-
Net Position				
Net investment in capital assets	61.4	67.9	13.5	15.8
Restricted	9.0	8.2	2.2	3.0
Unrestricted	(38.7)	(49.9)	(9.1)	(10.4)
Total net position	\$ 31.7	\$ 26.2	\$ 6.6	\$ 8.4

Financial Analysis of the County as a Whole (Continued)

The County derives its revenues from property taxes. The County imposed a real estate millage rate that increased from 4.15 mills in 2012 to 4.52 mills in 2013. Total real estate assessed values increased by 0.3% for 2013. In 2013, property tax revenue increased by \$10,481,552 or 9.5%.

Net position of the County of York's governmental activities increased by \$5.5 million or 21.1% (\$31.7 million in 2013 compared to \$26.2 million in 2012). The majority of the increase was a result of an \$8.7 million gain on the County's investment derivative instruments less a \$3.6 million increase in general obligation debt and a \$1.5 million increase related to the amount of the annual required contribution that was not funded for OPEB benefits in the current year. The remaining \$1.9 million of the increase was due to 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 \$(49.9) million at December 31, 2012 to \$(38.7) million at the end of this year.

The net position of our business-type activities decreased by \$1.8 million or 20.9% (\$6.6 million compared to \$8.4 million). The most significant of the decrease was related to the amount of the annual required contribution that was not funded for OPEB and pension benefits in the current year of \$0.8 million. Unrestricted net position of business-type activities improved from a negative \$10.4 million in 2012 to a negative \$9.1 million in 2013.

York County's total assets as of December 31, 2013 are \$411.7 million, an increase of \$24.2 million. Cash and cash equivalents increased by \$10.7 million primarily due to increased allocations of intergovernmental revenue not spent during 2013 for the York and Adams HealthChoices Management Funds. Due from other governments increased in the amount of \$7.7 million mostly due to the Children, Youth, and Families Fund did not receive reimbursements from the state until 2014. Investments in derivative instruments increased \$8.7 million due to positive changes in the fair value. Liabilities increased \$20.2 million totaling \$373.1 million. \$9.8 million increase in long-term liabilities of the County is due to the issuance of the 2013 General Obligation Bonds and unearned revenues increased by \$6.7 million due to increased unspent allocations for the York and Adams HealthChoices Management Funds.

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:

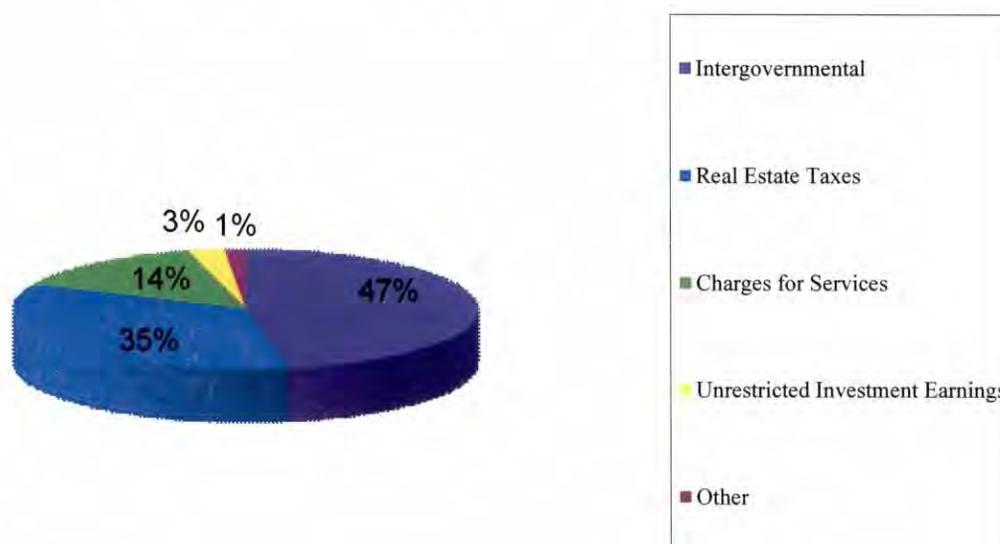
	Governmental Activities		Business-Type Activities	
	2013	2012	2013	2012
	(\$ in millions)			
Revenue				
Program revenues:				
Charges for services	\$ 50.2	\$ 50.7	\$ 38.4	\$ 38.7
Operating grants and contributions	164.3	171.5	-	-
Capital grants and contributions	1.5	0.7	-	-
General revenues:				
Real estate taxes	121.4	110.9	-	-
Other	3.5	1.9	-	-
Unrestricted investment gain	9.3	2.3	-	-
Hotel taxes	1.6	1.6	-	-
Total revenues	<u>351.8</u>	<u>339.6</u>	<u>38.4</u>	<u>38.7</u>
Expenses				
General government	13.5	14.2	-	-
Public safety	69.6	66.7	-	-
Roads and bridges	1.5	1.3	-	-
Health, education and welfare	178.0	182.8	-	-
Judicial	43.5	41.4	-	-
Cultural and recreation	7.1	7.5	-	-
Community development	10.0	11.8	-	-
Interest expense	5.8	7.8	-	-
Nursing home	-	-	40.5	41.8
911 operations	-	-	17.0	17.3
Total expenses	<u>329.0</u>	<u>333.5</u>	<u>57.5</u>	<u>59.1</u>
Increase (decrease) in net position before transfers	22.8	6.1	(19.1)	(20.4)
Transfers	(17.3)	(18.9)	17.3	18.9
Change in net position	<u>5.5</u>	<u>(12.8)</u>	<u>(1.8)</u>	<u>(1.5)</u>
Net position – beginning (as restated)	26.2	39.0	8.4	9.9
Net position – ending	<u>\$ 31.7</u>	<u>\$ 26.2</u>	<u>\$ 6.6</u>	<u>\$ 8.4</u>

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, 2013:

Sources of Revenues Total Revenues of \$351.8 Million



Total government-wide revenues of \$351.8 million were derived primarily from intergovernmental grants, representing 47% of the total. Intergovernmental grants accounted for \$165.8 million. The second largest source of revenue came from real estate taxes of \$121.4 million, which comprised 35% of the total. Revenue to house INS detainees and state boarding of prisoners accounted for 47% of the \$50.2 million in charges for services, which represented 14% of total revenues, followed by unrestricted investment earnings of \$9.3 million. Hotel tax accounted for \$1.6 million of the \$5.1 million of other revenues.

Total revenues increased by \$12.2 million during 2013. The majority of the increase in 2013 came from real estate taxes of \$10.5 million which represented an increase of 9.5%. This increase is also due to the County raising the millage rate by 8.9% in 2013. Unrestricted investment earnings increased by \$7.0 million due to change in the fair value of the County's derivative instruments. Intergovernmental grants decreased by \$6.4 million, representing a 3.7% decline, primarily due less reimbursement for the Children, Youths, and Families Fund.

Financial Analysis of the County as a Whole (Continued)

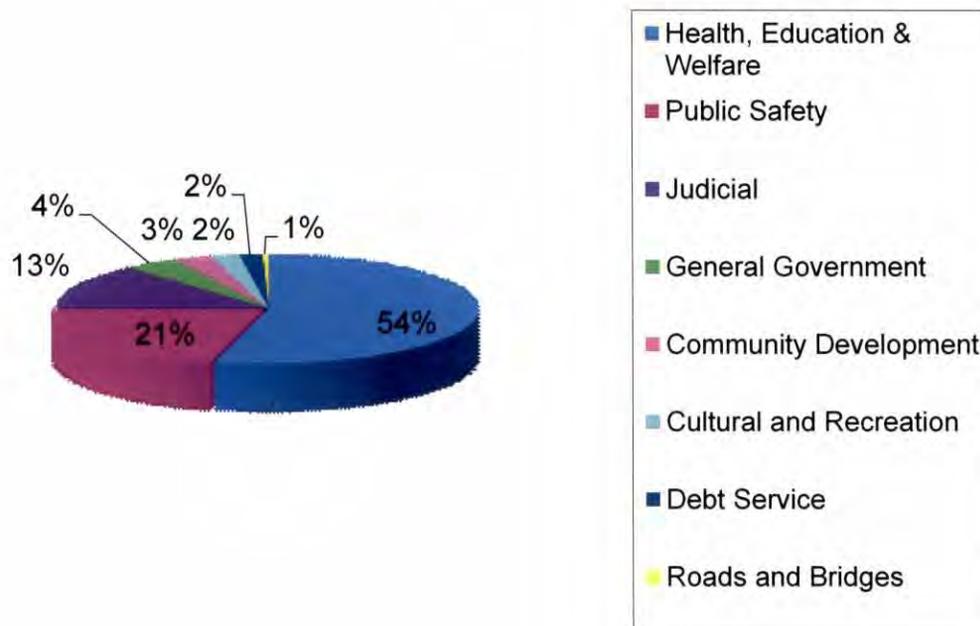
Business-Type Activities

Total business-type revenues of \$38.4 million, a decrease of \$0.3 million from 2012, were derived from charges for sales and services from the County Nursing Home of \$33.0 million and telephone surcharge revenues from 911 operations of \$5.4 million. The County Nursing Home revenues increased by \$0.4 million from higher occupancy rates. 911 revenues decreased by \$0.7 million due to a decrease in wireless funding.

Governmental Activities

The following chart graphically depicts the functional expenses for the fiscal year ended December 31, 2013:

Functional Expenses
Total Expenses of \$329.0 Million



Financial Analysis of the County as a Whole (Continued)

Governmental Activities (Continued)

Total expenses in 2013 were \$329.0 million. These expenses cover a wide range of services, with health, education, and welfare being the largest at \$178.0 million, comprising 54% 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, \$43.2 million, and \$27.0 million, respectively. The second largest category is public safety at \$69.6 million, comprising 21% of total expenses. The other categories are as follows: judicial at \$43.5 million, general government at \$13.5 million, conservation and community development at \$10.0 million, cultural and recreation at \$7.1 million, interest expense at \$5.8 million, and roads and bridges at \$1.5 million.

Expenses decreased in 2013 by \$4.5 million, which represented only a 1.4% decrease. The majority of the decrease came from health, education, and welfare which accounted for \$4.8 million. The second largest decrease was conservation and community development at \$1.8 million.

Business Type Activities

Total expenses in 2013 were \$57.5 million, a decrease of \$1.6 million from 2012. The County nursing home comprised 70.4% of the total, having total operating and administrative expenses of \$40.5 million, which included depreciation expense of \$0.9 million. The 911 operations incurred \$17.0 million in total expenses, which included bond interest expense of \$1.9 million and depreciation expense of \$4.2 million. The majority of the decrease in expenses came from the nursing home which accounted for \$1.3 million.

Financial Analysis of the County's Funds

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

Governmental Funds

The following funds are considered the County's major governmental funds: the General Fund, York HealthChoices Management Fund, Mental Health/Intellectual and Developmental Disabilities Fund, Children Youth and Families Fund, and Community Development Block Grant Fund. For the fiscal year ended December 31, 2013, the County of York governmental funds had a combined ending fund balance of \$38.4 million, an increase of \$7.3 million from fiscal year 2012.

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 \$23.5 million in 2013, a decrease of \$0.8 million from 2012. The General Fund had an excess of revenues over expenditures of \$29.6 million for 2013 before other financing sources/(uses). General Fund net transfers out of (\$30.3) million accounted for all of the other financing sources/(uses).

The increase in General Fund revenues from the prior year was \$10.8 million with expenditures increasing by \$4.1 million. The majority of the increase in expenditures came from public safety of \$2.9 million. General Fund had transfers out of \$30.3 million, which represented a decrease of \$0.5 million. The majority of the transfers out were related to the Enterprise Funds of \$17.3 million. The Nursing Home accounted for \$7.4 million and the 911 Fund for \$9.9 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 2013 was \$10.7 million. Mental Health and Intellectual and Developmental Disabilities Fund had transfers in from the General Fund of \$0.8 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 \$43.2 million in 2013 compared to \$45.8 million in 2012. Lower expenditures of \$2.6 million were due primarily to a decreased level of placements for children in 2013 compared to 2012 fiscal year.

The fund balance for Other Nonmajor Funds increased from \$6.9 million in 2012 to \$14.9 million in 2013. Capital Projects Bond Account Fund accounted for the majority of the \$8.0 million increase at \$6.9 million due to the issuance of the 2013 General Obligation Bonds.

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, 2013, the net position of the County's nursing home amounted to \$(4.1) million, and the net position for 911 operations amounted to \$10.7 million. The nursing home's net position decreased by \$0.04 million due to slightly less transfers in than loss incurred for the 2013 fiscal year. 911 Fund had a decrease of net position of \$1.7 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 \$301.0 million as of December 31, 2013. This represented a decrease of \$3.7 million, or 1.2% over the previous year's total of \$304.7 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	
	2013	2012	2013	2012	2013	2012
Land	\$ 54,109,507	\$ 53,443,932	\$ 260,065	\$ 260,065	\$ 54,369,572	\$ 53,703,997
Construction in progress	1,569,911	10,816,674	1,271,518	2,344,680	2,841,429	13,161,354
Buildings and improvements	217,427,814	204,097,248	38,577,206	37,612,661	256,005,020	241,709,909
Leasehold assets	-	-	2,116,845	2,116,845	2,116,845	2,116,845
Furniture, Fixtures, and Equipment	17,168,433	16,572,296	53,547,181	51,639,275	70,715,614	68,211,571
Easements	18,355,124	17,977,571	-	-	18,355,124	17,977,571
Bridges, roads and rail trail	23,229,887	23,229,887	-	-	23,229,887	23,229,887
Less accumulated depreciation	(93,258,634)	(86,613,419)	(33,416,917)	(28,795,616)	(126,675,551)	(115,409,035)
Total capital assets, net	\$ 238,602,042	\$ 239,524,189	\$ 62,355,898	\$ 65,177,910	\$ 300,957,940	\$ 304,702,099

Governmental activities increased building and improvements by \$13.3 million. The majority of this increase related to the completion of the new work release facility of \$5.3 million and energy efficiency upgrades of \$5.9 million. The prison's energy efficiency upgrades accounted for \$4.6 million with the Judicial Center and the Annex spending \$0.5 million and \$0.8 million respectively. The County also purchased another Magisterial District Justice office at \$0.8 million. The completion of these projects is what accounted for the \$9.2 million decrease in construction in progress.

Financial Analysis of the County's Funds (Continued)

Capital Asset and Debt Administration (Continued)

Capital Assets (Continued)

The County business-type activities increased furniture, fixture, and equipment by \$1.9 million. The 911 Center completed various projects amounting to \$1.1 million, and the nursing home added new laundry equipment of \$0.8 million. The majority of the increase in buildings and improvements of \$1.0 million was related to the laundry room renovations. Both of these projects were started in a previous year, which accounted for the decrease in Construction in progress of \$1.0 million.

Long-Term Debt

As of December 31, 2013, the County had \$246,715,609 of general obligation debt outstanding. This was an increase of \$3.2 million, or 1.3% from the previous year. The following details activity related to general obligation bonds during 2013:

	Governmental Activities	Business-Type Activities
Beginning balance at January 1, 2013	\$ 196,091,512	\$ 47,380,755
Debt issued	42,267,897	2,779,272
Less principal payments	(38,703,885)	(3,099,942)
Ending balance at December 31, 2013	<u>\$ 199,655,524</u>	<u>\$ 47,060,085</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 and also monitors revenues and expenditures for any variances during the year. The Board of Commissioners approved a few minor amendments to the original budget.

Department directors also review budget reports on a monthly basis and provide justification to the Board of Commissioners for any variances. They will provide budget adjustments within their respective departments, as well.

General Fund Budgetary Highlights (Continued)

The County had a few minor amendments to the original 2013 revenue budget. Actual revenue received totaled \$177.1 million or 99.4% of the final budget. Departmental revenues contributed to a majority of the variance as revenues for maintenance of prisoners were lower than expected for the 2013 fiscal year.

The County had a few minor amendments to the original 2013 expenditure budget. Actual expenditures totaled \$147.5 million or 101.4% of the final budget. Health, education, and welfare, along with cultural and recreation, exceeded the budget by \$1.1 million and \$0.9 million, respectively.

Actual transfers out totaled \$30.4 million or 92.8% of the final budget. The positive variance is primarily due to decreased transfers to the 911 business-type activities of \$1.9 million under 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 will remain at 4.52 mills.
- The County's general fund budgeted expenses will increase \$1.7 million.
- The rising wage and medical health care costs.
- The County budgeted \$10.0 million for the annual required contribution to the retirement fund.
- 2014 budget does not use any unrestricted fund balance to balance the budget.

The County's General Fund has been growing at a pace approximating 4.5% per year or almost \$5.6 million annually. The year-over-year increases can be attributed to five 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; (4) capital project debt service costs related to new facilities and systems; and, (5) reduction in state and federal funding. Total salaries and wages for 2014 are projected at just over \$104.1 million with benefits, including medical and retirement, adding an additional \$48 million. Health care costs still continue to increase nationally at 8% to 10%, although the County's claim experience has been below the national average at a rate of only 7.0% to 8% per year. The courts and public safety represent 48% of the general fund budget, with the expenses in this segment being down \$1.3 million from 2013. Government administration costs account for 37% of the general fund budget. Employee benefits comprise 55% of this entire category.

Economic Factors and Next Year’s Budget and Rates (Continued)

The County’s budget for 2014 reflects the annual required retirement contribution to be approximately \$10.0 million, which is \$2.0 million less than the ARC.

These factors were considered in preparing the County’s 2014 budget. Amounts available for appropriation in the general fund budget are \$190.6 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**

County of York, Pennsylvania

Statement of Net Position

December 31, 2013

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and cash equivalents	\$ 31,962,397	\$ 176,818	\$ 32,139,215	\$ 3,849,432
Receivables:				
Taxes, net	4,531,888	-	4,531,888	-
Accounts	13,762,589	6,701,139	20,463,728	12,499,243
Due from other governments	12,187,595	61,584	12,249,179	117,683
Loan and note	10,110,000	-	10,110,000	456,663
Investments in derivative instruments	(11,351,658)	-	(11,351,658)	-
Investments - other	13,196,364	-	13,196,364	8,013,218
Restricted cash	9,006,773	2,683,334	11,690,107	4,982,034
Restricted investments	17,193,267	-	17,193,267	133,274,200
Other assets	558,501	78,724	637,225	1,054,994
Capital assets not being depreciated	74,034,542	1,531,583	75,566,125	13,998,614
Capital assets being depreciated, net of depreciation	164,567,500	60,824,315	225,391,815	35,024,756
Total assets	339,759,758	72,057,497	411,817,255	213,270,837
Liabilities				
Accounts payable and accrued liabilities	28,592,231	2,710,506	31,302,737	2,044,186
Due to other governments	1,725,328	267,771	1,993,099	-
Deposits held in escrow	5,525,021	506,834	6,031,855	-
Accrued interest payable	1,170,466	184,980	1,355,446	105,121
Unearned revenue	35,140,782	422,514	35,563,296	2,759,194
Other liabilities	-	-	-	458,547
Long-term liabilities:				
Due within one year	7,511,419	2,997,364	10,508,783	9,627,580
Due in more than one year	228,069,703	58,323,116	286,392,819	970,750
Total liabilities	307,734,950	65,413,085	373,148,035	15,965,378
Deferred inflow of resources				
Deferred gain on refunding	282,852	-	282,852	-
Total Deferred inflow of resources	282,852	-	282,852	-
Net position				
Net investment in capital assets	61,398,256	13,534,788	74,933,044	38,669,508
Restricted:				
Road and bridges	2,820,966	-	2,820,966	-
Judicial	4,965,398	-	4,965,398	-
Public safety	14,606	2,176,500	2,191,106	-
Cultural and recreation	358,629	-	358,629	-
Conservation and community development	868,215	-	868,215	-
Capital activity and debt service	-	-	-	125,547,010
Legal purposes	-	-	-	12,709,224
Unrestricted	(38,684,114)	(9,066,876)	(47,750,990)	20,379,717
Total net position	\$ 31,741,956	\$ 6,644,412	\$ 38,386,368	\$ 197,305,459

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

County of York, Pennsylvania

Statement of Activities

Year ended December 31, 2013

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	
Primary government:							
Governmental activities:							
General government	\$ 13,482,468	\$ 5,241,647	\$ 574,895	\$ -	\$ (7,665,926)	\$ -	\$ -
Public safety	69,612,828	31,073,421	2,466,402	-	(36,073,005)	-	(36,073,005)
Roads and bridges	1,527,648	-	659,311	1,520,947	652,610	-	652,610
Health, education, and welfare:							
Drug and alcohol	3,017,729	-	2,906,813	-	(110,916)	-	(110,916)
Mental health/intellectual disabilities	27,035,239	-	26,255,583	-	(779,656)	-	(779,656)
Office of aging	8,402,433	178,584	7,477,192	-	(746,657)	-	(746,657)
Children and youth	43,178,106	477,739	31,984,610	-	(10,715,757)	-	(10,715,757)
Human services	96,279,250	-	81,884,757	-	(14,394,493)	-	(14,394,493)
Judicial	43,505,036	12,044,443	4,815,275	-	(26,645,318)	-	(26,645,318)
Cultural and recreation	7,122,180	810,480	611,860	-	(5,699,840)	-	(5,699,840)
Conservation and community development	10,033,905	364,684	4,721,847	-	(4,947,374)	-	(4,947,374)
Interest expense	5,814,751	-	-	-	(5,814,751)	-	(5,814,751)
Total governmental activities	329,011,573	50,190,998	164,358,545	1,520,947	(112,941,083)	-	(112,941,083)
Business-type activities:							
Nursing home	40,436,865	32,992,844	-	-	-	(7,444,021)	(7,444,021)
911 operations	17,029,256	5,404,551	-	-	-	(11,624,705)	(11,624,705)
Total business-type activities	57,466,121	38,397,395	-	-	-	(19,068,726)	(19,068,726)
Total primary government	\$ 386,477,694	\$ 88,588,393	\$ 164,358,545	\$ 1,520,947	(112,941,083)	(19,068,726)	(132,009,809)
Component units:							
York County Solid Waste and Refuse Authority	\$ 40,126,191	\$ 42,431,312	\$ -	\$ -	-	-	2,305,121
York County Industrial Development Authority	1,894,013	697,114	-	247,360	-	-	(949,539)
York County Library System	7,228,517	2,621,158	4,705,134	-	-	-	97,775
York County Planning Commission	4,049,619	2,323,992	1,445,000	-	-	-	(280,627)
Total component units	\$ 53,298,340	\$ 48,073,576	\$ 6,150,134	\$ 247,360	-	-	1,172,730
General revenues:							
Property taxes	-	-	-	-	121,381,184	-	121,381,184
Unrestricted investment earnings	-	-	-	-	9,284,679	10,020	9,294,699
Hotel tax	-	-	-	-	1,597,065	-	1,597,065
Other	-	-	-	-	3,509,130	-	3,509,130
Transfers	-	-	-	-	(17,298,447)	17,298,447	-
Total general revenues and transfers	-	-	-	-	118,473,611	17,308,467	135,782,078
Change in net position	-	-	-	-	5,532,528	(1,760,259)	3,772,269
Net position – beginning, as restated (see note 26)	-	-	-	-	26,209,428	8,404,671	34,614,099
Net position – ending	-	-	-	-	\$ 31,741,956	\$ 6,644,412	\$ 38,386,368
							\$ 197,305,459

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

County of York, Pennsylvania

Balance Sheet – Governmental Funds

December 31, 2013

	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
Assets							
Cash and cash equivalents	\$ 6,127,118	\$ 8,416,352	\$ 4,181,507	\$ 8,020	\$ 238,520	\$ 12,990,880	\$ 31,962,397
Restricted cash	4,133,847	4,026,825	61,279	-	-	784,822	9,006,773
Investments	911,074	7,201,392	1,830,178	-	-	3,253,720	13,196,364
Restricted investments	389,704	9,516,489	-	-	-	7,287,074	17,193,267
Receivables:							
Taxes, net	4,531,888	-	-	-	-	-	4,531,888
Accounts	5,985,781	-	101,658	8,940	5,247,338	2,418,872	13,762,589
Due from other funds	6,452,994	1,444	32,642	-	-	963,930	7,451,010
Due from other governments	988,321	-	307,148	8,974,624	546,275	1,371,227	12,187,595
Loan	10,110,000	-	-	-	-	-	10,110,000
Other assets	422,180	18,810	-	-	-	2,436	443,426
Total assets	\$ 40,052,907	\$ 29,181,312	\$ 6,514,412	\$ 8,991,584	\$ 6,032,133	\$ 29,072,961	\$ 119,845,309
Liabilities and fund balances							
Liabilities:							
Accounts payable and accrued liabilities	\$ 8,365,968	\$ 10,093,319	\$ 1,629,527	\$ 3,695,898	\$ 568,693	\$ 4,238,826	\$ 28,592,231
Due to other funds	733,130	26,796	764,039	5,287,154	1,718	638,173	7,451,010
Deposits held in escrow	3,963,597	1,012,500	-	-	-	548,924	5,525,021
Due to other governments	-	456,038	-	-	-	1,269,290	1,725,328
Unearned revenue - other	479,268	17,592,659	4,120,846	8,532	5,461,722	7,477,755	35,140,782
Total liabilities	13,541,963	29,181,312	6,514,412	8,991,584	6,032,133	14,172,968	78,434,372
Deferred inflow of resources:							
Unavailable revenue - property taxes	3,017,027	-	-	-	-	-	3,017,027
Total deferred inflows of resources	3,017,027	-	-	-	-	-	3,017,027
Fund balances:							
Nonspendable	10,144,169	-	-	-	-	-	10,144,169
Restricted:							
Capital projects	-	-	-	-	-	5,309,996	5,309,996
Road and bridges	-	-	-	-	-	2,820,966	2,820,966
Judicial	-	-	-	-	-	4,965,398	4,965,398
Public Safety	14,606	-	-	-	-	-	14,606
Cultural and recreation	276,590	-	-	-	-	82,039	358,629
Conservation and community development	-	-	-	-	-	868,215	868,215
Committed	-	-	-	-	-	853,379	853,379
Unassigned	13,058,552	-	-	-	-	-	13,058,552
Total fund balances	23,493,917	-	-	-	-	14,899,993	38,393,910
Total liabilities, deferred inflow of resources, and fund balances	\$ 40,052,907	\$ 29,181,312	\$ 6,514,412	\$ 8,991,584	\$ 6,032,133	\$ 29,072,961	\$ 119,845,309

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, 2013

Total Fund Balances of Governmental Funds:	\$ 38,393,910
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.	238,602,042
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	3,017,027
Assets/Liabilities not available to pay for current period's expenditures and therefore not reported in the funds.	
Investments in derivative instruments	(11,351,658)
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	(199,655,524)
Litigation liability	(500,000)
Unamortized premium	(5,742,386)
Accrued interest payable	(1,170,466)
Workers compensation claims liability	(690,878)
Accrued compensated absences	(4,303,704)
Deferred gain on refunding	(282,852)
Liability for other postemployment benefits	(18,874,076)
Liability for pension benefits	(5,814,554)
Total Net Position of Governmental Activities	<u>\$ 31,741,956</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, 2013

	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	\$ 120,983,495	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,983,495
Intergovernmental	5,376,284	66,879,661	26,255,583	31,984,610	3,854,063	31,529,291	165,879,492
Departmental	41,936,072	-	-	477,739	3,307	1,908,608	44,325,726
Fines and costs	5,865,272	-	-	-	-	-	5,865,272
Hotel tax	1,597,065	-	-	-	-	-	1,597,065
Investment	527,825	40,514	8,165	-	725	25,608	602,837
Other	799,910	-	16,806	-	441,469	2,242,078	3,500,263
Total revenues	177,085,923	66,920,175	26,280,554	32,462,349	4,299,564	35,705,585	342,754,150
Expenditures							
Current:							
General government	12,601,365	-	-	-	-	-	12,601,365
Public safety	65,794,672	-	-	-	-	629,767	66,424,439
Roads and bridges	-	-	-	-	-	968,178	968,178
Health, education, and welfare:							
Drug and alcohol	-	-	-	-	-	3,017,729	3,017,729
Mental health/intellectual disabilities	-	-	27,035,239	-	-	-	27,035,239
Office of aging	-	-	-	-	-	8,402,433	8,402,433
Children and youth	-	-	-	43,178,106	-	-	43,178,106
Human services	12,200,297	66,920,175	-	-	-	15,616,693	94,737,165
Judicial	35,399,856	-	-	-	-	5,224,917	40,624,773
Cultural and recreation	7,830,399	-	-	-	-	28,688	7,859,087
Conservation and community development	4,607,318	-	-	-	4,299,564	1,099,879	10,006,761
Capital outlay	529,985	-	-	-	-	5,463,041	5,993,026
Debt service:							
Principal retirement	3,138,399	-	-	-	-	15,685,558	18,823,957
Interest and fiscal charges	5,421,649	-	-	-	-	143,696	5,565,345
Total expenditures	147,523,940	66,920,175	27,035,239	43,178,106	4,299,564	56,280,579	345,237,603
Excess (deficiency) of revenues over (under) expenditures	29,561,983	-	(754,685)	(10,715,757)	-	(20,574,994)	(2,483,453)
Other financing sources (uses)							
Transfers in	52,430	-	754,685	10,715,757	-	3,112,159	14,635,031
Transfers out	(30,387,378)	-	-	-	-	(1,546,100)	(31,933,478)
Transfers out of bonds proceeds	-	-	-	-	-	(589,928)	(589,928)
Bond premium	-	-	-	-	-	5,116,021	5,116,021
Issuance of debt	-	-	-	-	-	11,785,221	11,785,221
Issuance of refunding bonds	-	-	-	-	-	30,482,676	30,482,676
Payments to refunded bond escrow agent	-	-	-	-	-	(19,747,518)	(19,747,518)
Total other financing sources (uses)	(30,334,948)	-	754,685	10,715,757	-	28,612,531	9,748,025
Net change in fund balances	(772,965)	-	-	-	-	8,037,537	7,264,572
Fund balances, January 1	24,266,882	-	-	-	-	6,862,456	31,129,338
Fund balances, December 31	\$ 23,493,917	\$ -	\$ -	\$ -	\$ -	\$ 14,899,993	\$ 38,393,910

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, 2013

Net change in fund balances - total governmental funds \$ 7,264,572

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 (\$5,993,026), gain on disposal of capital assets (8,867) and depreciation expense (\$6,924,040) is a reconciling item. (922,147)

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. 397,689

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	(11,785,221)
Proceeds from refunding bonds issuance	(30,482,676)
Payments to refunded bond escrow agent	19,747,518
Less: Payment to bond escrow agent representing interest	(457,518)
Principal repayments on general obligation bonds	18,823,957
Transfer of principal to business type activities	589,928

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:

Payments for litigation liability	1,000,000
Workers compensation expense	(92,874)
Compensated absence expense	84,397
Other postemployment benefits expense	(1,405,018)
Investment gain from derivative instruments	8,681,842
Pension expense	(1,004,012)
Accrual of interest on long-term debt	(58,459)
Net change of bond premium	(4,566,598)
Net change of deferred refunding gain	(282,852)

Change in net position of governmental activities \$ 5,532,528

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, 2013

	County Nursing Home Fund	911 Fund	Total
Assets			
Current assets:			
Cash	\$ 1,000	\$ 175,818	\$ 176,818
Accounts receivable	6,431,029	270,110	6,701,139
Due from other governments	-	61,584	61,584
Restricted cash	506,834	2,176,500	2,683,334
Other assets	60,049	18,675	78,724
Total current assets	6,998,912	2,702,687	9,701,599
Noncurrent assets:			
Capital assets not being depreciated	17,000	1,514,583	1,531,583
Capital assets being depreciated, net of depreciation	10,729,829	50,094,486	60,824,315
Total noncurrent assets	10,746,829	51,609,069	62,355,898
Total assets	\$ 17,745,741	\$ 54,311,756	\$ 72,057,497
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 2,399,325	\$ 311,181	\$ 2,710,506
Deposits held in escrow	506,834	-	506,834
Due to other governments	267,771	-	267,771
Accrued interest payable	24,201	160,779	184,980
Unearned revenue	83,690	338,824	422,514
General obligation debt	245,777	1,684,225	1,930,002
Liability for workers' compensation self-insurance	164,895	-	164,895
Capital lease obligation	-	219,018	219,018
Compensated absences	499,157	184,292	683,449
Total current liabilities	4,191,650	2,898,319	7,089,969
Noncurrent liabilities:			
General obligation debt	7,568,644	38,647,267	46,215,911
Liability for workers' compensation self-insurance	403,708	-	403,708
Capital lease obligation	-	450,465	450,465
Compensated absences	166,484	61,467	227,951
Liability for other postemployment benefits	7,671,201	1,174,495	8,845,696
Liability for pension benefits	1,809,630	369,755	2,179,385
Total noncurrent liabilities	17,619,667	40,703,449	58,323,116
Total liabilities	21,811,317	43,601,768	65,413,085
Net position			
Net investment in capital assets	2,932,408	10,602,380	13,534,788
Restricted for public safety	-	2,176,500	2,176,500
Unrestricted	(6,997,984)	(2,068,892)	(9,066,876)
Total net position	\$ (4,065,576)	\$ 10,709,988	\$ 6,644,412

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, 2013

	County Nursing Home Fund	911 Fund	Total
Operating revenues:			
Charges for sales and services:			
Charges for services	\$ 32,992,844	\$ -	\$ 32,992,844
Telephone surcharge revenue	-	5,404,551	5,404,551
Total operating revenues	32,992,844	5,404,551	38,397,395
Operating expenses:			
Operating/administrative	39,154,075	10,913,375	50,067,450
Depreciation	942,315	4,213,798	5,156,113
Total operating expenses	40,096,390	15,127,173	55,223,563
Operating loss	(7,103,546)	(9,722,622)	(16,826,168)
Nonoperating revenue (expense)			
Loss on disposal of capital assets	(46,001)	-	(46,001)
Investment income	356	9,664	10,020
Bond interest	(294,474)	(1,902,083)	(2,196,557)
Total nonoperating expense	(340,119)	(1,892,419)	(2,232,538)
Loss before transfers	(7,443,665)	(11,615,041)	(19,058,706)
Transfers in	7,406,008	9,892,439	17,298,447
Change in net position	(37,657)	(1,722,602)	(1,760,259)
Total net position, January 1, as restated (see note 26)	(4,027,919)	12,432,590	8,404,671
Total net position, December 31	\$ (4,065,576)	\$ 10,709,988	\$ 6,644,412

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, 2013

	County Nursing Home Fund	911 Fund	Total
Cash flows from operating activities			
Cash received on patient accounts	\$ 32,330,131	\$ -	\$ 32,330,131
Cash received from telephone surcharge revenue	-	5,411,481	5,411,481
Cash payments for material and supplies	(3,302,115)	(132,184)	(3,434,299)
Cash payments for patient services	(6,037,478)	-	(6,037,478)
Cash payments for program services	-	(3,953,820)	(3,953,820)
Cash payments for salaries and employee benefits	(29,513,926)	(7,885,329)	(37,399,255)
Net cash used in operating activities	<u>(6,523,388)</u>	<u>(6,559,852)</u>	<u>(13,083,240)</u>
Cash flows from investing activities			
Investment income	356	9,664	10,020
Net cash provided by investing activities	<u>356</u>	<u>9,664</u>	<u>10,020</u>
Cash flows from noncapital financing activities			
Transfers from other funds	7,406,008	9,892,439	17,298,447
Net cash provided by noncapital financing activities	<u>7,406,008</u>	<u>9,892,439</u>	<u>17,298,447</u>
Cash flows from capital and related financing activities			
Transfer of bond proceeds from capital projects account fund	589,928	-	589,928
Interest expense	(295,299)	(1,961,858)	(2,257,157)
Proceeds from the issuance of general obligation notes	871,003	-	871,003
Proceeds from the issuance of general obligation refunding bonds	1,318,341	-	1,318,341
Payments on capital lease	-	(219,076)	(219,076)
Principal payments on bonds	(1,551,807)	(1,548,135)	(3,099,942)
Purchases of capital assets	(1,730,828)	(643,560)	(2,374,388)
Net cash used in capital and related financing activities	<u>(798,662)</u>	<u>(4,372,629)</u>	<u>(5,171,291)</u>
Net increase/(decrease) in cash and cash equivalents	84,314	(1,030,378)	(946,064)
Cash and cash equivalents, January 1	423,520	3,382,696	3,806,216
Cash and cash equivalents, December 31	<u>\$ 507,834</u>	<u>\$ 2,352,318</u>	<u>\$ 2,860,152</u>
Reconciliation of operating loss to net cash used in operating activities:			
Operating loss	\$ (7,103,546)	\$ (9,722,622)	\$ (16,826,168)
Adjustments to reconcile operating loss to net cash used in operating activities:			
Depreciation	942,315	4,213,798	5,156,113
Changes in assets and liabilities in:			
Accounts receivable	(662,713)	12,753	(649,960)
Due from other governments	-	(5,823)	(5,823)
Other assets	(63)	365	302
Accounts payable	68,833	(1,254,557)	(1,185,724)
Due to other funds	(743,246)	-	(743,246)
Deposits held in escrow	84,314	-	84,314
Due to other governments	267,771	-	267,771
Compensated absences payable	26,356	32,492	58,848
Liability for other postemployment benefits	479,522	96,672	576,194
Liability for pension benefits	170,879	67,070	237,949
Liability for workers' compensation self-insurance	(53,810)	-	(53,810)
Total adjustments	<u>580,158</u>	<u>3,162,770</u>	<u>3,742,928</u>
Net cash used in operating activities	<u>\$ (6,523,388)</u>	<u>\$ (6,559,852)</u>	<u>\$ (13,083,240)</u>
Noncash financing activities:			
Amortization of bond premium	\$ -	\$ 54,291	\$ 54,291
Loss on disposal of capital assets	46,001	-	46,001
	<u>\$ 46,001</u>	<u>\$ 54,291</u>	<u>\$ 100,292</u>
Reconciliation of cash to Statement of Net Position			
Cash	\$ 1,000	\$ 175,818	\$ 176,818
Restricted cash	506,834	2,176,500	2,683,334
	<u>\$ 507,834</u>	<u>\$ 2,352,318</u>	<u>\$ 2,860,152</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, 2013

	Pension Trust	
	Fund	Agency Funds
Assets		
Cash and cash equivalents	\$ 5,422,964	\$ 10,937,964
Investments:		
Certificates of deposit	6,897,201	1,423,316
U.S. treasuries	25,560,623	-
U.S. government agency obligations	10,346,872	594,854
Corporate bonds	40,033,216	-
Municipal bonds	294,366	-
Stocks	80,200,066	-
Fixed income mutual funds	-	4,408,785
International equity mutual funds	50,727,638	-
Equity mutual funds	80,056,142	-
Other	869,818	-
Receivables:		
Delinquent taxes on behalf of other governments	-	14,321,121
Accounts	-	92,362
Total assets	<u>\$ 300,408,906</u>	<u>\$ 31,778,402</u>
Liabilities		
Liabilities:		
Due to other governments	\$ -	\$ 5,310,894
Other liabilities	-	26,467,508
Total liabilities	<u>-</u>	<u>\$ 31,778,402</u>
Net position		
Net position held in trust for pension benefits	<u>\$ 300,408,906</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, 2013

Additions:	
Employer contributions	\$ 10,000,000
Employee contributions	<u>5,388,580</u>
Total contributions	15,388,580
Investment income:	
Net appreciation in fair value of investments	41,749,313
Interest	2,144,901
Dividends	<u>3,731,281</u>
Total investment income	<u>47,625,495</u>
Total additions	<u>63,014,075</u>
Deductions:	
Benefit payments	13,552,393
Refunds of contributions	<u>1,313,030</u>
Total deductions	<u>14,865,423</u>
Net increase	48,148,652
Net position held in trust for pension benefits, beginning of year	<u>252,260,254</u>
Net position held in trust for pension benefits, end of year	<u>\$ 300,408,906</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, 2013

	Solid Waste and Refuse Authority	Industrial Development Authority	Library System	Planning Commission	Total
Assets					
Cash and cash equivalents	\$ 2,192,002	\$ 732,091	\$ 74,597	\$ 850,742	\$ 3,849,432
Accounts receivable	11,447,114	434,134	342,307	275,688	12,499,243
Due from other governments	-	117,683	-	-	117,683
Notes receivable	-	456,663	-	-	456,663
Investments	2,384,949	4,586,875	1,041,394	-	8,013,218
Restricted cash	4,982,034	-	-	-	4,982,034
Restricted investments	133,274,200	-	-	-	133,274,200
Other assets	317,220	82,033	49,575	606,166	1,054,994
Capital assets not being depreciated	9,015,225	4,983,389	-	-	13,998,614
Capital assets being depreciated, net of depreciation	8,256,940	26,159,786	561,317	46,713	35,024,756
Total assets	\$ 171,869,684	\$ 37,552,654	\$ 2,069,190	\$ 1,779,309	\$ 213,270,837
Liabilities and net position					
Liabilities:					
Accounts payable and accrued liabilities	\$ 1,620,852	\$ 85,610	\$ 238,081	\$ 99,643	\$ 2,044,186
Accrued interest payable	105,121	-	-	-	105,121
Unearned revenue	2,752,294	6,250	650	-	2,759,194
Other liabilities	393,501	65,046	-	-	458,547
Long-term liabilities:					
Due within one year	9,390,179	237,401	-	-	9,627,580
Due in more than one year	-	846,000	16,806	107,944	970,750
Total liabilities	14,261,947	1,240,307	255,537	207,587	15,965,378
Net position:					
Net investment in capital assets	7,881,986	30,179,492	561,317	46,713	38,669,508
Restricted					
Capital activity and debt service	125,547,010	-	-	-	125,547,010
Legal purposes	12,709,224	-	-	-	12,709,224
Unrestricted					
	11,469,517	6,132,855	1,252,336	1,525,009	20,379,717
Total net position	\$ 157,607,737	\$ 36,312,347	\$ 1,813,653	\$ 1,571,722	\$ 197,305,459

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, 2013

	Solid Waste and Refuse Authority	Industrial Development Authority	Library System	Planning Commission	Total
Program revenues:					
Charges for goods and services	\$ 42,431,312	\$ 697,114	\$ 2,621,158	\$ 2,323,992	\$ 48,073,576
Operating grants and contributions	-	-	4,705,134	1,445,000	6,150,134
Capital grants and contributions	-	247,360	-	-	247,360
Total program revenues	42,431,312	944,474	7,326,292	3,768,992	54,471,070
General revenues:					
Unrestricted investment earnings/(loss)	-	33,225	162,855	483	196,563
Total revenues	42,431,312	977,699	7,489,147	3,769,475	54,667,633
Expenses	40,126,191	1,894,013	7,228,517	4,049,619	53,298,340
Change in net position	2,305,121	(916,314)	260,630	(280,144)	1,369,293
Net position – beginning, as restated (see note 26)	155,302,616	37,228,661	1,553,023	1,851,866	195,936,166
Net position – ending	\$ 157,607,737	\$ 36,312,347	\$ 1,813,653	\$ 1,571,722	\$ 197,305,459

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

County of York, Pennsylvania

Notes to Financial Statements

December 31, 2013

(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 GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, 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 Required Supplementary Information

(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 and there is a potential for the organization to provide a specific financial benefits to or impose specific financial burdens on 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 and Intellectual and Developmental Disabilities fund, the Drug and Alcohol fund, and the 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 2013 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 considered unavailable revenue and recorded as a deferred inflow of resources. 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

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)

payable in accordance with the terms of the plan. Agency Funds are custodial in nature and do not involve measurement of results of operations.

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

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.

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.

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.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

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.

Receivables

Taxes and the Nursing Home accounts receivable are shown net of an allowance for uncollectible amounts. The County recorded an allowance for uncollectible property taxes in the General fund of \$503,543 as of December 31, 2013. The County recorded an allowance for uncollectible accounts receivable of the Nursing Home in the amount of \$2,870,447 as of December 31, 2013.

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.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

Compensated Absences

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

Long-Term Obligations

In the government-wide and enterprise funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net 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 Revenues

Revenues that are received but not earned are recorded as unearned revenue in the County's financial statements. In the County's governmental funds, unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for unearned revenue is removed from the governmental funds' balance sheet and revenue is recognized.

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.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

- 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.

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.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(1) Summary of Significant Accounting Policies (Continued)

Net Position (Continued)

- *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 had two items that qualified for reporting in this category. Under the modified accrual basis of accounting, the governmental funds report unavailable revenue from property taxes as a deferred inflow of resources. Under the accrual basis of accounting, the government wide statement of net position reports a deferred gain on refunding as a deferred inflow of resources.

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 requirements of GASB statement No. 61, "*The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*". The adoption 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

Adoption of Governmental Accounting Standards Board Statements (Continued)

The County adopted the requirements of GASB statement No. 65, *“Items Previously Reported as Assets and Liabilities”*. The adoption of this statement resulted in the County restating governmental activities net position in the amount of \$533,642 and business-type activities net position in the amount of \$420,802. See Note 26.

The County adopted the requirements of GASB statement No. 66, *“Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62”*. The adoption of this statement had no effect on previously reported amounts.

Pending Changes in Accounting Principles

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.

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.

In November 2013, the GASB issued Statement No. 71, *“Pension Transition for Contributions Made Subsequent to the Measurement Date”*. The County is required to adopt statement No. 71 for its calendar year 2015 financial statements.

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

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(2) Deposit and Investment Risk

As of December 31, 2013, 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	\$ 4,408,785	\$ -	\$ 4,408,785	\$ -	\$ -
Certificates of Deposit	7,560,902	7,560,902	-	-	-
U.S. Government Agencies	3,745,033	3,150,179	-	594,854	-
Municipal Bonds	14,449,662	1,989,602	1,235,000	1,800,000	9,425,060
Investment Derivatives	(11,351,658)	-	-	-	(11,351,658)
Total	<u>\$ 18,812,724</u>	<u>\$ 12,700,683</u>	<u>\$ 5,643,785</u>	<u>\$ 2,394,854</u>	<u>\$ (1,926,598)</u>

As of December 31, 2013, 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	\$ 25,560,623	\$ 1,951,507	\$ 18,873,560	\$ 4,735,556	\$ -
Certificates of Deposit	6,897,201	-	6,655,334	241,867	-
U.S. Government Agencies	10,346,872	-	-	5,938,741	4,408,131
Municipal Bonds	294,366	-	294,366	-	-
Corporate Bonds	40,033,216	517,108	26,122,358	12,386,750	1,007,000
Total	<u>\$ 83,132,278</u>	<u>\$ 2,468,615</u>	<u>\$ 51,945,618</u>	<u>\$ 23,302,914</u>	<u>\$ 5,415,131</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.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(2) Deposit and Investment Risk (Continued)

Interest Rate Risk (Continued)

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 50% 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.

As of December 31, 2013, the County's operating investments in cash equivalents and fixed income mutual funds were rated AAA by Standard & Poor's. \$1,454,626 (10%) and \$12,995,036 (90%) of the County's operating investments in municipal bonds as of December 31, 2013 were rated AA and A respectively, by Standard & Poor's. \$2,950,187 (79%) and \$794,846 (21%) of the County's operating investments in U.S. Government Agencies as of December 31, 2013 were rated AAA and AA 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, 2013, all of the County's retirement investments in cash equivalents, U.S. Government Agencies, and Municipal Bonds were rated AA by Standard & Poor's. \$873,821 (2%), \$12,761,027 (32%), \$24,675,474 (62%), and \$1,722,894 (4%) of the County's retirement investments in corporate bonds as of December 31, 2013 were rated AAA, AA, A, and BBB respectively, by Standard & Poor's.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(2) Deposit and Investment Risk (Continued)

Custodial Credit Risk. For deposits and investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2013, \$58,440,789 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. None of the County's investments were exposed to custodial credit risk at December 31, 2013. 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 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 Pennsylvania Economic Development, Federal Home Loan Bank, Allegheny County, and Westmoreland County. These investments are 16%, 9%, 7%, and 7%, respectively, of the County's governmental activities investments.

More than 5% of the County's mental health and intellectual disabilities fund investments are in Pennsylvania Economic Development, Westmoreland County, Luzerne County Industrial, and Northern Tioga Pennsylvania School District. These investments are 31%, 11%, 11%, and 11%, respectively, of the County's mental health/intellectual and developmental disabilities fund investments.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(2) Deposit and Investment Risk (Continued)

Concentration of Credit Risk (Continued)

More than 5% of the County's health choices management fund investments are in Pennsylvania Economic Development, Federal Home Loan Bank, Allegheny County, and Westmoreland County. These investments are 21%, 16%, 11%, and 8%, respectively, of the County's health choices management fund 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.

Cash and Short-Term Investments

As of December 31, 2013, the carrying values of the YCSWRA's cash deposits amounted to \$2,192,002 and the bank balances amounted to \$2,159,400. Of the bank balances, 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, 2013.

Bank balances are categorized as follows as of December 31, 2013:

Amount insured by federal depository insurance	\$ 250,000
Collateralized with securities held by the pledging financial institution's trust department held in the YCSWRA's name	<u>1,909,400</u>
	<u>\$ 2,159,400</u>

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

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)

Short-term investments consist of the following as of December 31, 2013:

Securities held by the pledging financial institution's trust department, but in the YCSWRA's name	<u>\$ 2,384,949</u>
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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, 2013:

At fair value:	
Cash equivalents	\$ 4,633,527
U.S. Government and Agency investments	112,995,343
County of York, PA - general obligation note	10,110,000
	<u>\$ 127,738,870</u>
Current portion	\$ 118,803,078
Non-current portion	8,935,792
	<u>\$ 127,738,870</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)

Closure Funds

Section 1109 Trust Fund

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

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 consist of the following as of December 31, 2013:

At fair value:

Section 1109 Trust Fund	\$ 6,569,033
Collateral Bond	436,375
	<u>\$ 7,005,408</u>

Self-Insurance Trust Fund

Section 1107 of Act 101 requires municipal authorities to provide financial assurances for satisfying claims of bodily injury and property damage resulting from pollution occurrences arising from the operation of a landfill or resource recovery facility. Municipal authorities may self-insure against such claims. The YCSWRA established a self-insurance fund in 1992 for the purpose of paying claims to third parties. The establishment of the self-insurance fund and procedures there under are in accordance with regulations by the Pennsylvania Department of Environmental Protection which require the fund to be maintained at 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, 2013:

At fair value:

Cash equivalents	\$ 341,753
Fixed income funds	2,377,552
	<u>\$ 2,719,305</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)

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 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, 2013:

At fair value:

Stewartstown Borough Trust Fund	
Cash equivalents	\$ 6,754
Fixed income funds	785,897
	<hr/>
	\$ 792,651
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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)

Interest Rate Risk

The YCSWRA's investments consist of the following as of December 31, 2013:

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		\$ 4,982,034	\$ -	\$ -	\$ -
Federated Treasury Obligation MMF #395		142,078	-	-	-
Certificates of deposit:					
BMW Bank of NA	8/18/2014	200,492	-	-	-
Discover Bank	8/22/2014	245,608	-	-	-
Firstbank PR	8/18/2014	245,600	-	-	-
GE Capital Bank	8/18/2014	245,512	-	-	-
Goldman Sachs Bank	8/22/2014	240,506	-	-	-
Sallie Mae Bank	8/15/2014	245,598	-	-	-
Debt securities:					
FFCB	11/19/2014	880,695	-	-	-
FFCB	11/19/2014	2,121,675	-	-	-
FFCB	11/23/2020	-	-	594,854	-
FHLB	11/7/2014	1,735,434	-	-	-
FHLB	11/7/2014	1,245,311	-	-	-
FHLB	11/7/2014	7,576,894	-	-	-
FHLB	11/7/2014	1,945,486	-	-	-
FHLB	11/20/2014	4,024,477	-	-	-
FHLB	12/11/2014	329,957	-	-	-
FHLB	12/11/2014	5,519,282	-	-	-
FHLMC	7/15/2014	11,265,260	-	-	-
FHLMC	7/30/2014	688,439	-	-	-
FHLMC	7/30/2014	1,889,438	-	-	-
FHLMC	11/13/2014	1,164,498	-	-	-
FHLMC	11/25/2014	2,885,182	-	-	-
FHLMC	11/25/2014	3,515,499	-	-	-
FNMA	10/15/2014	1,241,928	-	-	-
FNMA	10/15/2014	2,069,880	-	-	-
FNMA	10/15/2014	6,106,146	-	-	-

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
FNMA	10/15/2014	\$ 6,727,110	\$ -	\$ -	\$ -
FNMA	10/15/2014	7,082,094	-	-	-
United States Treasury Note	9/30/2014	436,375	-	-	-
United States Treasury Note	11/30/2014	646,259	-	-	-
United States Treasury Note	11/30/2014	6,681,397	-	-	-
United States Treasury Note	3/31/2015	-	668,460	-	-
United States Treasury Note	3/31/2015	-	719,880	-	-
United States Treasury Note	3/31/2015	-	2,365,320	-	-
United States Treasury Note	3/31/2015	-	2,571,000	-	-
United States Treasury Note	3/31/2015	-	3,393,720	-	-
United States Treasury Note	4/30/2015	-	1,208,584	-	-
United States Treasury Note	4/30/2015	-	2,147,485	-	-
United States Treasury Note	4/30/2015	-	7,011,787	-	-
United States Treasury Note	4/30/2015	-	7,616,079	-	-
United States Treasury Note	4/30/2015	-	7,950,687	-	-
GS Short Dur Gov In (447)		4,408,785	-	-	-
Blackrock PA Municipal Bond Fund		1,268,204	-	-	-
SEI Tax Exempt Trust PA Municipal Bond Fund Class B		1,343,912	-	-	-
Wilmington Short Duration Government Bond Fund		2,936,282	-	-	-
County of York, PA General Obligation Note	11/1/2029	445,000	2,545,000	3,190,000	3,930,000
		<u>\$ 94,728,327</u>	<u>\$ 38,198,002</u>	<u>\$ 3,784,854</u>	<u>\$ 3,930,000</u>

Credit Risk

As of December 31, 2013, all of the YCSWRA's rated investments in debt securities were rated Aaa by Moody's and AAA by Standard & Poor's.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

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

York County Solid Waste and Refuse Authority (Continued)

Custodial Credit Risk

For deposits and 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, 2013, \$4,294,349 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, 2013, more than 5% of the YCSWRA's investments are in United States Treasury Notes, Federal National Mortgage Association, Federal Home Loan Bank, Federal Home Loan Mortgage Corp, and County of York, PA General Obligation Note. As of December 31, 2013, these investments are 30.87%, 16.52%, 15.91%, 15.22% and 7.19% 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.

Restricted Cash and Cash Equivalents

Cash and cash equivalents in the Marketview Arts Fund of \$6,250 are restricted for studio subsidies for 2015 and beyond, based on an agreement with an unrelated third party, received in advance (also recognized as corresponding unearned income).

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, 2013 were as follows:

<u>Type</u>	<u>Maturities</u>	<u>Carrying Value</u>
Demand Deposits		\$ 601,578
Time Deposits; .95% to 3.2%	05/2014- 06/2017	620,000
		<u>\$ 1,221,578</u>

Custodial Credit Risk

Deposits in financial institutions had a bank balance of \$1,381,303 at December 31, 2013, \$361,628 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, 2013:

	<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	\$ -	\$ 44,847	\$ -	\$ -	\$ 44,847
Federal Home Loan Mortgage Corporation	-	244,735	-	-	244,735
Federal National Mortgage Association	251,144	94,885	-	-	346,029
Money Market Investments	130,513	-	-	-	130,513
U.S. Treasury Notes	681,658	2,649,606	-	-	3,331,264
	<u>\$ 1,063,315</u>	<u>\$ 3,034,073</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,097,388</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, 2013, 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 can be returned in cash. 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, 2013 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, 2013, 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, 2013, these investments were 7.31% and 5.17%, respectively, of the Authority's total investments.

York County Library System

As of December 31, 2013, the Library System had the following cash and cash equivalents and debt investments with their respective maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More than 10</u>
Cash Equivalents	\$ 21,623	\$ 21,623	\$ -	\$ -	\$ -
Fixed Income Mutual Funds	298,417	-	130,633	146,883	20,901
Mutual Funds	742,977	N/A	N/A	N/A	N/A
Total	\$ 1,063,017	\$ 21,623	\$ 130,633	\$ 146,883	\$ 20,901

In addition to cash equivalents and investments, an additional cash balance of \$52,974 is reported on the balance sheet. Total cash equivalents and investments are reported as follows:

Cash and Cash Equivalents	\$ 74,597
Investments	1,041,394
	<u>\$ 1,115,991</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, 2013, 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	40%
Fixed Income Mutual Funds	AA	5%
Fixed Income Mutual Funds	A	13%
Fixed Income Mutual Funds	BBB	21%
Fixed Income Mutual Funds	BB	9%
Fixed Income Mutual Funds	B	7%
Fixed Income Mutual Funds	Less than B	1%
Fixed Income Mutual Funds	Not Rated	4%

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, 2013, none of the Library System's cash in bank of \$111,535 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 Total Return Bond Fund. This investment is 10% 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, 2013, the book balance of the Commission's deposits was \$4,510,453 and the bank balance was \$4,588,654. Of the bank balances at December 31, 2013, \$250,000 was covered by federal depository insurance and \$3,567,119 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, 2013, \$771,535 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, 2013, 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 (17.11%).

(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 2013 was 4.52 mills with .1 mill pertaining to a dedicated library tax.

The County recorded an allowance for uncollectible taxes of \$503,543 as of December 31, 2013. 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 \$22,604,703 for the year ended December 31, 2013.

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, 2013. 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 \$2,752,294 is recorded as a contract receivable, with \$2,752,294 being shown as the current portion as of December 31, 2013. Similar amounts are recorded as unearned 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, 2013 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities				
Capital assets not being depreciated (cost):				
Land	\$ 53,443,932	\$ 665,575	\$ -	\$ 54,109,507
Construction in progress	10,816,674	793,016	10,039,779	1,569,911
Easements	17,977,571	377,553	-	18,355,124
Total capital assets not being depreciated	<u>82,238,177</u>	<u>1,836,144</u>	<u>10,039,779</u>	<u>74,034,542</u>
Capital assets being depreciated (cost):				
Buildings and improvements	204,097,248	13,330,566	-	217,427,814
Furniture, fixtures, and equipment	16,572,296	866,095	269,958	17,168,433
Bridges, roads, and rail trail	23,229,887	-	-	23,229,887
Total capital assets being depreciated	<u>243,899,431</u>	<u>14,196,661</u>	<u>269,958</u>	<u>257,826,134</u>
Less accumulated depreciation for:				
Buildings and improvements	59,182,631	5,046,951	-	64,229,582
Furniture, fixtures, and equipment	12,443,164	1,317,410	278,825	13,481,749
Bridges, roads, and rail trail	14,987,624	559,679	-	15,547,303
Total accumulated depreciation	<u>86,613,419</u>	<u>6,924,040</u>	<u>278,825</u>	<u>93,258,634</u>
Total capital assets being depreciated, net	<u>157,286,012</u>	<u>7,272,621</u>	<u>(8,867)</u>	<u>164,567,500</u>
Total capital assets, governmental activities	<u>\$ 239,524,189</u>	<u>\$ 9,108,765</u>	<u>\$ 10,030,912</u>	<u>\$ 238,602,042</u>
Business-type activities				
Capital assets not being depreciated (cost):				
Land	\$ 260,065	\$ -	\$ -	\$ 260,065
Construction in Progress	2,344,680	5,714	1,078,876	1,271,518
Total capital assets not being depreciated	<u>2,604,745</u>	<u>5,714</u>	<u>1,078,876</u>	<u>1,531,583</u>
Capital assets being depreciated (cost):				
Buildings and improvements	37,612,661	964,545	-	38,577,206
Leasehold assets	2,116,845	-	-	2,116,845
Furniture, fixtures, and equipment	51,639,275	2,488,719	580,813	53,547,181
Total capital assets being depreciated	<u>91,368,781</u>	<u>3,453,264</u>	<u>580,813</u>	<u>94,241,232</u>
Less accumulated depreciation for:				
Buildings and improvements	9,874,288	1,200,932	-	11,075,220
Furniture, fixtures, and equipment	17,755,926	3,731,312	534,812	20,952,426
Leasehold assets	1,165,402	223,869	-	1,389,271
Total accumulated depreciation	<u>28,795,616</u>	<u>5,156,113</u>	<u>534,812</u>	<u>33,416,917</u>
Total capital assets being depreciated, net	<u>62,573,165</u>	<u>(1,702,849)</u>	<u>46,001</u>	<u>60,824,315</u>
Total capital assets, business-type activities	<u>\$ 65,177,910</u>	<u>\$ (1,697,135)</u>	<u>\$ 1,124,877</u>	<u>\$ 62,355,898</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	\$ 9,919,805	\$ 4,085	\$ -	\$ 9,923,890
Construction in progress	974,054	3,100,670	-	4,074,724
Total capital assets not being depreciated	<u>10,893,859</u>	<u>3,104,755</u>	<u>-</u>	<u>13,998,614</u>
Capital assets being depreciated (cost):				
Buildings and improvements	162,969,829	131,087	-	163,100,916
Furniture, fixtures, and equipment	7,877,577	382,262	54,666	8,205,173
Total capital assets being depreciated	<u>170,847,406</u>	<u>513,349</u>	<u>54,666</u>	<u>171,306,089</u>
Less accumulated depreciation for:				
Buildings and improvements	123,870,116	6,179,919	-	130,050,035
Furniture, fixtures, and equipment	5,610,564	675,400	54,666	6,231,298
Total accumulated depreciation	<u>129,480,680</u>	<u>6,855,319</u>	<u>54,666</u>	<u>136,281,333</u>
Total capital assets being depreciated, net	<u>41,366,726</u>	<u>(6,341,970)</u>	<u>-</u>	<u>35,024,756</u>
Total capital assets, business-type activities	<u>\$ 52,260,585</u>	<u>\$ (3,237,215)</u>	<u>\$ -</u>	<u>\$ 49,023,370</u>

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

Governmental activities

Public safety	\$ 2,382,219
General government	736,355
Judicial	2,334,440
Health, education, and welfare	674,598
Road and bridges	559,470
Cultural and recreation	236,958
Total depreciation expense – governmental activities	<u>\$ 6,924,040</u>

Business-type activities

County Nursing Home Fund	\$ 942,315
911 Fund	4,213,798
Total depreciation expense - business-type activities	<u>\$ 5,156,113</u>

Component units

York County Planning Commission	\$ 27,004
York County Library System	271,916
York County Industrial Development Authority	1,053,043
York County Solid Waste and Refuse Authority	5,503,356
Total depreciation expense - component units	<u>\$ 6,855,319</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, 2013:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation debt	\$ 196,091,512	\$ 42,267,897	\$ 38,703,885	\$ 199,655,524	\$ 3,403,200
Litigation liability	1,500,000	-	1,000,000	500,000	500,000
Unamortized bond premium	1,175,788	5,116,021	549,423	5,742,386	180,564
Liability for workers' compensation self-insurance	598,004	457,960	365,086	690,878	200,355
Compensated absences	4,388,101	2,987,938	3,072,335	4,303,704	3,227,300
Liability for other postemployment benefits	17,469,058	4,421,832	3,016,814	18,874,076	-
Liability for pension benefits	4,810,542	1,004,012	-	5,814,554	-
	<u>\$ 226,033,005</u>	<u>\$ 56,255,660</u>	<u>\$ 46,707,543</u>	<u>\$ 235,581,122</u>	<u>\$ 7,511,419</u>
Business-type activities					
General obligation debt	\$ 47,380,755	\$ 2,779,272	\$ 3,099,942	\$ 47,060,085	\$ 1,875,711
Unamortized bond premium	1,140,119	-	54,291	1,085,828	54,291
Liability for workers' compensation self-insurance	622,413	246,662	300,472	568,603	164,895
Compensated absences	852,552	709,653	650,805	911,400	683,448
Liability for other postemployment benefits	8,269,502	1,995,871	1,419,677	8,845,696	-
Liability for pension benefits	1,941,436	237,949	-	2,179,385	-
Capital lease obligation	888,559	-	219,076	669,483	219,018
	<u>\$ 61,095,336</u>	<u>\$ 5,969,407</u>	<u>\$ 5,744,263</u>	<u>\$ 61,320,480</u>	<u>\$ 2,997,363</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, and families fund, mental health and intellectual disabilities fund, and certain other nonmajor funds.

During 2013, there was a transfer of General Obligation Debt in the amount of \$589,928 from the Governmental Activities to the Business-Type Activities which related to the transfer of bond proceeds of the Series of 2013 General Obligation Bonds discussed in Note 16.

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, 2013 (Payable from General Fund Tax Revenues):

<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>	<p>\$ 19,617,718</p>
<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>	<p>10,110,000</p>
<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>	<p>52,235,000</p>
<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>	<p>3,105,609</p>
<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>	<p>16,085,000</p>
<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>	<p>27,495,000</p>
<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>	<p>32,015,000</p>
<p>\$40,910,000 Series of 2013 – general obligation bonds (\$39,001,731 for Governmental Activities and \$1,908,269 for Business-Type Activities) with interest on the outstanding balance 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 \$10,000 in 2013 to \$11,435,000 in 2038.</p>	<p><u>38,992,197</u></p>
<p>Total general obligation debt</p>	<p><u><u>\$199,655,524</u></u></p>

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, 2012 was \$13,349,071 (\$12,901,733 for Governmental Activities and \$447,338 for Business-Type Activities). During 2013, the County drew down note proceeds of \$3,547,241 (\$2,676,238 for Governmental Activities and \$871,003 for Business-Type Activities). In March of 2013, the County issued General Obligation Bonds, Series of 2013 which currently refunded the General Obligation Note, Series of 2011 in the amount of \$16,896,312 (\$15,577,971 for Governmental Activities and \$1,318,341 for Business-Type Activities). See below for more detail related to the issuance of the General Obligation Bonds, Series of 2013.

In March 2013, the County issued General Obligation Bonds, Series of 2013, in the amount of \$40,910,000. The principal of these bonds is payable in annual installments increasing from \$10,000 in 2013 to \$11,435,000 in 2038. Interest payments on the outstanding principal shall be due semi-annually, on June 1 and December 1 of each year, beginning June 1, 2013. The interest rate is a fixed rate between 2% and 5%. The proceeds of the bonds will be used to (1) advance 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. The County paid issuance costs of \$273,207 and recorded a bond premium of \$5,116,021. A deferred gain of \$292,606 was recognized with the issuance of the refunding bonds. The County received \$40,910,000 as a result of this issuance. \$9,108,983 is reported as issuance of debt and \$30,482,676 is reported as issuance of refunding bonds in the Other Nonmajor Funds. \$1,318,341 is recorded in the County Nursing Home Fund as an increase to long-term liabilities during 2013. A payment of \$16,896,312 (\$15,577,971 was recorded in the Other Nonmajor Funds in the Statement of Revenues, Expenditures, and Changes in Fund Balances as principal debt service expenditures and \$1,318,341 of the payment was paid by the County Nursing Home Fund) was made to redeem the General Obligation Notes, Series of 2011. A payment was made to advance refund the General Obligation Bonds, Series of 2003 in the amount of \$19,747,518 and was recorded in

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(7) Long-Term Liabilities (Continued)

the Other Nonmajor Funds in the Statement of Revenues, Expenditures, and Changes in Fund Balances as an other financing use “payment to escrow agent”. The bonds decreased debt service payments for the County by \$2,932,617 and resulted in an economic gain of \$2,868,453. The principal balance outstanding on the bonds at December 31, 2013 was \$40,900,000 (\$38,992,197 for Governmental Activities and \$1,907,803 for Business-Type Activities).

The annual requirements to amortize Governmental Activities general obligation bonds outstanding for the year ended December 31, 2013 are as follows, *assuming current interest rates remain the same*:

	Principal	Interest and Remarketing Costs	Total
2014	\$ 3,403,200	\$ 6,392,355	\$ 9,795,555
2015	77,113,720	6,263,095	83,376,815
2016	2,883,208	5,861,827	8,745,035
2017	2,885,995	5,725,835	8,611,830
2018	3,004,636	5,575,947	8,580,583
2019-2023	16,267,570	25,388,600	41,656,170
2024-2028	12,398,379	21,377,905	33,776,284
2029-2033	15,675,414	17,324,531	32,999,945
2034-2038	66,023,402	8,130,907	74,154,309
	<u>\$ 199,655,524</u>	<u>\$ 102,041,002</u>	<u>\$ 301,696,526</u>

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(7) Long-Term Liabilities (Continued)

Business-Type Activities general obligation debt consisted of the following individual issues at December 31, 2013:

	<u>General Obligation Debt</u>
\$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.	\$ 45,152,282
\$40,910,000 Series of 2013 – general obligation bonds (\$39,001,731 for Governmental Activities and \$1,908,269 for Business-Type Activities) with interest on the outstanding balance 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 \$10,000 in 2013 to \$11,435,000 in 2038.	1,907,803
Total general obligation debt	<u>\$ 47,060,085</u>

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

The annual requirements to amortize Business-Type Activities general obligation bonds outstanding for the year ended December 31, 2013 are as follows, *assuming current interest rates remain the same*:

	<u>Principal</u>	<u>Interest and Remarketing Costs</u>	<u>Total</u>
2014	\$ 1,875,711	\$ 2,258,759	\$ 4,134,470
2015	2,075,423	2,160,908	4,236,331
2016	2,156,409	2,061,887	4,218,296
2017	2,269,347	1,957,411	4,226,758
2018	2,396,694	1,841,399	4,238,093
2019-2023	10,323,981	7,502,101	17,826,082
2024-2028	10,564,963	5,136,189	15,701,152
2029-2033	14,355,959	2,140,152	16,496,111
2034-2038	1,041,598	208,879	1,250,477
	<u>\$ 47,060,085</u>	<u>\$ 25,267,685</u>	<u>\$ 72,327,770</u>

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(7) Long-Term Liabilities (Continued)

As determined under the Commonwealth of Pennsylvania Local Government Unit Debt Act of 1972, the nonelectoral debt limit of the County at December 31, 2013 was \$1,008,518,844 compared to \$246,715,609 of related outstanding debt.

Total debt of the component units consisted of the following individual issues as of December 31, 2013:

	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.	\$ 9,360,000	\$ -	\$ 9,360,000
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	-	237,401	237,401
	<u>9,360,000</u>	<u>1,083,401</u>	<u>10,443,401</u>
Plus: unamortized premium	30,179	-	30,179
Less: current portion	<u>9,390,179</u>	<u>237,401</u>	<u>9,627,580</u>
	<u>\$ -</u>	<u>\$ 846,000</u>	<u>\$ 846,000</u>

The following is a summary of changes in component unit long-term debt discussed below for the year ended December 31, 2013:

Balance at January 1, 2012	\$ 19,288,957
Additions	-
Reductions	<u>(8,845,556)</u>
Balance at December 31, 2012	<u>\$ 10,443,401</u>

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(7) Long-Term Liabilities (Continued)

The Authority issued Revenue Bonds to provide financial assistance to public and non-profit entities, facilities, and companies located in York County, Pennsylvania for projects deemed to be in the public interest. The Bonds are secured by the projects financed and are payable solely from payments received on the underlying mortgage loans. Although the conduit debt obligations bear the name of the Authority, the Authority has no obligation for such debt beyond the resources provided by related leases or loans with the third party on whose behalf they are issued. Accordingly, the debt instruments are not reported as liabilities in the accompanying financial statements.

At December 31, 2013, there were 23 series of Revenue Bonds outstanding with aggregate principal amounts payable of \$66,614,918, which includes \$2,500,000 payable from the York County Economic Development Corporation, a related party through common management. The County has guaranteed the debt of the York County Economic Development Corporation.

The annual requirements to amortize maturities of component unit long-term debt outstanding for the year ended December 31, 2013, assuming no change in current terms, are as follows:

	<u>Principal</u>
2014	\$ 9,597,401
2015	-
2016	-
2017	-
2018	-
2019-2023	846,000
	<u>\$ 10,443,401</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, 2013, 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	\$ 16,060,000	Investment	\$ (2,234,238)		Unrestricted Investment Gain	\$ 1,755,543
2003 Pay-Fixed Interest Rate Swap	\$ 27,460,000	Investment	(3,242,450)		Unrestricted Investment Gain	3,211,111
2005 Pay-Fixed Interest Rate Swap	\$ 31,200,000	Investment	<u>(4,986,221)</u>		Unrestricted Investment Gain	<u>4,793,447</u>
Total Pay-Fixed Interest Rate Swaps			<u>(10,462,909)</u>			<u>9,760,101</u>
2006 Basis Swap	\$ 64,770,000	Investment	<u>(888,749)</u>		Unrestricted Investment Loss	<u>(1,078,259)</u>
Total Investment Derivatives			<u>\$ (11,351,658)</u>			<u>\$ 8,681,842</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, 2013, along with the credit rating of the counterparty.

		Current				
	Type	Notional	Effective	Maturity	Terms	Counterparty
		Amounts	Date	Date		Credit Rating
2005	Pay-fixed interest rate swap	\$ 16,060,000	12/01/10	06/01/30	Pay 4.335%; receive 87.3% of 1-Month LIBOR	Aa3 / AA-
2003	Pay-fixed interest rate swap	\$ 27,460,000	12/02/10	06/02/31	Pay 4.06%; receive 87.5% of 1-Month LIBOR	Aa3 / AA-
2005	Pay-fixed interest rate swap	\$ 31,200,000	12/01/10	06/01/33	Pay 4.43%; receive 88.3% of 1-Month LIBOR	Aa3 / AA-
2006	Basis Swap	\$ 64,770,000	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. As of December 31, 2013, the County was not exposed to credit risk because the swaps all had negative fair values. However, should interest rates change and the fair value of the swaps become positive, the County would be exposed to credit risk in the amount of the derivative's 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, 2013, 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, 2013, the SIFMA rate of .04% was less than the 67% of 1-month LIBOR rate plus 42.39 basis points of .54%.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(9) Short-Term Debt

During 2013, the County issued Tax and Revenue Anticipation Notes in the amount of \$19,950,000 for cash flow purposes until the County began receiving tax receipts from the 2013 property tax. During 2013, the County repaid \$19,950,000 related to these Tax and Revenue Anticipation Notes. There was no outstanding balance at December 31, 2013 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 2013, the County's estimated contribution to the plan was \$4,436,491.

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.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011, 2012, and 2013 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>
12/31/11	\$10,760,639	59.0%	\$21,160,908
12/31/12	\$10,681,891	57.1%	\$25,738,560
12/31/13	\$ 6,417,703	69.1%	\$27,719,772

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:

	Governmental Activities	County Nursing Home	911 Fund	Total Primary Government
Annual required contribution (ARC)	\$ 4,733,307	\$ 1,761,238	\$ 382,079	\$ 6,876,624
Interest on net OPEB obligation	698,762	287,667	43,113	1,029,542
Adjustment to ARC	<u>(1,010,237)</u>	<u>(415,895)</u>	<u>(62,331)</u>	<u>(1,488,463)</u>
Annual OPEB costs (expense)	4,421,832	1,633,010	362,861	6,417,703
Contributions made	<u>(3,016,814)</u>	<u>(1,153,488)</u>	<u>(266,189)</u>	<u>(4,436,491)</u>
Increase in net OPEB obligation	1,405,018	479,522	96,672	1,981,212
Net OPEB obligation - beginning of year	<u>17,469,058</u>	<u>7,191,679</u>	<u>1,077,823</u>	<u>25,738,560</u>
Net OPEB obligation - end of year	<u>\$ 18,874,076</u>	<u>\$ 7,671,201</u>	<u>\$ 1,174,495</u>	<u>\$ 27,719,772</u>

Funded Status and Funding Progress. As of January 1, 2013, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$115.3 million and there were no assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$115.3. The covered payroll was \$104.5 million, and the ratio of the UAAL to the covered payroll was 110.4%.

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.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

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

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, 2013 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 7% initially, reduced by decrements to an ultimate rate of 5% after 2 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.

(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.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(11) Component Unit Post-Employee Retirement Plan

York County Planning Commission (Continued)

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, 2013, the Commission made \$26,162 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.

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.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

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

York County Planning Commission (Continued)

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 of 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.

Information as of the latest actuarial valuation follows:

Valuation date	12/31/2013
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 2013 health and dental insurance premiums.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

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

York County Planning Commission (Continued)

Actuarial Methods and Assumptions (Continued)

Health care cost trend rates:

	Health	Pharmacy	Dental	Vision
2013	8.0%	9.0%	3.5%	3.0%
2014	7.0%	8.0%	3.0%	3.0%
2015	6.0%	7.0%	3.0%	3.0%
2016	5.5%	6.0%	3.0%	3.0%
2017	5.3%	5.8%	3.0%	3.0%
2018	5.2%	5.6%	3.0%	3.0%
2019	5.2%	5.6%	3.0%	3.0%
2020	5.2%	5.5%	3.0%	3.0%
2021	5.2%	5.5%	3.0%	3.0%
2022+	4.7%	4.7%	3.0%	3.0%

Amortization period	26 year open period
Actuarial value of assets	Not applicable
Inflation rate	None

Three-Year Trend Information

	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
2013	\$ 26,361	99.2%	\$ 107,944
2012	42,343	32.1%	107,745
2011	44,285	0.0%	79,015

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, 2013 were as follows:

Annual required contribution	\$ 28,350
Interest of Net OPEB Obligation	2,155
Adjustment to ARC	(4,144)
Annual OPEB cost	<u>26,361</u>
Contribution made	<u>(26,162)</u>
Change in Net OPEB Obligation	199
Net OPEB Obligation, beginning	107,745
Net OPEB Obligation, ending	<u><u>\$ 107,944</u></u>

Funded Status and 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)
12/31/2013	\$ -	\$ 292,757	\$ 292,757	0%	\$ 1,956,809	14.96%
12/31/2012	-	462,932	462,932	0%	1,968,071	23.52%
12/31/2011	-	424,448	424,448	0%	1,981,468	21.42%

Summary of Employer Contributions

Year Ending	Annual Required Contribution	Actual Contribution	Percentage Contributed
12/31/2013	\$ 28,350	\$ 26,162	92.3%
12/31/2012	43,689	13,613	31.2%
12/31/2011	44,378	-	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, 2013, the Plan's membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	1,049
Terminated employees entitled to benefits, but not yet receiving benefits	188
Active plan members	2,410
Total members	<u>3,647</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 \$60,540,024 as of December 31, 2013, 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, 2013, the most recent actuarial valuation date, the plan was 87.8 % funded. The actuarial accrued liability for benefits was \$341.9 million, and the actuarial value of assets was \$300.2 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$41.7 million. The actuarial value of assets as a percentage of the actuarial accrued liability was 87.8%. The covered payroll was \$106.7 million, and the ratio of the UAAL to the covered payroll was 39.1%.

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, 2013 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 adjusting 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, 2013 was 18 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
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
2013	11,578,433	506,398	842,870	11,241,961	10,000,000	88.95%	1,241,961	7,993,939

County of York, Pennsylvania

Notes to Financial Statements (Continued)

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

During 2013, the County did not fully fund their annual required contribution in the amount of \$1,241,961. At December 31, 2013, the County has recorded an accumulated pension liability of \$5,814,554 and \$2,179,385 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, 2013, the County has a balance of \$60,540,024 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, 2013. Since those accumulations represent the present value as of December 31, 2013 of future benefits, the reserve balance and liability are equal and this reserve is fully funded.

The County has a balance of \$58,953,720 in the County Annuity Reserve Account as of December 31, 2013. This balance and the amounts expected to be credited in the future, plus investment earnings, represent the reserves set aside for the payment of the County's share of the retirement allowances and this reserve is fully funded.

When a County annuity is scheduled to commence for a particular member, sufficient monies are transferred from the County annuity reserve account to the retired members' reserve account to provide for such County annuities actually entered upon. 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 \$131,348,171 as of December 31, 2013.

(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, 2013 amounted to \$123,693.

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, 2013.

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

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, 2013 was \$174,078. Employer contributions to the plan were \$93,217.

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, 2013, the date of the latest actuarial valuation, the pension plan's membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	21
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	9
Active Plan Members	<u>41</u>
Total Members	<u><u>71</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. The Commission is not eligible for state aid since the Commonwealth considers the Commission an Authority for pension purposes. 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, 2013:

Annual required contribution	\$ 92,112
Adjustment to ARC	71,985
Annual pension cost	<u>164,097</u>
Contributions made	<u>(92,132)</u>
Change in prepaid pension expenses	71,965
Net prepaid pension expense, beginning	<u>(567,704)</u>
Net prepaid pension expense, ending	<u><u>\$ (495,739)</u></u>

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 5.5% investment rate of return and projected salary increases of 4.1%. 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, 2013, 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
2011	\$ 260,197	\$ 336,475	2011	129.3%	\$ (559,871)
2012	\$ 279,953	\$ 287,786	2011	102.8%	\$ (567,704)
2013	\$ 164,097	\$ 92,132	2013	56.1%	\$ (495,739)

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

2008	\$	200,890	\$	200,910	100% +
2009	\$	219,596	\$	219,636	100% +
2010	\$	217,000	\$	517,060	100% +
2011	\$	206,455	\$	336,475	100% +
2012	\$	212,746	\$	287,786	100% +
2013	\$	92,112	\$	92,132	100% +

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>
1/1/2003	\$ 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%
1/1/2013	\$ 8,855,476	\$ 8,679,569	\$ (175,907)	102.03%	\$ 2,101,966	-8.37%

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, 2013, 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, 2013.

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, 2013, was \$9,360,000. In addition, 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, 2013, 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)

Line 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, 2013. As of December 31, 2013, \$237,401 had been drawn on the line related to the Harley-Davidson West Campus and Marketview Arts Center projects and was outstanding.

(15) Due from Other Governments

Amounts due from other governments are primarily grants receivable from the Commonwealth of Pennsylvania at December 31, 2013, for the following funds:

Governmental funds	
General Fund	\$ 988,321
Mental Health and Intellectual and Developmental Disabilities Fund	307,148
Children, Youth, and Families Fund	8,974,624
Community Development Block Grant Fund	546,275
Other Nonmajor Funds	1,371,227
	<u>\$ 12,187,595</u>
Enterprise Fund	
911 Fund	\$ 61,584
	<u>\$ 61,584</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, 2013, are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Governmental funds		
General Fund	\$ 6,452,994	\$ 733,130
York HealthChoices Management Fund	1,444	26,796
Mental Health and Intellectual and Developmental Disabilities Fund	32,642	764,039
Children, Youth, and Families Fund	-	5,287,154
Community Development Block Grant Fund	-	1,718
Other Nonmajor Funds	963,930	638,173
	<hr/>	<hr/>
Total	<u>\$ 7,451,010</u>	<u>\$ 7,451,010</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	\$ 52,430	\$ 30,387,378
Mental Health and Intellectual and Developmental Disabilities Fund	754,685	-
Children, Youth, and Families Fund	10,715,757	-
Other Nonmajor Funds	3,112,159	1,546,100
	<u>14,635,031</u>	<u>31,933,478</u>
Enterprise funds		
County Nursing Home Fund	7,406,008	-
911 Fund	9,892,439	-
	<u>17,298,447</u>	<u>-</u>
Total	<u>\$ 31,933,478</u>	<u>\$ 31,933,478</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.

In addition to the transfers noted above, during 2013 there was a transfer of bond proceeds in the amount of \$589,928 from the capital projects bond account fund to the County Nursing Home Fund. The purpose of the bond proceeds transfer was to fund additional County Nursing Home Fund capital purchases from the series of 2013 General Obligation Bond Proceeds.

(17) Excess of Expenditures over Appropriations in Major Funds

The following major funds had an excess of actual expenditures over budget for the year ended December 31, 2013.

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Percent of Excess over Appropriations</u>
General Fund	\$ 145,469,255	\$ 147,523,940	1.41%
York HealthChoices Management Fund	\$ 66,079,023	\$ 66,920,175	1.27%

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(17) Excess of Expenditures over Appropriations in Major Funds (Continued)

The excess expenditures over appropriations in the General Fund were funded by prior year unassigned fund balance and the expenditures over appropriations in the York HealthChoices Management Fund were funded by greater than anticipated revenues.

(18) 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 \$393,501 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, 2013. 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.

(19) Risk Management

Self-Insurance

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

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(19) 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, 2013, the County has recorded a liability for claims incurred of \$568,603 in the county nursing home fund and \$690,878 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, 2013.

The County has elected to self-insure itself for medical insurance for certain employees. The County is liable for all claims up to \$325,000 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 \$325,000 per covered member. The County purchased stop loss insurance to cover all claims in excess of these deductible points. As of December 31, 2013, the County has recorded a liability for claims incurred of \$1,579,749 as account payable in the general fund and \$300,905 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>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Balance as of January 1	\$ 1,845,714	\$ 2,146,443	\$ 1,220,417	\$ 3,302,362
Add: Incurred claims relating to:				
Prior years	477,211	361,956	465,038	(1,740,359)
Current year	27,389,862	26,183,005	871,564	592,820
	<u>27,867,073</u>	<u>26,544,961</u>	<u>1,336,602</u>	<u>(1,147,539)</u>
Less: Payment of claims relating to:				
Prior years	2,077,623	2,267,653	665,558	510,409
Current year	25,754,510	24,578,037	631,980	423,997
	<u>27,832,133</u>	<u>26,845,690</u>	<u>1,297,538</u>	<u>934,406</u>
Balance as of December 31	<u>\$ 1,880,654</u>	<u>\$ 1,845,714</u>	<u>\$ 1,259,481</u>	<u>\$ 1,220,417</u>

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(19) Risk Management (Continued)

Self-Insurance (Continued)

The foregoing reconciliation reflects a deficiency in the December 31, 2012 liability for medical self-insurance of \$477,211. The foregoing reconciliation also reflects a deficiency in the December 31, 2012 liability for workers' compensation self-insurance of \$465,038. 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 2013, no liability has been recorded for claims incurred, but not paid as of December 31, 2013.

(20) Restricted Assets and Related Liabilities

At December 31, 2013, the County's governmental funds had a restricted cash balance of \$9,006,773 maintained in escrow accounts in the name of the County. At December 31, 2013, the County also had a restricted investment balance \$17,193,267. Each fund's restricted cash and investments are provided below with a brief explanation of the reasons for the restriction:

- \$4,133,847 and \$389,704 are restricted cash and investments in the General Fund. These balances are for various purposes, including: agricultural land preservation, records management, juvenile victim witness program, parks program, disaster assistance, and workers' compensation.
- \$4,026,825/\$651,336 and \$9,516,489/\$1,961,739 are restricted cash/investments in the York HealthChoices Fund and the Adams HealthChoices Fund (included in Other Nonmajor Funds), respectively. Of this balance, \$618,121 and \$650,556, 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. \$2,865,069 and \$9,732,114, 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. \$1,194,971 and \$1,095,558, 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)

(20) Restricted Assets and Related Liabilities (Continued)

- \$61,279 is restricted cash in the York County MH/IDD Fund. These funds are received from individuals designated to be used as memorials.
- \$258 and \$5,325,335 is restricted cash/investments in the Capital Projects Bond Account Fund (included in Other Nonmajor Funds) to pay for costs to fund certain capital projects related to the 2013 General Obligation Bonds.
- \$46,717 is restricted cash in the Domestic Relations Fund (included in Other Nonmajor Funds). These funds are held to be remitted to the intended third party.
- \$4,147 is restricted cash in the Comprehensive Services to the Aged Fund (included in Other Nonmajor Funds). This balance represents client fund accounts in which the Aging Department collects and administers individuals' funds that cannot handle their own money.
- \$82,364 is restricted cash in the Donations Fund (included in Other Nonmajor Funds) that is held for specific purposes designated by individuals or businesses.

At December 31, 2013, the County's enterprise funds had a restricted cash balance of \$2,683,334. Each fund's restricted cash is provided below with a brief explanation of the reasons for the restriction:

- \$506,834 of cash in the county nursing home fund. Of this balance \$468,630 is restricted for the payment of patient funds held in safekeeping and \$38,204 for other deposits held in escrow.
- \$2,176,500 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 \$138,256,234 in trust accounts whose use are restricted under bond indentures or under consent decree and law relating to environmental protection matters attributable to the YCSWRA's operations.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(21) 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 \$ 10,144,169

This line item represents \$10,110,000 for a loan receivable and \$34,169 for prepaid information technology services agreements.

Restricted for Public Safety \$ 14,606

This line item represents amounts restricted for the payments for the juvenile victim restitution program.

Restricted for Culture and Recreation \$ 276,590

This line item represents amounts restricted for the acquisition of green space.

Nonmajor Funds

Restricted

Liquid Fuels Tax (Roads and Bridges) \$ 2,820,966

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) \$ 4,065,925

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.

Drug Task Force (Judicial) \$ 899,473

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.

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(21) Fund Balance/Net Position (Continued)

Nonmajor Funds (Continued)

Restricted (Continued)

Capital Projects Bond Account Fund \$ 5,309,996

This line item represents amounts restricted for future payments of expenditures for capital projects.

Donations (Culture and Recreation) \$ 82,039

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) \$ 868,215

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 \$ 17,603

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

Prison Telephone \$ 835,776

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)

(21) Fund Balance/Net Position (Continued)

Business Type Activities

911 Fund

<u>Restricted for Public Safety</u>	<u>\$ 2,176,500</u>
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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	<u>\$ 300,408,906</u>
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This line item represents amounts that are held in trust for future payments of members' benefits.

(22) 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, 2013, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	<u>\$ 500,000</u>	<u>\$ 15,000</u>	<u>\$ 515,000</u>

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(23) Loan Receivable

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, 2013, was \$10,110,000.

The annual principal and interest amounts on the loan for the year ended December 31, 2013, are as follows:

	Principal	Interest	Total
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	530,000	378,892	908,892
2019-2023	3,045,000	1,507,528	4,552,528
2024-2028	3,805,000	733,858	4,538,858
2029	825,000	39,198	864,198
Total	<u>\$ 10,110,000</u>	<u>\$ 4,404,523</u>	<u>\$ 14,514,523</u>

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(24) Operating leases

The County leases various towers under operating leases with expiration dates greater than one year. Minimum rental payments at December 31, 2013 are as follows:

2014		\$ 257,589
2015		265,316
2016		236,577
2017		80,748
2018		45,472
2019-2023		254,815
2024-2028		282,189
2029-2031		<u>165,939</u>
Total		<u>\$ 1,588,645</u>

Rental expense totaled \$298,513 for the year ended December 31, 2013.

(25) 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, 2013:

Total Minimum Lease Payments		\$ 694,812
Less: Amount Representing Interest		<u>25,329</u>
Total Present Value of Net Minimum Lease Payments		669,483
Less: Amounts Due within One Year		<u>219,018</u>
Long Term Capital Lease Payable		<u>\$ 450,465</u>

County of York, Pennsylvania

Notes to Financial Statements (Continued)

(25) Capital Lease (Continued)

Future minimum capital lease payments as of December 31, 2013:

2014	\$ 219,018
2015	223,135
2016	<u>227,330</u>
Total Future Minimum Lease Payments	<u>\$ 669,483</u>

At December 31, 2013, the County has leased equipment disclosed as leasehold assets in Note 6 in the amount of \$2,116,845 with an accumulated depreciation of \$1,389,271. The County incurred \$223,869 of depreciation expense during 2013.

(26) Restatement of Net Position/Change in Accounting Principle

The following restatement was necessary to reflect the adoption of the provisions of GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities*". The County has changed its manner of accounting for bond issuance costs that were amortized over the life of the debt issuance in prior years. In accordance with GASB 65, bond issuance costs are expensed when incurred. This change for governmental activities is reported as a cumulative effect of a change in accounting principle in the amount of \$533,642 and is reflected as a restatement of beginning net position in the governmental activities of the government-wide financial statements. This change for business-type activities is reported as a cumulative effect of a change in accounting principle in the amount of \$420,802 and is reflected as a restatement of beginning net position in the 911 Fund's Statement of Net Position – Enterprise Fund and the business-type activities of the government-wide financial statements. This change for component units is reported as a cumulative effect of a change in accounting principle in the amount of \$417,778 and is reflected as a restatement of beginning net position in the Combining Statement of Net Position – Component Units and the government-wide Statement of Net Position.

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

(26) Restatement of Net Position/Change in Accounting Principle (Continued)

	<u>Governmental Activities</u>	<u>911 Fund</u>	<u>Business-Type Activities</u>	<u>Component Units</u>
Net Position, beginning of year, as previously stated	\$ 26,743,070	\$ 12,853,392	\$ 8,825,473	\$ 196,353,944
Overstatement of bond issuance cost (net) due to the adoption of GASB 65.	<u>(533,642)</u>	<u>(420,802)</u>	<u>(420,802)</u>	<u>(417,778)</u>
Net Position, beginning of year, as restated	<u>\$ 26,209,428</u>	<u>\$ 12,432,590</u>	<u>\$ 8,404,671</u>	<u>\$ 195,936,166</u>

(27) Subsequent Event

In January of 2014, the County issued Tax and Revenue Anticipation Notes, Series of 2014, in the amount of \$20,000,000. The Notes bear interest at .75% and are due on April 30, 2014.

In May of 2014, the County issued General Obligation Note, Series of 2014, in the amount of \$2,757,250. The note matures on December 1, 2016. The proceeds of the note will be used to currently refund a portion of the County's outstanding General Obligation Bonds, Series of 2006 and pay the costs of issuing the note.

(28) Subsequent Event – Component Unit

York County Industrial Development Authority

In February 2014, the Authority approved the issuance of conduit debt obligations not to exceed \$509,000 under the Commonwealth's Next Generation Farmer Loan program.

County of York, Pennsylvania

Schedule of Employer Contributions and Funding Progress

Schedule of Employer Contributions

Year Ended December 31	Annual Required Contribution	Percentage Contributed
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%
2013	\$ 11,578,433	86%

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, 2013
Actuarial cost method	Entry Age
Amortization method	Level percentage of projected payroll
Remaining amortization period	18 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%
12/31/2013	\$ 300,240,867	\$ 341,941,645	\$ 41,700,778	87.8%	\$ 106,720,140	39.1%

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%
1/1/2013	\$ -	\$ 115,324,870	\$ 115,324,870	0%	\$ 104,455,515	110.4%

For the 1/1/2011 valuation, 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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget – Positive (Negative)
	Original	Final		
Revenues				
Real estate taxes	\$ 119,600,000	\$ 119,600,000	\$ 120,983,495	\$ 1,383,495
Intergovernmental	5,296,428	5,477,990	5,376,284	(101,706)
Departmental	45,861,334	45,866,334	41,936,072	(3,930,262)
Fines and costs	5,789,050	5,789,050	5,865,272	76,222
Hotel tax	1,400,000	1,400,000	1,597,065	197,065
Investment	19,536	19,536	527,825	508,289
Other	20,000	20,000	799,910	779,910
Total revenues	177,986,348	178,172,910	177,085,923	(1,086,987)
Expenditures				
Current:				
General government	12,849,978	12,901,885	12,601,365	300,520
Public safety	65,412,804	65,475,044	65,794,672	(319,628)
Health, education, and welfare:				
Human Services	11,124,477	11,142,427	12,200,297	(1,057,870)
Judicial	36,198,781	36,253,246	35,399,856	853,390
Cultural and recreation	6,903,949	6,903,949	7,830,399	(926,450)
Conservation and community development	4,613,523	4,613,523	4,607,318	6,205
Capital outlay	-	-	529,985	(529,985)
Debt service:				
Principal retirement	1,933,865	1,933,865	3,138,399	(1,204,534)
Interest and fiscal charges	6,245,316	6,245,316	5,421,649	823,667
Total expenditures	145,282,693	145,469,255	147,523,940	(2,054,685)
Excess of revenues over expenditures	32,703,655	32,703,655	29,561,983	(3,141,672)
Other financing sources (uses)				
Transfers in	55,000	55,000	52,430	(2,570)
Transfers out	(32,758,655)	(32,758,655)	(30,387,378)	2,371,277
Total other financing sources (uses)	(32,703,655)	(32,703,655)	(30,334,948)	2,368,707
Net change in fund balances	\$ -	\$ -	\$ (772,965)	\$ (772,965)

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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget – Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 65,227,401	\$ 65,227,401	\$ 66,879,661	\$ 1,652,260
Investment	46,100	46,100	40,514	(5,586)
Total revenues	65,273,501	65,273,501	66,920,175	1,646,674
Expenditures				
Current:				
Health, education, and welfare:				
Human Services	66,079,023	66,079,023	66,920,175	(841,152)
Total expenditures	66,079,023	66,079,023	66,920,175	(841,152)
Deficiency of revenues under expenditures	(805,522)	(805,522)	-	805,522
Net change in fund balances	\$ (805,522)	\$ (805,522)	\$ -	\$ 805,522

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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget – Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 27,470,599	\$ 27,470,599	\$ 26,255,583	\$ (1,215,016)
Investment	8,000	8,000	8,165	165
Other	12,000	12,000	16,806	4,806
Total revenues	27,490,599	27,490,599	26,280,554	(1,210,045)
Expenditures				
Current:				
Health, education, and welfare:				
Mental health/intellectual disabilities	28,361,737	28,361,737	27,035,239	1,326,498
Total expenditures	28,361,737	28,361,737	27,035,239	1,326,498
Deficiency of revenues under expenditures	(871,138)	(871,138)	(754,685)	116,453
Other financing sources				
Transfers in	871,138	871,138	754,685	(116,453)
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 – Children, Youth, and Families Fund

Year ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget – Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 40,532,000	\$ 40,532,000	\$ 31,984,610	\$ (8,547,390)
Departmental	725,000	725,000	477,739	(247,261)
Total revenues	41,257,000	41,257,000	32,462,349	(8,794,651)
Expenditures				
Current:				
Health, education, and welfare:				
Children and youth	48,756,500	48,756,500	43,178,106	5,578,394
Total expenditures	48,756,500	48,756,500	43,178,106	5,578,394
Deficiency of revenues under expenditures	(7,499,500)	(7,499,500)	(10,715,757)	(3,216,257)
Other financing sources (uses)				
Transfers in	7,499,500	7,499,500	10,715,757	3,216,257
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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget – Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 5,300,000	\$ 5,300,000	\$ 3,854,063	\$ (1,445,937)
Departmental	1,000	1,000	3,307	2,307
Investment	1,000	1,000	725	(275)
Other	300,000	300,000	441,469	141,469
Total revenues	5,602,000	5,602,000	4,299,564	(1,302,436)
Expenditures				
Current:				
Conservation and community development	5,602,000	5,602,000	4,299,564	1,302,436
Total expenditures	5,602,000	5,602,000	4,299,564	1,302,436
Excess of revenues over expenditures	-	-	-	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
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, Prison Telephone Funds, Continuum of Care, LIHEAP Weatherization, ARRA Weatherization 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.

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 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, 2013

	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
Assets										
Cash and cash equivalents	\$ 2,820,966	\$ 2,486,876	\$ 1,230,457	\$ -	\$ 479,482	\$ -	\$ 4,239,363	\$ 399,965	\$ -	\$ -
Restricted cash	-	46,717	4,147	-	-	-	651,336	-	-	258
Investments	-	1,005,534	949,626	-	-	-	168,324	635,255	-	-
Restricted investments	-	-	-	-	-	-	1,961,739	-	-	5,325,335
Receivables:										
Accounts	-	1,715	-	7,582	6,215	230,007	-	-	-	-
Due from other funds	-	-	331	719,710	31,203	-	339	-	-	-
Due from other governments	-	734,329	116,037	79,778	145,000	-	-	-	5,092	-
Other assets	-	-	-	-	-	-	-	2,408	-	-
Total assets	\$ 2,820,966	\$ 4,275,171	\$ 2,300,598	\$ 807,070	\$ 661,900	\$ 230,007	\$ 7,021,101	\$ 1,037,628	\$ 5,092	\$ 5,325,593
Liabilities and fund balance										
Liabilities:										
Accounts payable and accrued liabilities	\$ -	\$ 131,645	\$ 345,509	\$ 804,956	\$ 295,175	\$ -	\$ 2,369,249	\$ 59,405	\$ 719	\$ 768
Due to other funds	-	30,884	323,090	2,114	40,413	-	8,635	1,262	4,373	14,829
Deposits held in escrow	-	46,717	4,147	-	-	-	412,502	77,488	-	-
Due to other governments	-	-	-	-	-	-	1,269,290	-	-	-
Deferred revenue	-	-	1,627,852	-	326,312	230,007	2,961,425	-	-	-
Total liabilities	-	209,246	2,300,598	807,070	661,900	230,007	7,021,101	138,155	5,092	15,597
Fund balances (Deficit):										
Restricted:										
Capital projects	-	-	-	-	-	-	-	-	-	5,309,996
Road and bridges	2,820,966	-	-	-	-	-	-	-	-	-
Judicial	-	4,065,925	-	-	-	-	-	899,473	-	-
Cultural and recreation	-	-	-	-	-	-	-	-	-	-
Conservation and community development	-	-	-	-	-	-	-	-	-	-
Committed										
Total fund balance	2,820,966	4,065,925	-	-	-	-	-	899,473	-	5,309,996
Total liabilities and fund balance	\$ 2,820,966	\$ 4,275,171	\$ 2,300,598	\$ 807,070	\$ 661,900	\$ 230,007	\$ 7,021,101	\$ 1,037,628	\$ 5,092	\$ 5,325,593

County of York, Pennsylvania

Combining Balance Sheet – Nonmajor Governmental Funds (Continued)

December 31, 2013

	Access Grant Program	Donations	Earn-It	Affordable Housing	LIHEAP Weatherization	Downtown Hanover Improvement	DOE Weatherization	Prison Telephone	ARRA Weatherization	Total
Assets										
Cash and cash equivalents	\$ -	\$ -	\$ 25,843	\$ 203,033	\$ 49,918	\$ 232,276	\$ 16,423	\$ 803,585	\$ 2,693	\$ 12,990,880
Restricted cash	-	82,364	-	-	-	-	-	-	-	784,822
Investments	-	-	-	494,981	-	-	-	-	-	3,253,720
Restricted investments	-	-	-	-	-	-	-	-	-	7,287,074
Receivables:										
Accounts	200,000	-	41	1,882,148	-	-	-	91,164	-	2,418,872
Due from other funds	-	-	-	197,638	-	-	14,709	-	-	963,930
Due from other governments	-	-	-	848	269,957	-	20,186	-	-	1,371,227
Other assets	-	-	-	-	-	-	-	28	-	2,436
Total assets	\$ 200,000	\$ 82,364	\$ 25,884	\$ 2,778,648	\$ 319,875	\$ 232,276	\$ 51,318	\$ 894,777	\$ 2,693	\$ 29,072,961
Liabilities and fund balance										
Liabilities:										
Accounts payable and accrued liabilities	\$ -	\$ 325	\$ 211	\$ 28,285	\$ 143,578	\$ -	\$ -	\$ 59,001	\$ -	\$ 4,238,826
Due to other funds	-	-	-	-	176,297	-	36,276	-	-	638,173
Deposits held in escrow	-	-	8,070	-	-	-	-	-	-	548,924
Due to other governments	-	-	-	-	-	-	-	-	-	1,269,290
Deferred revenue	200,000	-	-	1,882,148	-	232,276	15,042	-	2,693	7,477,755
Total liabilities	200,000	325	8,281	1,910,433	319,875	232,276	51,318	59,001	2,693	14,172,968
Fund balances (Deficit):										
Restricted:										
Capital Projects	-	-	-	-	-	-	-	-	-	5,309,996
Road and bridges	-	-	-	-	-	-	-	-	-	2,820,966
Judicial	-	-	-	-	-	-	-	-	-	4,965,398
Cultural and recreation	-	82,039	-	-	-	-	-	-	-	82,039
Conservation and community development	-	-	-	868,215	-	-	-	-	-	868,215
Committed	-	-	17,603	-	-	-	-	835,776	-	853,379
Total fund balance	-	82,039	17,603	868,215	-	-	-	835,776	-	14,899,993
Total liabilities and fund balance	\$ 200,000	\$ 82,364	\$ 25,884	\$ 2,778,648	\$ 319,875	\$ 232,276	\$ 51,318	\$ 894,777	\$ 2,693	\$ 29,072,961

County of York, Pennsylvania

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

Year ended December 31, 2013

	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
Revenues										
Intergovernmental	\$ 2,180,258	\$ 3,231,292	\$ 7,477,192	\$ 3,048,945	\$ 2,906,813	\$ -	\$ 11,817,007	\$ -	\$ 92,043	\$ -
Departmental	-	121,146	178,584	-	-	-	-	-	-	-
Investment	4,395	6,689	-	-	916	-	8,924	1,451	-	919
Other	13,020	38,017	-	710,859	10,000	-	-	846,037	-	568,986
Total revenues	2,197,673	3,397,144	7,655,776	3,759,804	2,917,729	-	11,825,931	847,488	92,043	569,905
Expenditures										
Current:										
Public safety	-	-	-	-	-	-	-	-	-	-
Roads and bridges	968,178	-	-	-	-	-	-	-	-	-
Health, education, and welfare:										
Drug and alcohol	-	-	-	-	3,017,729	-	-	-	-	-
Office of aging	-	-	8,402,433	-	-	-	-	-	-	-
Human services	-	-	-	3,790,762	-	-	11,825,931	-	-	-
Judicial	-	4,398,283	-	-	-	-	-	823,374	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Conservation and community development	-	-	-	-	-	-	-	-	92,043	-
Capital outlay	303,167	-	-	-	-	-	-	-	-	5,159,874
Debt service:										
Principal retirement	-	-	-	-	-	-	-	-	-	15,577,971
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
Total expenditures	1,271,345	4,398,283	8,402,433	3,790,762	3,017,729	-	11,825,931	823,374	92,043	20,737,845
Excess (deficiency) of revenues over (under) expenditures	926,328	(1,001,139)	(746,657)	(30,958)	(100,000)	-	-	24,114	-	(20,167,940)
Other financing sources (uses)										
Transfers in	-	741,675	746,657	30,958	100,000	-	-	-	-	4,608
Transfers out	(52,320)	-	-	-	-	-	-	-	-	(5,408)
Transfers out of bond proceeds	-	-	-	-	-	-	-	-	-	(589,928)
Bond Premium	-	-	-	-	-	-	-	-	-	5,116,021
Issuance of debt	-	-	-	-	-	-	-	-	-	11,785,221
Issuance of refunding bonds	-	-	-	-	-	-	-	-	-	30,482,676
Payments to escrow agent	-	-	-	-	-	-	-	-	-	(19,747,518)
Total other financing sources (uses)	(52,320)	741,675	746,657	30,958	100,000	-	-	-	-	27,045,672
Net change in fund balances	874,008	(259,464)	-	-	-	-	-	24,114	-	6,877,732
Fund balances (Deficit), January 1	1,946,958	4,325,389	-	-	-	-	-	875,359	-	(1,367,736)
Fund balances (Deficit), December 31	\$ 2,820,966	\$ 4,065,925	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 899,473	\$ -	\$ 5,309,996

County of York, Pennsylvania

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

Year ended December 31, 2013

	Access Grant Program	Donations	Earn-It	Affordable Housing	LIHEAP Weatherization	Downtown Hanover Improvement	DOE Weatherization	Prison Telephone	ARRA Weatherization	Total
Revenues										
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 708,931	\$ -	\$ 66,810	\$ -	\$ -	\$ 31,529,291
Departmental	-	-	-	361,377	-	-	-	1,247,501	-	1,908,608
Investment	-	124	-	1,034	-	-	22	1,134	-	25,608
Other	-	26,182	2,697	26,280	-	-	-	-	-	2,242,078
Total revenues	-	26,306	2,697	388,691	708,931	-	66,832	1,248,635	-	35,705,585
Expenditures										
Current:										
Public safety	-	-	-	-	-	-	-	629,767	-	629,767
Roads and bridges	-	-	-	-	-	-	-	-	-	968,178
Health, education, and welfare:										
Drug and alcohol	-	-	-	-	-	-	-	-	-	3,017,729
Office of aging	-	-	-	-	-	-	-	-	-	8,402,433
Human services	-	-	-	-	-	-	-	-	-	15,616,693
Judicial	-	-	3,260	-	-	-	-	-	-	5,224,917
Cultural and recreation	-	28,688	-	-	-	-	-	-	-	28,688
Conservation and community development	-	-	-	226,756	708,930	-	72,150	-	-	1,099,879
Capital outlay	-	-	-	-	-	-	-	-	-	5,463,041
Debt service:										
Principal retirement	-	-	-	107,587	-	-	-	-	-	15,685,558
Interest and fiscal charges	-	-	-	143,696	-	-	-	-	-	143,696
Total expenditures	-	28,688	3,260	478,039	708,930	-	72,150	629,767	-	56,280,579
Excess (deficiency) of revenues over (under) expenditures	-	(2,382)	(563)	(89,348)	1	-	(5,318)	618,868	-	(20,574,994)
Other financing sources (uses)										
Transfers in	-	-	-	746,752	509,174	-	232,335	-	-	3,112,159
Transfers out	-	(111)	-	(752,069)	(509,175)	-	(227,017)	-	-	(1,546,100)
Transfers out of bond proceeds	-	-	-	-	-	-	-	-	-	(589,928)
Bond premium	-	-	-	-	-	-	-	-	-	5,116,021
Issuance of debt	-	-	-	-	-	-	-	-	-	11,785,221
Issuance of refunding bonds	-	-	-	-	-	-	-	-	-	30,482,676
Payments to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	(19,747,518)
Total other financing sources (uses)	-	(111)	-	(5,317)	(1)	-	5,318	-	-	28,612,531
Net change in fund balances	-	(2,493)	(563)	(94,665)	-	-	-	618,868	-	8,037,537
Fund balances (Deficit), January 1	-	84,532	18,166	962,880	-	-	-	216,908	-	6,862,456
Fund balances, December 31	\$ -	\$ 82,039	\$ 17,603	\$ 868,215	\$ -	\$ -	\$ -	\$ 835,776	\$ -	\$ 14,899,993

County of York, Pennsylvania

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

Year ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget – Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 665,000	\$ 665,000	\$ 2,180,258	\$ 1,515,258
Investment	6,000	6,000	4,395	(1,605)
Other	3,045,812	3,045,812	13,020	(3,032,792)
Total revenues	<u>3,716,812</u>	<u>3,716,812</u>	<u>2,197,673</u>	<u>(1,519,139)</u>
Expenditures				
Current:				
Road and bridges	3,744,140	3,744,140	968,178	2,775,962
Capital outlay	-	-	303,167	(303,167)
Total expenditures	<u>3,744,140</u>	<u>3,744,140</u>	<u>1,271,345</u>	<u>2,472,795</u>
Excess (deficiency) of revenues over (under) expenditures	(27,328)	(27,328)	926,328	953,656
Other financing uses				
Transfers out	(55,500)	(55,500)	(52,320)	3,180
Net change in fund balances	<u>\$ (82,828)</u>	<u>\$ (82,828)</u>	<u>\$ 874,008</u>	<u>\$ 956,836</u>

County of York, Pennsylvania

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

Year ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget – Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 3,521,495	\$ 3,521,495	\$ 3,231,292	\$ (290,203)
Departmental	165,000	165,000	121,146	(43,854)
Investment	12,000	12,000	6,689	(5,311)
Other	33,000	33,000	38,017	5,017
Total revenues	3,731,495	3,731,495	3,397,144	(334,351)
Expenditures				
Current:				
Judicial	5,100,125	5,100,125	4,398,283	701,842
Total expenditures	5,100,125	5,100,125	4,398,283	701,842
Deficiency of revenues under expenditures	(1,368,630)	(1,368,630)	(1,001,139)	367,491
Other financing sources				
Transfers in	741,675	741,675	741,675	-
Net change in fund balances	\$ (626,955)	\$ (626,955)	\$ (259,464)	\$ 367,491

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, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget – Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 7,790,311	\$ 7,790,311	\$ 7,477,192	\$ (313,119)
Departmental	210,491	210,491	178,584	(31,907)
Total revenues	8,000,802	8,000,802	7,655,776	(345,026)
Expenditures				
Current:				
Health, education, and welfare:				
Office of aging	8,747,459	8,747,459	8,402,433	345,026
Total expenditures	8,747,459	8,747,459	8,402,433	345,026
Deficiency of revenues under expenditures	(746,657)	(746,657)	(746,657)	-
Other financing sources				
Transfers in	746,657	746,657	746,657	-
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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget – Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 4,176,339	\$ 4,176,339	\$ 3,048,945	\$ (1,127,394)
Other	776,948	776,948	710,859	(66,089)
Total revenues	<u>4,953,287</u>	<u>4,953,287</u>	<u>3,759,804</u>	<u>(1,193,483)</u>
Expenditures				
Current:				
Human services	5,112,688	5,112,688	3,790,762	1,321,926
Total expenditures	<u>5,112,688</u>	<u>5,112,688</u>	<u>3,790,762</u>	<u>1,321,926</u>
Deficiency of revenues under expenditures	(159,401)	(159,401)	(30,958)	128,443
Other financing sources				
Transfers in	159,401	159,401	30,958	(128,443)
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

County of York, Pennsylvania

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

Year ended December 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget – Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 3,102,379	\$ 3,102,379	\$ 2,906,813	\$ (195,566)
Investment	3,000	3,000	916	(2,084)
Other	-	-	10,000	10,000
Total revenues	<u>3,105,379</u>	<u>3,105,379</u>	<u>2,917,729</u>	<u>(187,650)</u>
Expenditures				
Current:				
Health, education, and welfare:				
Drug and alcohol	<u>3,205,379</u>	<u>3,205,379</u>	<u>3,017,729</u>	<u>187,650</u>
Total expenditures	<u>3,205,379</u>	<u>3,205,379</u>	<u>3,017,729</u>	<u>187,650</u>
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	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

County of York, Pennsylvania

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

Year ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget – Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 12,555,073	\$ 12,555,073	\$ 11,817,007	\$ (738,066)
Investment	10,410	10,410	8,924	(1,486)
Total revenues	12,565,483	12,565,483	11,825,931	(739,552)
Expenditures				
Current:				
Human services	12,601,006	12,601,006	11,825,931	775,075
Total expenditures	12,601,006	12,601,006	11,825,931	775,075
Deficiency of revenues under expenditures	(35,523)	(35,523)	-	35,523
Net change in fund balances	\$ (35,523)	\$ (35,523)	\$ -	\$ 35,523

County of York, Pennsylvania

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

Year ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget – Positive (Negative)
	Original	Final		
Revenues				
Other	\$ 3,000	\$ 3,000	\$ 2,697	\$ (303)
Total revenues	3,000	3,000	2,697	(303)
Expenditures				
Current:				
Judicial	2,000	2,000	3,260	(1,260)
Total expenditures	2,000	2,000	3,260	(1,260)
Excess (deficiency) of revenues over (under) expenditures	1,000	1,000	(563)	(1,563)
Net change in fund balances	\$ 1,000	\$ 1,000	\$ (563)	\$ (1,563)

County of York, Pennsylvania

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

Year ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget – Positive (Negative)
	Original	Final		
Revenues				
Departmental	\$ 305,000	\$ 305,000	\$ 361,377	\$ 56,377
Investment	3,000	3,000	1,034	(1,966)
Other	-	-	26,280	26,280
Total revenues	<u>308,000</u>	<u>308,000</u>	<u>388,691</u>	<u>80,691</u>
Expenditures				
Current:				
Conservation and community development	308,000	308,000	226,756	81,244
Debt service:				
Principal retirement	-	-	107,587	(107,587)
Interest and fiscal charges	-	-	143,696	(143,696)
Total expenditures	<u>308,000</u>	<u>308,000</u>	<u>478,039</u>	<u>(170,039)</u>
Deficiency of revenues under expenditures	-	-	(89,348)	(89,348)
Other financing sources (uses)				
Transfer in	-	-	746,752	746,752
Transfer out	-	-	(752,069)	(752,069)
Total other financing sources	-	-	(5,317)	(5,317)
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (94,665)</u>	<u>\$ (94,665)</u>

County of York, Pennsylvania

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

Year ended December 31, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget – Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 225,000	\$ 225,000	\$ -	\$ (225,000)
Total revenues	225,000	225,000	-	(225,000)
Expenditures				
Current:				
Conservation and community development	225,000	225,000	-	225,000
Total expenditures	225,000	225,000	-	225,000
Excess of revenues over expenditures	-	-	-	-
Net change in fund balances	\$ -	\$ -	\$ -	\$ -

County of York, Pennsylvania

Combining Statement of Changes in Assets and Liabilities – Agency Funds

Year ended December 31, 2013

	Balance January 1, 2013	Additions	Deletions	Balance December 31, 2013
Tax Claim Bureau				
Assets:				
Cash and cash equivalents	\$ 847,357	\$ 33,230,222	\$ 31,726,098	\$ 2,351,481
Investments	1,276,097	-	1,276,097	-
Delinquent taxes receivable on behalf of other governments	13,417,681	27,933,050	27,029,610	14,321,121
Accounts receivable	11,653	92,366	11,657	92,362
Total assets	\$ 15,552,788	\$ 61,255,638	\$ 60,043,462	\$ 16,764,964
Liabilities:				
Due to other governments	\$ 1,879,905	\$ 810,332	\$ 832,067	\$ 1,858,170
Other liabilities	13,672,883	59,807,894	58,573,983	14,906,794
Total liabilities	\$ 15,552,788	\$ 60,618,226	\$ 59,406,050	\$ 16,764,964
Unclaimed Money				
Assets:				
Cash and cash equivalents	\$ 253,955	\$ 69,341	\$ 125,953	\$ 197,343
Total assets	\$ 253,955	\$ 69,341	\$ 125,953	\$ 197,343
Liabilities:				
Other liabilities	\$ 253,955	\$ 69,341	\$ 125,953	\$ 197,343
Total liabilities	\$ 253,955	\$ 69,341	\$ 125,953	\$ 197,343
Row Offices				
Assets:				
Cash and cash equivalents	\$ 8,037,269	\$ 65,717,450	\$ 65,507,657	\$ 8,247,062
Total assets	\$ 8,037,269	\$ 65,717,450	\$ 65,507,657	\$ 8,247,062
Liabilities:				
Due to other governments	\$ 4,295,177	\$ 50,693,015	\$ 51,535,468	\$ 3,452,724
Other liabilities	3,742,092	15,024,435	13,972,189	4,794,338
Total liabilities	\$ 8,037,269	\$ 65,717,450	\$ 65,507,657	\$ 8,247,062

County of York, Pennsylvania

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

Year ended December 31, 2013

	Balance January 1, 2013	Additions	Deletions	Balance December 31, 2013
Landfill Escrow				
Assets:				
Cash and cash equivalents	\$ 69,836	\$ 72,242	\$ -	\$ 142,078
Investments	6,511,979	18,691	103,715	6,426,955
Total assets	\$ 6,581,815	\$ 90,933	\$ 103,715	\$ 6,569,033
Liabilities:				
Other liabilities	\$ 6,581,815	\$ 90,933	\$ 103,715	\$ 6,569,033
Total liabilities	\$ 6,581,815	\$ 90,933	\$ 103,715	\$ 6,569,033
Total All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 9,208,417	\$ 99,089,255	\$ 97,359,708	\$ 10,937,964
Investments	7,788,076	18,691	1,379,812	6,426,955
Delinquent taxes receivable on behalf of other governments	13,417,681	27,933,050	27,029,610	14,321,121
Accounts receivable	11,653	92,366	11,657	92,362
Total assets	\$ 30,425,827	\$ 127,133,362	\$ 125,780,787	\$ 31,778,402
Liabilities:				
Due to other governments	\$ 6,175,082	\$ 51,503,347	\$ 52,367,535	\$ 5,310,894
Other liabilities	24,250,745	74,992,603	72,775,840	26,467,508
Total liabilities	\$ 30,425,827	\$ 126,495,950	\$ 125,143,375	\$ 31,778,402

County of York, Pennsylvania

Combining Statement of Changes in Assets and Liabilities – Row Offices

Year ended December 31, 2013

	Balance January 1, 2013	Additions	Deletions	Balance December 31, 2013
Assets:				
Cash and cash equivalents	\$ 8,037,269	\$ 65,717,450	\$ 65,507,657	\$ 8,247,062
Total assets	\$ 8,037,269	\$ 65,717,450	\$ 65,507,657	\$ 8,247,062
Liabilities:				
Due to other governments				
Clerk of courts	\$ 1,062,539	\$ 9,255,241	\$ 9,207,380	\$ 1,110,400
Prothonotary	150,297	2,757,733	2,711,945	196,085
Register of wills	62,909	1,114,903	1,109,913	67,899
Recorder of deeds	2,716,727	32,378,701	33,339,224	1,756,204
Sheriff	279,114	2,017,861	2,057,792	239,183
Treasurer	23,591	3,168,576	3,109,214	82,953
	4,295,177	50,693,015	51,535,468	3,452,724
Other liabilities				
Clerk of courts	145,874	1,210,432	1,213,512	142,794
Prothonotary	894,180	284,739	629,748	549,171
Sheriff	2,699,705	13,435,878	12,044,074	4,091,509
Treasurer	2,333	93,386	84,855	10,864
	3,742,092	15,024,435	13,972,189	4,794,338
Total liabilities	\$ 8,037,269	\$ 65,717,450	\$ 65,507,657	\$ 8,247,062

County of York, Pennsylvania

Combining Balance Sheet – Agency Funds

December 31, 2013

	Tax Claim Bureau	Unclaimed Money	Row Offices	Landfill Escrow	Total Agency Funds
Assets					
Cash and cash equivalents	\$ 2,351,481	\$ 197,343	\$ 8,247,062	\$ 142,078	\$ 10,937,964
Investments:					
Certificates of Deposit	-	-	-	1,423,316	1,423,316
U.S government obligations	-	-	-	594,854	594,854
Fixed income mutual funds	-	-	-	4,408,785	4,408,785
Delinquent taxes on behalf of other governments	14,321,121	-	-	-	14,321,121
Accounts receivable	92,362	-	-	-	92,362
Total assets	\$ 16,764,964	\$ 197,343	\$ 8,247,062	\$ 6,569,033	\$ 31,778,402
Liabilities					
Liabilities:					
Due to other governments	\$ 1,858,170	\$ -	\$ 3,452,724	\$ -	\$ 5,310,894
Other liabilities	14,906,794	197,343	4,794,338	6,569,033	26,467,508
Total liabilities	\$ 16,764,964	\$ 197,343	\$ 8,247,062	\$ 6,569,033	\$ 31,778,402

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

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

COUNTY OF YORK, PENNSYLVANIA

Net Position by Component
Last Two Years
(accrual basis of accounting)

	<u>2012</u>	<u>2013</u>
<u>Governmental activities</u>		
Net investment in capital assets	\$67,906,109	\$61,398,256
Restricted	8,218,692	9,027,814
Unrestricted	<u>(49,381,731)</u>	<u>(38,684,114)</u>
Total Net Position	<u>\$26,743,070</u>	<u>\$31,741,956</u>
<u>Business-type activities</u>		
Net investment in capital assets	\$15,768,477	\$13,534,788
Restricted	3,025,516	2,176,500
Unrestricted	<u>(9,968,520)</u>	<u>(9,066,876)</u>
Total Net Position	<u>\$8,825,473</u>	<u>\$6,644,412</u>
<u>Primary government</u>		
Net investment in capital assets	\$83,674,586	\$74,933,044
Restricted	11,244,208	11,204,314
Unrestricted	<u>(59,350,251)</u>	<u>(47,750,990)</u>
Total Net Position	<u>\$35,568,543</u>	<u>\$38,386,368</u>

NOTE 1: 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.

NOTE 2: The County implemented GASB Statement 65 in 2013; and, therefore, prior years have not been adjusted to reflect the implementation of these standards.

COUNTY OF YORK, PENNSYLVANIA

Net Assets by Component

Last Eight Years

(accrual basis of accounting)

	<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	\$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	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	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>\$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	\$8,298,788	\$11,176,610	\$12,184,861	\$20,327,930	\$19,613,487	\$16,424,814	\$16,620,389	\$16,358,248
Restricted	0	2,620,297	6,807,576	457,070	1,931,678	1,904,105	1,692,364	3,196,664
Unrestricted	(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>\$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	\$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	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	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>\$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 GASB Statement 65 in 2013; and, therefore, prior years have not been adjusted to reflect the implementation of these standards.

COUNTY OF YORK, PENNSYLVANIA

Changes in Net Position
Last Two Years
(accrual basis of accounting)

	<u>2012</u>	<u>2013</u>
Program Expenses		
Governmental activities:		
General government	\$14,205,257	\$13,482,468
Public safety	66,650,009	69,612,828
Roads and bridges	1,258,214	1,527,648
Health, education, and welfare	182,783,532	177,912,757
Judicial	41,400,929	43,505,036
Cultural and recreation	7,548,223	7,122,180
Conservation and community development	11,814,282	10,033,905
Interest expense	7,803,749	5,814,751
Total governmental activities expenses	<u>333,464,195</u>	<u>329,011,573</u>
Business-type activities:		
Nursing Home	41,814,427	40,436,865
911 Operations	17,298,660	17,029,256
Total business-type activities expenses	<u>59,113,087</u>	<u>57,466,121</u>
Total primary government expenses	<u>\$392,577,282</u>	<u>\$386,477,694</u>
Program Revenues		
Governmental activities:		
Charges for services:		
General government	\$5,327,711	\$5,241,647
Public safety	32,323,146	31,073,421
Health, education, and welfare	721,757	656,323
Judicial	11,140,323	12,044,443
Cultural and recreation	759,235	810,480
Conservation and community development	415,490	364,684
Operating grants and contributions		
General government	468,549	574,895
Public safety	2,022,447	2,466,402
Roads and bridges	718,375	659,311
Health, education, and welfare	157,475,851	150,508,955
Judicial	5,085,176	4,815,275
Cultural and recreation	575,376	611,860
Conservation and community development	5,148,684	4,721,847
Capital Grants and contributions		
Roads and bridges	674,181	1,520,947
Total governmental activities program revenues	<u>222,856,301</u>	<u>216,070,490</u>
Business-type activities:		
Nursing Home	32,576,225	32,992,844
911 Operations	6,086,877	5,404,551
Total business-type activities program revenues	<u>38,663,102</u>	<u>38,397,395</u>
Total primary government program revenues	<u>\$261,519,403</u>	<u>\$254,467,885</u>

COUNTY OF YORK, PENNSYLVANIA

Changes in Net Position (Continued)
Last Two Years
(accrual basis of accounting)

	<u>2012</u>	<u>2013</u>
Net (expense)/revenue		
Governmental activities	(\$110,607,894)	(\$112,941,083)
Business-type activities	<u>(20,449,985)</u>	<u>(19,068,726)</u>
Total primary government net expense	<u><u>(\$131,057,879)</u></u>	<u><u>(\$132,009,809)</u></u>
General Revenues and Other		
Changes in Net Position		
Governmental activities:		
Property Taxes	\$110,899,632	\$121,381,184
Unrestricted investment earnings	2,302,482	9,284,679
Hotel tax	1,567,531	1,597,065
Other	1,942,832	3,509,130
Transfers	<u>(18,954,553)</u>	<u>(17,298,447)</u>
Total governmental activities	<u>97,757,924</u>	<u>118,473,611</u>
Business-type activities:		
Unrestricted investment earnings	24,594	10,020
Transfers	<u>18,954,553</u>	<u>17,298,447</u>
Total business-type activities	<u>18,979,147</u>	<u>17,308,467</u>
Total primary government	<u><u>\$116,737,071</u></u>	<u><u>\$135,782,078</u></u>
Change in Net Position		
Governmental activities	(\$12,849,970)	\$5,532,528
Business-type activities	<u>(1,470,838)</u>	<u>(1,760,259)</u>
Total primary government	<u><u>(\$14,320,808)</u></u>	<u><u>\$3,772,269</u></u>

NOTE 1: 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.

NOTE 2: The County implemented GASB Statement 65 in 2013; and, therefore, prior years have not been adjusted to reflect the implementation of these standards.

COUNTY OF YORK, PENNSYLVANIA

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

	2004	2005	2006	2007	2008	2009	2010	2011
Program Expenses								
Governmental activities:								
General government	\$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	51,504,975	52,757,075	59,583,122	68,050,405	73,715,098	79,233,907	60,711,011	63,954,882
Roads and bridges	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	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	25,356,501	27,461,906	33,005,665	37,723,009	38,718,385	40,673,541	40,303,397	41,611,232
Cultural and recreation	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	8,120,947	9,971,653	8,753,756	10,790,340	9,606,441	9,812,529	14,873,633	12,949,541
Other departments and programs	27,124,485	29,719,493	0	0	0	0	0	0
Interest expense	6,172,075	6,047,723	8,091,591	8,174,354	7,992,510	8,752,020	3,837,074	5,838,841
Total governmental activities expenses	<u>262,592,675</u>	<u>293,610,661</u>	<u>309,112,946</u>	<u>331,418,057</u>	<u>350,276,794</u>	<u>349,255,392</u>	<u>320,488,505</u>	<u>325,207,860</u>
Business-type activities:								
Nursing Home	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	5,697,089	6,126,718	9,047,249	10,517,763	11,015,753	13,574,231	14,739,999	15,448,100
Total business-type activities expenses	<u>37,106,050</u>	<u>40,438,346</u>	<u>43,448,864</u>	<u>46,796,381</u>	<u>49,951,517</u>	<u>53,857,785</u>	<u>54,604,196</u>	<u>56,402,201</u>
Total primary government expenses	<u>\$299,698,725</u>	<u>\$334,049,007</u>	<u>\$352,561,810</u>	<u>\$378,214,438</u>	<u>\$400,228,311</u>	<u>\$403,113,177</u>	<u>\$375,092,701</u>	<u>\$381,610,061</u>
Program Revenues								
Governmental activities:								
Charges for services:								
General government	\$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	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	1,807,946	1,234,217	1,383,788	1,172,681	1,217,476	798,376	842,838	957,623
Judicial	4,121,128	3,764,266	8,648,684	8,948,401	9,605,638	10,105,999	11,092,481	10,842,412
Cultural and recreation	0	0	472,389	356,738	1,068,990	796,590	601,593	678,867
Conservation and community development	614,041	672,613	1,342,866	735,994	431,326	446,313	459,155	319,216
Operating grants and contributions								
General government	319,066	451,701	2,111,569	681,218	489,157	559,971	579,609	686,093
Public safety	14,552,398	12,304,777	3,874,309	4,306,031	2,512,450	3,840,805	2,777,420	2,963,707
Roads and bridges	991,347	873,349	627,984	741,487	825,491	792,344	679,314	1,759,372
Health, education, and welfare	122,142,092	141,926,972	167,632,598	172,546,400	181,039,486	173,959,176	154,766,870	152,185,462
Judicial	4,628,140	4,799,100	4,458,067	4,782,595	4,697,532	5,156,901	5,153,466	5,438,185
Cultural and recreation	77,833	407,797	1,478,666	401,071	1,811,168	615,200	1,366,854	585,940
Conservation and community development	6,716,449	9,017,875	4,116,276	4,735,902	4,107,192	7,871,503	8,480,754	6,517,311
Other departments and programs	93,330	7,500	0	0	0	0	0	0
Capital Grants and contributions								
General government	0	0	0	0	0	0	2,714,932	673,205
Roads and bridges	0	0	0	0	0	0	1,827,996	751,526
Health, education, and welfare	0	0	0	0	0	0	0	365,734
Total governmental activities program revenues	<u>177,053,055</u>	<u>197,145,269</u>	<u>218,655,080</u>	<u>229,055,609</u>	<u>235,685,707</u>	<u>234,290,713</u>	<u>224,687,857</u>	<u>219,216,073</u>
Business-type activities:								
Nursing Home	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	3,481,393	7,216,897	7,775,303	4,847,911	4,544,574	5,811,237	6,208,753	6,706,462
Total business-type activities program revenues	<u>33,337,423</u>	<u>37,093,595</u>	<u>38,098,195</u>	<u>37,602,533</u>	<u>36,204,640</u>	<u>36,179,976</u>	<u>40,433,926</u>	<u>38,911,176</u>
Total primary government program revenues	<u>\$210,390,478</u>	<u>\$234,238,864</u>	<u>\$256,753,275</u>	<u>\$266,658,142</u>	<u>\$271,890,347</u>	<u>\$270,470,689</u>	<u>\$265,121,783</u>	<u>\$258,127,249</u>

COUNTY OF YORK, PENNSYLVANIA

Changes in Net Assets (Continued)

Last Eight Years

(accrual basis of accounting)

	2004	2005	2006	2007	2008	2009	2010	2011
Net (expense)/revenue								
Governmental activities	(\$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	(3,768,627)	(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	<u>(\$89,308,247)</u>	<u>(\$99,810,143)</u>	<u>(\$95,808,535)</u>	<u>(\$111,556,296)</u>	<u>(\$128,337,964)</u>	<u>(\$132,642,488)</u>	<u>(\$109,970,918)</u>	<u>(\$123,482,812)</u>
General Revenues and Other								
Changes in Net Assets								
Governmental activities:								
Property Taxes	\$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	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	1,246,033	1,318,066	1,372,501	1,494,914	1,461,458	1,301,778	1,340,664	1,495,347
Other	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	37,500	(1,917)	0	0	0
Special item - litigation expense	0	(16,000,000)	0	0	(5,500,000)	0	0	0
Proceeds from swap transactions	4,660,667	0	0	0	0	5,850,000	0	0
Transfers	(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	<u>94,740,475</u>	<u>80,539,604</u>	<u>96,525,797</u>	<u>103,486,137</u>	<u>91,434,654</u>	<u>109,214,799</u>	<u>89,885,185</u>	<u>84,884,569</u>
Business-type activities:								
Unrestricted investment earnings	0	0	1,275,434	1,034,915	56,518	17,777	16,571	19,486
Transfers	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	<u>4,027,719</u>	<u>7,984,154</u>	<u>10,795,412</u>	<u>10,865,772</u>	<u>11,574,810</u>	<u>12,622,397</u>	<u>13,500,791</u>	<u>18,069,790</u>
Total primary government	<u>\$98,768,194</u>	<u>\$88,523,758</u>	<u>\$107,321,209</u>	<u>\$114,351,909</u>	<u>\$103,009,464</u>	<u>\$121,837,196</u>	<u>\$103,385,976</u>	<u>\$102,954,359</u>
Change in Net Assets								
Governmental activities	\$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	259,092	4,639,403	5,444,743	1,671,924	(2,172,067)	(5,055,412)	(669,479)	578,765
Total primary government	<u>\$9,459,947</u>	<u>(\$11,286,385)</u>	<u>\$11,512,674</u>	<u>\$2,795,613</u>	<u>(\$25,328,500)</u>	<u>(\$10,805,292)</u>	<u>(\$6,584,942)</u>	<u>(\$20,528,453)</u>

NOTE: The County implemented GASB Statement 51 and 53 beginning in 2010 and GASB 63 in 2013; 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>
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
2013	121,381,184	1,597,065	122,978,249

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

	(1) 2004	(1) 2005	(1) 2006	(1) 2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 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	23,088,451	16,599,451	15,784,554	4,514,853	9,409,965	15,151,606	-	-	-
Nonspendable	-	-	-	-	-	-	-	12,443,854	10,735,000	10,144,169
Restricted	-	-	-	-	-	-	-	76,314	23,574	291,196
Committed	-	-	-	-	-	-	-	35,896	-	-
Assigned	-	-	-	-	-	-	-	4,886,484	743,246	-
Unassigned	-	-	-	-	-	-	-	14,823,744	12,765,062	13,058,552
Total General Fund	<u>\$28,470,206</u>	<u>\$31,591,947</u>	<u>\$24,880,518</u>	<u>\$23,713,248</u>	<u>\$ 14,130,899</u>	<u>\$32,627,638</u>	<u>\$37,007,407</u>	<u>\$32,266,292</u>	<u>\$24,266,882</u>	<u>\$23,493,917</u>
All other-governmental funds										
Reserved										
Capital Projects Fund	\$26,027,730	\$ 6,320,087	\$25,099,699	\$26,984,494	\$ 9,749,272	\$ 2,196,319	\$ 1,550,052	\$ -	\$ -	\$ -
Other Nonmajor Funds	6,348,032	6,491,523	7,197,050	6,503,313	6,493,878	7,658,505	7,657,671	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	9,494,413	8,195,118	14,046,614
Committed	-	-	-	-	-	-	-	283,910	235,074	853,379
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(707,118)	(1,567,736)	-
Total all other governmental funds	<u>\$32,375,762</u>	<u>\$12,811,610</u>	<u>\$32,296,749</u>	<u>\$33,487,807</u>	<u>\$ 16,243,150</u>	<u>\$ 9,854,824</u>	<u>\$ 9,207,723</u>	<u>\$ 9,071,205</u>	<u>\$ 6,862,456</u>	<u>\$14,899,993</u>
Total fund balances of all governmental funds	<u>\$60,845,968</u>	<u>\$44,403,557</u>	<u>\$57,177,267</u>	<u>\$57,201,055</u>	<u>\$ 30,374,049</u>	<u>\$42,482,462</u>	<u>\$46,215,130</u>	<u>\$41,337,497</u>	<u>\$31,129,338</u>	<u>\$38,393,910</u>

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)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Real estate taxes	\$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	\$120,983,495
Intergovernmental	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	165,879,492
Departmental	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	44,325,726
Fines and costs	3,378,092	3,684,911	4,300,609	4,891,498	5,212,973	5,336,778	5,844,663	5,455,377	5,475,592	5,865,272
Hotel tax	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	1,597,065
Investment	3,682,117	5,009,546	8,907,615	8,639,127	5,460,750	3,243,451	192,854	233,130	392,794	602,837
Other	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	3,500,263
Total Revenues	<u>272,355,249</u>	<u>302,994,515</u>	<u>323,719,025</u>	<u>340,911,374</u>	<u>347,460,500</u>	<u>350,577,609</u>	<u>339,608,014</u>	<u>333,070,311</u>	<u>337,609,966</u>	<u>342,754,150</u>
Expenditures										
Current:										
General government	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	12,601,365
Public safety	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	66,424,439
Roads & bridges	934,533	1,213,279	1,000,228	1,045,462	1,086,155	907,161	706,836	1,173,337	684,990	968,178
Health, education, and welfare	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	176,370,672
Judicial	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	40,624,773
Cultural and recreation	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	7,859,087
Conservation and community development	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	10,006,761
Other departments and programs	27,124,485	29,719,493	-	-	-	-	-	-	-	-
Capital outlay	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	5,993,026
Debt service:										
Principal retirement	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	18,823,957
Interest and fiscal charges	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	5,565,345
Total Expenditures	<u>282,691,424</u>	<u>312,298,284</u>	<u>333,530,146</u>	<u>344,161,354</u>	<u>382,024,325</u>	<u>350,242,444</u>	<u>326,152,050</u>	<u>326,935,395</u>	<u>415,390,550</u>	<u>345,237,603</u>
Other financing sources (uses)										
Transfers in	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	14,635,031
Transfers out	(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)	(31,933,478)
Transfer of bond proceeds, net	-	-	-	6,595,642	(13,368,104)	(1,399,175)	(25,801)	-	-	(589,928)
Payment to refunded bond/notes	-	-	-	-	(130,237,555)	(10,130,000)	(134,253,867)	-	-	(19,747,518)
Premium of bonds issued	-	-	-	-	-	-	1,831,066	-	-	5,116,021
Issuance of refunding bonds/notes	-	-	-	-	131,002,555	10,130,000	133,390,000	-	77,420,000	30,482,676
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	11,785,221
Total other financing sources (uses)	<u>632,948</u>	<u>(7,138,642)</u>	<u>22,584,831</u>	<u>3,273,768</u>	<u>7,736,819</u>	<u>11,773,248</u>	<u>(9,723,296)</u>	<u>(11,012,549)</u>	<u>67,572,425</u>	<u>9,748,025</u>
Net changes in fund balances	<u>(\$9,703,227)</u>	<u>(\$16,442,411)</u>	<u>\$12,773,710</u>	<u>\$23,788</u>	<u>(\$26,827,006)</u>	<u>\$12,108,413</u>	<u>\$3,732,668</u>	<u>(\$4,877,633)</u>	<u>(\$10,208,159)</u>	<u>\$7,264,572</u>
Debt service as a percentage of noncapital expenditures	4.5%	3.0%	3.4%	3.4%	3.5%	3.0%	2.9%	3.0%	21.6%	7.2%

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) Conservation and Community Development	Capital Outlay	(2) (3) Debt Service	(5) Other	Totals
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
2013	12,601,365	66,424,439	968,178	176,370,672	40,624,773	7,859,087	10,006,761	5,993,026	24,389,302	-	345,237,603

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) Bond Proceeds and Other	(1) Totals
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
2013	120,983,495	165,879,492	44,325,726	5,865,272	602,837	16,882,549	354,539,371

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>
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
2013	120,983,495	1,597,065	122,580,560

County of York, Pennsylvania

Property Values (1)

Last Ten Years
(Unaudited)

<u>Year</u>	<u>Residential</u>	<u>Commercial</u>	<u>Agricultural</u>	<u>Industrial</u>	<u>Miscellaneous/ Apartments</u>	<u>Utility/ Exempt</u>	<u>Total</u>
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)
2013	20,404,535,324	2,914,228,610	1,374,706,376	1,680,984,886	585,060,461	2,747,966,034	29,707,481,691 (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>
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	26,867,622,755 (2)	100	4.15
2013	26,959,515,657 (2)	100	4.52

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	
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
2013	4.42	0.10	4.52 (3)	2.057	20.521	27.098

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>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>	<u>2013</u>
County Direct Rate	4.200	4.510	3.800	3.910	4.000	4.150	4.150	4.150	4.150	4.520
School District Rates										
Central York	15.830	17.470	15.320	16.310	16.810	16.810	17.760	17.760	17.760	17.760
Dallastown Area	20.240	21.740	18.810	19.810	20.850	20.840	22.260	22.260	22.260	22.260
Dover Area	18.770	18.770	16.800	17.820	18.870	18.870	20.330	20.530	21.000	21.483
Eastern York	17.500	19.200	16.100	17.380	18.340	18.340	18.850	19.050	19.350	19.770
Hanover Public	17.550	19.050	16.920	17.720	18.490	18.490	19.070	19.070	19.450	19.830
Northeastern	20.730	22.810	20.790	21.740	21.740	21.740	23.280	23.720	24.260	24.920
Northern	15.400	16.400	13.300	13.870	13.870	13.870	14.369	14.614	14.920	15.234
Red Lion Area	17.550	19.500	16.840	18.690	20.440	20.440	22.060	22.060	22.389	22.389
South Eastern	16.720	21.350	16.906	17.832	18.831	18.831	20.482	20.851	21.206	21.471
South Western	15.550	16.500	13.660	14.240	15.750	15.750	16.280	16.550	16.890	17.240
Southern	16.800	17.770	14.390	15.080	15.020	15.020	16.620	16.840	17.170	17.510
Spring Grove Area	16.700	18.200	15.890	17.200	18.340	18.340	19.130	19.670	20.083	20.505
West York Area	18.420	19.090	16.647	17.330	18.265	18.265	19.812	19.812	20.228	20.673
York City	24.000	27.960	27.190	29.540	29.540	29.540	29.540	31.078	33.736	33.736
York Suburban	17.500	18.570	16.834	17.688	18.740	18.740	20.171	20.453	20.712	21.038
West Shore	11.300	11.900	10.100	10.200	10.500	10.500	11.100	11.780	12.320	12.520
City										
York	12.520	13.520	13.170	13.670	14.670	15.640	15.640	17.390	20.370	20.370
Borough Rates										
Cross Roads	0.350	0.350	0.280	0.280	0.280	0.280	0.280	0.280	0.280	0.280
Dallastown	2.000	2.000	1.650	1.650	1.650	1.650	1.650	1.650	1.650	1.650
Delta	1.700	1.900	1.440	1.900	1.900	3.000	3.000	3.000	3.000	3.000
Dillsburg	2.900	2.900	2.370	2.370	2.370	2.370	2.370	2.370	2.370	2.370
Dover	1.800	1.800	1.690	1.690	1.690	1.690	1.690	1.690	1.690	2.690
East Prospect	1.000	1.000	0.750	1.000	1.000	1.000	1.000	1.000	1.070	1.070
Fawn Grove	1.300	1.300	0.720	1.000	1.000	1.000	1.000	1.250	1.250	1.250
Felton	1.100	1.100	0.950	1.100	1.700	1.700	1.900	2.200	2.400	2.400
Franklintown	1.210	1.210	1.080	1.880	1.880	1.880	1.880	1.880	1.880	2.070
Glen Rock	3.000	3.000	2.400	2.500	2.600	2.800	2.800	2.800	2.950	3.550
Goldsboro	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750
Hellam	3.200	3.350	2.900	3.100	3.300	3.400	3.400	3.400	3.400	3.400
Hanover	4.450	4.450	3.990	3.990	3.990	3.990	3.990	3.990	3.990	5.000
Jacobus	1.300	1.300	0.923	1.300	1.300	1.300	1.500	1.700	1.700	1.700
Jefferson	2.100	2.100	1.750	1.750	2.758	3.346	3.450	4.200	4.200	4.200
Lewisberry	1.000	1.000	0.800	0.800	0.800	0.800	0.800	1.300	1.300	1.300
Loganville	1.200	1.700	1.500	1.500	2.000	2.000	2.000	2.000	2.000	2.000
Manchester	2.650	2.650	2.150	2.150	2.150	2.150	2.150	2.150	2.650	2.650
Mount Wolf	3.500	3.500	2.900	2.900	2.900	2.900	2.900	2.900	3.600	3.600
New Freedom	0.830	0.830	0.660	0.700	0.750	0.810	0.850	0.910	0.970	1.140
New Salem	1.100	1.100	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850
North York	3.500	3.500	3.210	3.710	3.710	4.710	4.710	5.500	6.000	6.000
Railroad	0.900	0.900	0.690	0.690	0.690	0.690	0.690	0.690	0.690	0.690
Red Lion	3.560	3.560	3.173	3.350	3.700	3.700	4.200	4.200	4.200	4.200
Seven Valleys	0.425	0.425	0.349	0.600	0.600	0.600	0.600	1.200	1.200	1.200
Shrewsbury	1.600	1.600	1.200	1.200	1.420	1.500	1.500	1.700	1.700	1.700
Spring Grove	2.590	2.590	2.340	2.340	2.340	2.840	2.840	2.840	3.340	3.340
Stewartstown	2.400	3.300	2.720	2.720	2.850	2.850	2.850	2.850	2.850	2.850
Wellsville	0.500	0.500	0.420	0.420	0.420	0.420	0.420	0.420	0.420	0.420
West York	3.190	4.490	3.900	4.900	4.900	4.900	5.500	6.500	6.500	6.500
Windsor	1.117	1.517	1.261	1.261	1.261	1.500	1.423	1.723	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	2.100	2.100	1.610	2.290	2.290	2.690	3.090	3.090	3.090	3.590
Yoe	1.153	1.153	0.914	1.914	2.955	2.955	2.955	3.455	3.455	3.455
York Haven	3.600	3.600	3.000	3.000	3.000	4.000	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>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>	<u>2013</u>
Townships										
Carroll	1.430	1.430	1.120	1.120	1.120	1.620	1.620	1.620	1.620	2.620
Chanceford	0.240	0.360	0.300	0.300	0.300	0.300	0.300	0.300	0.300	0.300
Codorus	0.550	0.550	0.420	0.420	0.420	0.420	0.600	0.600	0.600	0.600
Conewago	1.260	1.300	1.300	1.300	1.450	1.450	1.450	1.450	1.450	1.450
Dover	1.000	1.000	0.828	0.828	1.000	1.000	1.000	1.000	1.000	1.000
East Hopewell	0.590	0.590	0.430	0.430	0.430	0.430	0.430	0.430	0.430	0.430
East Manchester	1.150	1.150	1.040	1.040	1.040	1.040	1.040	1.040	1.040	1.040
Fairview	1.178	1.198	1.077	1.396	1.600	1.600	1.600	1.600	2.350	2.350
Fawn	0.650	0.650	0.470	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	0.600	0.600
Heidelberg	1.200	1.500	1.200	1.200	1.500	1.500	1.500	1.500	1.500	1.500
Hellam	1.800	1.800	1.606	1.800	1.800	1.800	1.800	1.800	1.800	1.800
Hopewell	0.290	0.290	0.210	0.210	0.210	0.210	0.210	0.210	0.210	0.210
Jackson	0.350	1.200	0.950	0.950	0.950	0.950	0.950	0.950	0.950	0.950
Lower Chanceford	0.700	0.700	0.600	0.650	0.700	0.750	0.770	0.800	0.830	0.830
Lower Windsor	0.000	0.000	1.000	1.000	1.000	1.000	1.000	0.750	0.750	1.000
Manchester	1.240	1.240	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Manheim	1.250	1.250	1.000	1.000	1.000	1.100	1.100	1.100	1.500	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	1.500	1.290	1.790	1.790	1.790	1.790	1.790	1.790	1.790
North Codorus	0.500	0.500	0.443	0.750	1.000	1.000	1.500	2.450	2.450	2.450
North Hopewell	0.335	0.335	0.272	0.272	0.272	0.272	0.272	0.272	0.272	0.299
Paradise	1.400	1.700	1.900	1.900	1.900	1.900	1.900	1.900	1.900	1.900
Peach Bottom	0.500	0.500	0.470	0.470	0.470	0.470	0.470	0.470	0.470	0.470
Penn	2.500	2.300	1.990	1.990	1.990	2.300	2.950	3.200	3.350	3.500
Shrewsbury	0.090	0.090	0.074	0.074	0.074	0.074	0.074	0.074	0.074	0.074
Spring Garden	2.850	2.850	2.440	2.440	2.440	2.440	2.440	2.440	2.440	2.440
Springettsbury	1.077	1.077	0.870	0.870	0.870	0.870	0.870	0.870	0.870	0.870
Springfield	0.330	0.330	0.260	0.260	0.260	0.300	0.300	0.300	0.500	0.500
Warrington	0.280	0.280	0.210	0.210	0.210	0.210	0.210	0.210	0.210	0.210
Washington	0.450	0.450	0.400	0.400	0.450	0.450	0.450	0.450	0.450	0.450
West Manchester	0.358	0.250	0.214	0.214	0.214	0.214	0.214	0.214	0.214	0.214
West Manheim	2.700	2.700	2.000	2.000	2.100	2.100	2.390	2.390	3.000	3.000
Windsor	0.320	0.600	0.500	0.500	0.600	0.600	0.600	0.600	0.600	0.600
York	0.800	0.700	0.600	0.600	0.600	0.700	0.700	0.700	0.700	0.700

COUNTY OF YORK, PENNSYLVANIA
Principal Property Taxpayers
December 31

Taxpayer	2013			2004		
	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 LP	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				\$ 309,214,140	1	1.64%
West Manchester Mall LLC				49,329,180	2	0.26%
Harley Davidson Motor Company				47,202,980	3	0.25%
York Galleria LP				45,759,390	4	0.24%
Kinsley Equities				41,609,540	5	0.22%
ES 3 York LLC				37,784,960	6	0.20%
Waterford Associates				31,655,350	7	0.17%
Crown American Associates				28,859,750	8	0.15%
Wellspan Health Care Services				24,915,590	9	0.13%
Edens & Avant Financing				22,464,120	10	0.12%
Total	\$ 412,187,803		1.54%	\$ 638,795,000		3.38%

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	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%	3,184,495	98,774,361	99.47%
2008	104,176,402	95,136,200	91.32%	2,461,402	97,597,602	93.68%
2009	108,549,695	100,423,781	92.51%	3,578,876	104,002,657	95.81%
2010	110,058,789	101,302,412	92.04%	4,847,473	106,149,885	96.45%
2011	111,162,049	102,604,108	92.30%	3,842,259	106,446,367	95.76%
2012	111,717,356	103,500,130	92.64%	2,782,223	106,282,353	95.14%
2013	122,184,828	112,976,789	92.46%	-	112,976,789	92.46%

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	Capital Leases				
2004	\$ 121,577,196	\$ -	\$ -		\$ 121,577,196	0.99%	\$ 300.81
2005	119,560,743	-	-		119,560,743	0.91%	289.08
2006	148,989,596	45,454,212	-		194,443,808	1.37%	458.29
2007	158,854,117	38,804,279	783,437		198,441,833	1.32%	461.55
2008	174,223,417	51,893,987	599,357		226,716,761	1.49%	535.26
2009	191,173,409	53,093,114	407,638		244,674,161	1.58%	563.30
2010	189,354,390	51,507,367	207,962		241,069,719	1.47%	547.91
2011	192,372,945	49,828,793	0		242,201,738	1.40%	549.69
2012	197,267,300	48,520,874	888,559		246,676,733	1.39%	556.07
2013	205,397,910	48,145,913	669,483		254,213,306	1.39%	563.02

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
2004	398,788	\$ 18,811,349	\$ 121,577	0.65%	304.87
2005	408,801	19,342,530	119,561	0.62%	292.47
2006	416,322	24,440,005	194,444	0.80%	467.05
2007	421,049	25,329,171	197,658	0.78%	469.44
2008	416,839	25,713,041	226,117	0.88%	542.46
2009	428,937	26,116,496	244,267	0.94%	569.47
2010	434,972	26,480,384	240,862	0.91%	553.74
2011	436,200	26,726,626	242,202	0.91%	555.25
2012	437,846	26,867,623	245,788	0.91%	561.36
2013	438,198	26,959,516	253,544	0.94%	578.61

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, 2013

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
School Districts			
Central York	\$63,990,000	100%	\$63,990,000
Dallastown Area	81,225,000	100%	81,225,000
Dover Area	53,165,000	100%	53,165,000
Eastern York	48,463,700	100%	48,463,700
Hanover Public	22,850,000	100%	22,850,000
Northeastern	75,315,000	100%	75,315,000
Northern	29,985,000	100%	29,985,000
Red Lion Area	72,995,000	100%	72,995,000
South Eastern	46,658,000	100%	46,658,000
South Western	31,780,000	100%	31,780,000
Southern	38,240,000	100%	38,240,000
Spring Grove Area	84,070,000	100%	84,070,000
West York Area	58,750,000	100%	58,750,000
York City	119,640,823	100%	119,640,823
York Suburban	40,720,000	100%	40,720,000
West Shore*	50,905,000	45%	22,907,250
Other Schools			
York Co School of Tech	30,030,000	100%	30,030,000
City			
York	110,447,124	100%	110,447,124

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, 2013

<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	247,257	100%	247,257
Dover	3,270,371	100%	3,270,371
East Prospect	0	100%	0
Fawn Grove	0	100%	0
Felton	853,171	100%	853,171
Franklintown	0	100%	0
Glen Rock	0	100%	0
Goldsboro	0	100%	0
Hellam	0	100%	0
Hanover	47,953,015	100%	47,953,015
Jacobus	0	100%	0
Jefferson	0	100%	0
Lewisberry	35,000	100%	35,000
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	3,327,369	100%	3,327,369
North York	33,755	100%	33,755
Railroad	0	100%	0
Red Lion	30,851	100%	30,851
Seven Valleys	90,794	100%	90,794
Shrewsbury	0	100%	0
Spring Grove	0	100%	0
Stewartstown	320,462	100%	320,462
Wellsville	0	100%	0
West York	0	100%	0
Windsor	312,530	100%	312,530
Winterstown	11,726	100%	11,726
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, 2013

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Townships			
Carroll	\$84,000	100%	\$84,000
Chanceford	0	100%	0
Codorus	76,697	100%	76,697
Conewago	0	100%	0
Dover	24,033,174	100%	24,033,174
East Hopewell	0	100%	0
East Manchester	0	100%	0
Fairview	17,897,024	100%	17,897,024
Fawn	15,823	100%	15,823
Franklin	0	100%	0
Heidelberg	0	100%	0
Hellam	751,675	100%	751,675
Hopewell	0	100%	0
Jackson	112,800	100%	112,800
Lower Chanceford	0	100%	0
Lower Windsor	59,293	100%	59,293
Manchester	7,292,913	100%	7,292,913
Manheim	0	100%	0
Monaghan	0	100%	0
Newberry	10,195,000	100%	10,195,000
North Codorus	14,054,100	100%	14,054,100
North Hopewell	530,000	100%	530,000
Paradise	258,187	100%	258,187
Peach Bottom	52,000	100%	52,000
Penn	18,565,049	100%	18,565,049
Shrewsbury	541,667	100%	541,667
Spring Garden	0	100%	0
Springettsbury	23,535,000	100%	23,535,000
Springfield	10,151,272	100%	10,151,272
Warrington	0	100%	0
Washington	0	100%	0
West Manchester	0	100%	0
West Manheim	12,739,262	100%	12,739,262
Windsor	0	100%	0
York	0	100%	0
Subtotal, overlapping debt			1,236,981,946
County of York direct debt			<u>205,397,910</u>
Total direct and overlapping debt			<u><u>\$1,442,379,856</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

	<u>Year</u>				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Borrowing Base Revenues					
Two years prior	\$233,374,047	\$255,046,694	\$272,355,249	\$302,994,515	\$323,719,025
Prior year	255,046,694	272,355,249	302,994,515	323,719,025	340,911,374
Current year	<u>272,355,249</u>	<u>302,994,515</u>	<u>323,719,025</u>	<u>340,911,374</u>	<u>347,460,500</u>
Total Revenues	<u><u>\$760,775,990</u></u>	<u><u>\$830,396,458</u></u>	<u><u>\$899,068,789</u></u>	<u><u>\$967,624,914</u></u>	<u><u>\$1,012,090,899</u></u>
Debt Limit For General Obligation Bonds					
Average borrowing base revenues	\$253,591,997	\$276,798,819	\$299,689,596	\$322,541,638	\$337,363,633
Debt limit percentage	x 300%	x 300%	x 300%	x 300%	x 300%
Debt limit	<u>760,775,991</u>	<u>830,396,457</u>	<u>899,068,788</u>	<u>967,624,914</u>	<u>1,012,090,899</u>
Total outstanding bonded debt	<u>119,960,000</u>	<u>118,175,512</u>	<u>190,794,912</u>	<u>194,333,895</u>	<u>223,117,298</u>
Legal Debt Margin	<u><u>\$640,815,991</u></u>	<u><u>\$712,220,945</u></u>	<u><u>\$708,273,876</u></u>	<u><u>\$773,291,019</u></u>	<u><u>\$788,973,601</u></u>
Total outstanding bonded debt as a percentage of debt limit	15.77%	14.23%	21.22%	20.08%	22.05%
Debt Limit For General Obligation Bonds and Lease Rental Debt					
Average borrowing base revenues	\$253,591,997	\$276,798,819	\$299,689,596	\$322,541,638	\$337,363,633
Debt limit percentage	x 400%	x 400%	x 400%	x 400%	x 400%
Debt limit	<u>1,014,367,988</u>	<u>1,107,195,276</u>	<u>1,198,758,384</u>	<u>1,290,166,552</u>	<u>1,349,454,532</u>
Total amount of debt applicable to debt limit	<u>119,960,000</u>	<u>118,175,512</u>	<u>190,794,912</u>	<u>195,117,332</u>	<u>223,716,655</u>
Legal Debt Margin	<u><u>\$894,407,988</u></u>	<u><u>\$989,019,764</u></u>	<u><u>\$1,007,963,472</u></u>	<u><u>\$1,095,049,220</u></u>	<u><u>\$1,125,737,877</u></u>
Total amount of debt applicable to debt limit as a percentage of debt limit	11.83%	10.67%	15.92%	15.12%	16.58%

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

	<u>Year</u>				
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Borrowing Base Revenues					
Two years prior	\$340,911,374	\$347,460,500	\$347,077,609	\$334,966,358	\$329,674,101
Prior year	347,460,500	347,077,609	334,966,358	329,674,101	336,090,592
Current year	<u>347,077,609</u>	<u>334,966,358</u>	<u>329,674,101</u>	<u>336,090,592</u>	<u>342,754,150</u>
Total Revenues	<u><u>\$1,035,449,483</u></u>	<u><u>\$1,029,504,467</u></u>	<u><u>\$1,011,718,068</u></u>	<u><u>\$1,000,731,051</u></u>	<u><u>\$1,008,518,843</u></u>
Debt Limit For General Obligation Bonds					
Average borrowing base revenues	\$345,149,828	\$343,168,156	\$337,239,356	\$333,577,017	\$336,172,948
Debt limit percentage	x 300%				
Debt limit	<u>1,035,449,484</u>	<u>1,029,504,468</u>	<u>1,011,718,068</u>	<u>1,000,731,051</u>	<u>1,008,518,844</u>
Total outstanding bonded debt	<u>241,619,341</u>	<u>238,325,000</u>	<u>239,775,406</u>	<u>243,472,267</u>	<u>246,715,609</u>
Legal Debt Margin	<u><u>\$793,830,143</u></u>	<u><u>\$791,179,468</u></u>	<u><u>\$771,942,662</u></u>	<u><u>\$757,258,784</u></u>	<u><u>\$761,803,235</u></u>
Total outstanding bonded debt as a percentage of debt limit	23.33%	23.15%	23.70%	24.33%	24.46%
Debt Limit For General Obligation Bonds and Lease Rental Debt					
Average borrowing base revenues	\$345,149,828	\$343,168,156	\$337,239,356	\$333,577,017	\$336,172,948
Debt limit percentage	x 400%				
Debt limit	<u>1,380,599,312</u>	<u>1,372,672,624</u>	<u>1,348,957,424</u>	<u>1,334,308,068</u>	<u>1,344,691,792</u>
Total amount of debt applicable to debt limit	<u>242,026,979</u>	<u>238,532,962</u>	<u>239,775,406</u>	<u>243,472,267</u>	<u>246,715,609</u>
Legal Debt Margin	<u><u>\$1,138,572,333</u></u>	<u><u>\$1,134,139,662</u></u>	<u><u>\$1,109,182,018</u></u>	<u><u>\$1,090,835,801</u></u>	<u><u>\$1,097,976,183</u></u>
Total amount of debt applicable to debt limit as a percentage of debt limit	17.53%	17.38%	17.77%	18.25%	18.35%

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>
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	16,227,500	37,307	66,646	7.9%
2011	436,200	17,155,310	39,329	65,957	7.1%
2012	437,846	17,568,133	40,124	64,871	7.5%
2013	438,198	17,747,019	40,500	65,370	5.8%

(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
Current Year and Eight Years Ago

Employer (1)	2013			2006		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
York Hospital	8,369	1	3.96%	4,568	1	2.11%
Federal Government	3,432	2	1.62%	-		0.00%
York County	2,612	3	1.24%	2,425	4	1.12%
Giant Food Stores LLC	2,325	4	1.10%	1,943	5	0.90%
Wal-Mart Associates, Inc.	1,952	5	0.92%	2,440	3	1.13%
BAE Systems	1,730	6	0.82%	1,405	6	0.65%
UTZ Quality Foods, Inc.	1,363	7	0.65%	1,245	8	0.57%
Kinsley Construction, Inc.	1,295	8	0.61%	1,111	9	0.51%
Harley-Davidson Motor Company	1,205	9	0.57%	2,800	2	1.29%
Hanover General Hospital	783	10	0.37%	1,321	7	0.61%
R.H. Sheppard, Inc.	-		0.00%	884	10	0.41%
Total	25,066		11.86%	20,142		9.29%
Total Employees in County (2)	211,300			216,700		

Note: Information on principal employers for 2004 or 2005 was not available; therefore, 2006 principal employers data was presented.

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**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund Departments										
Commissioners	10	9	11	8	9	7	6	6	6	6
Solicitor	2	2	2	3	3	3	3	3	2	2
Maintenance	41	41	54	44	42	41	41	41	39	43
Voter Registration	8	10	10	10	9	8	7	7	7	6
Assessment	36	37	37	37	33	30	28	28	25	23
Weights & Measures	2	2	2	2	2	1	1	1	1	1
Treasurer	9	10	8	10	10	10	10	9	10	10
Payroll	3	3	3	3	3	3	3	3	3	3
Controller	14	14	14	15	15	13	13	12	12	12
Training	-	-	2	2	-	-	-	-	-	-
Recorder of Deeds	16	15	15	14	15	14	12	11	12	11
Telephone & Mail Room	3	3	3	3	3	3	3	3	2	2
Information Services	20	19	20	21	20	21	19	19	20	18
Print Shop	1	1	1	-	-	-	-	-	-	-
Public Relations	-	-	-	-	-	-	1	1	1	1
Purchasing	2	3	3	3	3	3	3	3	3	3
Risk Management	3	3	3	2	2	2	2	2	-	-
Archives	6	6	7	7	7	7	7	7	7	8
Conservation District	14	14	15	16	16	16	16	15	15	15
Human Resources	8	7	8	9	10	10	8	10	12	10
Center for Highway Safety	4	4	4	4	4	4	4	4	4	4
Ag Land Preservation	2	2	3	4	4	3	3	3	3	3
Juvenile Probation	60	66	64	64	63	63	62	61	60	60
Adult Probation	81	90	83	93	92	92	98	98	105	104
Youth Development Center	51	51	44	54	64	50	41	37	41	41
Facilities Management	-	4	4	4	3	2	2	2	2	2
Prison	391	390	394	411	439	472	469	489	514	540
Register of Wills	10	10	10	9	10	9	9	9	10	10
Sheriff	91	95	106	104	106	105	104	104	99	106
Coroner	5	5	5	5	5	5	5	5	5	5
Prothonotary	23	24	26	26	28	27	28	28	28	29
Clerk of Courts	30	35	42	44	43	39	41	39	39	39
Public Defender	25	27	32	31	31	32	32	33	35	36
District Attorney	70	73	79	79	76	72	75	78	76	79
Criminal Response Unit	-	-	-	-	6	13	14	14	13	14
Court Administration	100	105	114	115	115	98	101	94	104	105
District Magistrates	85	88	89	89	88	94	88	91	89	89
Emergency Services	1	1	1	1	1	1	1	1	1	1
Divorce Masters	5	5	4	4	4	4	4	4	4	4
Emergency Management	7	7	7	7	7	7	6	6	6	6
Veterans	4	5	5	5	6	6	6	6	6	6
Parks	35	46	54	51	48	46	48	49	48	48
Fleet Management	-	-	4	4	4	4	4	4	4	4
Penn State Cooperative	11	10	11	12	12	10	10	10	9	9
Total General Fund Departments	1,289	1,342	1,403	1,429	1,461	1,450	1,438	1,450	1,482	1,518
Non General Fund Departments										
Human Services	7	6	10	11	11	10	10	13	18	17
Drug & Alcohol	11	12	13	12	12	9	11	12	12	9
MH/MR	118	116	123	130	134	131	134	131	128	129
Community Service	4	3	-	-	-	-	-	-	-	-
HealthChoices	5	5	4	6	7	6	7	7	5	6
Children & Youth	142	135	137	138	132	130	136	141	144	143
Nursing Home	502	515	506	516	530	520	527	524	538	530
911	81	104	94	103	115	115	125	131	121	122
Domestic Relations	78	77	75	79	74	69	68	64	63	68
Aging	63	60	60	60	63	63	68	69	60	70
Total Non General Fund Departments	1,011	1,033	1,022	1,055	1,078	1,053	1,086	1,092	1,089	1,094
Total	2,300	2,375	2,425	2,484	2,539	2,503	2,524	2,542	2,571	2,612

Source: York County Payroll System

COUNTY OF YORK, PENNSYLVANIA

Operating Indicators by Function

Last Ten Years

Function	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Government										
Fiscal Affairs										
Deeds recorded	11,366	10,244	9,673	10,201	10,694	11,577	14,182	16,018	17,021	16,577
Mortgages recorded	19,573	19,651	17,725	19,344	24,034	24,657	32,217	38,079	39,064	39,140
Land Development Plans	225	219	164	236	278	380	453	559	567	536
Dwelling Units Planned	1,294	781	618	714	1,195	858	1,788	3,273	4,898	3,948
New Construction Permits	945	694	673	891	1,083	1,375	1,899	2,679	3,064	2,688
Administration										
General election information										
Registered voters	268,268	280,195	269,020	268,107	264,161	299,412	278,994	275,251	266,880	264,134
Votes cast	50,964	191,432	39,165	132,341	50,337	197,132	58,910	128,119	56,042	181,678
Percent of votes cast	19.0%	68.3%	14.6%	49.4%	19.1%	65.8%	21.1%	46.5%	21.0%	68.8%
Coroner										
Cases	471	455	490	471	477	449	443	437	432	490
Autopsies	75	61	61	52	90	81	90	76	74	66
Court System and Corrections										
Court Administration										
Estates & wills probated	2,073	2,068	2,113	1,903	1,945	1,892	1,773	1,403	1,383	1,418
Petition for Adoption	122	109	108	128	144	165	145	140	172	165
Petition for termination or relinquishment	116	105	88	120	142	213	203	206	200	172
Marriage applications	2,295	2,201	2,309	2,186	2,170	2,352	2,240	2,406	2,371	2,350
Civil cases filed	4,678	5,098	5,089	6,876	6,635	6,373	4,776	4,419	2,890	3,894
Family cases filed	2,259	2,292	2,292	2,363	2,281	2,283	2,526	2,333	2,385	3,306
Municipal tax cases filed	9,078	8,921	9,593	8,827	1,545	1,300	1,039	1,118	1,240	1,024
Judgments filed	8,419	7,802	8,335	7,712	7,725	7,039	4,810	5,203	4,394	4,075
Administrative cases	40	40	40	41	35	28	23	35	40	2
Criminal cases	9,083	9,226	7,974	7,630	7,762	8,153	8,058	7,874	6,997	5,709
Juvenile cases	679	728	741	869	804	923	822	662	703	620
Dependency Cases	249	236	206	175	163	318	348	476	504	503
Miscellaneous cases	4,315	3,358	3,247	2,970	2,883	2,624	2,605	2,319	1,909	1,586
Summary appeals	452	473	521	651	596	550	548	473	472	428
Domestic relations active cases	13,878	14,004	14,465	14,345	14,495	15,363	16,077	16,699	17,084	17,035
Firearm permits issued	11,030	10,395	6,375	5,388	6,181	5,605	7,908	3,879	3,556	3,743
Probation										
Adult caseload	11,262	10,795	9,939	10,135	9,306	9,104	8,805	7,401	7,235	6,616
Juvenile referrals	1,621	1,775	1,637	1,925	2,003	2,264	2,389	2,148	2,198	2,378
Corrections										
Average daily population	2,387	2,343	2,378	2,316	2,256	2,253	2,134	2,036	1,833	1,831
Annual admissions	15,223	16,193	22,020	23,748	23,415	24,831	19,129	13,535	11,777	11,802
Pleasant Acres										
Nursing home beds	375	375	375	365	355	375	375	375	375	375
Independent living beds	32	32	32	32	32	32	32	32	32	32
Available bed days	136,875	137,250	136,875	133,225	129,575	137,250	136,875	136,875	136,875	137,250
Actual resident days	131,329	131,676	130,535	129,519	126,395	130,203	130,782	136,875	132,825	132,393
Percent occupancy	95.9%	95.9%	95.4%	97.2%	97.5%	94.9%	95.5%	100.0%	97.0%	96.5%

COUNTY OF YORK, PENNSYLVANIA

Operating Indicators by Function (Continued)

Last Ten Years

Function	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Human Services										
Adult Services										
Housing	-	-	-	-	-	529	542	617	900	413
Emergency shelter	505	576	603	567	655	610	801	420	511	250
Information/referral	26,632	33,552	36,084	33,969	32,842	40,199	38,194	35,945	35,018	31,936
Adult/Children Services										
Bridge housing	103	113	122	114	105	135	137	150	158	129
Rental assistance	2,306	3,929	1,967	3,747	4,096	4,050	5,098	5,875	4,863	4,107
Emergency shelter	531	909	695	590	800	576	696	617	480	521
Individual shelter nights	11,027	13,538	13,392	11,470	12,568	10,754	10,630	10,706	10,223	8,606
Medical transportation	1,215	1,325	2,033	1,627	1,624	1,940	1,482	1,141	805	517
Area Agency on Aging										
Home delivered meals										
Meals served	119,654	113,899	113,503	102,508	123,816	145,811	136,420	143,568	136,980	134,407
Persons served	899	763	727	681	755	1,052	991	1,011	1,113	1,029
Congregate meals										
Meals served	194,960	186,951	149,672	106,314	81,188	78,565	83,966	89,479	84,543	78,968
Persons served	3,845	4,067	3,307	2,748	1,829	1,751	1,846	1,846	1,667	1,757
Transportation										
Trips	34,428	61,154	76,117	81,256	94,248	110,764	104,884	108,600	104,718	101,136
Persons served	n/a	4,310	4,498	3,645						
Children, Youth, and Families										
Children served	8,304	8,405	8,601	7,871	7,810	8,483	8,622	8,619	8,277	8,219
Placement days	171,967	189,454	176,605	178,998	238,011	272,312	282,924	249,118	249,736	253,595
Child abuse reports	1,256	1,275	1,124	1,113	1,093	1,098	996	982	904	775
Mental Health										
Emergency/Crisis										
intervention hours	27,730	24,446	22,674	23,679	25,144	24,710	20,754	20,210	19,223	19,252
Community treatment team hrs	926	2,203	2,001	2,259	4,393	4,393	n/a	n/a	n/a	n/a
Community residential days	28,475	28,095	29,950	29,235	25,672	27,364	27,859	19,824	20,432	19,073
Community employment hours	694	1,312	1,218	10,674	8,126	9,152	10,575	8,165	6,119	6,327
Community vocational rehab hours	54,952	59,569	78,006	60,111	58,797	56,100	56,804	54,938	58,077	59,025
Service case management										
hours	42,084	58,062	55,308	59,719	58,071	54,696	51,406	51,959	47,494	47,056
Day treatment hours	4,038	4,921	5,492	2,779	4,462	4,906	4,559	2,289	4,450	4,981
Psychiatric outpatient hours	24,427	34,617	35,012	33,698	36,786	37,322	36,041	34,733	29,483	23,494
Social rehab hours	51,076	52,007	55,633	60,466	56,870	58,861	54,830	55,991	52,902	46,144
Family based support hours	9,659	7,868	8,818	7,448	11,388	9,744	7,480	5,525	4,977	5,575
Housing support days	13,563	16,871	17,151	17,029	18,044	18,135	21,047	17,145	14,168	16,878
Psychiatric inpatient days	131	195	297	223	161	109	234	293	98	363
Intellectual and Developmental Disabilities										
Community hab (ADT) hours	315,608	312,859	290,701	249,633	117,596	87,742	76,749	113,169	83,871	142,957
Vocational rehabilitation hours	398,835	390,741	420,703	477,567	250,802	197,655	195,359	294,772	213,771	202,109
Supported employment hours	3,766	3,729	4,059	10,861	7,795	7,957	7,923	14,774	14,514	17,528
Home & community hab hours	529,338	604,688	633,952	561,968	327,312	278,730	252,436	184,155	178,064	n/a
Respite service hours	69,254	82,833	64,439	51,145	60,588	52,201	61,187	n/a	n/a	n/a
Specialized treatment hours	4	8	2,835	15	23,744	23,602	18,919	n/a	n/a	n/a
Transportation	18,108	15,853	11,434	7,936	7,773	7,437	7,414	7,198	6,999	6,952
Early intervention clients	2,542	1,523	1,420	1,405	1,348	1,322	1,324	1,360	1,246	1,135
Family support clients	301	301	271	314	228	238	292	611	582	571
Residential clients	419	414	416	409	632	618	627	609	591	579
Drug & Alcohol										
Intake evaluations	2,943	2,264	4,549	6,681	2,180	2,258	1,507	1,494	1,297	1,459
Inpatient treatment clients	598	181	615	160	242	535	902	393	459	328
Detoxification days	2,569	2,274	2,279	2,151	2,346	1,864	1,904	835	1,343	515
Methadone visits	3,133	2,074	4,207	447	734	553	651	574	512	837
Outpatient hours	25,985	11,046	21,236	33,460	24,860	21,908	19,689	3,723	9,862	16,224

COUNTY OF YORK, PENNSYLVANIA

Operating Indicators by Function (Continued)

Last Ten Years

Function	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Human Services (continued)										
York HealthChoices										
Ancillary										
Members	521	534	336	370	181	68	88	83	72	1,530
Units	2,603	2,457	2,405	2,636	1,113	386	477	512	586	3,282
BHRS										
Members	2,300	2,128	1,925	1,697	1,637	1,401	1,320	1,223	1,088	948
Units	1,399,169	1,479,798	1,469,904	1,352,969	1,264,062	1,112,149	1,083,439	990,092	1,029,126	913,124
Community supports										
Members	2,621	2,424	1,992	2,052	1,864	1,465	1,440	1,577	1,340	1,040
Units	223,960	270,786	278,740	263,560	260,020	247,277	263,603	245,345	227,703	198,918
Inpatient drug & alcohol										
Members	12	14	16	10	14	14	18	17	14	12
Units	75	96	144	100	145	166	213	143	122	77
Inpatient mental health										
Members	1,036	999	904	860	845	699	717	724	565	531
Units	14,016	13,637	12,388	12,149	11,494	9,778	10,070	10,321	8,294	7,792
Non-hospital drug & alcohol										
Members	910	863	801	743	668	460	385	343	274	213
Units	36,091	34,547	30,935	31,449	24,575	17,066	15,056	10,740	7,721	6,129
Other services										
Members	957	888	778	639	497	329	194	227	106	164
Units	153,928	163,180	154,910	132,878	130,269	90,553	56,322	44,401	6,446	4,723
Outpatient drug & alcohol										
Members	1,734	1,297	1,194	1,260	1,250	1,093	711	732	593	522
Units	30,539	32,367	34,352	32,896	30,287	17,427	11,110	16,996	11,708	7,497
Outpatient mental health										
Members	10,929	10,866	10,149	9,583	9,056	7,997	7,000	6,415	5,536	4,540
Units	224,772	245,997	230,549	236,030	244,809	212,434	202,660	169,647	148,066	128,667
RTF accredited										
Members	91	100	111	103	134	180	215	188	169	122
Units	16,344	18,488	20,752	17,581	24,097	33,036	38,418	169,647	148,066	128,667
RTF non-accredited										
Members	16	12	15	19	21	20	18	19	23	27
Units	3,449	3,340	3,072	3,182	3,737	3,734	2,726	2,191	2,535	3,433

COUNTY OF YORK, PENNSYLVANIA

Operating Indicators by Function (Continued)

Last Ten Years

Function	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Human Services (continued)										
Adams HealthChoices										
Ancillary										
Members	81	76	74	85	34	5	8	7	1	220
Units	363	342	812	1,140	154	28	50	34	4	475
BHRS										
Members	518	528	455	403	371	311	270	250	223	204
Units	381,686	435,179	402,344	361,269	374,450	278,591	243,382	211,977	221,953	264,246
Community supports										
Members	493	422	307	359	343	238	249	248	208	146
Units	48,440	49,581	54,353	49,943	49,714	45,500	53,551	51,063	32,626	19,863
Inpatient drug & alcohol										
Members	-	2	1	1	2	1	4	1	2	1
Units	-	7	2	20	18	8	80	13	12	7
Inpatient mental health										
Members	120	121	119	130	125	89	77	90	80	91
Units	1,673	1,561	1,512	2,074	1,910	1,872	1,197	1,654	1,310	1,366
Non-hospital drug & alcohol										
Members	88	105	110	111	99	61	57	56	29	30
Units	3,499	3,856	4,307	5,236	4,468	2,541	2,217	1,505	882	796
Other services										
Members	122	134	148	149	108	46	50	54	44	44
Units	10,280	9,324	10,490	10,609	5,017	3,384	3,633	4,420	2,572	3,084
Outpatient drug & alcohol										
Members	228	231	213	208	201	162	160	167	104	95
Units	5,066	4,722	4,221	4,717	2,899	2,111	2,527	3,884	2,497	1,665
Outpatient mental health										
Members	1,722	1,665	1,540	1,452	1,396	1,141	993	937	896	756
Units	28,385	31,730	34,512	38,407	30,483	26,645	16,998	22,200	20,933	16,517
RTF accredited										
Members	16	19	28	39	41	46	49	50	38	31
Units	2,005	2,519	3,966	6,060	7,884	8,917	7,968	8,826	5,643	4,829
RTF non-accredited										
Members	2	2	5	3	1	5	5	1	0	4
Units	278	361	966	289	128	683	772	52	0	381

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

COUNTY OF YORK, PENNSYLVANIA

Capital Asset Statistics by Function
Last Ten Years

<u>Function</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>	<u>2013</u>
Governmental Fund										
<u>Corrections</u>										
Motor Vehicles										
Juvenile Probation	6	6	6	6	6	5	5	5	5	5
Adult Probation	4	4	5	5	5	4	4	3	6	7
Youth Development Center	1	1	1	1	1	1	2	3	3	3
Prison	13	13	13	13	13	13	13	15	16	15
Buildings	2	2	2	2	2	2	2	2	2	3
<u>Cultural and Recreation</u>										
Motor Vehicles										
Parks	19	20	20	21	24	24	23	24	24	26
Number of Parks	9	9	9	10	10	10	10	10	10	10
Parks Acreage	4,070	4,070	4,070	4,261	4,261	4,261	4,261	4,261	4,275	4,275
Buildings	6	6	6	6	6	7	7	7	7	7
<u>General Government</u>										
Motor Vehicles										
Conservation District	9	9	9	9	9	9	9	9	9	9
Coroner	2	2	2	2	2	2	2	3	3	3
Fleet Management	0	5	6	5	6	6	6	9	13	14
Highway Safety	1	1	1	1	1	1	1	1	1	1
Human Resources	1	1	1	0	0	0	0	0	0	0
Maintenance	3	4	4	5	5	5	5	5	6	4
Penn State Coop Extension	1	2	2	4	5	5	5	5	5	5
Weights and Measures	0	1	1	1	1	1	1	1	1	1
Buildings	5	5	4	4	4	4	4	4	4	5
<u>Health Education and Welfare</u>										
Motor Vehicles										
Aging	2	2	2	5	4	4	4	5	5	5
Children & Youth	13	15	13	13	13	13	13	14	13	14
MH/MR	2	2	2	2	2	2	2	2	2	2
Veterans Affairs	1	1	1	1	1	0	0	0	0	0
Buildings	2	2	2	2	2	2	1	1	1	1
<u>Judicial</u>										
Motor Vehicles										
District Attorney	8	9	10	12	12	12	12	11	13	13
Sheriff	22	25	28	29	32	31	31	34	33	34
Buildings	1	1	2	4	7	7	10	10	11	12
<u>Public Safety</u>										
Motor Vehicles										
Emergency Management	4	4	6	5	4	4	4	4	4	4
Emergency Services	1	1	1	1	1	1	1	1	1	1
<u>Road and Bridges</u>										
Motor Vehicles										
Liquid Fuels	5	5	5	4	5	5	5	5	5	3
Business Funds										
<u>County Nursing Home</u>										
Motor Vehicles	10	10	11	10	9	9	9	8	8	8
Buildings	1	1	1	1	1	1	1	1	1	1
<u>911 Fund</u>										
Motor Vehicles	3	3	4	7	7	7	7	7	7	7
Buildings	2	2	2	2	2	2	2	2	2	2

Source: York County Fixed Asset System