

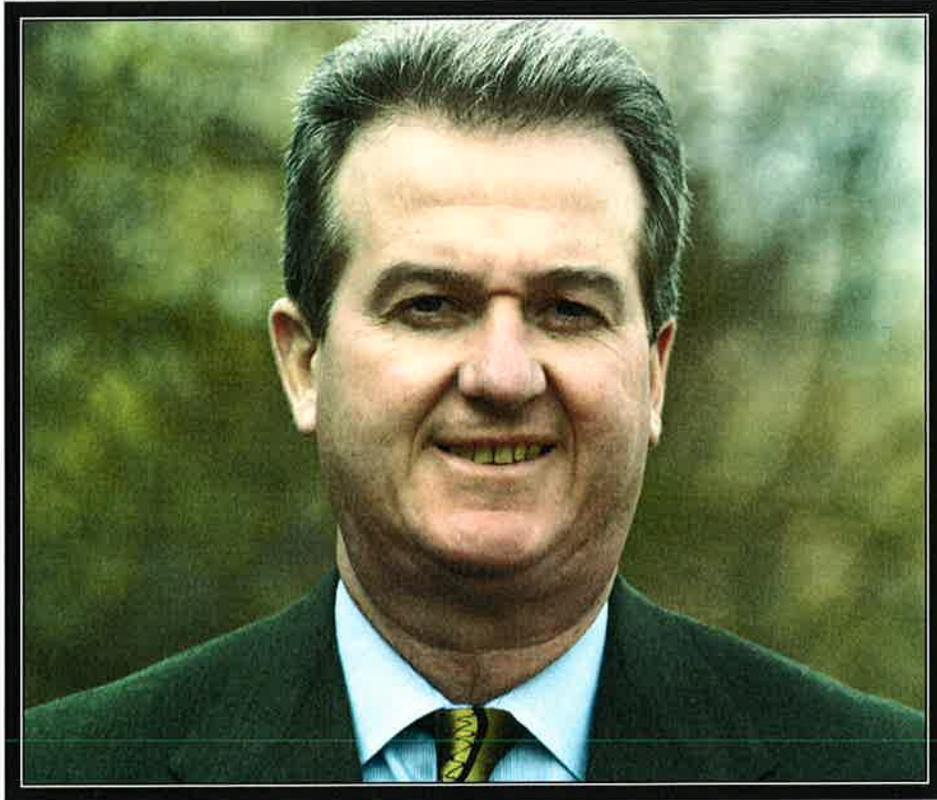
COUNTY OF BUCKS, PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE YEAR ENDED
DECEMBER 31, 2011

Prepared by the Office of the Controller
Raymond F. McHugh, Esquire, Controller



***Raymond F. McHugh, Esquire
Controller
County of Bucks, Pennsylvania***



***Bucks County Courthouse
Doylestown, Pennsylvania***



INTRODUCTORY SECTION

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COUNTY OF BUCKS, PENNSYLVANIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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CONTROLLER'S OFFICE

COUNTY OF BUCKS

Administration Building
55 East Court Street, Doylestown, PA 18901-4318
(215) 348-6435 • Fax (215) 348-6107

RAYMOND F. McHUGH, ESQ.
Controller

KIMBERLY S. DORAN, CPA, CGFM
Deputy Controller

June 29, 2012

To the citizens of Bucks County, Pennsylvania:

The comprehensive annual financial report of the County of Bucks, Pennsylvania for the fiscal year ended December 31, 2011, is hereby submitted. Responsibility for both the completeness and fairness of the data and its presentation, including all disclosures, rests with the County's management. The County has implemented the Governmental Accounting Standards Board's Statement No. 34 "Basic Financial Statements and Management Discussion and Analysis – for State and Local Governments." To the best of my knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the County in accordance with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

The comprehensive annual financial report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, the Certificate of Achievement for Excellence in Financial Reporting for the fiscal year ended December 31, 2010, the County's organizational chart and a list of the County's principal officials. The financial section includes the independent auditors' report, Management's Discussion and Analysis, the basic financial statements, required supplementary information and the combining and individual fund financial statements and schedules for the year ended December 31, 2011. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to compliment MD&A and should be read in conjunction with it. The County of Bucks MD&A is immediately following the report of the independent auditors.

The County of Bucks, one of the three original counties founded by William Penn in 1682, consists of fifty-four municipalities with a population of approximately 626,854 residing in 614 square miles. Since January 1, 1992 the County has operated under the provisions of the Second Class A County Code as enacted by the General Assembly of the Commonwealth of Pennsylvania.

A three member Board of County Commissioners performs all of the County's legislative and executive functions. The Controller is elected as the County's Chief Financial Officer and supervises the fiscal affairs of the County. The Treasurer is elected to receive and receipt all monies due or accruing to the County including the deposit and investing of surplus funds. The Court of Common Pleas is part of the Unified Judicial System provided for by the Pennsylvania Constitution. Court related row offices include the Coroner, Clerk of Courts, District Attorney, Jury Commissioners (2), Prothonotary, Recorder of Deeds, Register of Wills and Sheriff.

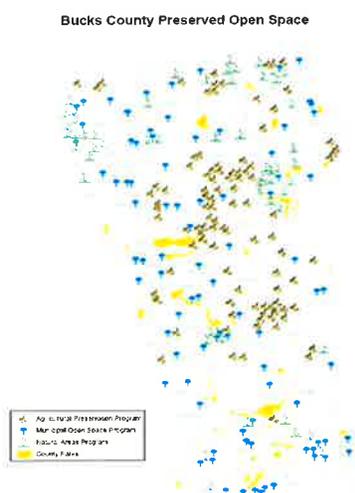
This report includes all funds of the County. The County provides a full range of human services that include the operation of a nursing facility, county-wide health services, park system and judicial system. In addition to general County activities, the Commissioners have financial accountability for the Bucks County Community College, the Bucks County Community College Authority, the Bucks County Free Library, the Bucks County Drug and Alcohol Commission, Inc., the Bucks County Airport Authority, and the Bucks County Housing Authority. Therefore, these component units are included in the reporting entity. The County Commissioners are also responsible for appointing the members of the boards of a number of other authorities and advisory boards, but the County's accountability for these organizations does not extend beyond the appointments. (See Note 2 to the financial statements.)

ECONOMIC CONDITION AND OUTLOOK

The County of Bucks is located in the southeastern part of Pennsylvania in the Washington/Boston corridor. It continues to grow along with the neighboring counties in Pennsylvania and New Jersey that make up the Philadelphia metropolitan area. Although the national economy affects Bucks County and the region, the County's 7.3% unemployment rate compared favorably to the statewide rate of 7.9% and the national rate of 8.9% at December 31, 2011. Bucks County's location, and the diversity of its labor force and employment base, will continue to make it attractive to businesses throughout this decade.

COUNTY OPEN SPACE PROGRAM

Bucks County continues to be one of Pennsylvania's fastest growing counties. In November 1995, a twenty-four member Open Space/Farmland Preservation Task Force was created "to develop a practical plan to protect in perpetuity those natural resource areas and farmlands deemed essential to preserve the unique character of Bucks County."



The Bucks County Open Space Program continues to play a large role in the preservation of land in the County. Unique to the Delaware Valley Region, the program's successes are due to a diversity of open space and farmland preservation funding opportunities. The program has provided residents and municipalities with the best available funding and technical assistance for open space and farmland preservation.

Implementation of the Open Space Program was divided into four main components: the Agricultural Land Preservation Program, the Parkland Acquisition Program, the Municipal Open Space Program, and the Natural Areas Program. Each component receiving funds through the program has specific criteria for the preservation of land in the County of Bucks.

The achievements of the Open Space Program for the year 2011 are as follows:

- *Farmland preservation* – The purpose of the County's Agricultural Land Preservation Program is to continue to protect the future of a viable agricultural community while allowing a farmer to pass on the family farm, and expand or improve the farm operation or sell the farm to another for continued agricultural production. The landowner retains ownership of the land, including the right to farm the land or to sell the land. Since its formation in 1989, the Bucks County Program primary goal was to preserve 10,000 acres by 2007.



Today, the number of acres preserved through programs totals more than 12,000. Bucks County is home to 934 farms comprising of 75,883 acres and ranks 18th out of Pennsylvania's 67 counties in agricultural production and generates over \$70 million in agricultural products each year.

- In 2011, the farmland preservation program had a successful year with over 474 acres on 5 farms being permanently protected through the use of agricultural conservation easements. Two new additions to the program were the 68.29 acre Feeney tree farm located in Buckingham Township and the 62.85 acre Keating farm located in Durham Township.



- *Parkland acquisition* - Bucks County has an ongoing goal of acquiring land in order to reduce parkland deficits, and to expand and create regional parks. The establishment of parks to connect population centers and disjointed parkland tracks in areas such as stream valleys and other natural corridors will make it possible to create recreational areas for hiking, jogging, biking, and other similar recreational activities. The County's goal is to develop as many useful and enjoyable trails along these corridors as possible, allowing residents, and tourists alike to use the County park system, for enjoyment of outdoor activities such as picnicking, hiking, walking, bicycling, fishing, and boating. The county consists of nine extensive park systems including: Core Creek, Lake Towhee, Peace Valley, Playwicki, Ringing Rocks, Silver Lake, Stover-Myers Mill, Tinicum, and Tohickon Valley totaling over 8,500 acres.
- *Municipal open space* - The Municipal Open Space Program offers local governments an alternative opportunity to preserve farmland that may not meet the standards of the Agricultural Land Preservation Program. Each open space plan details a municipality's resources suitable for preservation and the steps needed to protect them. All of the 54 municipalities have completed an open space plan, a prerequisite to participate in the County program. The Bucks County municipal governments have together protected over 3,333 acres of open space. All properties preserved with County funds are restricted from further development through the use of deed restrictions or conservation easements. Municipalities continue to use the Municipal Open Space Program as a vital way to plan for the preservation of their resources. In November 2011, the commissioners approved three Open Space preservation projects totaling 145 acres, including the 27-acre Wernette property in Richland Township, the 39.1-acre Jones property in Springfield Township, and the 89.85-acre Bates property in West Rockhill Township.
- *Natural areas* - Under the County Commissioners' open space preservation initiative, \$9 million has been allotted for a natural areas preservation program. The Bucks County Natural Areas Program was created to preserve as many examples as possible of the unique natural resources that are found in the County including the protection of natural habitats, ecological diversity, and significant geological features. Only non-profit land trusts and conservancies or Bucks County municipalities may submit applications to purchase natural areas or to acquire conservation easements. The program is a competitive grant program with the most important factor in evaluating a grant proposal being the property's natural resources.
- Since 1997, the Natural Areas Program has distributed 87 grants toward the preservation of 4,117 acres.
- On June 16, 2011, the Bucks County Commissioners approved a pair of plans that reconfirmed the county's commitment to green infrastructure, land preservation and linkage of existing county greenways. The Natural Areas Inventory update came together with a unique undertaking by the Planning Commission – *The Bucks County Open Space and Greenway Plan*. The plan identifies 27 greenway corridors that will key the county's future linkage. They include five different types of greenways – grouped as conservation greenways (3), cultural (6), recreational (3), multi-use (13) and combination (2). The document was shaped by public input and is filled with Bucks County facts.

YEAR IN REVIEW

The year 2011 represents a vibrant time of capital growth, service excellence and fiscal prudence.

- In July 2011, the Commissioners voted to create the Commissioners' Economic Development Council (CEDC), to "advise the commissioners on economic development issues and to further the collaboration and cooperation among agencies and organizations committed to the economic conditions in the County (of Bucks)." The creation of the CEDC is viewed as a roadmap to move forward. The composition of the board is composed of 13 official voting members and 15 non-voting members from a regional list of economic development and related agencies. It will continue its work in earnest during 2012.
- The Commissioners partnered with Delaware Valley College, Bucks County Behavioral Health System, the Bucks County Human Relations Council and Magellan Health Services to sponsor the County's first-ever Diversity Conference. The conference, which drew almost 400 attendees to Delaware Valley College, featured breakout sessions dedicated to diversity topics, a resource fair, and a presentation by Temple University Professor Mogauwane Mahloele. Melissa Harris-Perry, a professor and MSNBC contributor and columnist for *The Nation* gave a speech titled, "*Teachable Moments in the Politics of America's New Racial Landscape.*" The goal of the conference was to "elevate the awareness of diversity and increase individual and community knowledge of local and national diversity resources for Bucks County."
- In October 2011, the Commissioners cut the ceremonial ribbon at the burn building of the Lower Bucks Public Safety Training Center. The burn building, which is a part of an \$8.5 million training complex on nearly 11 acres in Bristol Township, is the "finest in the Commonwealth of Pennsylvania," according to the Lower Bucks Fire School Committee Chairman. The first responders will receive state-of-the-art, hands on training in the new burn building, which includes areas for residential, mercantile, hotel/motel and office complex incidents. The building also features a tight-quarters rescue area, a shingled roof prop and technology to simulate fires of more than 1,500 degrees fahrenheit. The adjacent administration building will provide comprehensive classroom training and office space for large and small instructional groups. A large concrete pad will allow firefighters to drill incidents such as tanker fires and gas-station calls.
- The Commissioners proclaimed Saturday, October 29th as "National Drug Take Back Day." The process included multiple agencies that have collaborated to take prescription drugs out of home medicine cabinets and out of the waste stream. The Bucks County Prescription Drug Take-Back Initiative brings together the Commissioners, the District Attorney's office, the Bucks County Area Agency on Aging (AAA), the Bucks County Drug and Alcohol Commission, the Bucks County Print Shop, the Bucks County Children and Youth Social Services Agency, the Bucks County Detectives, the Bucks County Department of Health, the county Medical Reserve Corps (MRC), Bucks Promise for Youth & Communities, and local law enforcement agencies. The October 29th event collected 3,800 pounds of medication at more than 40 sites around the county. That total collected was more than neighboring counties Chester, Delaware, Montgomery and Philadelphia collected overall that day.
- The County once again held a successful annual Household Hazardous Waste Collection Program. This was the thirteenth year the five southeastern Pennsylvania counties have worked together to sponsor a regional program. Bucks County's program consisted of five different hazardous waste drop off points throughout the County including Lower Makefield, Bedminster, Warwick, Bristol and Quakertown Townships. The regional household hazardous waste collection program provides an opportunity for residents to properly dispose of many materials that are not able to be disposed by any other means, thereby keeping these products from contaminating our water supplies or soil. This year's collection had 5,807 County participants with 529,242 pounds of material collected which is an average of 91 pounds of material per participant.

FINANCIAL INFORMATION

Internal Control Structure. Management of the County of Bucks is responsible for establishing and maintaining an internal control structure that is designed to ensure that the assets of the County are protected from loss, theft or misuse, that transactions are executed in accordance with management's integrity, and to ensure that adequate accounting data is compiled to allow for preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. An integral function of the Controller's Office Internal Audit staff is to test the design and effectiveness of the internal control structure.

Single Audit. As a recipient of Federal and State financial assistance, the County is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management and the internal audit staff of the County.

As part of the County's single audit, tests are made to determine the adequacy of the internal control structure, including that portion related to Federal financial assistance programs, as well as to determine that the County has complied with applicable laws and regulations. Historically, the results of the County's single audits have indicated no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgeting Controls. The County maintains budgetary controls, the objective of which is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County Commissioners. Activities of the general fund, special revenue funds, debt service fund and capital projects funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by departmental classification. The County also maintains an encumbrance accounting system as an additional technique of budgetary control. Encumbrances are liquidated at year-end. Encumbrances generally are not reappropriated as part of the following year's budget, except for capital projects.

Financial Policies. As demonstrated by the statements and schedules included in the financial section of this report, the County continues to meet its responsibility for sound financial management. The County budgetary guidelines were for all County departments to keep the level of service without increasing taxes. The County did not want to place additional burden on the taxpayers. Each department was tasked to maintain departmental expenditures with little or no increase in 2011.

The County has obtained an "Aaa" rating from Moody's Investors Service and obtained an "AA+" rating from Standard and Poor's Corporation on general obligation issues.

Cash Management. Cash temporarily idle during the year was held in interest bearing demand deposits or invested in certificates of deposit and repurchase agreements. The Pension Trust Fund's investment portfolio also includes corporate bonds, stocks and mutual funds. The average yield on cash and investments in the governmental fund types was .22%. Interest earnings for the governmental activities totaled \$714,375 in 2011.

The County's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, 99.98% of all deposits were either insured by federal depository insurance or collateralized. Deposits are collateralized by a pledge or assignment of assets pursuant to Act No. 72 of the General Assembly of the Commonwealth of Pennsylvania.

Risk Management. During 2011, the County continued a self-insurance program for workers' compensation, general liability and auto liability. As part of this comprehensive program, resources are being accumulated in the general fund to fund current costs as well as potential future liabilities. Excess coverage is currently maintained with a third party for workers' compensation and auto liability. Effective January 1, 2009, the County elected to provide medical benefit coverage and hospitalization on a premium basis.

HIGHLIGHTED DEPARTMENT

The Bucks County Youth Center is comprised of two distinct juvenile programs. The secure detention program is a temporary holding facility for alleged and adjudicated delinquent juveniles. It is operated under the authority and standards set forth by the Commonwealth of Pennsylvania, Department of Public Welfare, Title 55, PA Code 3800. Youth between the ages of 10 years and 18 years, alleged to have committed a crime and under the authority of the Bucks County Juvenile Court, are remanded to the secure care program while awaiting court proceedings. They remain under the care, custody and control of the Youth Center until a disposition has been finalized by the Juvenile Court.



Secure detention services are initiated with a battery of assessments to aid in providing a safe and neutral setting while court proceedings are being conducted. It also aids the Juvenile Court in determining the best course of action in achieving the principles of balanced and restorative justice to the over 700 admissions it receives on an annual basis.

In an effort to provide immediate consequences for delinquent behavior and probation violations, the Child Accountability Program (CAP) was created at the Bucks County Youth Center (BCYC) in 2009. It has run continuously since then and has served over 500 juveniles. The CAP program was created by BCYC in cooperation with Bucks County Juvenile Probation and Juvenile Court Judges as an alternative to longer term out of home placements. The program holds probationers accountable by providing evidenced based weekend programming including competency development classes and community service work projects. CAP Residents are court ordered to reside at BCYC from Friday afternoon until Sunday afternoon. In 2012, the CAP program was recognized as a best practice by the County Commissioners Association of Pennsylvania (CCAP) receiving an honorable mention award. This was on heels of being selected as the CCAP "Affiliate of the Year" in the fall of 2011.

In 2012, the Bucks County Youth Center became the first school lunch program participant in Pennsylvania to earn the Healthier US School Challenge Gold Award of Distinction. The award was issued by the US Department of Food, Nutrition and consumer services. In order to receive the award, the Youth Center had to adhere to stringent food requirements, increased physical activities, and nutrition education set forth by the National School Lunch Program. Many menu changes were made including adding more fresh fruits and vegetables to meals.

The second Youth Center program is a twenty bed community based residential program for both males and females. The program is populated by residents remanded by the Bucks County Juvenile Court. It is also operated under the authority and standards set forth by the Commonwealth of Pennsylvania, Department of Public Welfare. The program focuses on assessment, treatment planning and counseling services. Emphasis is placed on the individual resident as well as the family to optimize positive outcomes. Youth are offered a variety of competency development skills in order to aid them in becoming more productive citizens upon returning to their respective communities.

The residential program offers an array of enrichment programming to its residents. Topics include academic improvements, anger management and drug and alcohol education. One program of interest is the garden program in which residents receive education and skills from gardens located on Youth Center property. The residential program also places a priority on community involvement and participation. In the spring of 2012, the residential program partnered with the Bucks County Planning Commission to participate in an Earth Day event in which the County distributed compost bins and rain barrels.

The Youth Center served as a host site displaying installed compost bins and rain barrels that are used in conjunction with the garden program. Youth Center residents provided guided tours and demonstrations to county residents attending this event. The residential program residents also assisted in setting up the annual Doylestown YMCA 5k run.

In 2012, the Bucks County Youth Center recognized the importance of community participation. The Youth Center participated in several career days and job fairs at area colleges and high schools. The staff gave a presentation on diversity in juvenile justice and team building utilization to understand and respect differences in others at Palisades High School at its annual Diversity Day event. The Youth Center also hosted a regional school nutrition association dinner that was attended by over 80 school district officials from area schools and surrounding counties. The Youth Center partners with the Community Conservatory of Doylestown to provide residents instruction in music and art.

OTHER ACCOMPLISHMENTS

Veterans ID Card Discount Program Debuts. In November 2011, the Commissioners joined the County Veterans Affairs Department and the Recorder of Deeds to introduce a new veterans ID card discount program. All Bucks County veterans and active duty personnel can register at the Bucks County Recorder of Deeds office in the Bucks County Courthouse. They receive a color photo identification card that will entitle them to special discounts at local businesses. The program kicked off with almost 100 veterans posing for ID pictures. Many of them expressed appreciation for the opportunity to carry a simpler form of veterans ID than the traditional paperwork that denotes their service to the United States. The County is excited to launch this program for our veterans' community, which numbers more than 50,000 in Bucks County. The program will support them and the 'veteran friendly' businesses who offer discounts for their goods and services. During 2012, the program registration will be available at remote locations such as the Lower Bucks Government Services Center, Senior Centers and Expos, and the Middletown Grange Fair. In the first two months of the program, more than 1,000 Veterans ID Cards were issued by the Recorder of Deeds office.

OTHER INFORMATION

Independent Audit. The accounting firm of Zelenkofske Axelrod LLC, Independent Certified Public Accountants, was selected to perform an audit of the County's basic financial statements in order for the County to meet the requirements of the Federal Single Audit Act of 1984 and related OMB Circular A-133. The independent auditors' report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The independent auditors' reports related specifically to the single audit are presented in a separate report.

Litigation. In the normal course of business various claims and suits are pending against the County. In the opinion of counsel, the amount of such losses that might result from these claims and suits, if any, would not materially affect the financial position of the County.

Awards. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report for the fiscal year ended December 31, 2010. This was the twenty-seventh consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

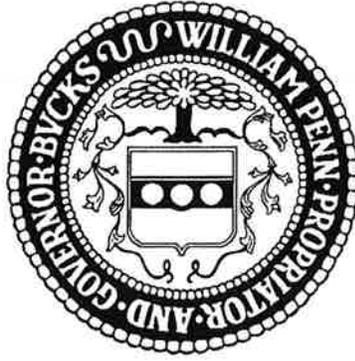
Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Controller's Office. I wish to express my sincere appreciation to each member of the office for the contributions made in the preparation of this report.

Sincerely,



Raymond F. McHugh, Esquire
Controller

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COUNTY OF BUCKS

CONTROLLER'S OFFICE

MISSION STATEMENT

To protect the assets of the citizens of the County of Bucks by ensuring the lawful, appropriate and efficient receipt, maintenance and disbursement of County funds and property and communicating related information in an accurate and timely manner.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Bucks
Pennsylvania

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2010

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



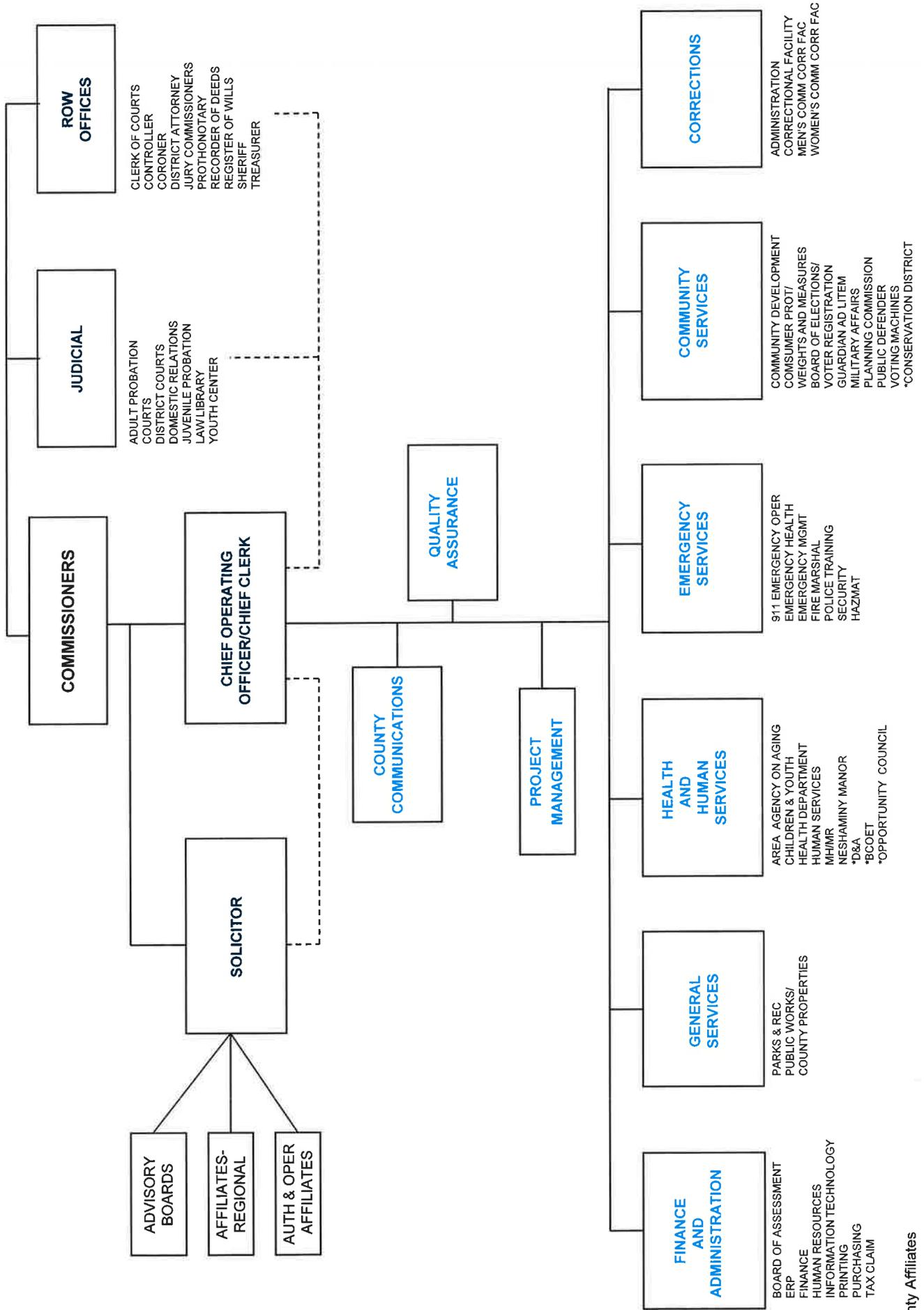
Linda C. Davison

President

Jeffrey R. Emer

Executive Director

COUNTY OF BUCKS ORGANIZATION CHART ELECTORATE



COUNTY OF BUCKS, PENNSYLVANIA

PRINCIPAL OFFICIALS

COUNTY COMMISSIONERS

Charles H. Martin, Chairman,
Robert G. Loughery, Vice-Chairman
Diane M. Ellis-Marseglia, LCSW

ROW OFFICERS

Mary K. Smithson, Clerk of Courts
Raymond F. McHugh, Esquire, Controller
Dr. Joseph P. Campbell, III, Coroner
David W. Heckler, Esquire, District Attorney
Patricia L. Bachtle, Prothonotary
Joseph J. Szafran, Recorder of Deeds
Donald Petrille Jr., Register of Wills
Edward J. Donnelly, Sheriff
William R. Snyder, Treasurer

JUDICIARY

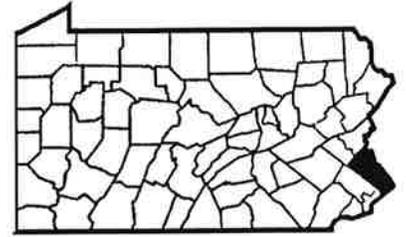
Honorable Susan Devlin Scott, President Judge
Honorable Rea B. Boylan, Judge
Honorable Alan M. Rubenstein, Judge
Honorable Robert J. Mellon, Judge
Honorable C. Theodore Fritsch, Jr., Judge
Honorable Albert J. Cepparulo, Judge
Honorable Clyde W. Waite, Judge
Honorable Jeffrey L. Finley, Judge
Honorable Diane E. Gibbons, Judge
Honorable Robert O. Baldi, Judge
Honorable Wallace H. Bateman, Jr., Judge
Honorable Gary B. Gilman, Judge
Honorable James M. McMaster, Judge

JURY COMMISSIONERS

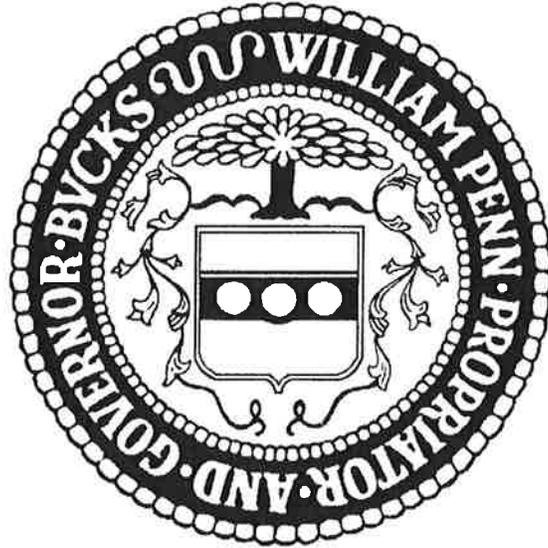
Debra E. DeBlasio
Theresa M. Farley



BUCKS COUNTY PENNSYLVANIA



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FINANCIAL SECTION

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Zelenkofske Axelrod LLC

INDEPENDENT AUDITORS' REPORT

County Commissioners
County of Bucks
Doylestown, Pennsylvania

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the COUNTY OF BUCKS, as of and for the year ended December 31, 2011, which collectively comprise the COUNTY OF BUCKS basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the COUNTY OF BUCKS. 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 Bucks County Airport Authority, the Bucks County Community College, the Bucks County Community College Authority, the Bucks County Drug and Alcohol Commission, Bucks County Free Library, and the Bucks County Housing Authority, which represents 100% of the assets, net assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us and our opinion, insofar as it relates to the amounts included for those aggregate discretely presented component units, is based solely upon the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the Bucks County Community College, the Bucks County Community College Authority, the Bucks County Free Library, and the Bucks County Airport Authority 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the COUNTY OF BUCKS as of December 31, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the financial statements, in 2011 the COUNTY OF BUCKS adopted the provisions of Governmental Accounting Standards Board's Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*," and Statement No. 59, "*Financial Instruments Omnibus*,"

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

Zelenkofske Axelrod LLC

In accordance with Government Auditing Standards, we have also issued our report dated June 29, 2012 on our consideration of the COUNTY OF BUCKS' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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, and budgetary comparison schedules on pages 3 through 13; 69; and 70 through 76 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 inquiries 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.

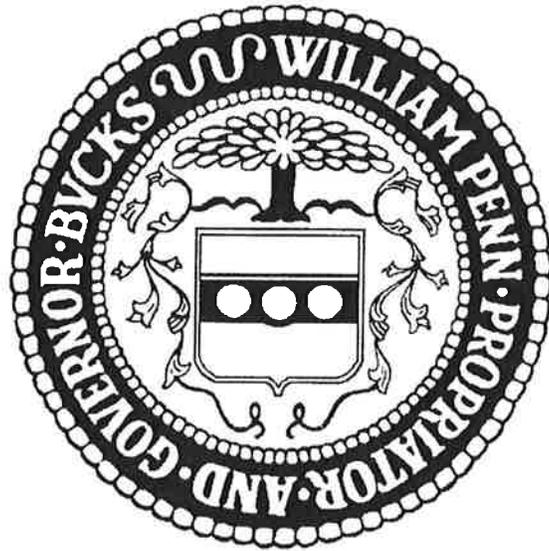
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the COUNTY OF BUCKS' financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, and statistical section in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



ZELENKOFSCHE AXELROD LLC

Jamison, Pennsylvania
June 29, 2012



Management's Discussion and Analysis

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COUNTY OF BUCKS MANAGEMENT'S DISCUSSION AND ANALYSIS

This narrative overview and analysis of the financial statements of the County of Bucks, Pennsylvania (the County) for the calendar year ended December 31, 2011 has been prepared by the County's management. The information presented here should be read in conjunction with the additional information contained in our letter of transmittal, which can be found beginning on page V, and the County's financial statements immediately following this discussion and analysis.

Financial Highlights

- At the end of the current calendar year, the County's net assets were \$253,853,440 resulting from an excess of its assets over its liabilities, however, its unrestricted net assets showed a deficit balance of \$(158,529,763).
- The County's property tax rate remained at 21.94211 mills for calendar year 2011. The County's ratio was adjusted from 25% of the 1972 fair market value to 100% of the 1972 fair market value effective January 1, 2005.
- The County's total net assets decreased by \$17,181,258 during the current calendar year. This is 3.63% of the annual operating costs of the County. The decrease in net assets is attributed to the increase in program expenses without a corresponding increase in income and charges for services.
- For the current calendar year, the County's governmental funds reported a combined ending fund balance of \$142,550,695, an increase of \$39,727,393 over the prior year. This year's ending balance includes \$43,912,580 of unassigned fund balance, which is available for spending at the County's discretion in accordance with future approved budgets.
- The fund balance of the County's general fund at the end of the calendar year was \$45,640,928, a decrease of \$12,367,244 from last year. The unassigned general fund balance was \$43,855,928. General fund revenues for the current year were \$200,880,467 as compared to \$205,414,292 for the prior year, while current year expenditures amounted to \$192,213,413 compared to \$193,681,333 for last year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction and overview of the basic financial statements of the County of Bucks. The County's basic financial statements are comprised of:

- *Government-wide financial statements*, which provide both long-term and short-term information about the County's overall financial condition.
- *Fund financial statements*, which provide a more detailed look at major individual portions, or funds, of the County.
- *Notes to the financial statements*, which explain some of the information contained in the financial statements and provide more detailed data.
- *Other supplementary information*, which further explains and supports the information in the financial statements.

COUNTY OF BUCKS MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide financial statements. The government-wide financial statements report information about the County as a whole using accounting methods similar to those used by a private-sector business. The two statements presented are:

The statement of net assets, which includes all of the County's assets and liabilities, except for fiduciary and agency funds, with the difference between the two reported as net assets. Over time, increases or decreases in net assets are an indicator of whether the County's financial position is improving or deteriorating.

The statement of activities presents revenues and expenses and their effect on the change in the County's net assets during the current year. These changes in net assets are recorded as soon as the underlying event giving rise to the change occurs, regardless of when cash is received or paid.

The government-wide financial statements of the County are reflected in two distinct categories:

- *Governmental activities* are primarily supported by taxes and state and federal grants. The governmental activities include the County's basic services such as general government, judiciary, corrections, authorities, social services, bridges, health, public safety and the financing activities of the County's six discretely presented component units: the Airport Authority, the Community College, the Community College Authority, the Drug and Alcohol Commission, the Free Library and the Housing Authority.
- *Component units* are legally separate entities for which the County is financially accountable or has oversight responsibility. Financial information for these component units is reported separately from the financial information presented for the primary government. The County's government-wide financial statements contain information for six distinct component units of Bucks County: the Airport Authority, the Community College, the Community College Authority, the Drug and Alcohol Commission, the Free Library and the Housing Authority.

A third category which is used by some entities is *business-type activities*. Business-type activities are supported by user fees and charges, which are intended to recover all or a significant portion of their costs. The County does not operate any activities that fall into this category. The County considered our 9-1-1 emergency response operation and our County nursing home as possible business-type activities. In both cases the majority of the revenue is controlled by the State and does not cover the operating costs. Therefore, the primary government of the County of Bucks will only include governmental activities.

Fund financial statements. The fund financial statements provide detailed information about the County's most significant funds, not the County as a whole. Funds are accounting devices for groupings of activities that enable the County to maintain control over resources that have been segregated for particular purposes or objectives. Some funds are required by state law. Other funds are established to control and manage resources designated for a specific purpose. All of the funds of the County of Bucks can be divided into two categories: governmental funds and fiduciary funds.

- *Governmental funds.* The governmental funds are used to account for the financial activity of the County's basic services, similar to those described for the governmental activities in the government-wide financial statements. However, unlike the government-wide statements, which provide a long-term focus of the County, the fund financial statements focus on a short-term view of the inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the calendar year. The financial information presented for the governmental funds is useful in evaluating the County's short-term financing requirements.

To help the readers of the financial statements better understand the relationships and differences between the long-term view of the government-wide financial statements from the short-term view of the fund financial statements, reconciliations are presented between the fund financial statements and the government-wide statements.

**COUNTY OF BUCKS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The County maintains twenty-two individual governmental funds. Financial information is presented separately for the general fund, the behavioral health services fund, the children & youth services fund, the mental health/developmental programs fund, the debt service fund, and the 2011 series bond fund which are considered to be major funds. Data for the remaining sixteen funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is presented in the form of combining statements in the other supplementary information section of this financial report.

- **Fiduciary funds.** The fiduciary funds are funds for which the County is the trustee or fiduciary. The County of Bucks is the trustee, or fiduciary, for its employees' pension plan. It is also responsible for other assets that are collected and held for others until the funds are allocated to the organizations, government agencies or private parties to which they belong. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. These fiduciary activities are reported in a separate statement of fiduciary net assets and changes in fiduciary net assets. They are not reflected in the government-wide financial statements because the assets are not available to support the County's operations.

The following chart summarizes the various components of the County's government-wide and fund financial statements, including the portion of the County government they cover, and the type of information they contain.

Summary of the Government-wide and Fund Financial Statements for the County of Bucks

	Government-wide Statements	Fund Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire County government (except fiduciary funds) and County's component units	Activities of the County that are not proprietary or fiduciary in nature	Activities for which the County is trustee for someone else's assets, such as the employees' pension plan
Required Financial Statements	Statement of net assets Statement of activities	Balance Sheet Statement of revenues, expenditures and changes in fund balances	Statement of fiduciary net assets Statement of changes in fiduciary net assets
Accounting basis/ Measurement focus	Accrual accounting Economic resources	Modified accrual accounting Current financial resources	Accrual accounting Economic resources
Type of asset and liability information	All assets and liabilities, financial and capital, short and long-term	Only assets expected to be used up and liabilities that come due during the current year or soon thereafter; no capital assets are included	All assets and liabilities, both short and long-term; there are currently no capital assets, although there could be in the future
Type of inflow and outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Only revenues for which cash is received during the year or soon after the end of the year; only expenditures when goods or services are received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data presented in the government-wide and fund financial statements. The notes can be found immediately following the basic financial statements.

**COUNTY OF BUCKS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Other information. In addition to the basic financial statements and accompanying notes, this report also presents additional information in three separate sections: required supplementary information, other supplementary information and statistical information.

- **Required supplementary information.** Certain information regarding pension plan funding progress for the County, as well as budgeted and actual revenues and expenditures for the County's general fund and major special revenue funds is presented in this section. This required supplementary information can be found immediately following the notes to the financial statements.
- **Other supplementary information.** Combining statements for non-major governmental funds and additional budgetary schedules for the County's non-major governmental funds, debt service fund, and open space fund are presented in this section. This supplementary information can be found immediately following the required supplementary information.
- **Statistical information.** Long-term trend tables of financial, economic and demographic data are presented in the statistical section. This information is located immediately after the supplementary information.

Government-wide Financial Analysis

Net assets. As noted earlier, net assets are useful indicators of a government's financial position. During 2011, net assets decreased \$17,181,258 or 6.34% to \$253,853,440.

Capital assets (land, buildings, equipment, infrastructure and bridges) less any outstanding debt issued to acquire these assets comprise a large portion of the County's net assets, \$323,373,667. Although these capital assets assist the County in providing services to its citizens, they are generally not available to fund the operations of future periods.

A portion of the County's net assets, \$89,009,536 is subject to external restrictions imposed by creditors, grantors or laws and regulations. The remaining component of net assets is the unrestricted net assets, which ended the calendar year with a deficit balance of \$(158,529,763). This deficit is the result of the County having long-term commitments that are greater than currently available resources. The decrease in net assets was affected by the decrease in operating grants and contributions and the increase in expenses.

Following is a summary of the County's assets, liabilities and net assets:

Net Assets of Bucks County (Government Activities)			
	<u>December 31, 2011</u>	<u>December 31, 2010</u>	<u>Percentage Change</u>
Current and other assets	\$ 299,483,324	\$ 248,842,586	20.35%
Capital assets	<u>386,701,425</u>	<u>375,265,075</u>	3.05%
Total assets	686,184,749	624,107,661	
Current and other liabilities	92,376,784	78,123,458	18.24%
Long-term liabilities outstanding	<u>339,954,525</u>	<u>274,949,505</u>	23.64%
Total liabilities	432,331,309	353,072,963	
 <u>Net Assets:</u>			
Invested in capital assets, net of related debt	323,373,667	313,045,181	3.30%
Restricted	89,009,536	8,671,487	926.46%
Unrestricted (deficit)	<u>(158,529,763)</u>	<u>(50,681,970)</u>	212.79%
Total net assets	<u>\$ 253,853,440</u>	<u>\$ 271,034,698</u>	(6.34)%

**COUNTY OF BUCKS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Changes in net assets - The total cost of all County functions and programs this year was \$472,932,866. These expenses cover a wide range of services, of which approximately 47.74% are related to social services.

The County's total revenues this year were \$455,751,608. This is a decrease of \$962,255 from 2010. The County's property tax rate remained at 21.94211 mills in 2011. Approximately 38.27% of all revenue comes from property taxes. State, Federal and local grants account for another 48.08%, with the remainder of the revenue coming from user charges, fines, fees and various other sources.

Governmental Activities

In 2011, the County's net assets decreased by \$17,181,258. Reasons for the change are described in the following pages.

The following table summarizes the County's governmental programs. Costs, program revenues and net cost are shown in the table. The net cost shows the financial burden that was placed on the County's taxpayer by each of these functions.

	Governmental Programs					
	2011			2010		
	<u>Program Costs</u>	<u>Program Revenue</u>	<u>Net Costs</u>	<u>Program Costs</u>	<u>Program Revenue</u>	<u>Net Costs</u>
General government	\$ 66,430,005	\$ 25,471,418	\$ 40,958,587	\$ 52,454,349	\$ 24,550,735	\$ 27,903,614
Judiciary	67,989,986	23,434,688	44,555,298	63,545,970	23,008,994	40,536,976
Corrections	38,489,415	1,252,774	37,236,641	37,220,613	1,387,610	35,833,003
Social services	225,798,807	206,607,272	19,191,535	220,229,893	205,924,538	14,305,355
Health & public safety	36,948,802	19,488,101	17,460,701	35,850,690	22,087,810	13,762,880
Other	37,275,851	3,784,739	33,491,112	32,663,759	3,503,291	29,160,468
	<u>\$ 472,932,866</u>	<u>\$ 280,038,992</u>	<u>\$ 192,893,874</u>	<u>\$ 441,965,274</u>	<u>\$ 280,462,978</u>	<u>\$ 161,502,296</u>

Net costs indicate the amount of support required from taxes and other general revenues for a program of the County. The cost of all governmental activities this year was \$472,932,866; however the amount that taxpayers paid for these programs through tax payments was only \$174,400,398. The federal and state governments subsidized certain programs with grants and contributions in the amount of \$219,114,890, while those who benefited from the programs paid \$60,924,102 through fees and charges. Unrestricted grants and contributions and other general types of revenues accounted for the balance of revenues in the amount of \$1,312,218.

In 2011, Children & Youth Services received \$3,800,891 less in federal and state grants than in 2010. C&Y program costs increased by \$847,529.

Taxes account for \$174,400,398 of the revenue. In 2011, the real estate tax rate remained constant for the fifth straight year at 21.94211 mills. Tax collections increased slightly from 2010 due to an increase in the tax base.

Charges for services increased by \$2,971,572 in 2011. Charges for services include licenses and fees, fines, permits and commissions collected by County courts, Row Offices and departments.

Investment earnings decreased in 2011 due to the decline in interest rates. The average rate of return in 2011 was .22% and in 2010 was .39%.

**COUNTY OF BUCKS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following chart shows a more detailed breakdown of program costs and related revenues for the governmental activities of the County for the year ended December 31, 2011.

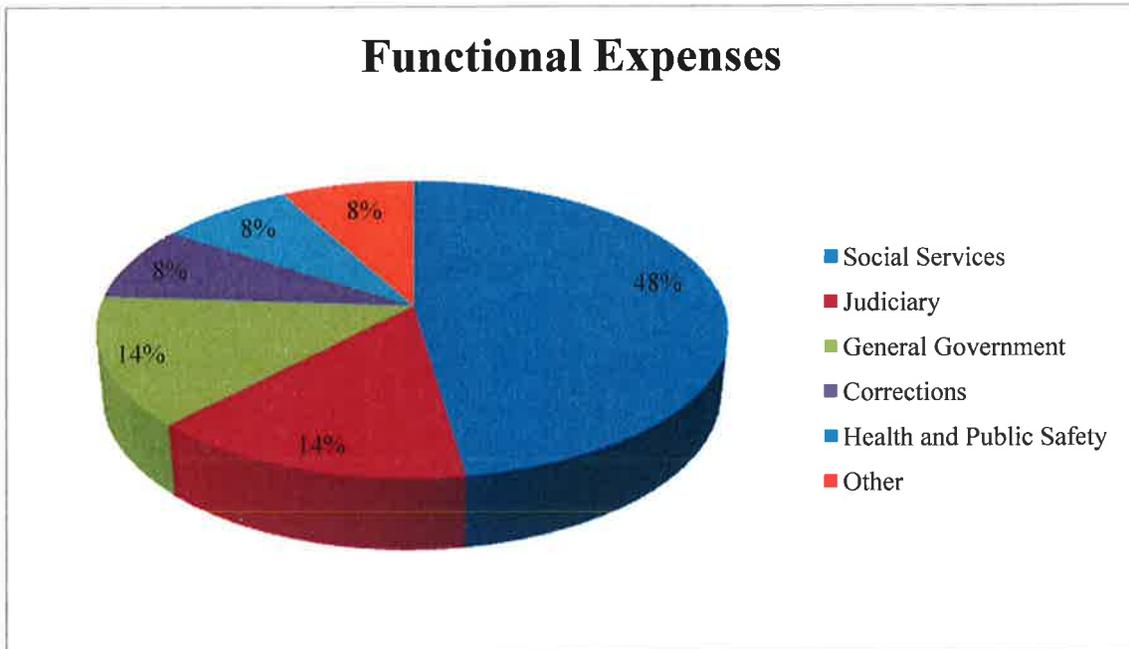
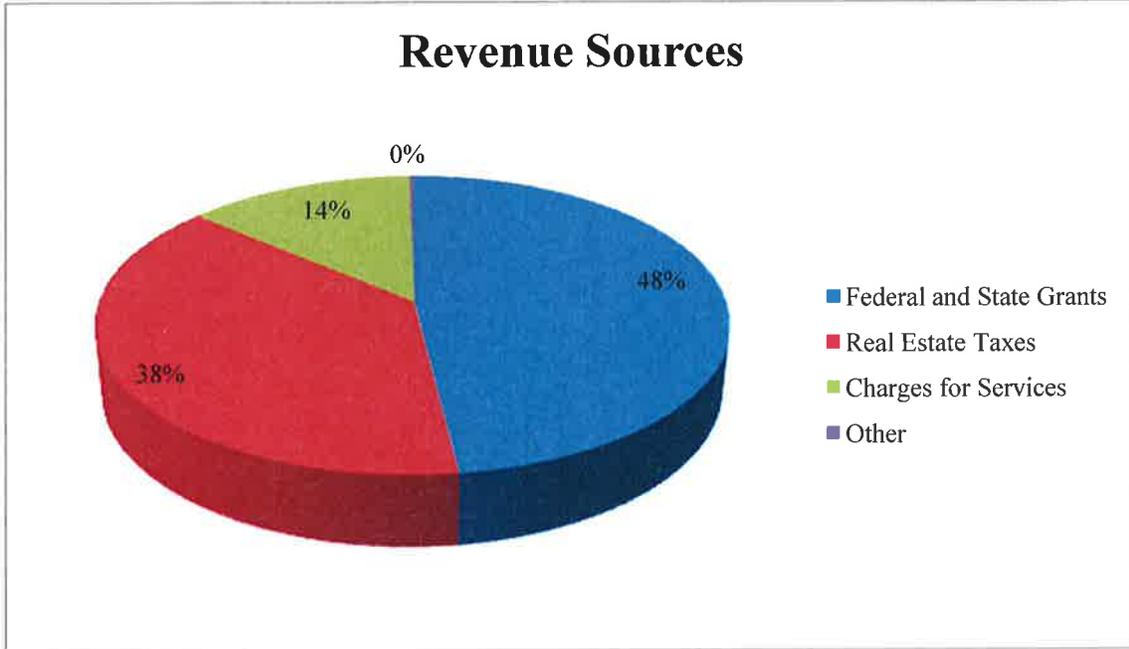
Governmental Activities

	<u>Activities</u> <u>2011</u>	<u>Activities</u> <u>2010</u>	<u>Changes from</u> <u>2010 to 2011</u>
Revenues			
Program revenues:			
Charges for services	\$ 60,924,102	\$ 57,952,530	\$ 2,971,572
Operating grants and contributions	208,866,679	213,983,711	(5,117,032)
Capital grants and contributions	10,248,211	8,526,737	1,721,474
General revenues:			
Real estate taxes	174,400,398	173,974,589	425,809
Unrestricted grants and contributions	755,878	291,851	464,027
Unrestricted investment earnings	556,340	1,984,445	(1,428,105)
Total revenues	<u>455,751,608</u>	<u>456,713,863</u>	<u>(962,255)</u>
Expenses			
General government	66,430,005	52,454,349	13,975,656
Judiciary	67,989,986	63,545,970	4,444,016
Corrections	38,489,415	37,220,613	1,268,802
Authorities	20,531,184	20,553,198	(22,014)
Social services	225,798,807	220,229,893	5,568,914
Bridges	2,813,243	1,503,949	1,309,294
Health	16,672,969	16,282,095	390,874
Public safety	20,275,833	19,568,595	707,238
Interest on long-term debt	13,931,424	10,606,612	3,324,812
Total expenses	<u>472,932,866</u>	<u>441,965,274</u>	<u>30,967,592</u>
Increase in net assets	(17,181,258)	14,748,589	(31,929,847)
Net assets - January 1	<u>271,034,698</u>	<u>256,286,109</u>	<u>14,748,589</u>
Net assets - December 31	<u>\$ 253,853,440</u>	<u>\$ 271,034,698</u>	<u>\$ (17,181,258)</u>

**COUNTY OF BUCKS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following graphs show the revenue sources and functional expenses of the County in more detail.

**GOVERNMENTAL ACTIVITIES
CALENDAR YEAR 2011**



COUNTY OF BUCKS MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the Government's Funds

Governmental funds. The purpose of the County's governmental funds is to provide financial information on the short-term inflow, outflow and balance of spendable resources. This information is useful in assessing the County's ability to meet its near-term financing requirements. Unreserved fund balance serves as a useful measure of the County's net resources available for spending at the end of the calendar year.

At the end of calendar year 2011, the County's governmental funds reported a combined fund balance of \$142,550,695, an increase of \$39,727,393 over last year. Of the total fund balance, \$89,009,536 represents restricted fund balance, which indicates that it is subject to external restrictions imposed by creditors, grantors or laws and regulations. The assigned fund balance includes \$9,628,579 of funds constrained by the County's intent to be used for a specific purpose. The \$43,912,580 unassigned fund balance is available for future spending in accordance with approved budgets.

Restricted, Assigned and Unassigned Fund Balances

The behavioral health services fund, the children and youth services fund, and the mental health/developmental programs fund have no fund balances. The general fund, the primary operating fund of the County, reported an unassigned fund balance of \$43,855,928 at the end of the current calendar year. Ratios of the general fund's unassigned fund balance and total fund balance to its total expenditures can be useful indicators of the general fund's liquidity. These ratios for the year just ended were 22.82% and 23.74%, respectively.

The total fund balance of the general fund decreased by \$12,367,244 during the current calendar year. Some of the key factors for this decrease are the decrease in intergovernmental revenue of \$5,406,534 and a decrease in licenses and fees of \$1,690,521. The general fund transfer to the children and youth fund increased by \$4,537,821. Interest revenue also decreased due to low interest rates.

The behavioral health services fund has been in operation since 1997. While significant dollars pass through this fund, the County has been able to operate this fund without any local tax contribution.

The children & youth services fund is comprised of two primary groups. The first is the protective services component and the second is the judicial section that deals with juveniles that have broken the law. Most of the costs of these programs are funded by federal and state dollars. The County covers the difference between the total cost of the program and the outside funding with a transfer from the general fund. The County's contribution for 2011 was \$13,194,165 or 23.4% of the total cost of the program. The budgeted contribution was \$13,818,700.

The mental health/developmental programs fund is also funded primarily from federal and state dollars. The County's contribution for 2011 was \$1,570,431 or 4.85% of the total cost of the program. The budgeted contribution was \$1,896,700.

The debt service fund is supported primarily by real estate tax dollars. This fund pays the annual debt obligations of the County. The fund balance decreased by \$3,374,514, 64.86% of the beginning fund balance. The County's debt service fund millage increased from 3.3579 mills to 3.43577 mills for 2011. Debt service payments for principal and interest remained consistent with the prior year. In 2011 the County issued general obligation bonds, Series of 2011, totaling \$75,065,000. The proceeds will be used for the construction of various capital projects including a new justice center, technology upgrades and open space preservation. The County used existing bond funds to pay for capital expenditures for open space preservation, the Court facility and other capital items. The planned draw down of the fund balance was \$4,728,500.

The 2011 series bond fund is discussed in the capital asset and debt administration section that follows on page 11 after the General Fund Budgetary Highlights.

COUNTY OF BUCKS MANAGEMENT'S DISCUSSION AND ANALYSIS

General Fund Budgetary Highlights

The County adopts an annual calendar year budget in December for the following year. The County maintains control by departmental classification. The County's current policy is to adopt an operating budget that does not include reserves. The ending fund balance is available for unanticipated expenditures or revenue shortfalls.

The County processes budget adjustments for any cost center that exceeds the approved expenditure budget for a major class category (i.e.: salary & fringe, supplies and services, capital, etc). If money is available from another major class, an administrative process may be used for the adjustment. If a cost center has revenues available that can cover increased expenditures, a budget adjustment increasing both revenues and expenditures is approved at a public meeting of the commissioners. Adjustments for expenditures that exceed budget with no cost center funding available are taken from the budgeted ending fund balance with the approval of the commissioners at a public meeting.

As a general rule the County does not reduce budgets of cost centers that are under budget to cover other cost centers over expenditures. Major budget adjustments for 2011 include the Public Works/County Properties department and the Neshaminy Manor transfer out for \$926,000 and \$1,973,000, respectively. The Public Works unanticipated costs were due to increased maintenance on County properties. A transfer for the nursing facility was anticipated for 2011 but was not needed.

The original budget in the health department was increased by \$646,000 to cover unanticipated prison hospitalization costs.

The County's public safety expenditures were \$2,576,122 under budget. This resulted from a positive budget variance in the Emergency Services terrorism grant. Expenditures were anticipated for the Emergency Services terrorism grant which did not occur in 2011, since the County's fiduciary responsibility was transferred to another entity.

The social services expenditures were \$378,142 under budget.

The general fund transfers out were \$3,979,202 under budget. The County's contribution to the children and youth program was \$624,085 less than budgeted and transfers to MH/DP were \$326,269 less than budgeted. The County did not transfer any funds to the Neshaminy Manor nursing home fund which was budgeted for \$2,776,200.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets amounts to \$386,701,425, net of accumulated depreciation, at the end of the current calendar year. These capital assets include items such as land, buildings, improvements, bridges, vehicles, machinery, computers and general office equipment. Capital assets increased by \$27,766,432 in 2011. Major capital asset events occurring during the current year included the following:

- Open space programs including farmland, park and natural areas preservation amounted to more than \$3,042,176.
- The County spent over \$2,700,000 on an upgrade of the 911 radio system infrastructure known as "narrowbanding".
- Over \$667,000 was spent on a new system in the Board of Assessment.
- The County spent over \$12,816,234 on the new Court facility.
- Information Systems expensed over \$2,111,772 on upgrades.
- Other areas where significant capital investments were made include building improvements, computer upgrades and the Churchville Nature Center.

**COUNTY OF BUCKS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Capital Assets of Bucks County
(Net of depreciation)**

	Governmental Activities	Governmental Activities
	<u>December 31, 2011</u>	<u>December 31, 2010</u>
Land	\$ 100,624,675	\$ 85,154,645
Construction in progress	31,432,268	86,480,011
Buildings	138,071,917	87,193,539
Improvements other than buildings	20,388,640	30,091,506
Machinery & equipment	25,394,904	15,928,413
Infrastructure	6,541,187	6,168,337
Leasehold buildings and improvements	64,247,834	64,248,624
Total	<u>\$ 386,701,425</u>	<u>\$ 375,265,075</u>

More detailed information about the County's capital assets can be found in note 8 to the financial statements.

Long-term liabilities. At December 31, 2011, the County had \$343,154,525 in long-term liabilities. The following schedule shows a summary of all long-term liabilities.

Long-term Liabilities of Bucks County

	Governmental Activities	Governmental Activities	Percentage Change
	<u>2011</u>	<u>2010</u>	
General obligation bonds and notes	\$ 270,118,000	\$ 211,998,000	27.42%
Unamortized premium	15,104,840	5,226,686	188.99%
Lease rental debt	35,885,744	38,817,183	(7.55)%
Compensated absences	13,960,263	14,471,907	(3.54)%
Self insurance claims	8,085,678	7,451,629	8.51%
Total	<u>\$ 343,154,525</u>	<u>\$ 277,965,405</u>	23.45%

In December 2011, the County issued general obligation bonds, Series of 2011 totaling \$75,065,000. The proceeds of the bonds will be used to finance various capital projects including the construction of a new Justice Center.

Moody's and Standard & Poor's rate the County's bonds. The latest ratings assigned to the County's debt are Aaa by Moody's and AA+ by Standard & Poor's.

The County of Bucks is limited by state statute to 300% of a three-year average of the total revenues received adjusted for special purpose grants. The County's legal debt margin is \$1,126,964,693 for general obligation bonds and \$1,556,596,095 for general obligation bonds and lease rental debt.

Additional information about the County's long-term debt can be found in note 13 to the financial statements.

COUNTY OF BUCKS MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Factors and Next Year's Budgets and Rates

Bucks County's population grew from 609,085 to 626,854, 2.9% from 2002 to 2011. The market value of taxable real estate increased over the same period from \$51,871,486 to \$70,922,875. The County has remained primarily a residential and small business community with 78.6% of the tax base on residential properties. Our ten largest taxpayers account for only 1.54% of the total real estate tax base, with no single taxpayer exceeding .52% of the base.

Effective January 1, 2005, the Commissioners approved changing the existing predetermined ratio from 25% of the 1972 assessed value for all tax parcels to 100% of the 1972 assessed value.

In preparing the 2011 budget, payroll figures were based on union pay scales where settlements were in place. Unsettled unions and non-union compensation rates were set at the base rate for our largest settled union. In establishing the 2011 budget, historical trends and vendor inquires were used as the basis for services that are purchased. Real estate tax revenues were projected to increase by 1.2% percent, a continuation of the recent trend. Grant and fee income was evaluated on a program-by-program basis.

In 2008, the County adopted a formal fund balance policy. The County will maintain a reserved general fund balance equal to 10% of the total operating budget expenditures. The policy is designed to protect the County's financial stability in the event of unforeseen emergencies and economic downturns.

Requests for information

This financial report is designed to provide a general overview of the County's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Controller, 55 E. Court Street, Doylestown, PA, 18901.

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Basic Financial Statements

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COUNTY OF BUCKS, PENNSYLVANIA

STATEMENT OF NET ASSETS

December 31, 2011*

	<u>Primary Government</u>	<u>Component Units</u>
ASSETS	Governmental Activities	
Cash and cash equivalents	\$ 157,652,466	\$ 56,878,473
Cash and cash equivalents, restricted	1,828,301	26,785,354
Investments	38,289,652	5,269,056
Receivables: (net of allowance for uncollectibles)		
Intergovernmental	25,208,371	1,865,369
Taxes	4,631,621	-
Accounts	14,653,917	7,407,818
Loans	-	-
Lease rentals from primary government	-	35,885,744
Inventory	216,596	-
Deferred charges	1,768,152	-
Due from agencies	550,422	-
Other assets	2,600,682	3,267,317
Pension assets	52,083,144	-
Capital assets		137,333,199
Land	100,624,675	-
Construction in progress	31,432,268	-
Buildings, net	138,071,917	-
Improvements, net	20,388,640	-
Machinery and equipment, net	25,394,904	-
Infrastructure, net	6,541,187	-
Leasehold buildings and improvements, net	<u>64,247,834</u>	<u>-</u>
Total assets	<u>\$ 686,184,749</u>	<u>\$ 274,692,330</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 24,992,042	\$ 6,666,616
Payroll items payable	8,177,172	5,081,035
Insurance claims	3,200,000	-
Interest payable	1,395,291	-
Miscellaneous liabilities	2,068,423	1,139,618
Compensated absences payable	3,518,491	657,607
Unearned revenues	49,025,365	2,120,785
Long-term obligations payable:		
Due within one year	25,927,312	10,116,543
Due in more than one year	<u>314,027,213</u>	<u>92,736,838</u>
Total liabilities	<u>432,331,309</u>	<u>118,519,042</u>
NET ASSETS		
Invested in capital assets, net of related debt	323,373,667	87,222,191
Restricted for:		
Program expenditures	1,400,867	-
Debt service	1,828,301	-
Bond financed improvements	85,780,368	8,050,280
Unrestricted (deficit)	<u>(158,529,763)</u>	<u>60,900,817</u>
Total net assets	<u>\$ 253,853,440</u>	<u>\$ 156,173,288</u>

See accompanying notes to the financial statements.

*The Bucks County Drug and Alcohol Commission, Inc., the Bucks County Community College Authority, and the Bucks County Community College Component Units are presented as of June 30, 2011.

COUNTY OF BUCKS, PENNSYLVANIA

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2011*

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues			Net (Expense) Revenues and Changes in Net Assets	
			Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions	Primary Government Governmental Activities	Component Units
Primary government:							
Governmental activities:							
General government	\$ 72,852,438	\$ (6,422,433)	\$ 14,897,508	\$ 10,248,211	\$ 325,699	\$ (40,958,587)	
Judiciary	66,764,433	1,225,553	13,781,158	-	9,653,530	(44,555,298)	
Corrections	38,489,415	-	929,671	-	323,103	(37,236,641)	
Authorities	20,531,184	-	-	-	2,640,261	(17,890,923)	
Social services	221,538,580	4,260,227	19,616,975	-	186,990,297	(19,191,535)	
Bridges	2,813,243	-	-	-	1,144,478	(1,668,765)	
Health	15,736,316	936,653	1,443,263	-	7,653,450	(7,576,256)	
Public safety	20,275,833	-	10,255,527	-	135,861	(9,884,445)	
Interest on long-term debt	13,931,424	-	-	-	-	(13,931,424)	
Total primary government	\$ 472,932,866	\$ -	\$ 60,924,102	\$ 10,248,211	\$ 208,866,679	(192,893,874)	
Component units:							
Airport	\$ 1,371,901	\$ -	\$ 1,110,527	\$ 451,877	\$ -		\$ 190,503
Community college	89,226,701	-	40,325,584	3,420,689	51,281,559		5,801,131
Drug and alcohol	9,020,734	-	3,061,095	-	5,798,292		(161,347)
Library	9,427,819	-	471,033	-	10,285,449		1,328,663
Housing	32,599,679	-	4,807,553	449,806	27,324,938		(17,382)
Total component units	\$ 141,646,834	\$ -	\$ 49,775,792	\$ 4,322,372	\$ 94,690,238		7,141,568
General revenues:							
Real estate tax						174,400,398	-
Grants and contributions not restricted to specific programs						-	-
Unrestricted investment earnings						556,340	628,608
Miscellaneous						755,878	256,297
Unrealized and realized gains						-	-
Total general revenues						175,712,616	884,905
Change in net assets						(17,181,258)	8,026,473
Net assets - January 1						271,034,698	148,146,815
Net assets - December 31						\$ 253,853,440	\$ 156,173,288

See accompanying notes to the financial statements.

*The Bucks County Drug and Alcohol Commission, Inc., the Bucks County Community College Authority, and the Bucks County Community College Component Units are presented as of June 30, 2011.

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COUNTY OF BUCKS, PENNSYLVANIA

BALANCE SHEET GOVERNMENTAL FUNDS December 31, 2011

ASSETS	<u>General Fund</u>	Special Revenue Funds		
		<u>Behavioral Health Services</u>	<u>Children and Youth Services</u>	<u>Mental Health/ Developmental Programs</u>
Cash and cash equivalents	\$ 25,695,615	29,564,346	-	\$ 16,626,744
Cash and cash equivalents, restricted	1,828,301	-	-	-
Investments	9,919,033	-	-	-
Receivables:				
Intergovernmental	1,993,624	-	16,255,251	75,120
Taxes	6,390,033	-	-	-
Accounts	12,410,713	-	18,783	-
Loans	-	-	-	-
Inventory	216,596	-	-	-
Due from agencies	550,422	-	-	-
Due from other funds	42,524,938	-	-	-
Other assets	<u>2,600,670</u>	<u>-</u>	<u>-</u>	<u>9</u>
Total assets	\$ <u>104,129,945</u>	\$ <u>29,564,346</u>	\$ <u>16,274,034</u>	\$ <u>16,701,873</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 7,468,832	\$ 1,795,830	\$ 3,557,494	\$ 4,574,243
Payroll items payable	8,177,172	-	-	-
Compensated absences payable	-	-	-	-
Miscellaneous liabilities	16,979,881	-	211,201	-
Insurance claims	-	-	-	-
Due to other funds	13,119,730	1,160,241	12,505,339	3,549,465
Deferred revenue	<u>12,743,402</u>	<u>26,608,275</u>	<u>-</u>	<u>8,578,165</u>
Total liabilities	<u>58,489,017</u>	<u>29,564,346</u>	<u>16,274,034</u>	<u>16,701,873</u>
Fund Balances:				
Restricted	-	-	-	-
Assigned	1,785,000	-	-	-
Unassigned	<u>43,855,928</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>45,640,928</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	\$ <u>104,129,945</u>	\$ <u>29,564,346</u>	\$ <u>16,274,034</u>	\$ <u>16,701,873</u>

See accompanying notes to the financial statements.

<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Debt Service</u>	<u>2011 Series Bond</u>		
\$ -	\$ 44,690,156	\$ 41,075,605	\$ 157,652,466
-	-	-	1,828,301
-	28,370,619	-	38,289,652
-	-	6,884,376	25,208,371
-	-	-	6,390,033
-	2,257	2,222,164	14,653,917
-	-	-	-
-	-	-	216,596
-	-	-	550,422
1,828,301	-	11,291,429	55,644,668
-	-	3	2,600,682
<u>1,828,301</u>	<u>73,063,032</u>	<u>61,473,577</u>	<u>303,035,108</u>
\$ -	\$ 3,169,793	\$ 4,425,850	\$ 24,992,042
-	-	-	8,177,172
-	-	-	-
-	-	-	17,191,082
-	-	-	-
-	1,485,821	23,824,072	55,644,668
-	-	6,549,607	54,479,449
<u>-</u>	<u>4,655,614</u>	<u>34,799,529</u>	<u>160,484,413</u>
1,828,301	68,407,418	18,773,817	89,009,536
-	-	7,843,579	9,628,579
-	-	56,652	43,912,580
<u>1,828,301</u>	<u>68,407,418</u>	<u>26,674,048</u>	<u>142,550,695</u>
\$ <u>1,828,301</u>	\$ <u>73,063,032</u>	\$ <u>61,473,577</u>	\$ <u>303,035,108</u>

COUNTY OF BUCKS, PENNSYLVANIA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS**

December 31, 2011

Total fund balances for governmental funds \$ 142,550,695

Total net assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 100,624,675	
Construction in progress	31,432,268	
Buildings, net of \$74,403,617 accumulated depreciation	138,071,917	
Improvements other than buildings, net of \$31,692,655 accumulated depreciation	20,388,640	
Machinery and equipment, net of \$85,472,161 accumulated depreciation	25,394,904	
Infrastructure, net of \$3,928,863 accumulated depreciation	6,541,187	
Leasehold buildings and improvements	<u>64,247,834</u>	
Total capital assets		386,701,425

The pension assets resulting from contributions in excess of the annual required contribution are not financial resources and therefore are not reported in the funds. 52,083,144

Some of the County's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as unearned revenues in the funds. 3,695,672

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities-both current and long-term are reported in the statement of net assets. Also, during the year the County issued additional debt. The amount borrowed is received in the governmental funds and increases fund balance. The premium will be amortized as an adjustment of interest expense in the statement of activities over the remaining life of the new debt.

Balances at December 31, 2011 are:

Accrued interest on bonds	\$ (1,395,291)	
Bonds and notes payable	(270,118,000)	
Bonds premium	(15,104,840)	
Lease rental debt	(35,885,744)	
Compensated absences	(10,441,773)	
Deferred charges	<u>1,768,152</u>	
		<u>(331,177,496)</u>
Total net assets of governmental activities		\$ <u>253,853,440</u>

See accompanying notes to the financial statements.

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COUNTY OF BUCKS, PENNSYLVANIA

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Special Revenue Funds</u>			
	<u>General Fund</u>	<u>Behavioral Health Services</u>	<u>Children and Youth Services</u>	<u>Mental Health/ Developmental Programs</u>
Revenues:				
Real estate taxes	\$ 147,544,330	\$ -	\$ -	\$ -
Licenses and fees	18,454,369	-	1,746,423	200,582
Judiciary costs and fines	12,811,789	-	-	-
Intergovernmental	19,588,884	79,247,383	41,416,004	30,566,268
Interest	434,321	88,386	-	33,957
Other	2,046,774	-	31,221	-
	<u>200,880,467</u>	<u>79,335,769</u>	<u>43,193,648</u>	<u>30,800,807</u>
Total revenues				
Expenditures:				
Current:				
General government	46,444,493	-	-	-
Judiciary	66,562,244	-	-	-
Corrections	37,159,001	-	-	-
Authorities	20,531,184	-	-	-
Social services	1,180,058	79,335,769	56,388,263	32,336,551
Bridges	-	-	-	-
Health	16,583,421	-	-	-
Public safety	3,388,978	-	-	-
Debt service	-	-	-	-
Capital projects	364,034	-	-	34,687
	<u>192,213,413</u>	<u>79,335,769</u>	<u>56,388,263</u>	<u>32,371,238</u>
Total expenditures				
Excess of revenues over (under) expenditures	<u>8,667,054</u>	<u>-</u>	<u>(13,194,615)</u>	<u>(1,570,431)</u>
Other financing sources (uses):				
Transfers in	-	-	13,194,615	1,570,431
Proceeds from bonds	-	-	-	-
Bond premium	-	-	-	-
Transfers out	(21,034,298)	-	-	-
	<u>(21,034,298)</u>	<u>-</u>	<u>13,194,615</u>	<u>1,570,431</u>
Total other financing sources (uses)				
Net change in fund balances	(12,367,244)	-	-	-
Fund balances - January 1	<u>58,008,172</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - December 31	<u>\$ 45,640,928</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

<u>Debt Service Fund</u>	<u>Capital Project Fund</u>		
<u>Debt Service</u>	<u>2011 Series Bond</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 27,468,211	\$ -	\$ -	\$ 175,012,541
-	-	27,710,939	48,112,313
-	-	-	12,811,789
-	-	45,862,663	216,681,202
-	-	157,711	714,375
271,416	-	178,360	2,527,771
<u>27,739,627</u>	<u>-</u>	<u>73,909,673</u>	<u>455,859,991</u>
-	922,496	9,151,110	56,518,099
-	-	-	66,562,244
-	-	-	37,159,001
-	-	-	20,531,184
-	-	55,183,905	224,424,546
-	-	2,805,264	2,805,264
-	-	-	16,583,421
-	-	14,686,113	18,075,091
31,114,141	-	-	31,114,141
<u>-</u>	<u>15,414,110</u>	<u>11,953,601</u>	<u>27,766,432</u>
<u>31,114,141</u>	<u>16,336,606</u>	<u>93,779,993</u>	<u>501,539,423</u>
<u>(3,374,514)</u>	<u>(16,336,606)</u>	<u>(19,870,320)</u>	<u>(45,679,432)</u>
-	-	7,974,588	22,739,634
-	75,065,000	-	75,065,000
-	10,341,825	-	10,341,825
-	(662,801)	(1,042,535)	(22,739,634)
<u>-</u>	<u>84,744,024</u>	<u>6,932,053</u>	<u>85,406,825</u>
(3,374,514)	68,407,418	(12,938,267)	39,727,393
<u>5,202,815</u>	<u>-</u>	<u>39,612,315</u>	<u>102,823,302</u>
\$ <u>1,828,301</u>	\$ <u>68,407,418</u>	\$ <u>26,674,048</u>	\$ <u>142,550,695</u>

COUNTY OF BUCKS, PENNSYLVANIA

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2011

Net change in fund balances - total governmental funds \$ 39,727,393

The change in net assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays \$27,766,432 exceeded depreciation \$14,567,975 in the current period. 13,198,457

Contributions in excess of the annual required contribution are reported as an other financing use in the governmental funds. However, in the statement of activities the expense is recorded and amortized as an asset. (3,015,590)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (2,374,249)

Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.

Debt issued:			
Issuance of general obligation bonds	\$	(75,065,000)	
Bond issuance costs		390,508	
Bond premium		(10,341,825)	
Issuance of lease rental debt		-	
Repayments		<u>19,876,439</u>	
Net adjustment			(65,139,878)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The details are as follows:

Compensated absences	321,886	
Amortization of bond premium	463,672	
Amortization of bond issuance costs	(177,565)	
Accrued interest on bonds	<u>(185,384)</u>	
Combined adjustment		<u>422,609</u>

Change in net assets of governmental activities **\$ (17,181,258)**

See accompanying notes to the financial statements.

COUNTY OF BUCKS, PENNSYLVANIA

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2011**

	Pension Trust Employees' Retirement System	Agency Funds
<u>Assets</u>		
Cash and cash equivalents	\$ 29,548,147	\$ 27,420,872
Investments:		
Bonds, debentures, bills, and notes:		
Government obligations	2,840,519	-
Corporate obligations	16,870,006	-
Common stock	121,739,505	-
Mutual funds	225,740,355	-
Fixed income securities	96,371,917	-
Repurchase agreement	-	1,060,027
Total investments	<u>463,562,302</u>	<u>1,060,027</u>
Receivables:		
Intergovernmental	-	2,348,393
Accounts	<u>863,933</u>	<u>11,214,093</u>
Total receivables	<u>863,933</u>	<u>13,562,486</u>
Total assets	\$ <u>493,974,382</u>	\$ <u>42,043,385</u>
<u>Liabilities</u>		
Accounts payable	\$ 3,715,831	\$ 26,746,275
Due to other governmental units	<u>-</u>	<u>15,297,110</u>
Total liabilities	<u>3,715,831</u>	\$ <u>42,043,385</u>
<u>Net Assets</u>		
Held in trust for pension benefits	\$ <u>490,258,551</u>	

See accompanying notes to the financial statements.

COUNTY OF BUCKS, PENNSYLVANIA

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - PENSION TRUST FUND
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Pension Trust</u>
Additions:	
Contributions	
Employee	\$ 13,394,004
Employer	<u>12,117,361</u>
Total contributions	<u>25,511,365</u>
Investment Income:	
Net realized gain and unrealized appreciation in fair value of investments	3,413,989
Interest	453,193
Dividends	<u>8,119,189</u>
Total investment income	11,986,371
Less investment expense	<u>1,225,101</u>
Net investment income	10,761,270
Miscellaneous income	<u>174,403</u>
Total additions	<u>36,447,038</u>
Deductions:	
Benefit payments	18,799,084
Refunds of employee contributions	918,236
Interest on refunds of employee contributions and other expenses	<u>152,946</u>
Total deductions	<u>19,870,266</u>
Net increase in plan net assets	<u>16,576,772</u>
Net assets held in trust for pension benefits:	
Beginning of year	<u>473,681,779</u>
End of year	\$ <u>490,258,551</u>

See accompanying notes to the financial statements.

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COUNTY OF BUCKS, PENNSYLVANIA

**COMBINING STATEMENT OF NET ASSETS - COMPONENT UNITS
DECEMBER 31, 2011***

	Bucks County Airport Authority	Bucks County Community College
<u>Assets</u>		
Cash and cash equivalents	\$ 442,065	\$ 19,395,694
Investments	-	-
Receivables:		
Intergovernmental	-	1,517,804
Accounts	66,286	3,242,036
Lease rentals from primary government	-	-
Restricted cash	552,850	15,060,011
Other assets	46,819	1,747,923
Capital assets	<u>25,392,384</u>	<u>85,739,876</u>
 Total assets	 <u>\$ 26,500,404</u>	 <u>\$ 126,703,344</u>
<u>Liabilities</u>		
Accounts payable	\$ 19,984	\$ 1,279,655
Payroll items payable	1,452	4,835,404
Compensated absences	-	-
Miscellaneous liabilities	75,847	608,185
Unearned revenues	79,105	1,902,632
Long-term obligations payable:		
Due within one year	322,594	6,231,127
Due in more than one year	<u>3,279,728</u>	<u>52,225,895</u>
 Total liabilities	 <u>3,778,710</u>	 <u>67,082,898</u>
<u>Net Assets</u>		
Invested in capital assets, net of related debt	21,790,062	43,444,636
Restricted for capital projects	477,003	-
Unrestricted	<u>454,629</u>	<u>16,175,810</u>
 Total net assets	 <u>\$ 22,721,694</u>	 <u>\$ 59,620,446</u>

See accompanying notes to the financial statements.

*The Bucks County Community College, the Bucks County Community College Authority, and the Bucks County Drug and Alcohol Commission, Inc. are presented as of June 30, 2011.

<u>Bucks County Community College Authority</u>	<u>Bucks County Drug and Alcohol Commission</u>	<u>Bucks County Free Library</u>	<u>Bucks County Housing Authority</u>	<u>Totals</u>
\$ -	\$ 535,543	\$ 2,253,556	\$ 34,251,615	\$ 56,878,473
-		5,269,056	-	5,269,056
-	347,565	-	-	1,865,369
-	738,709	87,082	3,273,705	7,407,818
35,885,744	-	-	-	35,885,744
4,335,102	-	-	6,837,391	26,785,354
400,780	64,158	-	1,007,637	3,267,317
-	-	3,236,884	22,964,055	137,333,199
<u>\$ 40,621,626</u>	<u>\$ 1,685,975</u>	<u>\$ 10,846,578</u>	<u>\$ 68,334,403</u>	<u>\$ 274,692,330</u>
\$ 3,702,140	\$ 1,018,462	\$ 133,605	\$ 512,770	\$ 6,666,616
-	93,882	150,297	-	5,081,035
-	101,575	271,651	284,381	657,607
-	-	-	455,586	1,139,618
-	129,048	10,000	-	2,120,785
3,050,822	-	-	512,000	10,116,543
<u>33,790,940</u>	<u>-</u>	<u>-</u>	<u>3,440,275</u>	<u>92,736,838</u>
<u>40,543,902</u>	<u>1,342,967</u>	<u>565,553</u>	<u>5,205,012</u>	<u>118,519,042</u>
-	-	3,236,884	18,750,609	87,222,191
-	-	4,554,085	3,019,192	8,050,280
<u>77,724</u>	<u>343,008</u>	<u>2,490,056</u>	<u>41,359,590</u>	<u>60,900,817</u>
<u>\$ 77,724</u>	<u>\$ 343,008</u>	<u>\$ 10,281,025</u>	<u>\$ 63,129,391</u>	<u>\$ 156,173,288</u>

COUNTY OF BUCKS, PENNSYLVANIA

COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS FOR THE YEAR ENDED DECEMBER 31, 2011*

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Bucks County Airport Authority</u>
		<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	<u>Operating Grants and Contributions</u>	
Airport	\$ 1,371,901	\$ 1,110,527	\$ 451,877	\$ -	\$ 190,503
Community college:					
Community college	85,343,108	40,325,584	3,420,689	47,366,150	-
Community college authority	<u>3,883,593</u>	<u>-</u>	<u>-</u>	<u>3,915,409</u>	<u>-</u>
Total community college	89,226,701	40,325,584	3,420,689	51,281,559	-
Drug and alcohol	9,020,734	3,061,095	-	5,798,292	-
Library	9,427,819	471,033	-	10,285,449	-
Housing	<u>32,599,679</u>	<u>4,807,553</u>	<u>449,806</u>	<u>27,324,938</u>	<u>-</u>
 Total component units	 <u>\$ 141,646,834</u>	 <u>\$ 49,775,792</u>	 <u>\$ 4,322,372</u>	 <u>\$ 94,690,238</u>	 <u>190,503</u>
 General revenues:					
					1,200
Unrestricted investment earnings					-
Miscellaneous					<u>1,200</u>
Total general revenues					191,703
Change in net assets					<u>22,529,991</u>
Net assets - beginning					<u>\$ 22,721,694</u>
Net assets - ending					<u> </u>

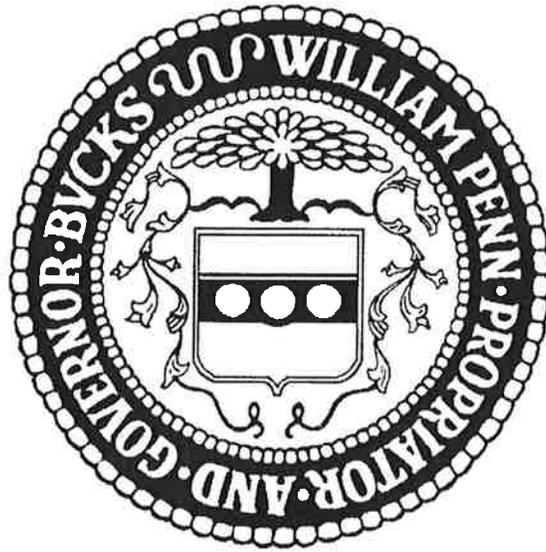
See accompanying notes to the financial statements.

*The Bucks County Drug and Alcohol Commission, Inc., the Bucks County Community College Authority, and the Bucks County Community College Component Units are presented as of June 30, 2011.

Net (Expense) Revenues and Changes in Net Assets

Bucks County Community College	Bucks County Community College Authority	Bucks County Drug and Alcohol	Bucks County Free Library	Bucks County Housing Authority	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 190,503
5,769,315	-	-	-	-	5,769,315
-	31,816	-	-	-	31,816
5,769,315	31,816	-	-	-	5,801,131
-	-	(161,347)	-	-	(161,347)
-	-	-	1,328,663	-	1,328,663
-	-	-	-	(17,382)	(17,382)
5,769,315	31,816	(161,347)	1,328,663	(17,382)	7,141,568
148,873	469	1,698	(135,028)	611,396	628,608
-	-	4,482	-	251,815	256,297
148,873	469	6,180	(135,028)	863,211	884,905
5,918,188	32,285	(155,167)	1,193,635	845,829	8,026,473
53,702,258	45,439	498,175	9,087,390	62,283,562	\$ 148,146,815
<u>\$ 59,620,446</u>	<u>\$ 77,724</u>	<u>\$ 343,008</u>	<u>\$ 10,281,025</u>	<u>\$ 63,129,391</u>	<u>\$ 156,173,288</u>

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Basic Financial Statements

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Basic Financial Statements

Notes to the Financial Statements

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COUNTY OF BUCKS, PENNSYLVANIA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The major accounting principles and practices followed by the County of Bucks, Pennsylvania (the County) are presented below to assist the reader in understanding the financial statements and the accompanying notes. The accounting principles and practices and the format of the financial statements for all funds are presented in conformity with accounting principles generally accepted in the United States of America applicable to governmental units.

A. Reporting Entity

The County has adopted the applicable provisions of the Governmental Accounting Standards Board (GASB), for the purpose of determining the scope of its entity for financial reporting purposes, as more fully explained in Note 2, "Reporting Entity."

B. Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. As a general rule, the effect of interfund activity has been eliminated or reclassified from these statements.

Interfund balances reported in the fund financial statements are eliminated in the governmental activities column of the statement of net assets except for the net residual amounts due between governmental and fiduciary activities which are reclassified. Activity between component units and the primary government is reported as an external transaction.

The statement of activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt obligations are recorded as liabilities in the government-wide financial statements rather than as an other financing source. Amounts paid to reduce long-term obligations of the County are reported as a reduction to the related liability, rather than an expenditure.

Net assets should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through legislation. The net assets restricted for program expenditures result from special revenue funds and the restrictions on their net asset use.

COUNTY OF BUCKS, PENNSYLVANIA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2011

C. Fund Financial Statements

The accounting system of the County is organized on the fund basis. A fund is considered a separate accounting entity with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures or expenses, as appropriate. The funds are segregated for the purpose of recording a specific activity or objective in accordance with special regulations, restrictions or limitations.

Separate fund financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements except for agency funds which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Real estate taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt obligations are recorded as liabilities in the government-wide financial statements rather than as an other financing source. Amounts paid to reduce long-term obligations of the County are reported as a reduction to the related liability, rather than an expenditure.

Fund financial statements report detailed information about the County. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented as a single column reported as other governmental funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this basis of accounting revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers real estate tax revenues to be available if they are collected within 60 days of the end of the current fiscal period. Federal and state reimbursement grants are recorded as revenue when the related eligible expenditures are incurred and the funds are available within 180 days of the end of the year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is made.

Real estate taxes, licenses, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The determination of major funds is based on criteria established in GASB 34. The non-major funds are combined in a single column in the fund financial statements. The County reports the following major funds:

COUNTY OF BUCKS, PENNSYLVANIA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2011 (Continued)

The general fund is the County's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund. Revenues of this fund are primarily derived from real estate taxes, state and federal grants, and fees for services. Many of the important activities of the County are accounted for in this fund, including operation of general County government, boards, commissions, and the court system.

The behavioral health services fund accounts for medical assistance funds received from the State of Pennsylvania which are restricted for providing managed health care services to Bucks County residents.

The children and youth services fund accounts for specific revenue sources that provide a broad range of children and youth services that are restricted to expenditures for those specific purposes. The excess of expenditures over revenues is financed by the general fund.

The mental health/developmental programs fund accounts for State and Federal revenues that provide a broad range of programs for the mentally ill and the mentally retarded residents of Bucks County. The excess of expenditures over revenues is financed by the general fund.

The debt service fund accounts for the accumulation of resources used for the payment of interest and principal on all long-term debt of governmental funds.

The 2011 series bond fund accounts for the construction of a new Justice Center, the County's Open Space Program and the acquisition of certain technology upgrades.

Additionally, the County reports the following fiduciary funds:

The pension trust fund is used to account for County and employee pension plan contributions and net investment income to provide for the payment of retirement benefits to the members of the County's retirement system.

Agency funds are used to account for restricted assets held by the County as agent for individuals, private organizations, and other governmental units. During 2011, the County maintained twenty-two such funds. The row office and district court agency funds are used to account for the collection of fees on behalf of the County and other government agencies. The Tax Claim agency fund is used to collect delinquent taxes for the County, the school districts and other municipalities.

As permitted by GASB Statement No. 20, private-sector standards of accounting and financial reporting issued on or before November 30, 1989, generally are followed in the financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

COUNTY OF BUCKS, PENNSYLVANIA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2011 (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Indirect costs between governmental activities have been eliminated to avoid the “doubling up” effect.

Amounts reported as program revenues include: charges to customers or applicants for goods, services, or privileges provided, operating grants and contributions, and capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, then unrestricted resources as they are needed.

E. Budgetary Accounting Controls

In accordance with provisions of Public Law of the Commonwealth of Pennsylvania, commonly known as the County Code, the County prepares and adopts a budget on or before December 31, for the following calendar year. The County maintains budgetary control by departmental classification. Budgetary transfers and/or additional appropriations from additional revenues received, or from unexpended funds appropriated but not spent in prior years, must be approved by the County Commissioners. Expenditures cannot legally exceed the appropriations at the budgetary control levels described above. In accordance with State regulations the Commissioners did, by resolution, make supplemental budgetary appropriations between departments. Appropriations lapse at the end of the fiscal year.

Budgets are prepared on a modified accrual basis and are adopted for the general fund, the special revenue funds, the debt service fund, and the capital projects funds.

F. Encumbrances

Encumbrances, which are commitments related to executory contracts for goods or services, are recorded for budgetary control purposes in the general fund, special revenue funds, and capital projects funds. Encumbrance accounting is utilized to assure effective budgetary control and accountability. Encumbrances are liquidated at year end.

G. Cash and Cash Equivalents

The County considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents for the purpose of reporting cash flows.

H. Investments

All investments of the County are stated at fair value.

I. Receivables

Taxes receivable are recorded at face (original levy), and do not include penalty and interest.

COUNTY OF BUCKS, PENNSYLVANIA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2011

J. Inventories

Inventories are valued at cost using the first in/first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

K. Interfund Transactions

In connection with financing its operations, the County conducts interfund transactions. Accordingly, to the extent that certain interfund transactions have not been paid or received as of December 31, 2011, appropriate interfund receivables or payables have been established in the fund financial statements.

L. Capital Assets

Capital assets are defined as long-lived assets of the County as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and as assets in the government-wide financial statements. Capital assets, which include property, plant, equipment and infrastructure assets, are recorded at historical cost. Capital assets are reported in the governmental activities column in the government-wide financial statements. The minimum capitalization threshold is an individual item with a cost of more than \$5,000 and a useful life exceeding one year. Donated capital assets are recorded at the estimated fair value at the time of donation. Easements with an indefinite useful life are considered intangible assets of the County and accordingly are not depreciated.

Depreciation and amortization on capital assets are computed on the straight-line basis over the estimated useful lives as follows:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Land improvements	30 Years
Improvements other than buildings	35 Years
Buildings	50 Years
Building improvements	25 Years
Furniture, fixtures, machinery, and equipment	3-10 Years
Leasehold improvement	10 Years
Infrastructure	50 Years

M. Unearned and Deferred Revenues

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

N. Long-term Obligations Payable

In the government-wide financial statements, bond discounts, premiums and issuance costs are deferred and amortized over the life of the bonds using the straight line interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the life of the related debt. This method approximates the effective method which is GAAP.

COUNTY OF BUCKS, PENNSYLVANIA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2011

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of the debt issued is reported as other financing sources while discounts and premiums on debt issuance are reported as other financing uses. Issuance costs are reported as debt service expenditures.

O. Fund Balance

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

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

P. Transfers

Transfers between funds are reported as other financing sources and (uses) within those funds.

Q. Indirect Costs

Indirect costs are charged to various State and Federal grant programs based on a formal plan developed annually by the County.

R. Compensated Absences Payable

The County adopted GASB's Statement No. 16 "Accounting for Compensated Absences" as its standard of accounting and reporting for compensated absences by State and local governmental entities.

County employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for accumulated vacation days up to the equivalent of twenty (20) days in addition to their current annual accrual. Employees are reimbursed 50% of their accumulated sick leave to a maximum of 20% of their annual salary upon separation from the County after a minimum of 8 years of service.

COUNTY OF BUCKS, PENNSYLVANIA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2011

The County has accrued for compensated absences in the government-wide 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.

S. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

T. Adoption of GASB Statements

The County adopted the requirements of GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The adoption of this statement resulted in the reclassification of fund balances in the Balance Sheet-Governmental Funds and the modification of certain note disclosures.

The County adopted the requirements of GASB Statement No. 59, "Financial Instruments Omnibus". The adoption of this statement had no effect on previously reported amounts.

U. GASB Pronouncements

In December 2009, the GASB issued Statement No. 57, "OPEB Measurements by Agent Employer and Agent Multiple-Employer Plans". The County is required to adopt Statement No. 57 for its calendar year 2012 financial statements.

In November 2010, the GASB issued Statement No. 60, "Accounting and Financial Reporting for Service Concession Arrangements". The County is required to adopt Statement No. 60 for its calendar year 2012 financial statements.

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

In December 2010, the GASB issued Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements". The County is required to adopt Statement No. 62 for its calendar year 2012 financial statements.

In June 2011, the GASB issued Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". The County is required to adopt Statement No. 63 for its calendar year 2012 financial statements.

In June 2011, the GASB issued Statement No. 64, "Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53". The County is required to adopt Statement No. 64 for its calendar year 2012 financial statements.

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

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

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

COUNTY OF BUCKS, PENNSYLVANIA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2011

2. REPORTING ENTITY

In accordance with GASB Statement No. 39 "Determining Whether Certain Organizations Are Component Units", the County has evaluated all related entities (authorities, commissions, and affiliates) for the possible inclusion in the financial reporting entity.

The component units discussed below are included in the County's reporting entity because of the significance of financial and operational relationships with the County. These component units have been included in the financial reporting entity as discretely presented component units.

A. Discretely Presented Component Units

The component units' columns on the government-wide financial statements include the financial data of the County's component units. They are reported in a separate column to emphasize that they are legally separate from the County. The governing bodies of all of these component units are appointed by the County Commissioners.

The Bucks County Airport Authority was established by the County under the provisions of the Municipal Authorities Act of 1945. It is responsible for acquiring, holding, constructing, improving, maintaining and operating airports and all necessary facilities within the County. The County guarantees certain debt of the Authority.

The Bucks County Community College was established under the Community College Act of 1963. It provides two-year collegiate experience for citizens within the local area who would benefit from higher education. The County's real estate tax levy includes millage for the purpose of providing annual appropriations to the Community College.

The Bucks County Community College Authority was incorporated under the provision of the Municipality Authorities Act of 1945. The Authority was created for the purpose of acquiring, holding, constructing, improving, maintaining and operating, owning or leasing buildings to be devoted for public uses and all facilities necessary for furthering public post-secondary education and training. The County provides financial support through lease rentals and is responsible for bonded debt.

The Bucks County Drug and Alcohol Commission was incorporated in 1987 to act as the single County authority to comply with the Pennsylvania State Plan for prevention, treatment and control of drug and alcohol abuse. The County Board of Commissioners approves all amendments to the Commission's by-laws and the appointment of the Executive Director. The County annually provides an appropriation to the Commission.

The Bucks County Free Library was established to promote library service in Bucks County. The County owns the library facilities and provides a significant annual appropriation to fund operating and capital expenses of the library. Upon dissolution of the library system, all assets will be distributed to the County.

The Bucks County Housing Authority was organized in 1941 by the County under the provisions of the Pennsylvania Housing Authorities Law of 1937. It is responsible for planning, developing, constructing and/or managing rental housing opportunities for low-income families. The County guarantees certain debt of the Authority.

COUNTY OF BUCKS, PENNSYLVANIA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2011

Complete financial statements for the individual component units can be obtained from their respective administrative offices. The financial statements of the Bucks County Airport Authority, Bucks County Free Library and Bucks County Housing Authority are for the year ended December 31, 2011. The financial statements of the Bucks County Community College, Bucks County Community College Authority, and Bucks County Drug and Alcohol Commission are for the year ended June 30, 2011.

Administrative Offices

Bucks County Airport Authority
Doylestown Airport
PO Box 1185
Doylestown, PA 18901

Bucks County Community College
Newtown, PA 18940

Bucks County Community College Authority
Newtown, PA 18940

Bucks County Drug and Alcohol Commission, Inc.
600 Louis Drive
Suite 102A
Warminster, PA 18974

Bucks County Free Library
150 S. Pine Street
Doylestown, PA 18901

Bucks County Housing Authority
350 S. Main Street
Suite 205
Doylestown, PA 18901

B. Related Organizations

The County's Board of Commissioners is also responsible for appointing the members of the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments. The County Commissioners appoint the board members of the following:

Bucks County Conference and Visitors Bureau
Bucks County Housing Development Corporation
Bucks County Industrial Development Authority
Bucks County Office of Employment and Training, Inc.
Bucks County Redevelopment Authority
Bucks County Transport, Inc.
Bucks County Water and Sewer Authority
Federal Land Reuse Authority of Bucks County
St. Mary's Hospital Authority

COUNTY OF BUCKS, PENNSYLVANIA

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

3. COMPONENT UNITS - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies for the component units included in the accompanying financial statements are described below:

A. Bucks County Airport Authority

Basis of Accounting

The Airport Authority maintains its books on the accrual basis of accounting.

Capital Assets

Capital assets are stated at cost. The Authority includes infrastructure such as runways and improvements to land as part of their capital assets. Depreciation is being provided principally by the straight-line method over the estimated useful lives of the assets as follows:

Buildings and Improvements	20 to 30 years
Equipment	10 years

B. Bucks County Community College

Basis of Accounting

The financial statements of the Community College are prepared using the economic resources measurement focus and the accrual basis of accounting.

Cash and Cash Equivalents

Cash and cash equivalents include short-term investments with a maturity of three months or less.

Receivables

Accounts receivable for the Community College is recorded net of an allowance for uncollectible amounts of \$700,000 at June 30, 2011.

Capital Assets

Capital assets of the Community College are stated at cost when purchased or fair market value if received by donation. Depreciation and amortization are recorded on the straight-line basis over the estimated useful lives of the assets as follows:

Leasehold improvements	15 to 40 years
Library books and microfilm	7 to 25 years
Equipment	3 to 8 years

The period of amortization of capitalized leased equipment, and building improvements coincides with the lease terms.

Compensated Absences Payable

The Community College accrues a liability for future absences, recognizing the obligation relating to employees' rights to receive compensation for absences attributable to services already rendered.

COUNTY OF BUCKS, PENNSYLVANIA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2011

C. Bucks County Community College Authority

Basis of Accounting

The Bucks County Community College Authority reports revenues and expenses on the accrual basis of accounting.

Future Revenue Receivables

Beginning with the year ended June 30, 1975, the Bucks County Community College Authority (the Authority) adopted the "financing method" of accounting for the lease of its facilities to the County of Bucks, whereby, future lease rentals to be received are shown as an asset applicable to the retirement of the bonds outstanding. In prior years, the cost of completed projects and projects under construction were shown as an asset and the cost in excess of bonds outstanding was included in the fund balances.

D. Bucks County Drug and Alcohol Commission

Basis of Accounting

The Bucks County Drug and Alcohol Commission reports revenues and expenditures on the modified accrual basis of accounting.

E. Bucks County Free Library

Basis of Accounting

The Bucks County Free Library reports revenue and expenses on the accrual basis of accounting.

Investments

Investments are stated at their fair values.

F. Bucks County Housing Authority

Basis of Accounting

The Bucks County Housing Authority uses the economic resources measurement focus and the accrual basis of accounting.

Cash and Cash Equivalents

Cash and cash equivalents include short term investments with a maturity of three months or less.

Capital Assets

Capital assets are recorded at cost. Donated assets are recorded at fair market value at the date of donation. Depreciation is provided using the straight-line method over the estimated useful lives as follows:

Buildings	40 years
Leasehold improvements	15 years
Furniture and Equipment	3-5 years

COUNTY OF BUCKS, PENNSYLVANIA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2011

4. DEPOSIT AND INVESTMENT RISK

Under Section 1706 of the County Code of the Commonwealth of Pennsylvania, the County is authorized to invest funds in the following:

- United States Treasury Bills.
- Short-term obligations of the United States Government or its agencies or instrumentalities.
- Deposits in savings accounts or time deposits, other than certificates of deposit, or share accounts of institutions having their principal place of business in the Commonwealth of Pennsylvania and insured by the Federal Deposit Insurance Corporation (FDIC) or other like insurance.
- 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 of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth of Pennsylvania or of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.
- Shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933.
- Certificates of deposit purchased from institutions having their principal place of business in or outside the Commonwealth of Pennsylvania that are insured by the FDIC or other like insurance. For any amounts in excess of the insured maximum, such deposits shall be collateralized by a pledge or assignment of assets pursuant to Act No. 72 of the General Assembly. Certificates of deposits may not exceed 20% of a bank's total capital surplus or 20% of a savings and loan's or savings bank's assets net of its liabilities.
- Commercial paper and prime commercial paper meeting certain requirements.
- Repurchase agreements that are fully collateralized by obligations of the United States of America.

In addition, the County Code provides that a pension or retirement fund may make any investment authorized by 20 Pa.C.S. Ch. 73 (relating to fiduciaries' investments).

For all deposits above the insured maximum, assets are pledged as collateral under subsection (c)(3), to be pooled in accordance with the Act of August 6, 1971 (P.L. 281, No. 72).

There were no deposits or investments during the year that were in violation with the State statutes or County policy.

A. Cash and Cash Equivalents, Restricted

Cash and cash equivalents whose use is limited to a specific purpose have been classified as "restricted" in the *Statement of Net Assets* and the *Balance Sheet - Governmental Funds*. The restricted cash and cash equivalents are composed of amounts for debt service.

B. GASB Statement No. 40

GASB Statement No. 40 "Deposit and Investment Risk Disclosure" requires disclosures related to the following deposit and investment risks: credit risk, custodial credit risk, concentration of credit risk, interest rate risk and foreign currency risk.

COUNTY OF BUCKS, PENNSYLVANIA

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

C. Deposit & Investment Risk

As of December 31, 2011, the County had the following debt investments and maturities in its operating fund account:

	<u>Fair Value</u>	<u>Less than 1 year</u>	<u>1-5 years</u>
US government treasuries	\$ 1,720,150	\$ -	\$ 1,720,150
US government agencies	28,535,573	25,494,974	3,040,599
Corporate bonds	5,703,106	1,113,740	4,589,366
Certificate of Deposit	<u>2,330,823</u>	<u>1,133,739</u>	<u>1,197,084</u>
Total debt securities	<u>\$ 38,289,652</u>	<u>\$ 27,742,453</u>	<u>\$ 10,547,199</u>

D. Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from increasing interest rates, the County's investment policy states that the County will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the County Treasurer's Office will not directly invest in securities maturing more than one year from the date of purchase.

E. Credit Risk

The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk.

F. Custodial Credit Risk

For an investment, 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 entity. Of the bank balance of \$234,763,533 at December 31, 2011, \$1,836,817 was insured by the FDIC. The balance of \$232,926,716 was collateralized in accordance with Act no. 72 of the General Assembly of Pennsylvania which requires the institution to pool collateral for all governmental deposits.

The entire cash and cash equivalent balance in the retirement fund was collateralized with securities held by the pledging financial institutions, or by their trust departments or agents but not in the County's name.

G. Concentration of Credit Risk

The County's investment policy allows no more than twenty-five percent of the County's investment portfolio with a single financial institution, except that said twenty-five percent restriction shall not apply during the first quarter of any calendar year and does not apply to U.S. Treasurer's securities and State investment pools.

The twenty-five percent restriction shall not apply to proceeds of County bond issues where it is more beneficial to the County to invest large amounts due to the then current I.R.S. regulations applicable to investment of bond proceeds.

COUNTY OF BUCKS, PENNSYLVANIA

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

As of December 31, 2011, the County investments in debt securities have received the following ratings from Standard and Poor's:

<u>Investment Type</u>	<u>Standard & Poor's Rating</u>	<u>Fair Value</u>	<u>Percentage of Debt Securities</u>
US Government treasuries	AAA	\$ 1,720,150	4.49%
US Government agencies	AAA	7,864,044	72.75%
US Government agencies	Not Rated	20,671,529	1.77%
Corporate bonds	AA2	583,176	1.52%
Corporate bonds	AA3	748,381	1.96%
Corporate bonds	A1	1,189,748	3.11%
Corporate bonds	A2	1,490,645	1.13%
Corporate bonds	A3	256,788	0.67%
Corporate bonds	BAA1	347,936	0.91%
Corporate bonds	BAA2	430,818	3.89%
Corporate bonds	Not Rated	655,614	1.71%
Certificate of Deposit	Not Rated	2,330,823	6.09%
		<u>\$ 38,289,652</u>	<u>100.00%</u>

As of December 31, 2011, the pension trust fund had the following debt investments and maturities:

	<u>Fair Value</u>	<u>Maturity in Years</u>			
		<u>Less than 1 year</u>	<u>1-5 years</u>	<u>6-10 years</u>	<u>More than 10 years</u>
US government treasuries	\$ 2,272,762	\$ 1,177,085	\$ -	\$ -	\$ 1,095,677
US government agencies	567,757	-	567,757	-	-
Corporate debt	22,472,062	16,870,006	-	1,200,280	4,401,776
	<u>\$ 25,312,581</u>	<u>\$ 18,047,091</u>	<u>\$ 567,757</u>	<u>\$ 1,200,280</u>	<u>\$ 5,497,453</u>

H. Interest Rate Risk

The objective of the County's Investment Policy for the Retirement Fund is to provide for the funding and anticipated withdrawals on a continuing basis. To conserve and enhance the capital of the Fund in real terms through asset appreciation and income generation, while maintaining a moderate investment risk profile. To minimize principal fluctuations over the investment cycle (three to five years) and to achieve a long-term level of return commensurate with contemporary economic conditions and equal to or exceeding the investment objective set forth in the policy.

In order to maintain an effective money management structure that is style neutral, the large capitalization growth equity portion of the investment portfolio shall not exceed the large capitalization value equity portion of the portfolio by more than a two-to-one ratio. Conversely, value shall not exceed growth by the same ratio. This same relationship should be followed for the portfolio's small capitalization equity money managers as well.

I. Credit Risk

The County's Investment Policy for the Retirement Fund sets the overall rating of the fixed income assets to be at least "A", according to either Moody's or Standard & Poor's rating system. In cases where the yield spread adequately compensates for additional risk, BAA or BBB ratings can be purchased up to a maximum of 15% of total market value of fixed income securities. Cash and short term instruments maturing in 360 days or less shall be restricted to a maximum of 10% of total assets at all times. Cash equivalent reserves shall consist of cash instruments having a quality rating of A-2, P-2 or higher, as established by Moody's or Standards & Poor's. Bankers' acceptances, certificates of deposits and savings accounts must be made of United States banks or financial institutions, or foreign branches of United States banks, or United States branches of foreign banks, which are federally insured with unrestricted capital of at least \$50 million. Short-term corporate obligations must be rated A or better by Moody's or by Standard & Poor's.

COUNTY OF BUCKS, PENNSYLVANIA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2011

The diversification restrictions for individual stocks and fixed income securities purchased and held in the total portfolio shall not apply to similar investment instruments held in a commingled fund or a SEC registered mutual fund specifically approved by the Board.

J. Concentration of Credit Risk

The County's investment policy for the Retirement Fund allows investment in common stocks, preferred stocks and publicly traded Real Estate Investment Trusts which shall be restricted to high quality, readily marketable securities of corporations that are actively traded on a major exchange. Not more than 5% of the total stock portfolio valued at market may be invested in the common stock of any one corporation. Ownership of the shares of one company shall not exceed two percent of those outstanding. Not more than 25% of stock valued at market may be held in any one industry category. Fixed income securities of any one issuer shall not exceed 5% of the total bond portfolio at the time of purchase. This does not apply to U.S. Treasury Issues or other Federal agency securities.

As of December 31, 2011, the pension trust fund investments in debt securities have received the following ratings from Standard and Poor's:

<u>Investment Type</u>	<u>Standard and Poors Rating</u>	<u>Fair Value</u>	<u>Percentage of Debt Securities</u>
US government treasuries	AAA	2,272,762	8.98%
US government agencies	AAA	567,757	2.24%
Corporate debt	AAA	3,237,389	12.79%
Corporate debt	Not Rated	19,234,673	75.99%
Total investments		<u>\$ 25,312,581</u>	

5. COMPONENT UNITS - DEPOSITS AND INVESTMENTS

A. Bucks County Airport Authority

At December 31, 2011, the carrying amount of Bucks County Airport Authority's deposits with financial institutions was \$994,915, and the bank balance was \$1,037,173, which is categorized as follows:

Amount insured by the FDIC or collateralized with securities held by the Authority or by its agent in the Authority's name.	\$ 250,000
Collateralized with securities held by the pledging financial institution's trust department or agent not in the Authority's name.	<u>787,173</u>
Total bank balance	<u>\$ 1,037,173</u>

B. Bucks County Community College

At June 30, 2011, the carrying amount of Bucks County Community College's deposits with financial institutions was \$30,753,565 and the bank balance was \$31,972,249, which is categorized as follows:

Amount insured by the FDIC or collateralized with securities held by the College or by its agent in the College's name.	\$13,894,573
Collateralized with securities held by the pledging financial institution's trust department or agent not in the College's name.	<u>18,077,676</u>
Total bank balance	<u>\$31,972,249</u>

COUNTY OF BUCKS, PENNSYLVANIA

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

C. Bucks County Community College Authority

At June 30, 2011 the carrying amount of Bucks County Community College Authority's deposits with financial institutions was \$4,335,102 and the bank balance was \$4,335,000, which is categorized as follows:

Amount insured by the FDIC or collateralized with securities held by the financial institution.	<u>\$ 4,335,000</u>
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D. Bucks County Drug and Alcohol Commission

The Bucks County Drug and Alcohol Commission considers all repurchase accounts with a maturity of three months or less to be cash equivalents. At June 30, 2011, the carrying amount of Bucks County Drug and Alcohol Commission's deposits with financial institutions was \$535,543, and the bank balance was \$535,543 which is categorized as follows:

Amount insured by the FDIC or collateralized with securities held by the Commission's agent in the Commission's name.	<u>\$ 535,543</u>
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E. Bucks County Free Library

As of December 31, 2011, the Bucks County Free Library (the Library) had the following debt investments and cash equivalents with their respective maturities:

	<u>Fair Value</u>	<u>Investments with maturities (in years) less than 1</u>
Cash equivalents	\$ 188,386	\$ 188,386
Fixed income	747,042	747,042
Real estate investment trust	178,219	178,219
Mutual funds	714,001	714,001
Equity funds	<u>3,441,408</u>	<u>3,441,408</u>
Total	<u>\$ 5,269,056</u>	<u>\$ 5,269,056</u>

F. Bucks County Housing Authority

At December 31, 2011, the carrying amount of Bucks County Housing Authority's deposits and investments with financial institutions was \$41,089,006, and the bank balance was \$41,323,424, which is categorized as follows:

Amount insured by the FDIC or collateralized with securities held by the Authority's agent in the Authority's name.	<u>\$41,323,424</u>
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6. REAL ESTATE TAXES RECEIVABLE

Real estate taxes for the calendar year are levied and the related tax receivable is recorded on March 1 of each year. Any unpaid taxes are attached as an enforceable lien on such property as of January 15 of the following year. County taxes are payable as follows: 2% discount, March 1 through April 30; face amount May 1 through June 30; and 10% penalty thereafter. The County collects delinquent taxes on behalf of itself and other taxing authorities. These collections and remittances are accounted for through the Tax Claim Bureau.

Real estate taxes levied for 2011 are recorded as receivables, net of allowance for uncollectibles of \$1,758,412.

COUNTY OF BUCKS, PENNSYLVANIA

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

7. INTERGOVERNMENTAL RECEIVABLES

Amounts due from other governments at December 31, 2011 are summarized as follows:

<u>Fund Category</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 686,795	\$ 1,306,829	\$ 1,993,624
Children and youth services	5,664,752	10,590,499	16,255,251
Mental health/developmental programs	75,120	-	75,120
Nonmajor governmental funds	<u>1,386,765</u>	<u>5,497,611</u>	<u>6,884,376</u>
Totals	<u>\$ 7,813,432</u>	<u>\$ 17,394,939</u>	<u>\$ 25,208,371</u>

8. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011 including a reclassification of certain assets from improvements other than buildings to machinery and equipment was as follows:

Primary Government	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 85,154,645	\$ 15,470,030	\$ -	\$ 100,624,675
Construction in progress	<u>86,480,011</u>	<u>15,887,750</u>	<u>(70,935,493)</u>	<u>31,432,268</u>
Total capital assets, not being depreciated	<u>171,634,656</u>	<u>31,357,780</u>	<u>(70,935,493)</u>	<u>132,056,943</u>
Capital assets, being depreciated:				
Buildings	155,726,527	56,749,007	-	212,475,534
Improvements other than buildings	61,305,163	482,488	(9,706,355)	52,081,296
Machinery and equipment	94,164,397	16,702,668	-	110,867,065
Infrastructure	9,115,820	1,354,230	-	10,470,050
Leasehold buildings and improvements	<u>93,440,514</u>	<u>-</u>	<u>-</u>	<u>93,440,514</u>
Total capital assets being depreciated	<u>413,752,421</u>	<u>75,288,393</u>	<u>(9,706,355)</u>	<u>479,334,459</u>
Less accumulated depreciation:				
Buildings	(68,532,988)	(5,870,629)	-	(74,403,617)
Improvements other than buildings	(31,213,657)	(478,999)	-	(31,692,656)
Machinery and equipment	(78,235,984)	(7,236,177)	-	(85,472,161)
Infrastructure	(2,947,483)	(981,380)	-	(3,928,863)
Leasehold buildings and improvements	<u>(29,191,890)</u>	<u>(790)</u>	<u>-</u>	<u>(29,192,680)</u>
Total accumulated depreciation	<u>(210,122,002)</u>	<u>(14,567,975)</u>	<u>-</u>	<u>(224,689,977)</u>
Total capital assets, being depreciated, net	<u>203,630,419</u>	<u>60,720,418</u>	<u>(9,706,355)</u>	<u>254,644,482</u>

COUNTY OF BUCKS, PENNSYLVANIA

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

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

Governmental activities:	
General government	\$ 8,136,499
Judiciary	1,427,742
Corrections	1,330,414
Social services	1,374,261
Bridges	7,979
Health	89,548
Public safety	2,200,742
Leasehold buildings and improvements	<u>790</u>
Total depreciation expense - governmental activities	<u>\$ 14,567,975</u>

9. COMPONENT UNITS – CAPITAL ASSETS

A. Bucks County Airport Authority

The following is a summary of the Bucks County Airport Authority's capital assets at December 31, 2011:

Land, not being depreciated	\$ 11,385,384
Easements, not being depreciated	94,544
Buildings and improvements	22,322,998
Equipment	708,686
Accumulated depreciation	<u>(9,119,228)</u>
	<u>\$ 25,392,384</u>

B. Bucks County Community College

The following is a summary of the Bucks County Community College's capital assets at June 30, 2011:

Land	\$ 5,111,329
Furniture and equipment	19,017,677
Leasehold improvements	98,115,554
Library equipment	4,182,381
Construction in progress	5,005,803
Accumulated depreciation	<u>(45,692,868)</u>
	<u>\$ 85,739,876</u>

C. Bucks County Free Library

The following is a summary of the Bucks County Free Library's capital assets at December 31, 2011:

Building improvements	\$ 1,214,507
Furniture and equipment	2,026,290
Library book collections	44,534,729
Accumulated depreciation	<u>(44,538,642)</u>
	<u>\$ 3,236,884</u>

COUNTY OF BUCKS, PENNSYLVANIA

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

D. Bucks County Housing Authority

The following is a summary of the Bucks County Housing Authority's capital assets at December 31, 2011:

Land, not being depreciated	\$ 3,952,867
Buildings	56,474,990
Furniture and equipment	1,099,683
Construction in progress	2,331,023
Accumulated depreciation	<u>(40,894,508)</u>
	<u>\$ 22,964,055</u>

10. EMPLOYES' RETIREMENT SYSTEMS

A. Bucks County Employees' Retirement System

Plan Description

The County is the administrator of a single-employer, Employees' Retirement System established January 1, 1942 and governed by the County Pension Law, Act 96 of 1971, of the General Assembly of the Commonwealth of Pennsylvania, as amended (The Act). Benefits and contribution provisions of the plan are established and can be amended as provided by the act. The system provides benefits for all full-time County employees except for certain Health Department employees. Effective July 1, 1991, all per diem employees working 1,000 hours per year must participate in the plan. The plan is included in the basic financial statements of the County as a pension trust fund. A stand-alone financial report is not issued for the plan. The financial statements of the Pension Trust Fund are prepared on the accrual basis of accounting. Plan member and employer contributions to the plan are recognized in the period in which contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Current membership in the system is composed of the following:

<u>Group</u>	<u>December 31, 2011</u>
Retirees and beneficiaries currently receiving benefits	994
Vested terminated employees	226
Active employees:	
Fully vested	1,834
Nonvested	737

All full-time County employees and per diem employees working at least 1,000 hours per year, are required to participate in the system. Benefits vest after five years of service. Employees who have reached the normal retirement age of 60 or age 55 with 20 years of County service are entitled to annual retirement benefits equal to the member's annuity based on the actuarial equivalent of the accumulated deductions and a County annuity equal to the product of: (a) the "final average salary" (average of 3 highest years) times (b) the "class basis" (1/80 or 1/60 depending on the date when the member entered the system), multiplied by (c) the service time at each class basis. The system permits early retirement on a voluntary basis before age 55 with 20 years of service.

If an active employee dies at age 60 or older or after completing 10 years of credited service, a death benefit will be paid to the employee's designated beneficiary(ies). Active employees who become totally disabled after 5 years of County service, receive an annual pension equal to 25% of the "final average salary."

COUNTY OF BUCKS, PENNSYLVANIA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2011

Funding Policy

The Bucks County Employes' Retirement System funding policy provides for periodic employer contributions or transfers at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate sufficient assets to pay benefits when due. Level percentages of payroll employer contribution rates are determined using the aggregate actuarial cost method of funding. The aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities. Past service costs have been fully amortized and there are no unfunded actuarial liabilities.

As a condition of participation, employees are required to contribute a portion of their salary to the system as stipulated through the Pennsylvania State Law Act 96 of August 31, 1971 (P.L. 398). Plan members are required to contribute 9% of their annual covered salary and may contribute up to 19%. Interest is credited each year in an amount not less than 4% and no greater than 5½% as mandated by Pennsylvania State Law and voted upon by the County Retirement Board. Administrative costs are financed through investment earnings. The Act makes no provision for termination of the Plan.

Investments

The system's investments are held in a bank-administered trust fund. The Pension Trust Fund investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. Investments that do not have an established market are reported at estimated fair value. The following table presents the cost and market value of these investments at December 31, 2011:

	<u>Cost</u>	<u>Fair Value</u>
Bonds, debentures, bills, and notes		
Government obligations	\$ 2,760,717	\$ 2,840,519
Corporate obligations	16,311,525	16,870,006
Commercial mortgage obligations	5,296,837	5,602,056
Common stock	110,509,017	121,739,505
Mutual funds	222,857,300	225,740,355
Fixed income securities	<u>88,704,587</u>	<u>90,769,861</u>
Subtotal - investments	<u>446,439,983</u>	<u>463,562,302</u>
Principal and income cash account	29,548,147	29,548,147
Total	<u>\$ 475,988,130</u>	<u>\$ 493,110,449</u>

COUNTY OF BUCKS, PENNSYLVANIA

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

Actuarial Valuation

The annual required contribution was determined based on the most recent annual actuarial valuation dated as of January 1, 2011. The county elected to change from the aggregate actuarial cost method of funding for the valuation to the entry age normal funding method beginning in 2011. Significant actuarial assumptions used include, (a) a rate of return on the investment of present and future assets of 7.5% per year compounded annually, (b) projected salary increases of 3.5% per year, attributable to inflation, and (c) no post-retirement benefit increases. Both (a) and (b) included an inflation component of 3%. The actuarial value of assets were determined using the greater of the market value of assets as of the valuation date and adjusting the actuarial value of assets of the prior valuation date in accordance with the method approved by the Commonwealth of PA 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 amortization method is level percentage of projected payroll and the period is 30 years closed.

During 2004, the County issued general obligation bonds to fully fund the unfunded actuarial accrued pension liability in the pension plan. The County's contribution resulted in a net pension benefit in the pension plan. The County's net pension asset for 2011 was:

Annual required contribution	\$ 12,117,361
Interest on NPO	(4,132,480)
Adjustment to annual required contribution	<u>7,149,070</u>
Annual pension cost	15,133,951
Contributions made	(12,117,361)
Decrease in net pension asset	3,016,590
Net pension asset, January 1, 2011	(55,099,734)
Net pension asset, December 31, 2011	<u>\$ (52,083,144)</u>

Three Year Trend Information

<u>Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Assets</u>
December 31, 2009	\$ 11,558,519	\$ 8,720,402	75.45%	\$ 58,270,209
December 31, 2010	\$ 17,622,593	\$ 14,452,118	82.00%	\$ 55,099,734
December 31, 2011	\$ 15,133,951	\$ 12,117,361	80.00%	\$ 52,083,144

As of January 1, 2011, the most recent actuarial valuation date, the plan was 87.4% funded. The actuarial value of the assets were \$473,681,779 and the actuarial accrued liability for benefits was \$541,758,361, resulting in an unfunded accrued actuarial liability (UAAL) of \$68,076,582. The covered payroll was \$143,033,179 and the ratio of the UAAL to the covered payroll was 47.6%. The actuarial value of assets as a percentage of the actuarial accrued liability was 87.4%.

The schedule of Funding Progress, presented as Required Supplemental Information 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.

Contributions Required and Contributions Made

The actuarially required contribution (ARC) to the retirement fund for 2011 was \$12,117,361. The County contributed cash of \$12,117,361 on December 29, 2011. The contributions represented 8.47 percent of covered payroll. All contributions were for normal cost. Employee contributions in 2011 totaled \$13,394,004. These contributions represented 9.36 percent of covered payroll.

COUNTY OF BUCKS, PENNSYLVANIA

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

B. Health Department

Retirement benefits are provided to County Health Department employees by the State Employees' Retirement System (SERS), a cost sharing multiple-employer public employee retirement system. (See Note 11A.) The payroll for employees covered by the SERS for the year ended December 31, 2011 was \$442,726; the County's total payroll was \$145,613,112.

The total contribution for the year ended December 31, 2011 was \$52,257, which consisted of \$24,587 from the County and \$27,670 from employees. These contributions represented 5.55 percent and 6.25 percent of covered payroll, respectively. The County's contributions for the years ending December 31, 2011, 2010, and 2009 were \$24,587, \$16,096, and \$15,230, respectively, equal to the required contributions for each year.

11. COMPONENT UNITS - EMPLOYEES' RETIREMENT SYSTEM

	<u>Bucks County Community College (BCCC)</u>			<u>Bucks County Free Library</u>	
	<u>SERS</u>	<u>TIAA</u>	<u>PSERS</u>	<u>TIAA</u>	<u>AUL</u>
Payroll for covered employees	\$ 2,688,000	\$ 22,436,000	\$ 6,093,000	\$ 838,892	\$ 1,887,824
Total contributions	\$ 278,000	\$ 3,319,000	\$ 629,000	\$ 137,130	\$ 273,072
Employer contributions	\$ 110,000	\$ 2,085,000	\$ 172,000	\$ 52,691	\$ 99,089
Employer contributions as percentage of covered payroll	4.11%	9.29%	2.82%	6.28%	5.25%
Employee contributions	\$ 168,000	\$ 1,234,000	\$ 457,000	\$ 84,439	\$ 173,983
Employee contributions as percentage of covered payroll	6.25%	5.50%	7.50%	10.07%	9.22%

A. SERS

The SERS is a cost sharing, multiple-employer public employee retirement system. Membership in the SERS is mandatory for most State employees, members, and employees of the legislature and certain elected persons in the executive branch. Certain other employees are not required, but are given the option to participate. The SERS provides retirement, death, and disability benefits. Retirement benefits vest after 10 years of credited service. Employees, who retire at age 60 or with 35 years of service if under age 60, are entitled to a normal annual retirement benefit. The general annual benefit is 2% of the member's high three-year average salary multiplied by their years of service. Covered employees are required by Commonwealth of Pennsylvania State statute to contribute 5% to 10% of their salary to the SERS. The Community College's contributions for the years ending June 30, 2011, 2010, and 2009 were \$110,000, \$76,748, and \$75,153, respectively, equal to the required contributions for each year. Historical trend information including the SERS's "Schedule of Funding Progress" and the "Schedule of Employer Contributions" is presented in the SERS's December 31, 2011 annual financial report.

B. TIAA

Teachers Insurance and Annuity Association (TIAA) is a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the TIAA plus investment earnings.

All Bucks County Community College employees are eligible to participate from the date of employment. Members receive first day vesting rights and may assign contributions to the variety of investment programs. Members leaving the college within 5 years of their employment date may withdraw their contributions and accumulated interest.

All full time Bucks County Free Library employees are eligible to participate after one year of employment with mandatory participation upon completion of second year and attainment of age 30. Members may assign contributions to a variety of investment programs.

COUNTY OF BUCKS, PENNSYLVANIA

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

C. PSERS

The Public School Employees' Retirement System (PSERS) is a multiple-employer cost sharing public employee retirement system. Membership in the PSERS is mandatory for substantially all full-time public school employees in the Commonwealth. Members are eligible for monthly retirement benefits upon reaching (a) age 62; (b) age 60 and 30 or more years of service or; (c) 35 or more years of service regardless of age. Benefits are generally equal to 2% of the member's final average salary multiplied by the number of years of credited service. After completion of 10 years of service, a member's right to the defined benefit is vested and early retirement benefits may be elected. The PSERS also provides for disability retirement benefits and death benefits. Participants are eligible for disability retirement benefits after completion of 5 years of eligible service. Such benefits are equal to 2% of the member's final average salary multiplied by the number of years of credited service, but not less than one third of such salary, nor greater than the benefit the member would have had at superannuation retirement age.

Covered employees are required by the Commonwealth of Pennsylvania statute to contribute 5.25% to 6.25% of their salary to the PSERS. The Community College is required by the same statute to contribute the remaining amounts necessary to pay benefits when due. The College's contributions for the years ending June 30, 2011, 2010, and 2009 were \$172,000, \$109,678, and \$101,324, respectively, equal to the required contributions for each year. Historical trend information including the PSERS's "Schedule of Funding Progress" and the "Schedule of Employer Contributions" is presented in the PSERS's June 30, 2011 annual financial report.

D. American United Life Insurance Company (AUL)

AUL is a defined contribution plan. The benefits depend solely on amounts contributed to the AUL plus investment earnings. Effective May 2006, all new full time employees are required to participate in AUL after one year of service. Employees with TIAA prior to May 2006 are permitted to remain with TIAA.

The County and its component units do not provide any additional post-employment benefits other than pension benefits.

12. SELF-INSURANCE PROGRAM

The County elected to self-insure potential obligations applicable to workers' compensation, general liability, and auto liability. This program is contractually administered by private agencies. In 2011, the County accounted for claims expenditures reported and all transactions associated with self-insurance in the general fund. The County has purchased reinsurance coverage for excess obligations over the limits listed below for workers' compensation, general liability and auto liability. There has been no significant reduction in insurance coverage from the prior year and the amount of settlements has not exceeded insurance coverage for each of the past three years. The County's liability limits per incident are as follows:

	<u>1985-1992</u>	<u>1992-1997</u>	<u>1998-2002</u>	<u>2003</u>	<u>2004-2008</u>	<u>2009-2011</u>
Worker's compensation	\$150,000-\$425,000	\$350,000	\$300,000	\$400,000	\$500,000	\$450,000
General liability	None	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Auto liability	\$150,000-\$500,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000

COUNTY OF BUCKS, PENNSYLVANIA

**NOTES TO THE FINANCIAL STATEMENTS
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In addition to administrative and premium costs, funds were made available by the County to process the payment of claim benefits by the program administrator. Costs of the self-insurance program charged to current year expenses were \$3,836,587, which includes an estimate for claims incurred but not reported. The county reported loss claims and claims incurred but not reported for workers' compensation, general liability and auto liability based on independent actuarial evaluations. Liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using a four percent expected future investment yield assumption. The estimate of claims liability also includes amounts for nonincremental claims adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims.

The following summary reflects the changes in the insurance claims liability recorded in the general fund for the years ending December 31, 2010 and December 31, 2011:

	<u>Year Ended December 31, 2010</u>	<u>Year Ended December 31, 2011</u>
Beginning year liability	\$ 7,214,864	\$ 7,451,629
Claims and changes in estimates	3,242,435	3,836,587
Claims payments	<u>(3,005,670)</u>	<u>(3,202,538)</u>
Ending year liability	<u>\$ 7,451,629</u>	<u>\$ 8,085,678</u>

13. LONG-TERM OBLIGATIONS

In December 2011, the County issued General Obligation Bonds, Series of 2011 totaling \$75,065,000. The bonds have interest rates varying from 2% to 5%, with funds maturing in 2026. The proceeds of the bonds will be used to finance the construction of various capital projects including the construction of a new Justice Center. The proceeds include a premium of \$10,341,825 and issuance costs of \$390,508. Interest is due semi annually on June 1st and December 1st.

The following summary reflects the changes in long-term obligations for the year ended December 31, 2011:

	<u>January 1, 2011</u>	<u>Additions</u>	<u>(Retirements)</u>	<u>December 31, 2011</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds and notes payable:					
County general obligation bonds and notes	\$211,998,000	\$ 75,065,000	\$ (16,945,000)	\$270,118,000	\$ 19,358,000
Lease rental debt	<u>38,817,183</u>	<u>-</u>	<u>\$ (2,931,439)</u>	<u>35,885,744</u>	<u>3,050,822</u>
Total bonds and notes	250,815,183	75,065,000	(19,876,439)	306,003,744	22,408,822
Other liabilities:					
Compensated absences	14,471,907	14,101,596	(14,613,240)	13,960,263	3,518,490
Self-insurance claims	<u>7,451,629</u>	<u>3,836,587</u>	<u>(3,202,538)</u>	<u>8,085,678</u>	<u>3,200,000</u>
Total other liabilities	<u>21,923,536</u>	<u>17,938,183</u>	<u>(17,815,778)</u>	<u>22,045,941</u>	<u>6,718,490</u>
Subtotal	272,738,719	<u>\$ 93,003,183</u>	<u>\$ (37,692,217)</u>	328,049,685	<u>\$ 29,127,312</u>
Unamortized premium	<u>5,226,686</u>			<u>15,104,840</u>	
Total governmental activities long-term liability	<u>\$277,965,405</u>			<u>\$343,154,525</u>	

The liability for self-insurance claims and costs is generally liquidated by the general fund. Compensated absences are liquidated by the General fund, Children and Youth fund, Mental Health/Developmental Programs fund and certain non-major funds.

COUNTY OF BUCKS, PENNSYLVANIA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2011

The following tables summarize the long-term bonds principal and interest payments for debt outstanding as of December 31, 2009 and the scheduled maturities:

A. County General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the government. The County's tax-exempt general obligation debt is subject to federal arbitrage regulations. County general obligations principal and interest payable at December 31, 2011 are as follows:

<u>Series</u>	<u>Amount of Original Issue</u>	<u>Purpose</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Principal</u>	<u>Interest (1)</u>	<u>Total</u>
2003 A	12,500,000	Fund certain capital projects - governmental activities	variable	2012	\$ 2,874,000	\$ 49,835	\$ 2,923,835
2003 B	10,000,000	Fund certain capital projects - governmental activities	variable	2012	374,000	6,485	380,485
2004	85,230,000	Fund the unfunded pension accrued actuarial liabilities	4.50 - 5.68%	2024	64,955,000	27,777,856	92,732,856
2005	56,215,000	Fund certain capital projects - governmental activities and refund the 1997 Series, part of 1998 Series and 1999 Series	4.00 - 5.00%	2020	35,345,000	6,210,175	41,555,175
2007	44,000,000	Fund certain capital projects - governmental activities	4.25 - 5.00%	2022	34,750,000	9,988,131	44,738,131
2008	64,370,000	Fund certain capital projects - governmental activities and refund the 1998 bond series	3.50 - 5.25%	2024	56,755,000	18,803,720	75,558,720
2011	75,065,000	Fund certain capital projects - governmental activities	2.00 - 5.00%	2026	75,065,000	29,227,830	104,292,830
Total					<u>\$270,118,000</u>	<u>\$ 92,064,032</u>	<u>\$ 362,182,032</u>

(1) Includes interest at December 31, 2011 rates ranging from 2.00% to 5.68% for variable rate notes. Interest on the variable rate notes (maximum 15%) is calculated based on the Bond Market Association Index which is adjusted on a weekly basis.

The requirements to amortize all County general obligation bonds outstanding as of December 31, 2011, including interest payments, for the next five years and the five year periods thereafter are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 19,358,000	\$ 12,528,443	\$ 31,886,443
2013	19,920,000	11,798,511	31,718,511
2014	20,630,000	10,940,862	31,570,862
2015	21,125,000	10,022,285	31,147,285
2016	21,720,000	9,022,111	30,742,111
2017 - 2021	99,060,000	30,222,191	129,282,191
2022 - 2024	<u>68,305,000</u>	<u>7,529,629</u>	<u>75,834,629</u>
Total	<u>\$ 270,118,000</u>	<u>\$ 92,064,032</u>	<u>\$ 362,182,032</u>

COUNTY OF BUCKS, PENNSYLVANIA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2011

B. Lease Rentals Payable

The County historically leased the Community College facilities from the Bucks County Community College Authority (the Authority) and subleases the property to the Bucks County Community College (the College).

In 2007, the Authority issued a Revenue Note, Series of 2007 in the amount of \$9,950,000 for the completion of the Lower Bucks campus. The County approved a guaranty of the debt and, if necessary, would make payments or assist the Authority in meeting its debt obligations. During 2011, no payments were required by the County. The Authority's debt related to this note at June 30, 2011 totaled \$8,440,744.

In June 2007, the Authority entered into a new lease and sublease with the college and the County as a result of the 2007 Debt Issuance. The Authority leases to the County the property which the Authority acquired. The County subleases the leased premises to the College. The County agreed to pay the Authority out of the taxes and other general revenues for a rental of the leased premises. Any payment made by the College should be credited against the County's obligation to pay rentals.

In June 2007, the Authority issued College Building Revenue Bonds, Series of 2007 totaling \$15,195,000. The bonds were issued to advance refund the Authority's 1997 College Building Revenue Bonds and the 1999 Revenue Note. The Authority also issued Revenue Note, Series of 2007 in the amount of \$9,950,000 for the completion of the Lower Bucks College campus. On July 9, 2007 the Authority used \$15,527,064 of the proceeds to pay in full the 1997 debt.

In June 2008, The Authority issued \$20,285,000 of College Building Revenue Bonds to fund various capital projects including construction of academic buildings at the College's Upper Bucks Campus (the "Upper Campus Project"), ADA Code compliance renovations (the "ADA Project"), and construction of the Lower Bucks fire training center (the "Training Center Project"). In conjunction with the issuance of these bonds, the Authority, County, and the College entered into the first supplemental lease and sublease agreement, whereas the County will lease the project assets from the Authority and will sublease the project assets to the College related to the Upper Campus and ADA Projects. Project assets of the Upper Campus Project and the ADA Project are property of the Authority during the lease term. Project assets of the Training Center Project are property of the College during the lease term. The lease commits the College to pay the Authority annual rentals through 2028 for the use of all project assets. Lease payments are paid directly to the holder of the bonds. Lease payments to be made by the College will be sufficient to satisfy the debt service requirements of the bond. Fixed rent payments escalate and decline over the lease term to fund the Authority's debt as it matures.

In November 2008, in conjunction with the June 2008 first supplemental lease and sublease agreement, the College entered into a sublease agreement with the County. The agreement states that the facilities constructed related to the Training Center Project shall remain the property of the College, and at the expiration of the agreement in 2028 or any renewal, the assets shall become the property of the County.

Title to the assets related to the Upper Campus Project and the ADA Project passes to the College upon maturity if the bonds. Accordingly, the College recorded this amount as obligations under capital leases. The College treats the lease payments as a reduction of the capital lease obligations.

COUNTY OF BUCKS, PENNSYLVANIA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2011

C. Guaranty Agreements

Under a Guaranty Agreement dated July 6, 1976, between the County and the Bucks County Housing Authority (Housing Authority), the County agreed to guarantee certain debt of the Housing Authority and, if necessary, to make lease rental payments and assist the Housing Authority in meeting its debt obligations. During 2010, and all prior years, no such lease rental payments were required to be made by the County. The Authority's debt related to the Guaranty Agreement at December 31, 2011 totaled \$970,000. (See Note 15C.)

The County has entered into Surety Agreements between the County and the Bucks County Airport Authority (Airport). The County agreed to guarantee the debt of the Airport and, if necessary, would make payments or assist the Airport in meeting its debt obligations. During 2010, no such payments were required to be made by the County. The Surety Agreement guaranteed loans of which \$3,602,322 remains outstanding as of December 31, 2011. (See Note 15A.)

Under a Guaranty Agreement dated June 6, 2001, between the County and the Bucks County Industrial Development Authority (Industrial Development Authority), the County agreed to guarantee certain debt of the Industrial Development Authority and, if necessary, to make lease rental payments and assist the Industrial Development Authority in meeting its debt obligations. During 2011, and all other years, no such lease rental payments were required by the County. The Industrial Development Authority's debt at December 31, 2011 was \$6,700,000.

D. County Debt Margin

The County's legal debt margin at December 31, 2011, computed in accordance with the Commonwealth of Pennsylvania's Local Government Unit Debt Act of 1972, as amended, is \$1,126,964,693 for general obligation bonds and \$1,556,596,095 for general obligation bonds and lease rental debt. The County is in compliance with all applicable debt covenants at December 31, 2011.

14. ADVANCE REFUNDING

In 1992, 1998, 2005 and 2008, the County issued general obligation bonds to advance refund prior years general obligation bonds. The entire proceeds (net of issuance costs and surplus cash) were used to purchase United States Government Securities, which were deposited in irrevocable trusts with escrow agents to provide for all future debt service. As a result, the prior bonds are considered to be defeased and the liability for the refunded bonds has been removed from the long-term obligations. The balance outstanding at December 31, 2011, which are considered defeased:

<u>Bonds</u>	<u>Amounts</u>
1990 First Series Bonds	\$ 12,575,000
1995 Series Bonds	10,300,000
1997 Series Bonds	15,830,000
1998 Series Bonds	10,090,000
1999 Series Bonds	2,800,000
	<u>\$ 51,595,000</u>

COUNTY OF BUCKS, PENNSYLVANIA

**NOTES TO THE FINANCIAL STATEMENTS
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The proceeds of the Neshaminy Water Resources Authority (NWRA) revenue bonds were intended for the construction and acquisition of facilities for the control of floods, development of water resources, conservation of soil, and assistance to recreation. The construction included two reservoirs for flood control and water supply, and intakes and pumping stations at two locations to take water from the Delaware River.

On May 26, 1988, the Court of Common Pleas of Bucks County, Civil Division entered judgment in favor of the County of Bucks ordering NWRA to convey to the County by appropriate instrument or instruments the Reservoir and Park System, including all money, funds and property or interests of whatsoever nature used or useful in connection with the Reservoir and Park System. All outstanding revenue bonds were secured by lease rentals payable by the County out of taxes and other current revenue.

On February 15, 1995, the County Board of Commissioners sold the Point Pleasant Pumping Station to the North Penn/North Wales Water Authorities. The proceeds of the sale were used to defease, on February 15, 1995 and March 3, 1995, respectively, the NWRA revenue bonds that totaled \$22,360,360 and the County's general obligation bond - Series of 1990 that totaled \$16,195,000. The balance outstanding at December 31, 2011, which are considered defeased:

<u>Bond</u>	<u>Amount</u>
Fourth Supplemental Series A of 1973	<u>\$ 1,215,000</u>

15. COMPONENT UNITS - LONG-TERM OBLIGATIONS

The following summary reflects the changes in long-term obligations recorded by the Component Units for the year ended December 31, 2011:

	<u>January 1,</u> <u>2011</u>		<u>Additions</u>		<u>(Retirements)</u>		<u>December 31,</u> <u>2011</u>
Bucks County Airport Authority	\$ 3,910,999	\$	-	\$	(308,677)	\$	3,602,322
Bucks County Community College Authority (1)	38,817,183		-		(2,931,439)		35,885,744
Bucks County Housing Authority	<u>4,624,397</u>		<u>-</u>		<u>(672,122)</u>		<u>3,952,275</u>
Total long-term obligations - Component Units	<u>\$ 47,352,579</u>	\$	<u>-</u>	\$	<u>(3,912,238)</u>	\$	<u>43,440,341</u>

(1) Bucks County Community College Authority is presented for the year ended June 30, 2011.

COUNTY OF BUCKS, PENNSYLVANIA

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

A. Bucks County Airport Authority

The Bucks County Airport Authority (the Airport Authority) long-term obligations at December 31, 2011 are as follows:

<u>Series</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Principal (2)</u>
2001	Interest rate varies weekly, currently averaging 0.907%	2016	\$ 149,000
2001	Interest rate varies weekly, currently averaging 0.907%	2016	58,000
2001	Interest rate 4.35%	2017	479,322
2002	Interest rate varies weekly, currently averaging 0.907%	2021	691,000
2003	Interest rate varies weekly, currently averaging 0.907%	2018	390,000
2004	Interest rate varies weekly, currently averaging 0.907%	2021	1,105,000
2005	Interest rate varies weekly, currently averaging 4.081%	2027	730,000
			<u>\$ 3,602,322</u>

(2) These obligations have been guaranteed by the County (see Note 13C).

The requirements to amortize all Airport Authority long-term obligations outstanding as of December 31, 2011, including principal payments, for the next five years and thereafter are as follows:

<u>Series</u>	<u>Amounts</u>
2011	\$ 322,594
2012	335,676
2013	351,990
2014	366,451
2015	382,061
2017 - 2019	1,278,550
2020 - 2024	394,000
2025 -2027	<u>171,000</u>
Total	<u>\$ 3,602,322</u>

B. Bucks County Community College Authority

In June 2007, the Bucks County Community College Authority (the Authority) issued College Building Revenue Bonds, Series of 2007 totaling \$15,195,000. The bonds were issued to advance refund the Authority's 1997 College Building Revenue Bonds and the 1999 Revenue Note. The Authority also issued Revenue Note, Series of 2007 in the amount of \$9,950,000 for the completion of the Lower Bucks College campus. The outstanding balances of the 1997 bonds and the note were \$13,695,000 and \$1,832,064, respectively, at June 30, 2007. On July 9, 2007 the Authority used \$15,527,064 of the proceeds to pay in full the 1997 debt.

The Authority revenues used for the repayment of debt are derived from the Commonwealth of Pennsylvania and the County (see Note 13B). The Authority revenue bonds and notes principal payable at June 30, 2011 are as follows:

<u>Series</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Principal</u>
2007 Bond	4.00 - 5.00%	2017	\$ 9,295,000
2007 Note	3.99%	2027	\$ 8,440,744
2008 Bond	3.00 - 5.00%	2028	\$ 18,150,000

COUNTY OF BUCKS, PENNSYLVANIA

**NOTES TO THE FINANCIAL STATEMENTS
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The requirements to amortize the Authority bonds and notes outstanding at June 30, 2011 including interest payments, for the next five years and for the five year periods thereafter are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Amounts</u>
2012	\$ 3,050,822	\$ 1,584,627	\$ 4,635,449
2013	3,157,619	1,467,054	4,624,673
2014	3,299,184	1,326,552	4,625,736
2015	2,336,422	1,173,564	3,509,986
2016	2,438,633	1,074,328	3,512,961
2017 - 2021	8,746,767	3,977,711	12,724,478
2022 - 2026	9,358,220	2,145,085	11,503,305
2027 - 2028	3,498,077	276,880	3,774,957
Total	\$ 35,885,744	\$ 13,025,801	\$ 48,911,545

C. Bucks County Housing Authority

Long-term obligations of the Bucks County Housing Authority (the Housing Authority) totaling \$3,952,275 at December 31, 2011, consisted of Rural Housing Community Development Service (RD) mortgages totaling \$1,923,838, and Section 8 new construction revenue bonds totaling \$970,000, tax free mortgage loans of \$758,437, and a Housing Trust Fund loan totaling \$300,000.

HUD Guaranteed Bonds and Notes

During a prior audit period, the Authority's long-term debt (guaranteed by HUD) was written off in accordance with HUD's GAAP Conversion Guide.

GASB Interpretation No. 2, Disclosure of Conduit Debt Obligations, provides guidance as to the proper GAAP treatment of this HUD-guaranteed debt. The debt transactions between the Authority and HUD are similar to conduit debt obligations, which are "certain limited-obligation revenue bonds, certificates of participation, or similar debt instruments issued by a state or local governmental entity for the express purpose of providing capital financing for a specific third party that is not a part of the issuer's financial reporting entity."

The transaction between the Authority and HUD is similar to HUD giving funds to the Authority to operate and the funds are a capital contribution. HUD has essentially made an investment in the Authority. Therefore, the liability was reclassified as a capital contribution.

RD Mortgages

The RD has provided a mortgage for property managed by the Housing Authority as follows:

<u>Property</u>	<u>Date Provided</u>	<u>Original Balance</u>	<u>Interest Rate</u>	<u>Monthly Payment</u>	<u>Balance December 31, 2011</u>
Sellersville Heights	10/85	\$ 2,200,000	10.75%	\$ 4,661	\$ 1,923,838

The RD provides an interest subsidy for each of these mortgages.

COUNTY OF BUCKS, PENNSYLVANIA

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

Section 8 New Construction Revenue Bonds

The Housing Authority has issued First Mortgage Guaranteed Revenue Bonds to fund various Section 8 New Construction programs. These bonds have been guaranteed by the County (see Note 13C). The Housing Authority revenue bonds principal and interest payable at December 31, 2011 are as follows:

<u>Series</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1977	6.05-6.15%	2014	\$ 970,000	\$ 79,138	\$ 1,049,138

The requirements to amortize the Housing Authority revenue bonds outstanding at December 31, 2011 including interest payments, for the next five years and for each of the five year periods thereafter are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 320,000	\$ 9,804	\$ 329,804
2013	-	39,325	39,325
2014	<u>650,000</u>	<u>30,009</u>	<u>680,009</u>
Total	<u>\$ 970,000</u>	<u>\$ 79,138</u>	<u>\$ 1,049,138</u>

The Housing Authority received a \$2,100,000 tax-free mortgage note on December 28, 2004 from First Savings Bank of Perkasie.

	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Monthly Payment</u>	<u>Balance December 31, 2011</u>
Grundy House	4.88%	2015	\$ 22,216	\$ 758,437

Housing Trust Fund Loan

The Housing Authority received \$300,000 in Housing Trust Fund monies from the County. The funds are a deferred loan with zero interest and will be payable in 30 years, which is the end of the period of affordability in conjunction with the PA Low Income Housing Tax Credit Program.

COUNTY OF BUCKS, PENNSYLVANIA

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

16. INTERFUND RECEIVABLES AND PAYABLES

The general fund has paid expenses on behalf of other funds, therefore a corresponding interfund receivable and payable have been recorded. In addition, the County utilizes a pooled operating cash account to enhance investment return, therefore interfund receivables and payables are recorded to recognize amounts held in the general fund pooled cash account on behalf of other funds. Interfund receivable and payable balances of individual funds within the primary government as of December 31, 2011 are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Primary government		
Governmental activities:		
Major governmental funds:		
General fund	\$ 42,524,938	\$ 13,119,730
Behavioral health services fund	-	1,160,241
Children and youth services fund	-	12,505,339
Mental health/developmental programs fund	-	3,549,465
Debt service fund	1,828,301	-
2011 series bond fund	-	1,485,821
Total major governmental funds	<u>44,353,239</u>	<u>31,820,596</u>
Nonmajor governmental funds:		
Area agency on aging fund	-	10,437,505
Bridge reconstruction fund	-	323,349
Community and business development fund	-	1,761,470
Emergency response 911 fund	-	4,614,297
Hazardous material emergency response fund	-	825,794
HOME fund	-	621,419
Liquid fuels tax fund	-	53,234
Neshaminy Manor fund	-	4,059,551
2002 notes capital acquisitions fund	1,805	-
2003 notes capital acquisitions fund	-	24,849
2005 series bond	4,563,034	-
2007 series bond fund	1,840,167	-
2008 series bond fund	-	1,102,604
Open space fund	3,350,951	-
Miscellaneous capital projects fund	1,535,472	-
Total nonmajor governmental funds	<u>11,291,429</u>	<u>23,824,072</u>
Total primary government	<u>\$ 55,644,668</u>	<u>\$ 55,644,668</u>

COUNTY OF BUCKS, PENNSYLVANIA

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

17. TRANSFERS IN/OUT RECONCILIATION

During 2011, the County had transactions between funds including expenditures and transfer of resources to provide funding for program services accounted for in other funds. These transactions were recorded as transfers. Transfers within the primary government as of December 31, 2011 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Transfers in/out:		
Governmental activities:		
Major governmental funds:		
General fund	\$ -	\$ (21,034,298)
Children and youth services fund	13,194,615	-
2011 series bond fund	-	(662,801)
Mental health/developmental programs fund	<u>1,570,431</u>	<u>-</u>
Total major governmental funds	<u>14,765,046</u>	<u>(21,697,099)</u>
Nonmajor governmental funds	<u>7,974,588</u>	<u>(1,042,535)</u>
Total transfers in/out	<u>\$ 22,739,634</u>	<u>\$ (22,739,634)</u>

18. FUND BALANCE

The constraints on fund balance included in the governmental fund financial statements represent portions of fund balances that are restricted or assigned for various purposes and are not available for the payment of other subsequent expenditures. The assigned fund balance of \$1,785,000 in the general fund is for amounts restricted for the construction of the Public Safety Training Center.

The restricted fund balance of \$1,828,301 in the debt service fund is for future debt payments. The 2011 Series Bond fund has restricted fund balance of \$68,407,418 for the payment of capital project expenditures.

In the nonmajor governmental funds, the County restricted \$597,929 of fund balance for Area Agency on Aging and \$802,938 for Neshaminy Manor. These amounts are restricted by grantors for future payment of expenditures related to the operation of the programs.

In the nonmajor capital project funds, a total of \$17,372,950 of fund balance was restricted for the payment of capital project expenditures. A total of \$7,843,579 of fund balance was assigned for future open space and growing greener project expenditures.

The restriction on net assets included in the fiduciary funds represent \$490,258,551 of net assets held in trust for pension benefits for future payments to members.

COUNTY OF BUCKS, PENNSYLVANIA

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

19. RELATED PARTY TRANSACTIONS

The County is affiliated with the Southeastern Pennsylvania Transportation Authority (SEPTA) as a result of the following factors:

- SEPTA provides transportation services to County residents.
- The County has representation on SEPTA's Governing Board.
- The County partially subsidizes SEPTA's operations.

Because of the pervasive nature of SEPTA's operations (SEPTA services all of Southeastern Pennsylvania including several governmental entities significantly larger than Bucks County), it was not considered part of the County's reporting entity. However, the County does consider SEPTA a related party based on the factors enumerated above.

During 2011, the County provided operating and capital subsidies to SEPTA aggregating \$2,693,000 and \$279,823, respectively. Such subsidies are classified as Authorities in the general fund operating statement. As of December 31, 2011, the County's commitment to fund future SEPTA capital projects is \$225,642.

The County is affiliated with Independence Blue Cross (IBC). As a result of the contractual relationship with IBC for health care coverage, the County appoints one representative on IBC's governing board. During 2011, the County expended \$14,989,390 for employee health care coverage to IBC and \$22,749,580 to Keystone Health Plan East.

20. COMMITMENTS AND CONTINGENCIES

The County currently occupies, and is under agreement to lease separate buildings for County use. The following is a schedule of future minimum lease payments to be made under these operating leases as of December 31, 2011:

<u>Years</u>	<u>Amounts</u>
2012	\$ 984,689
2013	858,525
2014	308,201
2015	145,249
2016	135,420
2017	72,120
2018	60,350
Total	<u>\$ 2,564,554</u>

Rental expense for all operating leases amounted to \$1,218,286 in 2011.

COUNTY OF BUCKS, PENNSYLVANIA

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2011**

21. COMPONENT UNITS - COMMITMENTS AND CONTINGENCIES

Leases

The Bucks County Community College (the College) entered into a lease agreement during fiscal year 2007 with the Bucks County Community College Authority (the Authority) as a result of the Authority's refinancing of the College Building Revenue and Refunding Bonds, Series 1997 and the 1999 Note. The lease commits the College to pay the Authority on behalf of the County annual rentals through 2017 for use of the campus land and buildings. Lease payments are structured in amounts sufficient to provide for the debt service requirements on the bonds. Fixed rent payments escalate and decline over the lease term to fund the Authority's debt as it matures.

In conjunction with the 2007 lease and sublease agreement, the College satisfied its obligations under the 1997 and 1999 lease and sublease agreements by irrevocably depositing sufficient funds to pay in full and retire the Authority's obligations under the 1997 Revenue Bonds and the 1999 Revenue Note.

The minimum future rentals under the lease agreement including interest of \$1,325,550 are as follows:

<u>Years</u>	<u>Amounts</u>
2012	\$ 2,333,900
2013	2,322,500
2014	2,323,750
2015	1,210,000
2016	1,212,400
2017	<u>1,218,000</u>
Total	<u>\$ 10,620,550</u>

22. LITIGATION

In the normal course of business there are various claims and suits pending against the County. In the opinion of counsel, the amount of such losses that might result from these claims and suits, if any, would not materially affect the financial condition of the County.

23. SUBSEQUENT EVENTS

In May 2012, the Commissioners approved the establishment of a Keystone Opportunity Expansion Zone in Bristol Township, Bucks County, and approved a PILOT agreement by and between the County, the Bristol Township School District, the Township of Bristol and Green Lane Properties, LLC.

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Required Supplementary Information

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COUNTY OF BUCKS, PENNSYLVANIA

**REQUIRED SUPPLEMENTARY INFORMATION
BUCKS COUNTY EMPLOYEES' RETIREMENT SYSTEM**

1. SCHEDULE OF EMPLOYER CONTRIBUTIONS

<u>Year Ended</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
December 31, 2001	\$ 83,881	100%
December 31, 2002	3,332,376	100%
December 31, 2003	7,778,682	100%
December 31, 2004	10,427,962	100%
December 31, 2005	2,852,135	100%
December 31, 2006	2,616,102	100%
December 31, 2007	3,386,984	100%
December 31, 2008	1,062,592	100%
December 31, 2009	8,720,402	100%
December 31, 2010	14,452,118	100%
December 31, 2011	12,117,361	100%

2. SCHEDULE OF FUNDING PROGRESS

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age (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>
1/1/2008	\$ 477,674,469	\$ 444,731,101	\$ (32,943,368)	107.41%	\$ 122,136,993	(27.0%)
1/1/2009	\$ 461,784,033	\$ 487,297,434	\$ 25,513,401	94.76%	\$ 136,395,447	18.7%
1/1/2010	\$ 437,390,542	\$ 507,642,175	\$ 70,251,633	86.20%	\$ 137,116,868	51.2%
1/1/2011	\$ 473,681,779	\$ 541,758,361	\$ 68,076,582	87.40%	\$ 143,033,179	47.6%

**COUNTY OF BUCKS, PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Real estate taxes	\$ 148,348,300	\$ 148,348,300	\$ 147,544,330	\$ (803,970)
Licenses and fees	20,573,800	20,750,600	18,454,369	(2,296,231)
Judiciary costs and fines	12,680,200	12,790,200	12,811,789	21,589
Intergovernmental	24,901,200	25,268,200	19,588,884	(5,679,316)
Interest	1,430,400	1,430,400	434,321	(996,079)
Other	949,100	954,100	2,046,774	1,092,674
	<u>208,883,000</u>	<u>209,541,800</u>	<u>200,880,467</u>	<u>(8,661,333)</u>
Total revenues				
Expenditures:				
Current:				
General government:				
Agricultural extension service	340,700	340,700	340,700	-
Allocated costs	(6,512,400)	(6,562,400)	(6,479,953)	(82,447)
Central telephone & service	143,900	161,900	159,635	2,265
Commissioners	1,124,700	1,124,700	1,083,238	41,462
Community and business development - administration	-	-	3,583	(3,583)
Consumer protection	703,300	721,300	700,636	20,664
Controller	2,632,300	2,632,300	2,585,408	46,892
Emergency management	616,400	616,400	444,386	172,014
Employee benefits/self insurance	3,510,000	3,560,000	920,506	2,639,494
ERP	669,800	669,800	665,071	4,729
Finance	873,500	873,500	809,003	64,497
Fire marshal	464,900	464,900	440,001	24,899
Human resources	882,800	882,800	842,961	39,839
Information systems	6,488,300	6,488,300	6,123,935	364,365
Insurance	1,722,200	1,722,200	1,490,717	231,483
Mail room	658,500	658,500	613,255	45,245
Microfilming, printing and reproduction	454,300	484,300	479,571	4,729
Military affairs	381,400	403,400	403,090	310
Opportunity council	260,900	260,900	260,900	-
Parks and recreation	4,951,900	5,058,400	5,056,900	1,500
Planning and zoning	3,454,300	3,554,300	3,545,313	8,987
Public defender	3,666,100	3,666,100	3,587,487	78,613
Public information	726,000	726,000	541,620	184,380
Public works/County properties	9,998,900	10,924,900	10,769,216	155,684
Purchasing	609,800	629,800	616,988	12,812
Recorder of deeds	1,992,000	1,992,000	1,936,094	55,906
Solicitor	952,800	1,137,800	1,093,805	43,995
Tax assessment	2,405,700	2,680,700	2,623,417	57,283
Tax claim bureau	617,400	730,400	693,808	36,592
Tax collectors	1,124,000	1,139,000	1,135,473	3,527
Treasurer	868,300	930,300	915,714	14,586
Voter registration	1,465,000	1,486,000	1,450,869	35,131
Voting machines	586,200	618,200	591,146	27,054
	<u>48,833,900</u>	<u>50,777,400</u>	<u>46,444,493</u>	<u>4,332,907</u>
Total general government				

(Continued)

**COUNTY OF BUCKS, PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011
(Continued)**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	
Judiciary:				
Adult probation & parole	\$ 7,275,400	\$ 7,350,400	\$ 7,263,848	\$ 86,552
Clerk of courts	1,854,800	1,964,800	1,941,154	23,646
Constables	1,795,200	1,841,000	1,839,848	1,152
Coroner	1,044,200	1,115,200	1,113,854	1,346
Court stenographers	2,490,100	2,498,100	2,457,930	40,170
Courts	8,206,800	8,666,800	8,578,130	88,670
Crime lab	498,900	498,900	491,839	7,061
District attorney	8,661,500	9,261,500	8,897,200	364,300
District courts	8,879,800	9,464,800	9,050,197	414,603
Domestic relations	8,739,800	9,046,800	8,959,269	87,531
Grand jury	36,500	36,500	28,017	8,483
Jury commissioners	25,400	25,400	22,232	3,168
Juvenile probation & parole	5,373,700	5,412,700	5,353,745	58,955
Law library	375,200	392,200	373,057	19,143
Prothonotary	2,267,500	2,437,500	2,398,068	39,432
Register of wills	1,703,900	1,703,900	1,599,924	103,976
Sheriff	6,097,200	6,309,200	6,193,932	115,268
Total judiciary	<u>65,325,900</u>	<u>68,025,700</u>	<u>66,562,244</u>	<u>1,463,456</u>
Corrections:				
Administration	3,343,200	3,416,200	3,233,852	182,348
County correctional facility	25,632,200	25,879,200	25,805,895	73,305
Men's community correction center	7,272,100	7,404,100	7,267,316	136,784
Women's community correction center	894,200	894,200	851,938	42,262
Total corrections	<u>37,141,700</u>	<u>37,593,700</u>	<u>37,159,001</u>	<u>434,699</u>
Authorities:				
BC transportation authority	2,710,400	2,710,400	2,640,261	70,139
Civic groups	250,000	250,000	245,000	5,000
Community college appropriation	8,470,400	8,470,400	8,470,400	-
Drug and alcohol appropriation	345,600	345,600	345,600	-
Library appropriation	5,857,100	5,857,100	5,857,100	-
Transportation authority	3,097,000	3,097,000	2,972,823	124,177
Total authorities	<u>20,730,500</u>	<u>20,730,500</u>	<u>20,531,184</u>	<u>199,316</u>
Social services:				
Guardian ad litem	66,800	129,800	129,300	500
Human services	1,348,400	1,348,400	1,005,214	343,186
Victim witness pass through	80,000	80,000	45,544	34,456
Total social services	<u>1,495,200</u>	<u>1,558,200</u>	<u>1,180,058</u>	<u>378,142</u>
Health:				
Emergency health services	806,800	806,800	742,177	64,623
Health department	15,250,700	15,896,700	15,841,244	55,456
Total health	<u>16,057,500</u>	<u>16,703,500</u>	<u>16,583,421</u>	<u>120,079</u>

(Continued)

COUNTY OF BUCKS, PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011
(Continued)

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	
Public safety:				
Emergency services terrorism grant	\$ 2,184,200	\$ 2,184,200	\$ 30,016	\$ 2,154,184
Emergency services training center	610,500	610,500	598,995	11,505
Hazardous waste program	241,000	241,000	187,351	53,649
Police training center	565,100	565,100	230,883	334,217
Security courthouse	<u>2,134,300</u>	<u>2,364,300</u>	<u>2,341,733</u>	<u>22,567</u>
Total public safety	<u>5,735,100</u>	<u>5,965,100</u>	<u>3,388,978</u>	<u>2,576,122</u>
Capital projects:				
County health department	70,000	70,000	20,442	49,558
District courts	52,500	52,500	-	52,500
Domestic relations	6,000	6,000	5,500	500
Emergency management	27,500	27,500	23,969	3,531
Information systems center	100,000	100,000	87,404	12,596
Juvenile probation and parole	24,000	24,000	23,553	447
Security	23,500	23,500	22,859	641
Sheriff	<u>182,000</u>	<u>182,000</u>	<u>180,307</u>	<u>1,693</u>
Total capital projects	<u>485,500</u>	<u>485,500</u>	<u>364,034</u>	<u>121,466</u>
Total expenditures	<u>195,805,300</u>	<u>201,839,600</u>	<u>192,213,413</u>	<u>9,626,187</u>
Excess of revenues over expenditures	<u>13,077,700</u>	<u>7,702,200</u>	<u>8,667,054</u>	<u>964,854</u>
Other financing sources (uses):				
Transfers in	100,000	100,000	-	(100,000)
Transfers out	<u>(21,250,500)</u>	<u>(25,013,500)</u>	<u>(21,034,298)</u>	<u>3,979,202</u>
Total other financing sources (uses)	<u>(21,150,500)</u>	<u>(24,913,500)</u>	<u>(21,034,298)</u>	<u>3,879,202</u>
Net change in fund balance	(8,072,800)	(17,211,300)	(12,367,244)	4,844,056
Fund balance - January 1	<u>63,464,200</u>	<u>63,464,200</u>	<u>58,008,172</u>	<u>(5,456,028)</u>
Fund balance - December 31	<u>\$ 55,391,400</u>	<u>\$ 46,252,900</u>	<u>\$ 45,640,928</u>	<u>\$ (611,972)</u>

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds.

COUNTY OF BUCKS, PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BEHAVIORAL HEALTH SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 71,771,800	\$ 83,571,800	\$ 79,247,383	\$ (4,324,417)
Interest	<u>228,200</u>	<u>228,200</u>	<u>88,386</u>	<u>(139,814)</u>
Total revenues	<u>72,000,000</u>	<u>83,800,000</u>	<u>79,335,769</u>	<u>(4,464,231)</u>
Expenditures:				
Current:				
Social services	<u>72,000,000</u>	<u>83,800,000</u>	<u>79,335,769</u>	<u>4,464,231</u>
Net change in Fund balance	-	-	-	-
Fund balance - January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds.

COUNTY OF BUCKS, PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILDREN & YOUTH SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues:				
Licenses and fees	\$ 1,274,600	\$ 1,274,600	\$ 1,746,423	\$ 471,823
Intergovernmental	47,101,800	47,101,800	41,416,004	(5,685,796)
Other	13,000	13,000	31,221	18,221
Total revenues	<u>48,389,400</u>	<u>48,389,400</u>	<u>43,193,648</u>	<u>(5,195,752)</u>
Expenditures:				
Current:				
Social services:				
Children & youth agency:				
Administration	2,302,700	4,776,300	4,775,867	433
Adoption	2,258,200	4,593,700	4,539,171	54,529
Bridge housing	159,000	323,000	255,748	67,252
Community residential	1,565,700	3,125,700	2,626,522	499,178
Counseling	851,400	1,785,700	1,622,235	163,465
Day care	65,300	131,300	152,756	(21,456)
Day treatment	4,400	8,900	2,657	6,243
Emergency shelter	837,200	1,699,500	1,567,871	131,629
Family center	102,600	205,200	198,246	6,954
Foster family	4,468,000	8,723,000	7,501,063	1,221,937
ICSP	27,200	64,400	39,026	25,374
Independent living	404,100	852,200	676,443	175,757
Intake and referral	748,100	1,526,400	1,254,118	272,282
Juvenile act proceedings	257,300	512,300	471,538	40,762
Life skills	179,400	364,100	376,604	(12,504)
PRF/CAP	15,300	30,600	27,661	2,939
Protective services	4,469,700	8,892,900	8,908,276	(15,376)
Residential	292,900	546,800	644,011	(97,211)
Special grant initiatives	169,800	611,900	564,188	47,712
SPLC	-	217,000	205,283	11,717
TLFR	132,500	240,000	195,577	44,423
Children & youth activities	19,920,100	-	-	-
Youth center:				
RSU	1,200,000	2,040,400	1,840,497	199,903
Youth center	2,790,000	6,303,300	5,839,945	463,355
Youth center activities	4,326,700	-	-	-

(Continued)

COUNTY OF BUCKS, PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILDREN & YOUTH SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2011
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Juvenile probation:				
Administration	323,000	687,100	712,648	(25,548)
Alternative treatment	40,000	80,000	62,064	17,936
Community residential	1,000,000	2,040,000	1,985,328	54,672
Counseling	300,000	4,065,000	3,994,348	70,652
Day treatment	150,000	244,986	91,306	153,680
Detention out of county	1,500	2,900	2,060	840
Emergency shelter	-	5,014	5,014	-
Foster family services	300,000	570,000	437,237	132,763
Juvenile act proceedings	90,000	155,000	103,191	51,809
Residential	3,000,000	5,160,000	3,413,007	1,746,993
YDC/YFC	600,000	1,200,000	1,296,757	(96,757)
Juvenile activities	8,799,000	393,500	-	393,500
Total social services	<u>62,151,100</u>	<u>62,178,100</u>	<u>56,388,263</u>	<u>5,789,837</u>
Capital projects	<u>40,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
Total expenditures	<u>62,191,100</u>	<u>62,208,100</u>	<u>56,388,263</u>	<u>5,819,837</u>
Excess of revenues under expenditures	<u>(13,801,700)</u>	<u>(13,818,700)</u>	<u>(13,194,615)</u>	<u>624,085</u>
Other financing sources:				
Transfers in	<u>13,801,700</u>	<u>13,818,700</u>	<u>13,194,615</u>	<u>(624,085)</u>
Net change in Fund balance	-	-	-	-
Fund balance - January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds.

COUNTY OF BUCKS, PENNSYLVANIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN BALANCE
BUDGET AND ACTUAL - MENTAL HEALTH / DEVELOPMENTAL PROGRAMS
THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues:				
Licenses and fees	\$ -	\$ -	\$ 200,582	\$ 200,582
Intergovernmental	33,847,400	33,847,400	30,566,268	(3,281,132)
Interest	<u>100,000</u>	<u>100,000</u>	<u>33,957</u>	<u>(66,043)</u>
Total revenues	<u>33,947,400</u>	<u>33,947,400</u>	<u>30,800,807</u>	<u>(3,146,593)</u>
Expenditures:				
Current:				
Social services:				
Administration	6,041,500	6,024,500	5,602,458	422,042
Mental health services	16,117,800	16,117,800	15,247,833	869,967
Developmental programs	7,460,000	7,460,000	6,420,867	1,039,133
Early intervention	<u>6,206,300</u>	<u>6,206,300</u>	<u>5,065,393</u>	<u>1,140,907</u>
Total social services	<u>35,825,600</u>	<u>35,808,600</u>	<u>32,336,551</u>	<u>3,472,049</u>
Capital projects	<u>18,500</u>	<u>35,500</u>	<u>34,687</u>	<u>813</u>
Total expenditures	<u>35,844,100</u>	<u>35,844,100</u>	<u>32,371,238</u>	<u>3,472,862</u>
Excess of revenues under expenditures	\$ <u>(1,896,700)</u>	\$ <u>(1,896,700)</u>	\$ <u>(1,570,431)</u>	\$ <u>326,269</u>
Other financing sources:				
Transfers in	<u>1,896,700</u>	<u>1,896,700</u>	<u>1,570,431</u>	<u>(326,269)</u>
Total other financing sources	<u>1,896,700</u>	<u>1,896,700</u>	<u>1,570,431</u>	<u>(326,269)</u>
Net change in Fund balance	-	-	-	-
Fund balance - January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - December 31	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds.



Other Supplementary Information

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Other Supplementary Information

Combining and Individual
Fund Statements and Schedules

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COUNTY OF BUCKS, PENNSYLVANIA

NONMAJOR GOVERNMENTAL FUNDS

DESCRIPTION OF FUNDS

SPECIAL REVENUE FUNDS

The special revenue funds accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes as follows:

The area agency on aging fund accounts for state and federal revenues used to operate programs for the residents of Bucks County age 60 and older. The excess of expenditures over revenues is financed by the general fund.

The bridge reconstruction fund accounts for construction and improvements to County bridges.

The community and business development fund accounts for revenues received under this federal program.

The emergency response 911 fund accounts for all revenue and expenditures related to the County's emergency response 911 communications department.

The hazardous material emergency response fund accounts for revenues received under the Pennsylvania Hazardous Material Emergency Planning and Response Act (Act 165).

The home investment in affordable housing (HOME) fund accounts for revenues received under this federal program.

The liquid fuels tax fund accounts for state revenues required to be used primarily for building and improving local roads and bridges.

The Neshaminy Manor fund accounts for revenues received for the provision of services at the County's long-term care nursing facility.

CAPITAL PROJECTS FUNDS

The capital projects funds account for the financial resources intended to be used for the acquisition, construction or reconstruction of County facilities. Resources of the capital projects funds are derived principally from proceeds of bond issues.

The 1999 series bond fund accounts for bond proceeds and expenditures related to a 911 system upgrade and the acquisition of municipal radio equipment, the acquisition, construction and renovation of County buildings and upgrading computer systems of the County.

The 2002 notes capital acquisitions fund is used to account for the expenditure of capital project monies financed by the note proceeds of the Bucks County general obligation notes, series of 2002.

The 2003 notes capital acquisitions fund is used to account for the expenditure of capital project monies financed by the note proceeds of the Bucks County general obligation notes, series of 2003.

The 2005 series bond fund is used to account for the expenditure of capital project monies financed by the note proceeds of the Bucks County general obligation notes, series of 2005.

The 2007 series bond fund is used to account for the expenditure of capital project monies financed by the note proceeds of the Bucks County general obligation notes, series of 2007.

The 2008 series bond fund is used to account for the expenditure of capital project monies financed by the note proceeds of the Bucks County general obligation notes, series of 2008.

The open space project fund accounts for bond proceeds and expenditures for the first phase of the County's open space program. It also accounts for grants received and expenditures related to the purchase of flood victims' properties. The fund also accounts for expenditures of the County's "environmental protection" funds.

The miscellaneous capital projects fund accounts for various capital improvement programs for County owned property, plant, and equipment.

COUNTY OF BUCKS, PENNSYLVANIA

**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2011**

	Special Revenue Funds						
	Area Agency on Aging	Bridge Recon- struction	Community and Business Development	Emergency Response 911	Hazardous Material Emergency Response	Home Fund	Liquid Fuels Tax
ASSETS							
Cash and cash equivalents	\$ 11,232,372	\$ -	\$ 1,593,805	\$ 9,208,660	\$ 901,044	\$ 604,075	\$ 182,891
Receivables:							
Intergovernmental	507,367	352,736	537,471	-	-	146,913	-
Accounts	6,410	-	132	391,167	-	2,214	-
Due from other funds	-	-	-	-	-	-	-
Other assets	3	-	-	-	-	-	-
Total assets	\$ 11,746,152	\$ 352,736	\$ 2,131,408	\$ 9,599,827	\$ 901,044	\$ 753,202	\$ 182,891
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 431,079	\$ 29,387	\$ 256,266	\$ 329,756	\$ 4,605	\$ 126,258	\$ 129,657
Due to other funds	10,437,505	323,349	1,761,470	4,614,297	825,794	621,419	53,234
Unearned revenue	279,639	-	113,672	4,655,774	13,993	5,525	-
Total liabilities	11,148,223	352,736	2,131,408	9,599,827	844,392	753,202	182,891
Fund balances:							
Restricted	597,929	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	56,652	-	-
Total fund balances	597,929	-	-	-	56,652	-	-
Total liabilities and fund balances	\$ 11,746,152	\$ 352,736	\$ 2,131,408	\$ 9,599,827	\$ 901,044	\$ 753,202	\$ 182,891

Capital Projects Funds

Neshaminy Manor	2002 Notes Capital Acquisitions	2003 Notes Capital Acquisitions	2005 Series Bond	2007 Series Bond	2008 Series Bond	Open Space Fund	Miscell- aneous Capital Projects	Total Nonmajor Governmental Funds
\$ -	\$ 434,113	\$ 470,427	\$ -	\$ -	\$ 8,406,516	\$ 8,005,786	\$ 35,916	\$ 41,075,605
4,423,448	-	-	217,956	26,368	-	672,117	-	6,884,376
1,822,028	-	-	-	-	-	213	-	2,222,164
-	1,805	-	4,563,034	1,840,167	-	3,350,951	1,535,472	11,291,429
-	-	-	-	-	-	-	-	3
<u>\$ 6,245,476</u>	<u>\$ 435,918</u>	<u>\$ 470,427</u>	<u>\$ 4,780,990</u>	<u>\$ 1,866,535</u>	<u>\$ 8,406,516</u>	<u>\$ 12,029,067</u>	<u>\$ 1,571,388</u>	<u>\$ 61,473,577</u>
\$ 1,381,983	\$ -	\$ 150,378	\$ 88,012	\$ 136,003	\$ 446,594	\$ 787,624	\$ 128,248	\$ 4,425,850
4,059,551	-	24,849	-	-	1,102,604	-	-	23,824,072
1,004	-	-	-	-	-	980,000	500,000	6,549,607
<u>5,442,538</u>	<u>-</u>	<u>175,227</u>	<u>88,012</u>	<u>136,003</u>	<u>1,549,198</u>	<u>1,767,624</u>	<u>628,248</u>	<u>34,799,529</u>
802,938	435,918	295,200	4,692,978	1,730,532	6,857,318	2,701,741	659,263	18,773,817
-	-	-	-	-	-	7,559,702	283,877	7,843,579
-	-	-	-	-	-	-	-	56,652
<u>802,938</u>	<u>435,918</u>	<u>295,200</u>	<u>4,692,978</u>	<u>1,730,532</u>	<u>6,857,318</u>	<u>10,261,443</u>	<u>943,140</u>	<u>26,674,048</u>
<u>\$ 6,245,476</u>	<u>\$ 435,918</u>	<u>\$ 470,427</u>	<u>\$ 4,780,990</u>	<u>\$ 1,866,535</u>	<u>\$ 8,406,516</u>	<u>\$ 12,029,067</u>	<u>\$ 1,571,388</u>	<u>\$ 61,473,577</u>

COUNTY OF BUCKS, PENNSYLVANIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Special Revenue Funds</u>						
	<u>Area Agency on Aging</u>	<u>Bridge Recon-struction</u>	<u>Community and Business Development</u>	<u>Emergency Response 911</u>	<u>Hazardous Material Emergency Response</u>	<u>Home Fund</u>	<u>Liquid Fuels Tax</u>
Revenues:							
Licenses and fees	\$ 15,735	\$ -	\$ 35,939	\$ 9,854,098	\$ 186,871	\$ 688,086	\$ -
Intergovernmental	8,709,820	352,736	2,358,308	-	62,450	1,038,455	791,712
Interest	27,204	-	-	6,107	2,351	-	30
Other	178,360	-	-	-	-	-	-
Total revenues	<u>8,931,119</u>	<u>352,736</u>	<u>2,394,247</u>	<u>9,860,205</u>	<u>251,672</u>	<u>1,726,541</u>	<u>791,742</u>
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Social services	9,484,290	-	2,394,247	-	-	1,726,541	-
Bridges	-	1,350,721	-	-	-	-	1,454,543
Public safety	-	-	-	14,365,304	320,809	-	-
Capital projects	-	-	-	123,476	-	-	-
Total expenditures	<u>9,484,290</u>	<u>1,350,721</u>	<u>2,394,247</u>	<u>14,488,780</u>	<u>320,809</u>	<u>1,726,541</u>	<u>1,454,543</u>
Excess of revenues over (under) expenditures	<u>(553,171)</u>	<u>(997,985)</u>	<u>-</u>	<u>(4,628,575)</u>	<u>(69,137)</u>	<u>-</u>	<u>(662,801)</u>
Other financing sources :							
Transfers in	1,151,100	997,985	-	4,628,575	-	-	662,801
Transfers out	-	-	-	-	-	-	-
Total other financing sources	<u>1,151,100</u>	<u>997,985</u>	<u>-</u>	<u>4,628,575</u>	<u>-</u>	<u>-</u>	<u>662,801</u>
Net change in Fund balances	597,929	-	-	-	(69,137)	-	-
Fund balances:							
January 1	-	-	-	-	125,789	-	-
December 31	<u>\$ 597,929</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,652</u>	<u>\$ -</u>	<u>\$ -</u>

Capital Projects Funds

Neshaminy Manor	1999 Series Bond	2002 Notes Capital Acquisitions	2003 Notes Capital Acquisitions	2005 Series Bond	2007 Series Bond	2008 Series Bond	Open Space Fund	Miscellaneous Capital Projects	Total Nonmajor Governmental Funds
\$ 16,930,210	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,710,939
22,300,971	-	-	-	596,793	1,444,022	-	3,916,797	4,290,599	45,862,663
-	-	156	1,382	-	1,039	99,527	19,881	34	157,711
-	-	-	-	-	-	-	-	-	178,360
<u>39,231,181</u>	<u>-</u>	<u>156</u>	<u>1,382</u>	<u>596,793</u>	<u>1,445,061</u>	<u>99,527</u>	<u>3,936,678</u>	<u>4,290,633</u>	<u>73,909,673</u>
-	-	-	12,375	-	-	1,853,139	2,572,358	4,713,238	9,151,110
41,578,827	-	-	-	-	-	-	-	-	55,183,905
-	-	-	-	-	-	-	-	-	2,805,264
-	-	-	-	-	-	-	-	-	14,686,113
<u>192,299</u>	<u>136,796</u>	<u>6,511</u>	<u>173,000</u>	<u>952,271</u>	<u>1,894,802</u>	<u>7,191,803</u>	<u>959,679</u>	<u>322,964</u>	<u>11,953,601</u>
<u>41,771,126</u>	<u>136,796</u>	<u>6,511</u>	<u>185,375</u>	<u>952,271</u>	<u>1,894,802</u>	<u>9,044,942</u>	<u>3,532,037</u>	<u>5,036,202</u>	<u>93,779,993</u>
<u>(2,539,945)</u>	<u>(136,796)</u>	<u>(6,355)</u>	<u>(183,993)</u>	<u>(355,478)</u>	<u>(449,741)</u>	<u>(8,945,415)</u>	<u>404,641</u>	<u>(745,569)</u>	<u>(19,870,320)</u>
-	-	-	-	-	-	-	-	534,127	7,974,588
-	(44,550)	-	-	(997,985)	-	-	-	-	(1,042,535)
-	(44,550)	-	-	(997,985)	-	-	-	534,127	6,932,053
<u>(2,539,945)</u>	<u>(181,346)</u>	<u>(6,355)</u>	<u>(183,993)</u>	<u>(1,353,463)</u>	<u>(449,741)</u>	<u>(8,945,415)</u>	<u>404,641</u>	<u>(211,442)</u>	<u>(12,938,267)</u>
<u>3,342,883</u>	<u>181,346</u>	<u>442,273</u>	<u>479,193</u>	<u>6,046,441</u>	<u>2,180,273</u>	<u>15,802,733</u>	<u>9,856,802</u>	<u>1,154,582</u>	<u>39,612,315</u>
<u>\$ 802,938</u>	<u>\$ -</u>	<u>\$ 435,918</u>	<u>\$ 295,200</u>	<u>\$ 4,692,978</u>	<u>\$ 1,730,532</u>	<u>\$ 6,857,318</u>	<u>\$ 10,261,443</u>	<u>\$ 943,140</u>	<u>\$ 26,674,048</u>

COUNTY OF BUCKS, PENNSYLVANIA

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - AREA AGENCY ON AGING FUND FOR THE YEAR ENDED DECEMBER 31, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Licenses and fees	\$ 14,200	\$ 14,200	\$ 15,735	\$ 1,535
Intergovernmental	8,127,200	8,127,200	8,709,820	582,620
Interest	40,300	40,300	27,204	(13,096)
Other	264,600	264,600	178,360	(86,240)
Total revenues	8,446,300	8,446,300	8,931,119	484,819
Expenditures:				
Current:				
Social services:				
Administration	5,317,200	5,188,300	5,128,437	59,863
Assessment	221,100	200,900	195,327	5,573
Congregate meals	541,500	525,400	553,250	(27,850)
Cons reimb-federal	119,400	119,400	124,443	(5,043)
Cons reimb-state	115,400	107,400	98,195	9,205
Counseling	8,600	9,600	5,952	3,648
Daycare/in home services	1,613,900	1,613,900	1,627,555	(13,655)
DomCare	23,625	23,625	(2,051)	25,676
Employment	11,200	11,200	11,066	134
Environment modification	5,400	5,400	1,275	4,125
Family caregiver support	27,700	35,900	29,793	6,107
Home delivered meals	617,400	665,500	619,970	45,530
Information & referral	79,100	84,500	79,848	4,652
Legal services	53,300	56,300	57,512	(1,212)
OBRA	3,000	3,000	1,402	1,598
Ombudsman	54,600	54,600	57,559	(2,959)
Pre admission assistance II	70,800	49,800	49,480	320
Protective services	9,000	10,000	10,137	(137)
Recreation & socialization	297,025	371,025	366,012	5,013
RSVP	66,450	56,450	56,607	(157)
Transportation	173,600	141,600	155,935	(14,335)
Waiver care management	168,100	263,600	256,586	7,014
Total social services	9,597,400	9,597,400	9,484,290	113,110

(Continued)

COUNTY OF BUCKS, PENNSYLVANIA

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - AREA AGENCY ON AGING FUND
FOR THE YEAR ENDED DECEMBER 31, 2011
(Continued)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Capital projects	\$ -	\$ -	\$ -	\$ -
Total expenditures	<u>9,597,400</u>	<u>9,597,400</u>	<u>9,484,290</u>	<u>113,110</u>
Excess of revenues under expenditures	<u>(1,151,100)</u>	<u>(1,151,100)</u>	<u>(553,171)</u>	<u>597,929</u>
Other financing sources: Transfers in	<u>1,151,100</u>	<u>1,151,100</u>	<u>1,151,100</u>	<u>-</u>
Net change in Fund balance	-	-	597,929	597,929
Fund balance - January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 597,929</u>	<u>\$ 597,929</u>

COUNTY OF BUCKS, PENNSYLVANIA

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BRIDGE RECONSTRUCTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenue:				
Intergovernmental	\$ <u>2,000,000</u>	\$ <u>2,000,000</u>	\$ <u>352,736</u>	\$ <u>(1,647,264)</u>
Expenditures:				
Current:				
Bridges	<u>2,500,000</u>	<u>3,000,000</u>	<u>1,350,721</u>	<u>1,649,279</u>
Excess of revenues under expenditures	<u>(500,000)</u>	<u>(1,000,000)</u>	<u>(997,985)</u>	<u>2,015</u>
Other financing sources:				
Transfers in	<u>500,000</u>	<u>1,000,000</u>	<u>997,985</u>	<u>(2,015)</u>
Net change in Fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - December 31	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

COUNTY OF BUCKS, PENNSYLVANIA

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - COMMUNITY AND BUSINESS DEVELOPMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses and fees	\$ -	\$ -	\$ 35,939	\$ 35,939
Intergovernmental	<u>6,083,300</u>	<u>6,083,300</u>	<u>2,358,308</u>	<u>(3,724,992)</u>
Total revenues	<u>6,083,300</u>	<u>6,083,300</u>	<u>2,394,247</u>	<u>(3,689,053)</u>
Expenditures:				
Current:				
Social services	<u>6,083,300</u>	<u>6,083,300</u>	<u>2,394,247</u>	<u>3,689,053</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources:				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in Fund balance	-	-	-	-
Fund balance - January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF BUCKS, PENNSYLVANIA

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - EMERGENCY RESPONSE 911 FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses and fees	\$ 9,730,700	\$ 9,730,700	\$ 9,854,098	\$ 123,398
Interest	<u>-</u>	<u>-</u>	<u>6,107</u>	<u>6,107</u>
Total revenues	<u>9,730,700</u>	<u>9,730,700</u>	<u>9,860,205</u>	<u>129,505</u>
Expenditures:				
Current:				
Public safety	12,721,500	14,515,700	14,365,304	150,396
Capital projects	<u>145,000</u>	<u>123,800</u>	<u>123,476</u>	<u>324</u>
Total expenditures	<u>12,866,500</u>	<u>14,639,500</u>	<u>14,488,780</u>	<u>150,720</u>
Excess of revenues under expenditures	<u>(3,135,800)</u>	<u>(4,908,800)</u>	<u>(4,628,575)</u>	<u>280,225</u>
Other financing sources:				
Transfers in	<u>3,135,800</u>	<u>4,908,800</u>	<u>4,628,575</u>	<u>(280,225)</u>
Total other financing sources	<u>3,135,800</u>	<u>4,908,800</u>	<u>4,628,575</u>	<u>(280,225)</u>
Net change in Fund balance	-	-	-	-
Fund balance - January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF BUCKS, PENNSYLVANIA

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - HAZARDOUS MATERIAL EMERGENCY RESPONSE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses and fees	\$ 170,000	\$ 173,000	\$ 186,871	\$ 13,871
Intergovernmental	33,000	33,000	62,450	29,450
Interest	-	-	2,351	2,351
Total revenues	<u>203,000</u>	<u>206,000</u>	<u>251,672</u>	<u>45,672</u>
Expenditures:				
Current:				
Public safety	<u>324,400</u>	<u>327,400</u>	<u>320,809</u>	<u>6,591</u>
Net change in Fund balance	(121,400)	(121,400)	(69,137)	52,263
Fund balance - January 1	<u>121,400</u>	<u>121,400</u>	<u>125,789</u>	<u>4,389</u>
Fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,652</u>	<u>\$ 56,652</u>

COUNTY OF BUCKS, PENNSYLVANIA

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - HOME FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses and fees	\$ 520,000	\$ 520,000	\$ 688,086	\$ 168,086
Intergovernmental	<u>5,645,600</u>	<u>5,645,600</u>	<u>1,038,455</u>	<u>(4,607,145)</u>
Total revenues	<u>6,165,600</u>	<u>6,165,600</u>	<u>1,726,541</u>	<u>(4,439,059)</u>
Expenditures:				
Current:				
Social services	<u>6,165,600</u>	<u>6,165,600</u>	<u>1,726,541</u>	<u>4,439,059</u>
Total expenditures	<u>6,165,600</u>	<u>6,165,600</u>	<u>1,726,541</u>	<u>4,439,059</u>
Net change in Fund balance	-	-	-	-
Fund balance - January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF BUCKS, PENNSYLVANIA

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - LIQUID FUELS TAX FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 550,000	\$ 853,500	\$ 791,712	\$ (61,788)
Interest	-	-	30	30
Total revenues	<u>550,000</u>	<u>853,500</u>	<u>791,742</u>	<u>(61,758)</u>
Expenditures:				
Current:				
Bridges	<u>1,500,000</u>	<u>1,803,500</u>	<u>1,454,543</u>	<u>348,957</u>
Excess of revenues under expenditures	<u>(950,000)</u>	<u>(950,000)</u>	<u>(662,801)</u>	<u>287,199</u>
Other financing sources:				
Transfers in	<u>950,000</u>	<u>950,000</u>	<u>662,801</u>	<u>(287,199)</u>
Net change in Fund balance	-	-	-	-
Fund balance - January 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF BUCKS, PENNSYLVANIA

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - NESHAMINY MANOR FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Licenses and fees	\$ 15,576,500	\$ 15,576,500	\$ 16,930,210	\$ 1,353,710
Intergovernmental	<u>21,580,500</u>	<u>23,630,500</u>	<u>22,300,971</u>	<u>(1,329,529)</u>
Total revenues	<u>37,157,000</u>	<u>39,207,000</u>	<u>39,231,181</u>	<u>24,181</u>
Expenditures:				
Current:				
Social services:				
Activities	877,740	977,740	1,002,861	(25,121)
Business office	3,562,900	3,825,900	3,860,154	(34,254)
Dietary/café	3,848,000	3,998,000	4,042,323	(44,323)
Housekeeping	1,599,380	1,884,380	1,877,456	6,924
Laundry services	1,061,580	1,111,580	1,075,451	36,129
Nursing services - administration	2,482,800	2,742,800	2,725,376	17,424
Nursing services - CNA's	11,856,350	13,156,350	13,319,178	(162,828)
Nursing services - LPN's	2,778,600	3,278,600	3,346,040	(67,440)
Nursing services - Pool	966,820	1,146,820	542,762	604,058
Nursing services - RN's	2,997,000	3,547,000	3,491,371	55,629
Operation of facilities	1,414,540	1,634,540	1,516,265	118,275
Pharmacy	750,000	680,000	744,047	(64,047)
Physician	741,390	841,390	743,493	97,897
Procurement/utilities	667,500	777,500	813,433	(35,933)
Social services	476,440	556,440	526,398	30,042
Technology	116,500	86,500	112,833	(26,333)
Therapy	<u>1,361,160</u>	<u>1,541,160</u>	<u>1,839,386</u>	<u>(298,226)</u>
Total social services	<u>37,558,700</u>	<u>41,786,700</u>	<u>41,578,827</u>	<u>207,873</u>
Capital projects	<u>401,500</u>	<u>196,500</u>	<u>192,299</u>	<u>4,201</u>
Total expenditures	<u>37,960,200</u>	<u>41,983,200</u>	<u>41,771,126</u>	<u>212,074</u>

(Continued)

COUNTY OF BUCKS, PENNSYLVANIA

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - NESHAMINY MANOR FUND
FOR THE YEAR ENDED DECEMBER 31, 2011
(Continued)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Excess of revenues under expenditures	\$ <u>(803,200)</u>	\$ <u>(2,776,200)</u>	\$ <u>(2,539,945)</u>	\$ <u>236,255</u>
Other financing sources: Transfers in	<u>803,200</u>	<u>2,776,200</u>	<u>-</u>	<u>(2,776,200)</u>
Net change in Fund Balance	-	-	(2,539,945)	(2,539,945)
Fund balance - January 1	<u>-</u>	<u>-</u>	<u>3,342,883</u>	<u>3,342,883</u>
Fund balance - December 31	\$ <u>-</u>	\$ <u>-</u>	\$ <u>802,938</u>	\$ <u>802,938</u>

COUNTY OF BUCKS, PENNSYLVANIA

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL - 1999 SERIES BOND FUND FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Interest	\$ -	\$ -	\$ -	\$ -
Total revenue	-	-	-	-
Expenditures:				
Current:				
General government	-	-	-	-
Capital projects:				
Neshaminy Manor Center	-	-	68,015	(68,015)
Public works	188,000	136,800	68,781	68,019
Total capital projects	188,000	136,800	136,796	4
Total expenditures	188,000	136,800	136,796	4
Excess of revenues under expenditures	(188,000)	(136,800)	(136,796)	4
Other financing uses:				
Transfer out	-	(44,600)	(44,550)	50
Net change in Fund balance	(188,000)	(181,400)	(181,346)	54
Fund balance - January 1	188,000	181,400	181,346	(54)
Fund balance - December 31	\$ -	\$ -	\$ -	\$ -

COUNTY OF BUCKS, PENNSYLVANIA

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 2002 NOTES CAPITAL ACQUISITION FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Interest	\$ <u>400</u>	\$ <u>400</u>	\$ <u>156</u>	\$ <u>(244)</u>
Expenditures:				
Current:				
General government	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital projects:				
GIS system	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Waste management projects	<u>454,600</u>	<u>442,700</u>	<u>6,511</u>	<u>436,189</u>
Total capital projects	<u>454,600</u>	<u>442,700</u>	<u>6,511</u>	<u>436,189</u>
Total expenditures	<u>454,600</u>	<u>442,700</u>	<u>6,511</u>	<u>436,189</u>
Net change in Fund balance	(454,200)	(442,300)	(6,355)	435,945
Fund balance - January 1	<u>454,200</u>	<u>442,300</u>	<u>442,273</u>	<u>(27)</u>
Fund balance - December 31	\$ <u>-</u>	\$ <u>-</u>	\$ <u>435,918</u>	\$ <u>435,918</u>

COUNTY OF BUCKS, PENNSYLVANIA

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 2003 NOTES CAPITAL ACQUISITION FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Interest	\$ <u>3,800</u>	\$ <u>3,800</u>	\$ <u>1,382</u>	\$ <u>(2,418)</u>
Expenditures:				
Current:				
General government	<u>136,000</u>	<u>136,000</u>	<u>12,375</u>	<u>123,625</u>
Capital projects:				
GIS system	<u>231,600</u>	<u>231,600</u>	<u>156,203</u>	<u>75,397</u>
Park capital improvements	<u>129,800</u>	<u>115,400</u>	<u>16,797</u>	<u>98,603</u>
Total capital projects	<u>361,400</u>	<u>347,000</u>	<u>173,000</u>	<u>174,000</u>
Total expenditures	<u>497,400</u>	<u>483,000</u>	<u>185,375</u>	<u>297,625</u>
Net change in Fund balance	(493,600)	(479,200)	(183,993)	295,207
Fund balance - January 1	<u>493,600</u>	<u>479,200</u>	<u>479,193</u>	<u>(7)</u>
Fund balance - December 31	\$ <u>-</u>	\$ <u>-</u>	\$ <u>295,200</u>	\$ <u>295,200</u>

COUNTY OF BUCKS, PENNSYLVANIA

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 2005 SERIES BOND FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Intergovernmental	\$ <u>1,000,000</u>	\$ <u>1,303,500</u>	\$ <u>596,793</u>	\$ <u>(706,707)</u>
Expenditures:				
Current:				
General government	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital projects:				
Churchville Nature Center	2,893,900	2,893,900	848,436	2,045,464
Courts	245,400	245,400	50,858	194,542
Emergency Services Building	8,200	-	-	-
Information systems	52,000	415,900	26,274	389,626
Neshaminy Manor Center	75,700	252,300	26,703	225,597
Parkland acquisitions	6,800	-	-	-
Public Works	65,100	42,500	-	42,500
Administration Building	3,000,000	3,000,000	-	3,000,000
Morgue	9,100	-	-	-
Total capital projects	<u>6,356,200</u>	<u>6,850,000</u>	<u>952,271</u>	<u>5,897,729</u>
Total expenditures	<u>6,356,200</u>	<u>6,850,000</u>	<u>952,271</u>	<u>5,897,729</u>
Excess of revenues (under) expenditures	<u>(5,356,200)</u>	<u>(5,546,500)</u>	<u>(355,478)</u>	<u>5,191,022</u>
Other financing uses:				
Transfers out	<u>(500,000)</u>	<u>(500,000)</u>	<u>(997,985)</u>	<u>(497,985)</u>
Total other financing uses	<u>(500,000)</u>	<u>(500,000)</u>	<u>(997,985)</u>	<u>(497,985)</u>
Net change in Fund balance	(5,856,200)	(6,046,500)	(1,353,463)	4,693,037
Fund balance - January 1	<u>5,856,200</u>	<u>6,046,500</u>	<u>6,046,441</u>	<u>(59)</u>
Fund balance - December 31	\$ <u>-</u>	\$ <u>-</u>	\$ <u>4,692,978</u>	\$ <u>4,692,978</u>

COUNTY OF BUCKS, PENNSYLVANIA

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 2007 SERIES BOND FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest	\$ 6,800	\$ 6,800	\$ 1,039	\$ (5,761)
Intergovernmental	<u>1,929,000</u>	<u>1,444,000</u>	<u>1,444,022</u>	<u>22</u>
Total revenues	<u>1,935,800</u>	<u>1,450,800</u>	<u>1,445,061</u>	<u>(5,739)</u>
Expenditures:				
Current:				
General government	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital projects:				
ADA improvements	83,600	49,800	49,710	90
Court facility	345,000	62,500	62,463	37
Courts	75,400	9,600	7,030	2,570
Information systems	39,800	29,000	28,973	27
Library buildings	97,000	8,400	8,385	15
Lower Bucks Fire School	1,781,700	1,516,900	-	1,516,900
Neshaminy Manor Center	576,500	449,200	232,638	216,562
Public works	<u>1,325,400</u>	<u>1,505,700</u>	<u>1,505,603</u>	<u>97</u>
Total capital projects	<u>4,324,400</u>	<u>3,631,100</u>	<u>1,894,802</u>	<u>1,736,298</u>
Total expenditures	<u>4,324,400</u>	<u>3,631,100</u>	<u>1,894,802</u>	<u>1,736,298</u>
Net change in Fund balance	(2,388,600)	(2,180,300)	(449,741)	1,730,559
Fund balance - January 1	<u>2,388,600</u>	<u>2,180,300</u>	<u>2,180,273</u>	<u>(27)</u>
Fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,730,532</u>	<u>\$ 1,730,532</u>

COUNTY OF BUCKS, PENNSYLVANIA

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 2008 SERIES BOND FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue:				
Interest	\$ 306,400	\$ 306,400	\$ 99,527	\$ (206,873)
Expenditures:				
Current:				
General government	5,334,800	4,323,100	1,853,139	2,469,961
Capital projects:				
Board of Assessment	851,800	871,700	667,403	204,297
Correctional facility	742,700	505,800	505,737	63
Court facility	320,200	567,500	537,444	30,056
Courts	295,700	295,700	165,080	130,620
ERP	61,100	76,900	-	76,900
Farmland preservation	817,000	1,539,800	1,211,003	328,797
Information systems	2,110,700	3,142,800	2,056,525	1,086,275
Library buildings	173,000	160,000	123,749	36,251
Natural areas preservation	1,450,000	1,229,700	1,229,643	57
Neshaminy Manor Center	600,000	600,000	-	600,000
Parking garage	242,400	285,300	202,002	83,298
Parkland acquisitions	1,234,200	1,231,600	138,720	1,092,880
Parks	500,000	500,000	-	500,000
Public works	894,400	779,300	354,497	424,803
Total capital projects	10,293,200	11,786,100	7,191,803	4,594,297
Total expenditures	15,628,000	16,109,200	9,044,942	7,064,258
Excess of revenues under expenditures	(15,321,600)	(15,802,800)	(8,945,415)	6,857,385
Other financing uses:				
Transfers out	-	-	-	-
Total other financing uses	-	-	-	-
Net change in Fund balance	(15,321,600)	(15,802,800)	(8,945,415)	6,857,385
Fund balance - January 1	15,321,600	15,802,800	15,802,733	(67)
Fund balance - December 31	\$ -	\$ -	\$ 6,857,318	\$ 6,857,318

COUNTY OF BUCKS, PENNSYLVANIA

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - OPEN SPACE PROJECT FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 8,349,000	\$ 9,099,000	\$ 3,916,797	\$ (5,182,203)
Interest	<u>54,500</u>	<u>54,500</u>	<u>19,881</u>	<u>(34,619)</u>
Total revenues	<u>8,403,500</u>	<u>9,153,500</u>	<u>3,936,678</u>	<u>(5,216,822)</u>
Expenditures:				
Current:				
General government	<u>7,333,600</u>	<u>6,779,700</u>	<u>2,572,358</u>	<u>4,207,342</u>
Capital projects:				
Hazardous mitigation	<u>1,636,000</u>	<u>1,636,000</u>	<u>959,679</u>	<u>676,321</u>
Total capital projects	<u>1,636,000</u>	<u>1,636,000</u>	<u>959,679</u>	<u>676,321</u>
Total expenditures	<u>8,969,600</u>	<u>8,415,700</u>	<u>3,532,037</u>	<u>4,883,663</u>
Net change in Fund balance	<u>(566,100)</u>	<u>737,800</u>	<u>404,641</u>	<u>(333,159)</u>
Fund balance - January 1	<u>11,101,500</u>	<u>9,856,900</u>	<u>9,856,802</u>	<u>(98)</u>
Fund balance - December 31	<u>\$ 10,535,400</u>	<u>\$ 10,594,700</u>	<u>\$ 10,261,443</u>	<u>\$ (333,257)</u>

COUNTY OF BUCKS, PENNSYLVANIA

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - MISCELLANEOUS CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 8,087,500	\$ 8,087,500	\$ 4,290,599	\$ (3,796,901)
Interest	-	-	34	34
Total revenues	<u>8,087,500</u>	<u>8,087,500</u>	<u>4,290,633</u>	<u>(3,796,867)</u>
Expenditures:				
Current:				
General government	<u>8,200,000</u>	<u>8,200,000</u>	<u>4,713,238</u>	<u>3,486,762</u>
Capital projects:				
Parks capital improvements	136,900	136,900	205,700	(68,800)
Public works	198,300	238,600	117,264	121,336
Waste management projects	<u>1,367,800</u>	<u>1,173,200</u>	<u>-</u>	<u>1,173,200</u>
Total capital projects	<u>1,703,000</u>	<u>1,548,700</u>	<u>322,964</u>	<u>1,225,736</u>
Total expenditures	<u>9,903,000</u>	<u>9,748,700</u>	<u>5,036,202</u>	<u>4,712,498</u>
Excess of revenues under expenditures	<u>(1,815,500)</u>	<u>(1,661,200)</u>	<u>(745,569)</u>	<u>915,631</u>
Other financing sources:				
Transfers in	<u>462,000</u>	<u>506,600</u>	<u>534,127</u>	<u>27,527</u>
Total other financing sources	<u>462,000</u>	<u>506,600</u>	<u>534,127</u>	<u>27,527</u>
Net change in Fund balance	(1,353,500)	(1,154,600)	(211,442)	943,158
Fund balance - January 1	<u>1,353,500</u>	<u>1,154,600</u>	<u>1,154,582</u>	<u>(18)</u>
Fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 943,140</u>	<u>\$ 943,140</u>

COUNTY OF BUCKS, PENNSYLVANIA

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Real estate taxes	\$ 27,532,100	\$ 27,532,100	\$ 27,468,211	\$ (63,889)
Other	<u>271,500</u>	<u>271,500</u>	<u>271,416</u>	<u>(84)</u>
Total revenues	<u>27,803,600</u>	<u>27,803,600</u>	<u>27,739,627</u>	<u>(63,973)</u>
Expenditures:				
Debt service	<u>32,532,100</u>	<u>32,532,100</u>	<u>31,114,141</u>	<u>1,417,959</u>
Net change in Fund balance	<u>(4,728,500)</u>	<u>(4,728,500)</u>	<u>(3,374,514)</u>	<u>1,353,986</u>
Fund balance - January 1	<u>5,009,800</u>	<u>5,009,800</u>	<u>5,202,815</u>	<u>193,015</u>
Fund balance - December 31	<u>\$ 281,300</u>	<u>\$ 281,300</u>	<u>\$ 1,828,301</u>	<u>\$ 1,547,001</u>

COUNTY OF BUCKS, PENNSYLVANIA

**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - 2011 SERIES BOND FUND
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Interest	\$ 500,000	\$ 500,000	\$ -	\$ (500,000)
Expenditures:				
Current:				
General government	1,350,000	3,350,000	922,496	2,427,504
Capital projects:				
Correctional facility	500,000	500,000	-	500,000
Court facility	50,000,000	45,000,000	12,216,417	32,783,583
Courts	600,000	600,000	-	600,000
Emergency Communications	15,000,000	20,000,000	2,734,883	17,265,117
Farmland preservation	8,500,000	4,500,000	-	4,500,000
Information systems	6,000,000	2,500,000	-	2,500,000
Library buildings	400,000	400,000	-	400,000
Natural areas preservation	4,500,000	1,500,000	462,810	1,037,190
Parkland acquisitions	1,000,000	1,000,000	-	1,000,000
Public works	1,500,000	500,000	-	500,000
Total capital projects	88,000,000	76,500,000	15,414,110	61,085,890
Total expenditures	89,350,000	79,850,000	16,336,606	63,513,394
Excess of revenues under expenditures	(88,850,000)	(79,350,000)	(16,336,606)	63,013,394
Other financing uses:				
Proceeds from bonds	95,000,000	85,500,000	75,065,000	(10,435,000)
Bond premium	-	-	10,341,825	10,341,825
Transfers out	(950,000)	(950,000)	(662,801)	287,199
Total other financing uses	94,050,000	84,550,000	84,744,024	194,024
Net change in Fund balance	5,200,000	5,200,000	68,407,418	63,207,418
Fund balance - January 1	-	-	-	-
Fund balance - December 31	\$ 5,200,000	\$ 5,200,000	\$ 68,407,418	\$ 63,207,418

COUNTY OF BUCKS, PENNSYLVANIA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

(Continued)

	Balance January 1, <u>2011</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2011</u>
ACT 515/319				
<u>Assets</u>				
Cash and cash equivalents	\$ 155,133	\$ 1,067,718	\$ (1,055,444)	\$ 167,407
Accounts receivable	<u>-</u>	<u>9</u>	<u>-</u>	<u>9</u>
Total assets	<u>\$ 155,133</u>	<u>\$ 1,067,727</u>	<u>\$ (1,055,444)</u>	<u>\$ 167,416</u>
<u>Liabilities</u>				
Accounts payable	<u>\$ 155,133</u>	<u>\$ 1,067,727</u>	<u>\$ (1,055,444)</u>	<u>\$ 167,416</u>
 AID FOR DEPENDENT CHILDREN				
<u>Assets</u>				
Cash and cash equivalents	\$ 1,668,458	\$ 6,135,279	\$ (6,054,728)	\$ 1,749,009
Intergovernmental receivables	<u>2,746,945</u>	<u>2,348,393</u>	<u>(2,746,945)</u>	<u>2,348,393</u>
Total assets	<u>\$ 4,415,403</u>	<u>\$ 8,483,672</u>	<u>\$ (8,801,673)</u>	<u>\$ 4,097,402</u>
<u>Liabilities</u>				
Accounts payable	<u>\$ 4,415,403</u>	<u>\$ 8,483,672</u>	<u>\$ (8,801,673)</u>	<u>\$ 4,097,402</u>
 AREA AGENCY ON AGING				
<u>Assets</u>				
Cash and cash equivalents	<u>\$ 149</u>	<u>\$ 13,265</u>	<u>\$ (13,265)</u>	<u>\$ 149</u>
<u>Liabilities</u>				
Accounts payable	<u>\$ 149</u>	<u>\$ 13,265</u>	<u>\$ (13,265)</u>	<u>\$ 149</u>

(Continued)

COUNTY OF BUCKS, PENNSYLVANIA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011
(Continued)**

	Balance January 1, <u>2011</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2011</u>
BID DEPOSITS				
<u>Assets</u>				
Accounts receivable	\$ <u>146,973</u>	\$ <u>215,246</u>	\$ <u>(217,587)</u>	\$ <u>144,632</u>
<u>Liabilities</u>				
Accounts payable	\$ <u>146,973</u>	\$ <u>215,246</u>	\$ <u>(217,587)</u>	\$ <u>144,632</u>
 CLERK OF COURTS				
<u>Assets</u>				
Cash and cash equivalents	\$ 2,961,073	\$ 8,770,435	\$ (8,828,986)	\$ 2,902,522
Investments	<u>1,049,867</u>	<u>1,060,027</u>	<u>(1,049,867)</u>	<u>1,060,027</u>
Total assets	\$ <u>4,010,940</u>	\$ <u>9,830,462</u>	\$ <u>(9,878,853)</u>	\$ <u>3,962,549</u>
<u>Liabilities</u>				
Accounts payable	\$ 3,800,199	\$ 6,871,365	\$ (6,972,840)	\$ 3,698,724
Due to other governmental units	<u>210,741</u>	<u>2,959,097</u>	<u>(2,906,013)</u>	<u>263,825</u>
Total liabilities	\$ <u>4,010,940</u>	\$ <u>9,830,462</u>	\$ <u>(9,878,853)</u>	\$ <u>3,962,549</u>
 CORRECTIONS				
<u>Assets</u>				
Cash and cash equivalents	\$ <u>401,384</u>	\$ <u>3,738,562</u>	\$ <u>(3,448,701)</u>	\$ <u>691,245</u>
<u>Liabilities</u>				
Accounts payable	\$ <u>401,384</u>	\$ <u>3,738,562</u>	\$ <u>(3,448,701)</u>	\$ <u>691,245</u>

(Continued)

COUNTY OF BUCKS, PENNSYLVANIA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

(Continued)

	<u>Balance</u> <u>January 1,</u> <u>2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31,</u> <u>2011</u>
DISTRICT COURTS				
<u>Assets</u>				
Cash and cash equivalents	\$ 1,040,742	\$ 15,830,855	\$ (15,896,917)	\$ 974,680
<u>Liabilities</u>				
Accounts payable	\$ 731,097	\$ 6,026,377	\$ (6,053,408)	\$ 704,066
Due to other governmental units	309,645	9,804,478	(9,843,509)	270,614
Total liabilities	\$ 1,040,742	\$ 15,830,855	\$ (15,896,917)	\$ 974,680
DOMESTIC RELATIONS				
<u>Assets</u>				
Cash and cash equivalents	\$ 50,349	\$ 1,769,034	\$ (1,775,037)	\$ 44,346
<u>Liabilities</u>				
Due to other governmental units	\$ 50,349	\$ 1,769,034	\$ (1,775,037)	\$ 44,346
ESCHEAT FUNDS				
<u>Assets</u>				
Cash and cash equivalents	\$ 582,697	\$ 10,534	\$ (470,537)	\$ 122,694
Accounts receivable	1,150,845	597,755	(929,261)	819,339
Total assets	\$ 1,733,542	\$ 608,289	\$ (1,399,798)	\$ 942,033
<u>Liabilities</u>				
Due to other governmental units	\$ 1,733,542	\$ 608,289	\$ (1,399,798)	\$ 942,033
INMATE CANTEEN				
<u>Assets</u>				
Cash and cash equivalents	\$ 702,911	\$ 1,627,873	\$ (1,875,967)	\$ 454,817
Accounts receivable	141,450	36,773	(141,450)	36,773
Total assets	\$ 844,361	\$ 1,664,646	\$ (2,017,417)	\$ 491,590
<u>Liabilities</u>				
Accounts payable	\$ 844,361	\$ 1,664,646	\$ (2,017,417)	\$ 491,590

(Continued)

COUNTY OF BUCKS, PENNSYLVANIA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

(Continued)

	<u>Balance</u> <u>January 1,</u> <u>2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31,</u> <u>2011</u>
LODGING ROOM RENTAL				
TAX ESCROW				
<u>Assets</u>				
Cash and cash equivalents	\$ 85,028	\$ 2,404,027	\$ (2,403,302)	\$ 85,753
<u>Liabilities</u>				
Accounts payable	\$ 85,028	\$ 2,404,027	\$ (2,403,302)	\$ 85,753
 MISCELLANEOUS				
<u>Assets</u>				
Cash and cash equivalents	\$ 7,174	\$ 42,448	\$ (40,455)	\$ 9,167
Accounts receivable	19,879	156	(3,315)	16,720
Total assets	\$ 27,053	\$ 42,604	\$ (43,770)	\$ 25,887
<u>Liabilities</u>				
Accounts payable	\$ 27,053	\$ 42,604	\$ (43,770)	\$ 25,887
 NESHAMINY MANOR				
<u>Assets</u>				
Cash and cash equivalents	\$ 276,460	\$ 527,676	\$ (541,878)	\$ 262,258
Accounts receivable	11	-	(11)	-
Total assets	\$ 276,471	\$ 527,676	\$ (541,889)	\$ 262,258
<u>Liabilities</u>				
Accounts payable	\$ 276,471	\$ 527,676	\$ (541,889)	\$ 262,258
 PINE RUN ESCROW				
<u>Assets</u>				
Accounts receivable	\$ 16,599	\$ 160	\$ -	\$ 16,759
<u>Liabilities</u>				
Accounts payable	\$ 16,599	\$ 160	\$ -	\$ 16,759

(Continued)

COUNTY OF BUCKS, PENNSYLVANIA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

(Continued)

	<u>Balance</u> <u>January 1,</u> <u>2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31,</u> <u>2011</u>
PROTHONOTARY				
<u>Assets</u>				
Cash and cash equivalents	\$ 3,358,300	\$ 5,250,092	\$ (4,517,527)	\$ 4,090,865
<u>Liabilities</u>				
Accounts payable	\$ 3,331,636	\$ 4,944,076	\$ (4,208,847)	\$ 4,066,865
Due to other governmental units	26,664	306,016	(308,680)	24,000
Total liabilities	\$ 3,358,300	\$ 5,250,092	\$ (4,517,527)	\$ 4,090,865
RECORDER OF DEEDS				
<u>Assets</u>				
Cash and cash equivalents	\$ 4,151,203	\$ 75,354,170	\$ (75,074,869)	\$ 4,430,504
<u>Liabilities</u>				
Accounts payable	\$ 1,985,551	\$ 3,875,689	\$ (3,793,427)	\$ 2,067,813
Due to other governmental units	2,165,652	71,478,481	(71,281,442)	2,362,691
Total liabilities	\$ 4,151,203	\$ 75,354,170	\$ (75,074,869)	\$ 4,430,504
REGISTER OF WILLS				
<u>Assets</u>				
Cash and cash equivalents	\$ 650,767	\$ 9,211,912	\$ (2,059,687)	\$ 7,802,992
<u>Liabilities</u>				
Accounts payable	\$ 642,947	\$ 9,080,987	\$ (1,928,450)	\$ 7,795,484
Due to other governmental units	7,820	130,925	(131,237)	7,508
Total liabilities	\$ 650,767	\$ 9,211,912	\$ (2,059,687)	\$ 7,802,992

(Continued)

COUNTY OF BUCKS, PENNSYLVANIA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

(Continued)

	Balance January 1, <u>2011</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2011</u>
SECURITY ESCROW				
<u>Assets</u>				
Accounts receivable	\$ 35,614	\$ 75	\$ -	\$ 35,689
<u>Liabilities</u>				
Accounts payable	\$ 35,614	\$ 75	\$ -	\$ 35,689
 SHERIFF				
<u>Assets</u>				
Cash and cash equivalents	\$ 3,868,612	\$ 13,636,315	\$ (14,936,005)	\$ 2,568,922
Accounts receivable	-	-	-	-
Total assets	\$ 3,868,612	\$ 13,636,315	\$ (14,936,005)	\$ 2,568,922
<u>Liabilities</u>				
Accounts payable	\$ 3,721,774	\$ 12,285,371	\$ (13,761,099)	\$ 2,246,046
Due to other governmental units	146,838	1,350,944	(1,174,906)	322,876
Total liabilities	\$ 3,868,612	\$ 13,636,315	\$ (14,936,005)	\$ 2,568,922
 TAX CLAIM BUREAU				
<u>Assets</u>				
Cash and cash equivalents	\$ 1,030,192	\$ 1,010,454	\$ (1,030,192)	\$ 1,010,454
Accounts receivable	10,326,377	51,288,780	(51,619,233)	9,995,924
Total assets	\$ 11,356,569	\$ 52,299,234	\$ (52,649,425)	\$ 11,006,378
<u>Liabilities</u>				
Due to other governmental units	\$ 11,356,569	\$ 52,299,234	\$ (52,649,425)	\$ 11,006,378

(Continued)

COUNTY OF BUCKS, PENNSYLVANIA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011**

(Continued)

	<u>Balance</u> <u>January 1,</u> <u>2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31,</u> <u>2011</u>
TAX PROTEST ESCROW				
<u>Assets</u>				
Accounts receivable	\$ 147,597	\$ 651	\$ -	\$ 148,248
<u>Liabilities</u>				
Accounts payable	\$ 147,597	\$ 651	\$ -	\$ 148,248
 TREASURER LICENSES				
<u>Assets</u>				
Cash and cash equivalents	\$ 32,159	\$ 503,395	\$ (482,466)	\$ 53,088
<u>Liabilities</u>				
Accounts payable	\$ 8,171	\$ 249	\$ (8,171)	\$ 249
Due to other governmental units	23,988	503,146	(474,295)	52,839
Total liabilities	\$ 32,159	\$ 503,395	\$ (482,466)	\$ 53,088
 TOTAL AGENCY FUNDS				
<u>Assets</u>				
Cash and cash equivalents	\$ 21,022,791	\$ 146,904,044	\$ (140,505,963)	\$ 27,420,872
Investments	1,049,867	1,060,027	(1,049,867)	1,060,027
Receivables:				
Intergovernmental	2,746,945	2,348,393	(2,746,945)	2,348,393
Accounts	11,985,345	52,139,605	(52,910,857)	11,214,093
Total assets	\$ 36,804,948	\$ 202,452,069	\$ (197,213,632)	\$ 42,043,385
<u>Liabilities</u>				
Accounts payable	\$ 20,773,140	\$ 61,242,425	\$ (55,269,290)	\$ 26,746,275
Due to other governmental units	16,031,808	141,209,644	(141,944,342)	15,297,110
Total liabilities	\$ 36,804,948	\$ 202,452,069	\$ (197,213,632)	\$ 42,043,385

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COUNTY OF BUCKS, PENNSYLVANIA

**SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
AS OF DECEMBER 31, 2011**

	<u>Land</u>	<u>Buildings</u>	<u>Improvements</u>
General government	\$ 99,519,046	\$ 92,971,020	\$ 48,708,667
Judiciary	470,020	25,358,976	1,824,665
Corrections	13,501	39,623,749	152,785
Social services	609,806	43,925,165	1,390,609
Bridges	-	250,878	-
Health	-	-	-
Public safety	<u>12,302</u>	<u>10,345,746</u>	<u>4,570</u>
 Total capital assets allocated to functions	 100,624,675	 212,475,534	 52,081,296
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>
 Total capital assets	 <u>\$ 100,624,675</u>	 <u>\$ 212,475,534</u>	 <u>\$ 52,081,296</u>

<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Leasehold Buildings and Improvements</u>	<u>Totals</u>
\$ 67,088,161	\$ -	\$ 93,440,514	\$ 401,727,408
8,971,199	-	-	36,624,860
6,407,478	-	-	46,197,513
7,203,800	-	-	53,129,380
351,123	10,470,050	-	11,072,051
896,185	-	-	896,185
<u>19,949,119</u>	<u>-</u>	<u>-</u>	<u>30,311,737</u>
110,867,065	10,470,050	93,440,514	579,959,134
<u>-</u>	<u>-</u>	<u>-</u>	<u>31,432,268</u>
<u>\$ 110,867,065</u>	<u>\$ 10,470,050</u>	<u>\$ 93,440,514</u>	<u>\$ 611,391,402</u>

COUNTY OF BUCKS, PENNSYLVANIA

SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY FOR THE YEAR ENDED DECEMBER 31, 2011

	Capital Assets January 1, <u>2011</u>	<u>Additions</u>	<u>Deductions</u>	Capital Assets December 31, <u>2011</u>
General government	\$ 344,992,066	\$ 66,415,973	\$ (9,680,631)	\$ 401,727,408
Judiciary	26,318,539	10,306,321	-	36,624,860
Corrections	45,816,549	380,964	-	46,197,513
Social services	49,618,771	3,510,609	-	53,129,380
Bridges	9,522,485	1,549,566	-	11,072,051
Health	875,743	20,442	-	896,185
Public safety	<u>21,762,913</u>	<u>8,574,548</u>	<u>(25,724)</u>	<u>30,311,737</u>
Subtotals	498,907,066	90,758,423	(9,706,355)	579,959,134
Construction in progress	<u>86,480,011</u>	<u>15,887,750</u>	<u>(70,935,493)</u>	<u>31,432,268</u>
Total capital assets	<u>\$ 585,387,077</u>	<u>\$ 106,646,173</u>	<u>\$ (80,641,848)</u>	<u>\$ 611,391,402</u>

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COUNTY OF BUCKS, PENNSYLVANIA

**SCHEDULE OF COUNTY GENERAL OBLIGATIONS PAYABLE
DECEMBER 31, 2011**

Year	Note - 2003 A Series		Note - 2003 B Series		Bond - 2004 Series	
	Principal	Interest Rate	Principal	Interest Rate (1)	Principal	Interest Rate (1)
2012	2,874,000	1.73%	374,000	1.73%	3,640,000	4.67%
2013	-		-		3,810,000	4.80%
2014	-		-		3,990,000	4.85%
2015	-		-		4,185,000	5.04%
2016	-		-		4,395,000	5.19%
2017	-		-		4,625,000	5.30%
2018	-		-		4,870,000	5.38%
2019	-		-		5,130,000	5.47%
2020	-		-		5,410,000	5.68%
2021	-		-		5,720,000	5.68%
2022	-		-		6,045,000	5.68%
2023	-		-		6,385,000	5.68%
2024	-		-		6,750,000	5.68%
2025	-		-		-	
2026	-		-		-	
	<u>\$ 2,874,000</u>		<u>\$ 374,000</u>		<u>\$ 64,955,000</u>	

(1) Based on latest available estimated rates at year end.

Bond - 2005 Series		Bond - 2007 Series		Bond - 2008 Series		Bond - 2011 Series		Totals
Principal	Interest Rate	Principal	Interest Rate (1)	Principal	Interest Rate	Principal	Interest Rate	
4,630,000	5.00%	2,510,000	4.25%	3,355,000	3.50%	1,975,000	2.00%	19,358,000
4,870,000	5.00%	2,620,000	4.25%	4,645,000	5.00%	3,975,000	2.00%	19,920,000
5,115,000	5.00%	2,730,000	4.25%	4,715,000	5.00%	4,080,000	3.00%	20,630,000
4,945,000	5.00%	2,845,000	5.00%	4,950,000	5.00%	4,200,000	3.00%	21,125,000
5,195,000	5.00%	2,990,000	5.00%	4,790,000	5.00%	4,350,000	4.00%	21,720,000
5,090,000	5.00%	3,140,000	5.00%	5,030,000	5.00%	4,550,000	5.00%	22,435,000
1,760,000	4.00%	3,295,000	4.00%	3,575,000	5.00%	4,775,000	5.00%	18,275,000
1,835,000	4.00%	3,425,000	4.25%	3,760,000	5.25%	5,025,000	5.00%	19,175,000
1,905,000	4.00%	3,575,000	4.38%	3,955,000	4.70%	5,255,000	4.00%	20,100,000
-		3,730,000	4.38%	4,155,000	5.13%	5,470,000	4.00%	19,075,000
-		3,890,000	4.50%	4,370,000	5.13%	5,695,000	4.00%	20,000,000
-		-		4,605,000	5.25%	5,955,000	5.00%	16,945,000
-		-		4,850,000	5.25%	6,260,000	5.00%	17,860,000
-		-		-		6,585,000	5.00%	6,585,000
-		-		-		6,915,000	5.00%	6,915,000
\$ 35,345,000		\$ 34,750,000		\$ 56,755,000		\$ 75,065,000		\$ 270,118,000

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STATISTICAL SECTION

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COUNTY OF BUCKS, PENNSYLVANIA

STATISTICAL SECTION

This section of the County of Bucks' 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.

Contents	Schedule	Page
Financial Trends	1 - 4.....	119 - 125
These schedules contain trend information to help the reader understand how the County's financial performance and well being have changed over time.		
Revenue Capacity	5 - 9.....	126-133
These schedules contain information to help the reader assess the County's most significant local revenue source, property tax.		
Debt Capacity	10 - 13.....	134-139
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.		
Demographic and Economic Information.....	14 - 15.....	140-141
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.		
Operating Information	16 - 18.....	142 - 146
These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.		

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COUNTY OF BUCKS, PENNSYLVANIA

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

Primary Government- Governmental Activities	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Invested in capital assets, net of										
related debt	\$ 136,747,560	\$ 145,851,051	\$ 160,534,454	\$ 212,628,826	\$232,354,744	\$ 252,647,091	\$289,782,125	\$278,377,964	\$ 313,045,181	\$323,373,667
Restricted	5,914,243	2,318,901	80,323,900	12,923,750	15,860,329	17,181,472	18,393,218	14,724,376	8,671,487	89,009,536
Unrestricted	<u>5,766,684</u>	<u>(8,475,465)</u>	<u>(89,864,542)</u>	<u>(53,125,762)</u>	<u>(34,039,466)</u>	<u>(17,828,275)</u>	<u>(23,896,482)</u>	<u>(36,816,231)</u>	<u>(50,681,970)</u>	<u>(158,529,763)</u>
Total net assets	<u>\$ 148,428,487</u>	<u>\$ 139,694,487</u>	<u>\$ 150,993,812</u>	<u>\$ 172,426,814</u>	<u>\$ 214,175,607</u>	<u>\$ 252,000,288</u>	<u>\$ 284,278,861</u>	<u>\$ 256,286,109</u>	<u>\$ 271,034,698</u>	<u>\$ 253,853,440</u>

Source: County of Bucks, Pennsylvania, Comprehensive Annual Financial Reports

COUNTY OF BUCKS, PENNSYLVANIA

**Changes in Net Assets
Last Ten Fiscal Years**
(accrual basis of accounting)

Primary Government- Governmental Activities	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Program Expenses										
General government	52,846,269	55,159,301	57,910,354	\$ 48,255,877	\$ 47,330,623	\$ 58,972,861	\$ 46,856,323	\$ 91,591,316	\$ 52,454,349	\$ 66,430,005
Judiciary	40,898,446	43,622,326	45,949,267	46,731,828	48,393,426	49,092,882	54,752,779	58,351,757	63,545,970	67,989,986
Corrections	20,807,125	23,782,596	26,414,722	28,340,933	28,953,636	30,355,089	33,255,114	35,368,917	37,220,613	38,489,415
Authorities	3,908,157	19,620,446	20,477,699	17,897,422	18,672,209	20,447,049	19,747,938	20,038,165	20,553,198	20,531,184
Social services	189,375,952	191,084,643	206,040,284	212,625,960	225,956,458	225,022,409	248,325,978	235,097,807	220,229,893	225,798,807
Bridges	779,092	1,039,170	500,570	1,646,710	731,925	1,115,553	1,200,417	1,839,018	1,503,949	2,813,243
Health	11,038,697	11,891,273	12,477,884	13,294,754	14,654,476	13,424,791	15,378,311	15,912,950	16,282,095	16,672,969
Public safety	11,609,694	12,267,072	15,335,027	16,566,392	16,755,923	18,485,800	17,227,331	19,321,677	19,568,595	20,275,833
Interest on long-term debt	7,304,842	4,359,857	5,053,566	15,507,809	13,467,979	11,757,310	8,991,097	12,991,408	10,606,612	13,931,424
Total program expenses	\$ 338,568,274	\$ 362,826,684	\$ 390,159,373	\$ 400,867,685	\$ 414,916,655	\$ 428,673,744	\$ 445,735,288	\$ 490,513,015	\$ 441,965,274	\$ 472,932,866
Program Revenues										
Charges for services:										
General government	12,917,022	15,547,104	13,133,068	\$ 13,837,248	\$ 13,180,184	\$ 16,292,147	\$ 15,321,724	\$ 14,481,383	\$ 14,819,851	\$ 14,897,508
Judiciary	9,167,157	10,127,970	10,571,853	11,195,798	11,596,942	12,585,398	13,457,294	14,664,216	14,127,263	13,781,158
Corrections	1,005,873	889,765	882,981	1,247,589	1,375,705	1,223,180	1,234,559	1,469,048	939,718	929,671
Social services	11,126,851	13,384,049	12,761,123	13,935,565	14,529,431	14,101,233	15,966,265	17,413,902	17,678,403	19,616,975
Health	1,052,418	1,249,824	1,511,394	1,611,759	1,884,901	1,696,295	1,537,051	1,410,780	1,446,186	1,443,263
Public safety	5,124,367	5,197,645	5,151,951	5,245,928	4,901,956	4,642,375	7,238,372	3,991,917	8,941,109	10,255,527
Operating grants and contributions:										
General government	4,308,350	543,119	691,076	3,356,463	2,827,770	1,759,314	3,086,631	924,436	1,204,147	325,699
Judiciary	7,950,362	7,897,553	10,493,562	9,464,868	8,640,300	8,993,898	8,437,029	9,514,899	8,881,731	9,653,530
Corrections	529,525	462,264	377,287	522,129	403,176	334,636	472,129	314,716	447,892	323,103
Authorities	1,638,284	1,262,024	1,942,201	1,427,327	2,092,480	1,994,113	2,502,488	2,397,753	2,797,181	2,640,261
Social services	167,387,446	162,230,167	183,134,317	187,912,068	200,587,664	206,881,369	215,063,068	203,276,023	188,246,135	186,990,297
Bridges	487,706	488,428	967,886	347,416	351,576	578,986	739,310	667,279	706,110	1,144,478
Health	5,873,643	6,668,695	6,941,510	7,015,169	8,281,055	7,784,164	8,091,663	8,230,116	8,760,965	7,653,450
Public safety	171,981	432,714	3,524,569	1,476,273	2,715,966	2,117,231	3,352,569	1,569,884	2,939,550	135,861
Capital projects	-	1,018,354	2,700,664	440,112	-	-	-	-	-	-
Capital grants and contributions	1,356,388	1,418,856	1,989,751	-	3,078,077	1,999,441	-	5,497,354	8,526,737	10,248,211
Total program revenues	230,097,373	228,818,531	\$ 256,775,193	\$ 259,035,712	\$ 276,447,183	\$ 282,983,780	\$ 296,500,152	\$ 285,823,706	\$ 280,462,978	\$ 280,038,992
Net expense	(108,470,901)	(134,008,153)	\$ (133,384,180)	\$ (141,831,973)	\$ (138,469,472)	\$ (145,689,964)	\$ (149,235,136)	\$ (204,689,309)	\$ (161,502,296)	\$ (192,893,874)

(Continued)

COUNTY OF BUCKS, PENNSYLVANIA

**Changes in Net Assets
Last Ten Fiscal Years**
(accrual basis of accounting)
(Continued)

General Revenues and Other Changes in Net Assets	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Taxes:										
Real estate tax	\$ 117,201,574	\$ 120,973,963	\$ 140,512,334	\$ 156,705,639	\$ 170,342,062	\$ 172,997,312	\$ 175,396,724	\$ 173,341,168	\$ 173,974,589	\$ 174,400,398
Grant and contributions not restricted to specific programs	1,647,288	2,121,776	1,820,410	1,585,128	1,027,252	663,839	886,516	420,287	291,851	-
Unrestricted investment earnings	2,982,634	2,178,414	2,350,761	4,974,208	8,848,951	9,853,494	5,230,469	2,935,105	1,984,445	556,340
Miscellaneous Transfers	(13,244,652)	-	-	-	-	-	-	-	-	755,878
Total general revenue	\$ 108,586,844	\$ 125,274,153	\$ 144,683,505	\$ 163,264,975	\$ 180,218,265	\$ 183,514,645	\$ 181,513,709	\$ 176,696,560	\$ 176,250,885	\$ 175,712,616
Net (expense) revenue	\$ 115,943	\$ (8,734,000)	\$ 11,299,325	\$ 21,433,002	\$ 41,748,793	\$ 37,824,681	\$ 32,278,573	\$ (27,992,749)	\$ 14,748,589	\$ (17,181,258)

Source: County of Bucks, Pennsylvania, Comprehensive Annual Financial Reports

COUNTY OF BUCKS, PENNSYLVANIA

Fund Balances, Governmental Funds Last Ten Fiscal Years *(modified accrual basis of accounting)*

	Fiscal Year				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General fund					
Reserved	\$ 1,230,782	\$ 5,018,247	\$ 3,840,921	\$ 2,609,994	\$ 1,714,107
Unreserved	15,675,582	4,060,657	15,569,678	25,344,605	51,866,836
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total general fund	<u>\$ 16,906,364</u>	<u>\$ 9,078,904</u>	<u>\$ 19,410,599</u>	<u>\$ 27,954,599</u>	<u>\$ 53,580,943</u>
All other governmental funds					
Reserved:					
Debt service funds	\$ 2,722,796	\$ 1,769,016	\$ 5,460,045	\$ 11,099,161	\$ 12,717,844
Capital projects funds	10,800,406	31,660	22,134	-	-
Unreserved:					
Special revenue funds	3,191,447	549,885	901,285	1,824,590	3,142,485
Capital projects funds	45,729,221	52,333,387	35,492,605	50,326,098	36,076,307
Restricted:					
Debt service funds	-	-	-	-	-
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Assigned:					
Capital projects funds	-	-	-	-	-
Unassigned:					
Special revenue funds	-	-	-	-	-
Total all other governmental funds	<u>\$ 62,443,870</u>	<u>\$ 54,683,948</u>	<u>\$ 41,876,069</u>	<u>\$ 63,249,849</u>	<u>\$ 51,936,636</u>
Total fund balances of all governmental funds	<u>\$ 79,350,234</u>	<u>\$ 63,762,852</u>	<u>\$ 61,286,668</u>	<u>\$ 91,204,448</u>	<u>\$ 105,517,579</u>

Note: (1) The County implemented GASB 54 in 2011. The County has elected to not retroactively reclassify fund balance in governmental funds prior to 2011.

Source: County of Bucks, Pennsylvania, Comprehensive Annual Financial Reports

Schedule 3

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 409,157	\$ 232,057	\$ 274,703	\$ 209,801	\$ -
69,917,510	73,670,388	63,256,018	57,798,371	-
-	-	-	-	-
-	-	-	-	1,785,000
-	-	-	-	43,855,928
<u>\$ 70,326,667</u>	<u>\$ 73,902,445</u>	<u>\$ 63,530,721</u>	<u>\$ 58,008,172</u>	<u>\$ 45,640,928</u>
\$ 11,883,569	\$ 12,634,540	\$ 9,277,817	\$ 5,202,815	\$ -
-	-	-	-	-
5,297,903	5,758,678	5,446,559	3,468,672	-
62,185,106	95,083,164	59,647,010	36,143,643	-
-	-	-	-	1,828,301
-	-	-	-	1,400,867
-	-	-	-	85,780,368
-	-	-	-	7,843,579
-	-	-	-	56,652
<u>\$ 79,366,578</u>	<u>\$ 113,476,382</u>	<u>\$ 74,371,386</u>	<u>\$ 44,815,130</u>	<u>\$ 96,909,767</u>
<u>\$ 149,693,245</u>	<u>\$ 187,378,827</u>	<u>\$ 137,902,107</u>	<u>\$ 102,823,302</u>	<u>\$ 142,550,695</u>

COUNTY OF BUCKS, PENNSYLVANIA

Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year			
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Revenues:				
Real estate taxes	\$ 113,660,343	\$ 120,830,185	\$ 140,796,249	\$ 156,824,706
Licenses and fees	32,676,570	38,024,421	35,265,245	37,792,815
Judiciary costs and fines	8,037,485	8,371,936	8,747,124	9,281,072
Intergovernmental	188,521,290	181,178,153	211,482,359	210,920,792
Interest	3,418,702	2,706,489	2,989,649	5,576,603
Other	2,073,247	2,837,723	2,411,986	2,023,766
Total revenues	<u>348,387,637</u>	<u>353,948,907</u>	<u>401,692,612</u>	<u>422,419,754</u>
Expenditures:				
Current:				
General government	46,662,841	50,628,741	51,809,268	42,759,865
Judiciary	40,021,843	42,578,443	44,910,440	45,944,515
Corrections	19,871,886	22,697,054	25,397,478	27,252,630
Authorities	3,908,157	4,407,646	17,204,999	17,897,422
Social services	188,012,563	189,532,260	204,629,909	211,341,879
Bridges	623,749	903,360	950,312	1,489,008
Health	11,007,353	11,803,266	12,436,394	13,292,036
Public safety	11,222,664	11,529,656	14,099,187	15,194,547
Debt service:				
Principal	14,205,000	14,982,000	16,383,000	17,311,000
Interest	6,488,684	6,352,912	9,170,123	12,880,776
Capital projects	14,799,193	26,289,741	17,605,648	9,549,969
Total expenditures	<u>356,823,933</u>	<u>381,705,079</u>	<u>414,596,758</u>	<u>414,913,647</u>
Excess of revenues over (under) expenditures	(8,436,296)	(27,756,172)	(12,904,146)	7,506,107
Other financing sources (uses):				
Transfers in	18,846,791	27,328,661	16,357,912	18,074,540
Proceeds from loan	30,000,000	27,381,590	-	-
Issuance of debt	-	-	85,230,000	56,215,000
Bond discount	-	-	(839,468)	-
Bond premium	-	-	-	3,788,577
Payment to bond escrow agent	-	-	-	(37,591,904)
Transfers out	(18,846,791)	(27,328,661)	(16,357,912)	(18,074,540)
Contribution to pension trust	-	-	(73,962,570)	-
Transfers to component units	(15,204,299)	(15,212,800)	-	-
Total other financing sources (uses)	<u>14,795,701</u>	<u>12,168,790</u>	<u>10,427,962</u>	<u>22,411,673</u>
Net change in fund balances	<u>\$ 6,359,405</u>	<u>\$ (15,587,382)</u>	<u>\$ (2,476,184)</u>	<u>\$ 29,917,780</u>
Debt service as a percentage of noncapital expenditures	6.07%	6.00%	6.45%	7.48%

Schedule 4

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 171,411,950	\$ 172,902,475	\$ 173,391,040	\$ 173,836,964	\$ 173,483,637	\$ 175,012,541
37,833,423	40,139,991	43,833,854	40,964,054	46,345,642	48,112,313
9,348,177	10,400,637	10,974,010	11,987,883	11,606,888	12,811,789
227,476,698	230,764,395	240,522,839	231,625,482	221,288,523	216,681,202
10,093,438	11,255,055	6,138,711	3,525,110	2,222,537	714,375
1,571,649	941,035	1,147,723	1,076,566	1,275,684	2,527,771
<u>457,735,335</u>	<u>466,403,588</u>	<u>476,008,177</u>	<u>463,016,059</u>	<u>456,222,911</u>	<u>455,859,991</u>
37,666,632	42,390,938	46,938,111	56,783,539	54,748,710	56,518,099
47,598,154	49,904,096	53,801,403	57,454,636	62,907,760	66,562,244
27,789,335	29,253,862	31,976,444	33,967,624	36,333,379	37,159,001
18,672,209	18,913,957	19,747,938	20,038,165	20,553,198	20,531,184
224,684,657	233,382,229	246,787,461	233,791,777	219,384,008	224,424,546
709,714	946,993	1,026,199	1,642,042	1,491,172	2,805,264
14,648,455	15,153,303	15,310,893	15,903,338	16,250,189	16,583,421
15,328,428	15,922,816	15,808,082	17,821,175	18,616,597	18,075,091
22,262,000	23,312,000	22,020,000	22,415,000	16,477,000	16,945,000
14,462,834	13,611,351	11,840,077	14,884,560	14,536,331	14,169,141
19,599,786	24,708,515	28,331,324	37,790,923	30,003,372	27,766,432
<u>443,422,204</u>	<u>467,500,060</u>	<u>493,587,932</u>	<u>512,492,779</u>	<u>491,301,716</u>	<u>501,539,423</u>
14,313,131	(1,096,472)	(17,579,755)	(49,476,720)	(35,078,805)	(45,679,432)
18,041,387	21,585,943	24,741,211	23,682,688	18,040,570	22,739,634
-	-	-	-	-	75,065,000
-	44,000,000	64,370,000	-	-	-
-	1,272,138	2,020,648	-	-	10,341,825
-	-	(11,125,312)	-	-	-
(18,041,387)	(21,585,943)	(24,741,211)	(23,682,688)	(18,040,570)	(22,739,634)
-	-	-	-	-	-
-	-	-	-	-	-
-	<u>45,272,138</u>	<u>55,265,336</u>	<u>-</u>	<u>-</u>	<u>85,406,825</u>
<u>\$ 14,313,131</u>	<u>\$ 44,175,666</u>	<u>\$ 37,685,581</u>	<u>\$ (49,476,720)</u>	<u>\$ (35,078,805)</u>	<u>\$ 39,727,393</u>
8.66%	8.40%	7.27%	7.70%	6.72%	6.57%

COUNTY OF BUCKS, PENNSYLVANIA

Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

<u>Fiscal Year</u>	<u>Real Estate Tax</u>	<u>Personal Property Tax</u>	<u>Total</u>
2002	113,660,343	-	113,660,343
2003	120,830,185	-	120,830,185
2004	140,796,249	-	140,796,249
2005	156,824,706	-	156,824,706
2006	171,411,950	-	171,411,950
2007	172,902,475	-	172,902,475
2008	173,391,040	-	173,391,040
2009	173,836,964	-	173,836,964
2010	173,483,638	-	173,483,638
2011	175,012,541	-	175,012,541

Source: County of Bucks, Pennsylvania, Comprehensive Annual Financial Reports

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COUNTY OF BUCKS, PENNSYLVANIA

Assessed Value and Estimated Actual Value of Taxable Real Property Last Ten Fiscal Years Unaudited (Dollars in Thousands)

Property Value (1)

Year	Residential	Commercial	Farm	Industrial	Tax Exempt Property
2002	1,629,329	270,066	50,504 (3)	94,769	199,312
2003	1,664,313	273,715	46,368 (3)	93,342 (2)	203,041
2004	1,700,729	275,499	46,834	91,262 (4)	206,974 (4)
2005 (5)	6,943,119	1,106,621	197,255	365,899	852,350
2006 (5)	7,080,551	1,119,793	198,292	360,625	867,403
2007 (5)	7,172,133	1,127,073	200,764	355,056 (2)	888,375
2008 (5)	6,316,892	1,130,153	204,293	353,655 (2)	902,657
2009	6,300,078 (2)	1,125,400 (2)	206,688	344,383 (2)	914,211
2010	6,268,965 (2)	1,155,652	208,249	341,990 (2)	919,165
2011	6,299,184	1,149,387	210,949	337,548	949,566

- Notes:
- (1) Assessment values are as of January 1.
 - (2) The assessment base decrease was the result of annual appeal reductions.
 - (3) Developed into residential subdivisions.
 - (4) Industrial property reclassified to non-taxable as part of Keystone Industrial Zone.
 - (5) County ratio adjusted from 25% to 100% of 1972 base year.
 - (6) Total assessed value.

Sources: County Board of Assessment

Governmental and Institutional Taxable	Total Taxable Assessed Value	Tax Rate	Estimated Actual Taxable Value	Assessed Value As A Percentage Of Actual Value
4,041	2,248,021	62.00	51,871,486	4.3%
4,272	2,285,051	65.00	59,659,161	3.8%
4,516	2,325,814	74.50	67,785,214	3.4%
17,447	9,482,691 (6)	20.49	77,250,859	12.3%
17,030	9,643,694 (6)	21.94	85,482,932	11.3%
15,345	9,758,746 (6)	21.94	86,123,602	11.3%
15,055	8,020,048	21.94	86,916,233	9.2%
14,141	7,990,690 (2)	21.94	73,309,083	10.9%
14,986	7,989,842 (2)	21.94	73,266,851	10.9%
14,724	8,014,285	21.94	70,922,875	11.3%

COUNTY OF BUCKS, PENNSYLVANIA

**Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
Unaudited
(Dollars in Thousands)**

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
TOTAL COUNTY DIRECT RATE	62.00	65.00	74.50	20.49	21.94	21.94	21.94	21.94	21.94	21.94
General County	46.28	49.65	56.07	14.88	16.06	16.06	16.53	16.58	17.51	17.45
Debt Service	11.40	11.12	14.41	4.58	4.83	4.83	4.35	4.27	3.36	3.44
Community College	4.32	4.23	4.02	1.03	1.05	1.05	1.06	1.09	1.07	1.05
School District Rates										
Bensalem Township	420.43	420.43	445.33	111.33	120.33	126.00	130.40	134.00	139.47	141.43
Bristol Borough	313.00	318.00	323.00	88.75	101.40	114.00	120.00	120.00	138.00	154.00
Bristol Township	544.13	550.83	608.39	159.98	169.40	171.18	176.45	177.07	185.28	188.31
Centennial	269.00	281.00	281.00	73.50	88.45	91.45	96.45	102.70	108.54	113.58
Central Bucks	307.31	345.77	379.98	97.92	102.03	105.87	110.50	114.80	119.20	120.80
Council Rock	326.25	353.10	372.54	94.28	97.60	101.46	105.41	107.96	110.68	110.68
Morrisville Borough	616.40	616.40	616.40	159.10	182.80	205.10	187.30	177.30	177.30	177.30
Neshaminy	471.80	500.60	520.40	133.90	137.40	142.30	148.60	152.00	152.00	152.00
New Hope/Solebury	252.00	252.00	267.90	67.68	68.33	71.83	76.70	79.84	82.15	83.30
Palisades	304.50	304.50	327.50	85.38	92.38	95.38	100.00	104.10	108.85	110.34
Pennridge	312.30	331.76	358.16	96.70	104.49	111.69	116.60	119.55	123.02	123.02
Pennsbury	452.00	464.00	481.00	128.60	134.70	139.40	145.00	148.80	150.30	150.30
Quakertown	339.00	368.00	421.00	115.75	118.21	120.09	125.50	125.50	138.37	140.25
Borough Rates										
Bristol	90.00	90.00	125.00	31.25	49.89	49.89	49.89	49.89	49.89	49.89
Chalfont	15.00	18.00	30.00	7.50	9.50	9.50	11.50	11.50	12.00	13.00
Doylestown	23.00	25.00	29.00	7.98	7.98	8.73	8.73	10.73	10.73	11.23
Dublin	25.00	30.00	30.00	7.50	10.00	10.00	10.00	10.00	10.00	10.00
Hulmeville	22.00	22.00	27.00	7.35	7.35	8.25	8.25	8.52	9.97	9.97
Ivylnd	29.00	29.00	29.00	8.50	10.50	11.50	11.25	12.50	12.50	13.50
Langhorne	41.35	44.35	44.35	12.20	12.20	12.20	12.20	12.20	12.20	12.20
Langhorne Manor	37.50	37.50	37.50	9.38	9.38	9.88	9.88	9.88	9.88	9.88
Morrisville	82.25	85.00	97.00	24.88	24.88	30.38	35.93	39.43	39.93	40.93
New Britain	35.00	43.00	51.50	12.88	12.88	15.88	15.88	21.88	21.88	21.88
New Hope	42.00	43.00	38.50	9.38	9.73	9.73	9.73	11.73	11.73	11.73
Newtown	24.00	24.00	24.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Pennel	33.00	33.00	36.00	9.00	9.00	9.00	10.50	10.50	12.00	12.50
Perkasie	15.00	15.00	15.00	3.75	5.75	5.75	5.75	5.75	5.75	5.75
Quakertown	6.50	6.50	6.50	1.63	1.63	1.63	1.63	1.63	1.63	1.63
Richlandtown	5.00	5.00	5.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Riegelsville	22.00	22.00	22.00	5.50	6.25	7.75	8.75	9.75	11.25	11.25
Sellersville	23.00	23.00	23.00	6.33	6.33	7.33	8.33	9.33	12.00	16.00
Silverdale	10.00	10.00	10.00	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Telford	3.00	3.71	3.87	4.07	4.27	4.27	4.52	4.61	4.61	4.63
Trumbauersville	13.00	13.00	13.00	3.25	3.25	3.25	3.25	3.25	2.50	2.50
Tullytown	46.00	46.00	46.00	11.50	11.50	11.50	11.50	11.50	11.50	11.50
Yardley	47.25	61.75	55.50	15.60	16.73	16.74	16.74	16.74	16.74	16.74

(Continued)

COUNTY OF BUCKS, PENNSYLVANIA

Property Tax Rates Direct and Overlapping Governments Last Ten Fiscal Years Unaudited (Dollars in Thousands) (Continued)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Township Rates										
Bedminster	18.00	24.00	29.00	8.50	8.50	7.50	7.50	7.50	7.50	7.50
Bensalem	66.75	66.75	69.50	17.50	18.50	18.50	18.50	18.50	18.50	19.50
Bridgeton	12.00	12.00	12.00	3.00	3.00	3.00	3.00	3.00	6.00	6.00
Bristol	55.25	55.25	55.25	14.61	19.61	19.61	19.61	20.99	23.99	23.99
Buckingham	11.00	11.00	15.00	3.75	1.75	1.25	1.25	1.50	5.50	5.50
Doylestown	18.00	28.00	28.00	7.00	7.00	7.00	7.00	7.25	7.25	10.25
Durham	3.00	3.00	3.00	0.83	0.83	0.83	0.83	0.83	2.00	4.00
East Rockhill	8.00	11.00	11.00	3.03	3.78	5.28	4.28	5.23	7.49	7.49
Falls	31.90	31.40	30.90	7.72	7.72	7.72	7.22	7.22	7.22	7.22
Haycock	5.00	5.00	5.00	1.25	1.25	1.25	1.25	2.50	4.00	5.00
Hilltown	18.00	18.00	18.00	6.75	6.75	6.75	6.75	6.75	6.75	8.75
Lower Makefield	39.51	40.27	40.27	11.07	12.87	12.87	14.87	15.12	15.12	15.12
Lower Southampton	62.59	65.35	59.15	14.80	13.58	13.58	14.08	14.08	14.08	14.08
Middletown	37.41	37.41	37.17	9.78	11.28	13.34	14.84	15.84	17.57	17.57
Milford	5.00	5.00	8.00	2.00	2.00	2.50	2.00	2.00	2.00	2.00
New Britain	29.25	29.25	43.25	10.81	11.06	11.06	11.06	11.06	11.06	12.06
Newtown	10.00	11.00	10.50	2.63	2.63	2.63	2.50	2.50	2.50	2.50
Nockamixon	4.00	4.00	4.00	1.00	1.00	1.00	1.00	1.00	6.50	6.00
Northampton	15.65	15.65	18.65	4.66	6.31	7.31	9.06	10.14	11.14	11.14
Plumstead	30.00	30.00	30.00	9.00	9.00	9.00	9.00	9.75	13.25	13.25
Richland	10.00	10.00	10.00	2.50	2.50	2.50	2.50	9.50	9.50	9.50
Solebury	39.60	42.60	38.60	9.40	10.50	14.10	14.10	15.60	15.35	19.06
Springfield	10.00	10.00	10.00	2.50	3.50	3.50	3.50	3.50	3.50	3.50
Tinicum	14.00	16.50	19.00	4.75	4.75	5.25	6.00	7.50	8.50	8.50
Upper Makefield	19.25	27.00	34.25	9.41	12.85	12.49	12.35	12.35	13.35	13.35
Upper Southampton	43.93	46.93	55.93	15.38	15.88	15.88	17.88	17.88	18.88	21.88
Warminster	21.75	32.25	32.25	8.07	12.07	12.07	12.07	12.07	12.07	17.07
Warrington	15.60	20.60	20.60	5.15	6.15	8.45	8.45	11.55	11.55	11.55
Warwick	21.00	24.00	32.00	8.50	10.25	10.25	11.25	13.25	15.25	15.25
West Rockhill	11.00	11.00	17.00	4.25	4.25	5.25	5.25	5.25	5.25	5.25
Wrightstown	20.00	20.00	22.00	6.05	6.92	6.92	6.92	6.92	6.58	6.58

Note: Overlapping rates are those of county, school, and municipal governments that apply to property owners within the County of Bucks.

Source: Bucks County Board of Assessment

COUNTY OF BUCKS, PENNSYLVANIA

Principal Property Taxpayers
December 31, 2011
Unaudited

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
Keystone Turf Club, Inc.	\$ 40,777,920	1	.52%	\$ 2,958,000	3	.16%
McStome, Inc. c/o Kravco, Inc.	21,042,460	2	.27%	6,427,600	1	.35%
Korman Financing Partnership, LP	12,268,840	3	.16%	3,020,190	2	.17%
Neshaminy Mall Joint Venture Ltd.	9,830,000	4	.12%	2,758,640	4	.15%
Doylestown Hospital	7,269,110	5	.09%	2,000,620	6	.11%
KRT Properties Holding, Inc.	6,751,630	6	.09%			
Open Door Estates	6,741,880	7	.09%	1,685,470	9	.09%
Oxford Valley Road Associates	6,314,040	8	.08%			
Istar Harriburg Bus Trust	5,060,820	9	.06%			
Healey	4,974,720	10	.06%			
Rohm & Haas Co.				2,155,580	5	.12%
United States Steel				1,914,820	7	.11%
F Greek Bristol Properties, LP				1,798,950	8	.10%
Weissenberger, Guntram				1,664,110	10	.09%
	<u>\$ 121,031,420</u>		<u>1.54%</u>	<u>\$ 26,383,980</u>		<u>1.45%</u>

Source: County Board of Assessment

COUNTY OF BUCKS, PENNSYLVANIA

REAL ESTATE AND PERSONAL PROPERTY
TAX LEVIES AND REVENUESLast Ten Years
Unaudited

<u>Year Ended December 31,</u>	<u>Total Tax (1)</u>	<u>Levy Current Tax Revenues (2)</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Revenues (3)</u>	<u>Total Tax Revenues</u>	<u>Percent of Total Tax Revenues To Levy</u>	<u>Outstanding Taxes</u>	<u>Percent of Outstanding Taxes to Levy</u>
Real Estate:								
2002	114,215,357	111,625,583	97.7%	2,034,760	113,660,343	99.5%	5,639,112	4.9%
2003	121,900,529	118,324,420	97.1%	2,505,765	120,830,185	99.1%	5,936,518	4.9%
2004	141,966,383	138,821,553	97.8%	1,974,696	140,796,249	99.2%	5,850,998	4.1%
2005	158,743,409	155,137,709	97.7%	1,686,996	156,824,705	98.8%	5,852,156	3.7%
2006	172,945,269	169,385,711	97.9%	2,026,239	171,411,950	99.1%	5,191,969	3.0%
2007	174,970,281	170,886,818	97.7%	2,015,657	172,902,475	98.8%	5,112,349	2.9%
2008	176,121,212	169,986,374	96.5%	3,404,666	173,391,040	98.4%	6,960,791	4.0%
2009	176,502,344	172,557,863	97.8%	1,279,101	173,836,964	98.5%	6,333,634	3.6%
2010	176,351,610	172,098,927	97.6%	1,384,711	173,483,638	98.4%	6,859,309	3.9%
2011	176,262,358	172,534,988	97.9%	2,477,553	175,012,541	99.3%	6,284,509	3.6%

- Notes: (1) Includes additions to duplicate and penalties.
(2) Includes discounts, penalties, rebates, and error adjustments.
(3) Includes penalties and adjustments.
(4) Personal Property tax levy was eliminated effective January 1, 1988.

Source: County of Bucks, Pennsylvania, Comprehensive Annual Financial Reports

COUNTY OF BUCKS, PENNSYLVANIA

**Ratios of Outstanding Debt
Last Ten Fiscal Years
Unaudited**

<u>Governmental Activities</u>								
<u>Fiscal Year</u>	<u>General Obligation Bond</u>	<u>Lease Rental Bond Debt</u>	<u>Capital Equipment Lease</u>	<u>Total Primary Government</u>	<u>Taxable Assessed Valuation (1)</u>	<u>Percentage of Actual Value Of Taxable Property</u>	<u>Debt Per Capita</u>	<u>Percentage of Personal Income</u>
2002	136,755,000	20,982,843	-	157,737,843	1,815,502	0.30%	258.40	0.65%
2003	149,273,000	19,982,843	-	169,255,843	1,849,434	0.28%	276.06	0.67%
2004	218,120,000	18,967,843	-	237,087,843	1,878,986	0.35%	383.91	0.89%
2005 (2)	221,194,000	17,897,843	-	239,091,843	7,647,835	0.31%	384.80	0.86%
2006 (2)	198,932,000	16,762,843	-	215,694,843	7,778,947	0.25%	346.11	N/A
2007 (2)	219,620,000	15,195,000	-	234,815,000	7,909,951	0.27%	378.04	0.74%
2008 (2)	250,890,000	14,590,000	-	265,480,000	7,982,750	0.31%	427.06	0.86%
2009 (2)	228,475,000	41,739,000	-	270,214,000	8,019,889	0.37%	431.64	0.82%
2010 (2)	211,998,000	38,817,183	-	250,815,183	7,989,842	0.31%	401.14	0.76%
2011 (2)	270,118,000	35,885,744	-	306,003,744	8,014,285	0.26%	488.16	N/A

Note: (1) Dollars in Thousands.

(2) The County ratio was adjusted from 25% to 100% of 1972 base year.

N/A - Information not available

COUNTY OF BUCKS, PENNSYLVANIA

**Ratios of General
and Lease Rental Debt Outstanding
Last Ten Fiscal Years
Unaudited**

<u>Governmental Activities</u>						
<u>Fiscal Year</u>	<u>General Obligation Bond</u>	<u>Lease Rental Debt</u>	<u>Total</u>	<u>Percentage of Actual Value Of Taxable Property</u>	<u>Debt Per Capita</u>	<u>Percentage of Personal Income</u>
2002	136,755,000	20,982,842	157,737,842	0.30%	258.40	0.65%
2003	149,273,000	19,982,843	169,255,843	0.28%	276.06	0.67%
2004	218,120,000	18,967,843	237,087,843	0.35%	383.91	0.89%
2005 (1)	221,194,000	17,897,843	239,091,843	0.31%	384.80	0.86%
2006 (1)	198,932,000	16,762,843	215,694,843	0.25%	346.11	N/A
2007 (1)	219,620,000	15,195,000	234,815,000	0.27%	378.04	0.74%
2008 (1)	250,890,000	14,590,000	265,480,000	0.31%	427.06	0.86%
2009 (1)	228,475,000	41,739,000	270,214,000	0.37%	431.64	0.82%
2010 (1)	211,998,000	38,817,183	250,815,183	0.31%	401.14	0.76%
2011 (1)	270,118,000	35,885,744	306,003,744	0.26%	488.16	N/A

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.
(1) The County ratio was adjusted from 25% to 100% of 1972 base year.

COUNTY OF BUCKS, PENNSYLVANIA

Direct and Overlapping Governmental Activities Debt As of December 31, 2011

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
School Districts			
Bensalem Township	\$ 57,205,531	100.0%	\$ 57,205,531
Bristol Borough	29,946,325	100.0%	29,946,325
Bristol Township	8,719,578	100.0%	8,719,578
Centennial	140,398,981	100.0%	140,398,981
Central Bucks	265,302,853	100.0%	265,302,853
Council Rock	154,365,846	100.0%	154,365,846
Morrisville Borough	6,751,525	100.0%	6,751,525
Neshaminy	100,894,350	100.0%	100,894,350
New Hope/Solebury	30,841,218	100.0%	30,841,218
Palisades	30,176,316	100.0%	30,176,316
Penndel	131,791,364	100.0%	131,791,364
Pennsbury	147,258,227	100.0%	147,258,227
Quakertown	100,772,000	100.0%	100,772,000
Total school districts	<u>\$ 1,204,424,114</u>		<u>\$ 1,204,424,114</u>
Boroughs			
Bristol	9,145,282	100.0%	9,145,282
Chalfont	-		-
Doylestown	-		-
Dublin	1,032,577	100.0%	1,032,577
Hulmeville	-		-
Ivyland	374,219	100.0%	374,219
Langhorne	-		-
Langhorne Manor	-		-
Morrisville	9,312,500	100.0%	9,312,500
New Britain	-		-
New Hope	3,795,000	100.0%	3,795,000
Newtown	-		-
Penndel	-		-
Perkasie	6,555,661	100.0%	6,555,661
Quakertown	9,659,519	100.0%	9,659,519
Richlandtown	-		-
Riegelsville	26,653	100.0%	26,653
Sellersville	1,308,899	100.0%	1,308,899
Silverdale	-		-
Telford	7,240,040	100.0%	7,240,040
Trumbauersville	-		-
Tullytown	-		-
Yardley	-		-
Total boroughs	<u>\$ 48,450,350</u>		<u>\$ 48,450,350</u>

(Continued)

COUNTY OF BUCKS, PENNSYLVANIA

Direct and Overlapping Governmental Activities Debt

As of December 31, 2011

Unaudited

(Continued)

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Townships			
Bedminster	4,179,873	100.0%	4,179,873
Bensalem	40,108,000	100.0%	40,108,000
Bridgeton	-		-
Bristol	17,338,246	100.0%	17,338,246
Buckingham	23,064,961	100.0%	23,064,961
Doylestown	1,245,596	100.0%	1,245,596
Durham	-		-
East Rockhill	2,941,105	100.0%	2,941,105
Falls	-		-
Haycock	-		-
Hilltown	-		-
Lower Makefield	33,888,086	100.0%	33,888,086
Lower Southampton	11,271,424	100.0%	11,271,424
Middletown	27,839,471	100.0%	27,839,471
Milford	4,430,208	100.0%	4,430,208
New Britain	1,176,545	100.0%	1,176,545
Newtown	9,572,410	100.0%	9,572,410
Nockamixon	-		-
Northampton	21,149,770	100.0%	21,149,770
Plumstead	17,838,448	100.0%	17,838,448
Richland	6,909,003	100.0%	6,909,003
Solebury	31,294,499	100.0%	31,294,499
Springfield	4,646,318	100.0%	4,646,318
Tinicum	5,685,000	100.0%	5,685,000
Upper Makefield	19,233,824	100.0%	19,233,824
Upper Southampton	5,152,710	100.0%	5,152,710
Warminster	5,290,853	100.0%	5,290,853
Warrington	26,138,947	100.0%	26,138,947
Warwick	8,325,909	100.0%	8,325,909
West Rockhill	2,825,000	100.0%	2,825,000
Wrightstown	-		-
Total townships	<u>\$ 331,546,206</u>		<u>\$ 331,546,206</u>
Total overlapping debt			<u>\$ 1,584,420,670</u>
County of Bucks direct debt			<u>306,003,744</u>
Total direct and overlapping debt			<u>\$ 1,890,424,414</u>

Note: Overlapping rates are those of county, school, and municipal governments that apply to property owners within the County of Bucks.

COUNTY OF BUCKS, PENNSYLVANIA

Legal Debt Margin Information Last Ten Fiscal Years Unaudited

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<u>Borrowing Base Revenues (1):</u>				
Two years prior	\$ 300,197,095	\$ 313,008,727	\$ 351,519,892	\$ 360,523,399
Prior year	313,008,727	351,519,892	360,523,399	397,339,369
Current Year	<u>351,519,892</u>	<u>360,523,399</u>	<u>397,339,369</u>	<u>429,996,691</u>
Total borrowing base revenues	<u>\$ 964,725,714</u>	<u>\$ 1,025,052,018</u>	<u>\$ 1,109,382,660</u>	<u>\$ 1,187,859,459</u>
Average borrowing base revenues	<u>\$ 321,575,238</u>	<u>\$ 341,684,006</u>	<u>\$ 369,794,220</u>	<u>\$ 395,953,153</u>
<u>Debt Limit For General Obligation Bonds:</u>				
Average borrowing base revenues	\$ 321,575,238	\$ 341,684,006	\$ 369,794,220	\$ 395,953,153
Debt limit percent	x 300%	x 300%	x 300%	x 300%
Debt limit	964,725,714	1,025,052,018	1,109,382,660	1,187,859,459
Total amount of debt applicable to debt limit (2)	<u>(135,766,755)</u>	<u>(148,351,155)</u>	<u>(217,052,021)</u>	<u>(215,285,022)</u>
Legal debt margin	<u>\$ 828,958,959</u>	<u>\$ 876,700,863</u>	<u>\$ 892,330,639</u>	<u>\$ 972,574,437</u>
Total net debt applicable to the limit as a percentage of debt limit	14.07%	14.47%	19.57%	18.12%
<u>Debt Limit For General Obligation Bonds and Lease Rental Debt:</u>				
Average borrowing base revenues	\$ 321,575,238	\$ 341,684,006	\$ 369,794,220	\$ 395,953,153
Debt limit percent	x 400%	x 400%	x 400%	x 400%
Debt limit	1,286,300,952	1,366,736,024	1,479,176,880	1,583,812,612
Total amount of debt applicable to debt limit	<u>(154,748,586)</u>	<u>(166,359,254)</u>	<u>(234,073,270)</u>	<u>(232,932,865)</u>
Legal debt margin	<u>\$ 1,131,552,366</u>	<u>\$ 1,200,376,770</u>	<u>\$ 1,245,103,610</u>	<u>\$ 1,350,879,747</u>
Total net debt applicable to the limit as a percentage of debt limit	12.03%	12.17%	15.82%	14.71%

Notes: (1) Borrowing base revenues represent total revenues less nonrecurring governmental fund type revenues excluding component units.
(2) Debt includes general obligation bonds of the County net of delinquent taxes and liens collectible.

Source: County of Bucks, Pennsylvania, Comprehensive Annual Financial Report

Schedule 13

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
	\$ 397,339,369	\$ 429,996,691	\$ 452,890,419	\$ 516,230,910	\$ 464,830,652	\$ 460,560,281
	429,996,691	452,890,419	516,230,910	464,830,652	460,560,281	470,872,941
	<u>452,890,419</u>	<u>516,230,910</u>	<u>464,830,652</u>	<u>460,560,281</u>	<u>470,872,941</u>	<u>464,766,172</u>
	<u>\$ 1,280,226,479</u>	<u>\$ 1,399,118,020</u>	<u>\$ 1,433,951,981</u>	<u>\$ 1,441,621,843</u>	<u>\$ 1,396,263,874</u>	<u>\$ 1,396,199,394</u>
	\$ 426,742,160	\$ 466,372,673	\$ 477,983,994	\$ 480,540,614	\$ 465,421,291	\$ 465,399,798
	\$ 426,742,160	\$ 466,372,673	\$ 477,983,994	\$ 480,540,614	\$ 465,421,291	\$ 465,399,798
	x 300%					
	1,280,226,479	1,399,118,020	1,433,951,981	1,441,621,843	1,396,263,874	1,396,199,394
	<u>(217,052,021)</u>	<u>(218,690,979)</u>	<u>(249,565,178)</u>	<u>(227,394,877)</u>	<u>(211,097,064)</u>	<u>(269,234,701)</u>
	<u>\$ 1,063,174,458</u>	<u>\$ 1,180,427,041</u>	<u>\$ 1,184,386,803</u>	<u>\$ 1,214,226,966</u>	<u>\$ 1,185,166,810</u>	<u>\$ 1,126,964,693</u>
	16.95%	15.63%	17.40%	15.77%	15.12%	19.28%
	\$ 426,742,160	\$ 466,372,673	\$ 477,983,994	\$ 480,540,614	\$ 465,421,291	\$ 465,399,798
	x 400%					
	1,706,968,639	1,865,490,693	1,911,935,975	1,922,162,457	1,861,685,165	1,861,599,192
	<u>(234,073,270)</u>	<u>(243,675,619)</u>	<u>(264,078,136)</u>	<u>(268,936,555)</u>	<u>(249,749,284)</u>	<u>(305,003,097)</u>
	<u>\$ 1,472,895,369</u>	<u>\$ 1,621,815,074</u>	<u>\$ 1,647,857,839</u>	<u>\$ 1,653,225,902</u>	<u>\$ 1,611,935,881</u>	<u>\$ 1,556,596,095</u>
	13.71%	13.06%	13.81%	13.99%	13.42%	16.38%

COUNTY OF BUCKS, PENNSYLVANIA

Demographic and Economic Statistics Last Ten Fiscal Years Unaudited

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Personal Income</u>	<u>Median Age (3)</u>	<u>Public School Enrollment (4)</u>	<u>Local Unemployment Rate (5)</u>
2002	609,085	\$24,131,283	39,619	38.6	95,270	4.8%
2003	612,369	25,075,932	40,949	38.8	92,928	4.7%
2004	616,533	26,668,187	43,255	39.3	92,933	4.6%
2005	619,772	27,855,839	44,945	40	93,307	4.1%
2006	623,205	N/A	48,783	N/A	93,144	4.0%
2007	621,144	31,758,600	51,129	N/A	93,197	3.8%
2008	621,643	31,046,441	49,943	41	92,564	4.8%
2009	626,015	33,034,820	52,770	41	91,963	7.2%
2010	625,249	32,999,810	52,478	42	90,835	7.9%
2011	626,854	N/A	N/A	41	89,985	7.3%

Sources: (1) Obtained from the Bureau of Census
 (2) Dollars in Thousands
 (3) Obtained from the United States Department of Commerce, Bureau of Census
 (4) Pennsylvania Department of Education
 (5) PA Department of Labor and Industry

N/A - Information not available

COUNTY OF BUCKS, PENNSYLVANIA

**Principal Employers
December 31, 2011
Unaudited**

<u>Employer</u>	<u>2011</u>			<u>2002</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
St. Mary Medical Center	N/A	1	N/A	N/A	6	N/A
Central Bucks School District	N/A	2	N/A	N/A	2	N/A
Bucks County	2,734	3	N/A	2,563	1	N/A
Healthcare Services	N/A	4	N/A	N/A	5	N/A
Northtec LLC	N/A	5	N/A	N/A	4	N/A
Giant Food Stores	N/A	6	N/A	N/A		N/A
Doylestown Hospital	1,947	7	N/A	1,814	3	N/A
Wal-Mart Associates	N/A	8	N/A	N/A		N/A
Woods Services	N/A	9	N/A	N/A		N/A
Pennsbury School District	1,547	10	N/A	N/A	7	N/A
Sears Roebuck & Co				N/A	8	N/A
Grand View Hospital				N/A	9	N/A
Neshaminy School District				N/A	10	N/A
	<u>6,228</u>		<u>N/A</u>	<u>4,377</u>		<u>N/A</u>
Total Employees in County	314,627			322,686		

Source: Center for Workforce Information & Analysis as of 3rd Quarter 2011

N/A - Not available

COUNTY OF BUCKS, PENNSYLVANIA

**Full-time Equivalent County Government Employees by Function
Direct and Overlapping Governments
Last Ten Fiscal Years
Unaudited**

Full-time Equivalent Employees as of December 31										
Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Commissioners	10	9	9	9	9	8	10	10	10	9
Solicitor	7	7	6	7	7	7	8	8	8	8
Voter Registration	12	12	12	11	10	11	12	10	10	11
Board of Assessment	35	34	34	33	30	32	31	30	32	31
Consumer Protection	9	9	9	9	9	9	9	9	9	7
Treasurer	9	10	10	10	9	10	11	11	11	11
Tax Claim	6	6	7	7	7	7	5	6	8	8
Controller	31	31	30	29	29	31	30	29	28	30
Voting Machines	4	4	4	4	4	4	4	4	4	3
Planning Commission	32	33	35	33	34	32	31	33	33	32
Recorder of Deeds	30	29	28	26	26	26	26	27	26	23
Central Telephone & Service	2	2	2	1	2	2	2	2	2	2
Information Systems	52	51	49	48	50	51	51	53	48	45
Purchasing	9	9	8	7	7	8	8	8	8	7
Microfilming & Reproduction	7	6	6	6	6	6	6	5	6	5
Public Information	6	6	5	7	7	7	7	7	6	6
ERP	-	-	-	-	2	2	2	2	4	4
Fire Marshall	4	4	4	3	4	4	4	4	4	4
Finance	6	6	6	6	6	7	8	7	7	7
Public Works	152	152	147	147	148	150	158	156	111	106
Human Resources	12	11	11	11	11	10	8	10	10	10
Mail Room	2	2	2	2	2	2	2	2	2	2
Public Defender	35	37	37	36	36	37	36	36	36	36
Military Affairs	3	3	3	3	3	3	3	3	3	3
Community Development	6	7	7	7	6	8	8	8	7	8
Parks and Recreation	18	17	16	15	15	15	16	13	13	13
Parks and Recreation	12	12	11	12	12	12	12	12	12	12
Parks and Recreation	9	9	9	9	9	9	9	12	14	13
Total General Government	520	518	507	498	500	510	517	517	472	456
Judiciary										
Register of Wills	21	20	21	22	20	22	20	21	21	18
Sheriff	66	67	67	68	68	67	65	67	72	69
Coroner	5	5	5	5	5	5	8	8	8	8
Prothonotary	32	32	33	30	30	29	29	30	30	29
Clerk of Courts	22	21	22	23	22	24	25	25	24	25
Domestic Relations	87	83	85	86	88	86	89	88	88	87
District Attorney	72	73	73	71	72	75	76	78	79	78
Law Library	3	3	3	2	2	2	2	2	2	2
Courts	78	81	87	85	85	84	85	81	84	86
Jury Commissioners	2	2	2	2	2	2	2	2	2	2
Crime Lab	3	3	3	3	3	3	3	3	4	5
Court Stenographers	19	20	20	20	20	20	21	21	21	20
Adult Probation and Parole	56	58	58	59	61	60	69	72	68	71
Juvenile Probation & Parole	49	49	47	49	50	50	51	51	49	51
District Courts	104	106	108	103	105	106	121	112	108	105
Total Judiciary	619	623	634	628	633	635	666	661	660	656

(Continued)

COUNTY OF BUCKS, PENNSYLVANIA

Full-time Equivalent County Government Employees by Function Direct and Overlapping Governments Last Ten Fiscal Years Unaudited (Continued)

Full-time Equivalent Employees as of December 31										
Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Corrections										
Corrections - Administration	13	16	17	17	17	17	16	16	17	18
Women's Community Correction Center	10	11	10	11	10	10	10	10	10	9
Prison	206	229	234	236	240	244	250	254	256	253
Men's Community Correction Center	56	61	63	66	66	66	62	67	67	66
Total Corrections	285	317	324	330	333	337	338	347	350	346
Health										
Health Dept-Admin-State	10	10	10	8	7	7	7	6	6	6
Health Dept-Admin-County	100	104	103	107	106	117	113	117	114	113
Emergency Health	6	6	5	6	6	6	6	6	6	6
Total Health	116	120	118	121	119	130	126	129	126	125
Public Safety										
Emergency Management	3	3	4	5	5	5	5	3	4	4
Police Training	1	1	1	1	1	1	1	1	1	1
Security	25	22	25	27	27	25	26	24	27	27
Hazardous Material	2	2	2	2	2	2	2	2	2	2
Emergency Reponse/911	122	133	126	129	130	129	126	131	133	136
Total Public Safety	153	161	158	164	165	162	160	161	167	170
Social Services										
Guardian Ad Litem	6	6	6	6	6	6	6	6	6	6
Human Services	4	4	4	4	4	3	3	3	4	4
Children & Youth	149	157	155	171	175	177	179	173	180	179
Group Home #1	1	-	-	-	-	-	-	-	-	-
Youth Center	62	63	66	67	66	66	68	68	68	70
Juvenile Probation & Parole	6	6	8	9	9	9	9	9	9	8
Neshaminy Manor	289	290	275	302	302	308	301	309	367	362
Area Agency on Aging	46	51	52	51	53	55	54	54	55	53
MH/Developmental Programs	41	44	46	45	44	44	44	42	50	50
Total Social Services	604	621	612	655	659	668	664	664	739	732
	2,297	2,360	2,353	2,396	2,409	2,442	2,471	2,479	2,514	2,485

COUNTY OF BUCKS, PENNSYLVANIA

Property Tax Rates
Operating Indicators by Function
Last Ten Fiscal Years
Unaudited

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Fiscal Affairs										
Property transfers recorded	17,604	20,052	18,285	19,150	15,832	14,019	11,913	10,913	10,607	10,172
Subdivision plans filed	316	329	373	412	375	434	395	239	269	171
New building permits received	2,815	3,215	2,560	2,104	1,552	1,359	1,110	459	440	418
Administration										
General election information										
Registered voters	411,940	419,700	451,979	408,513	415,467	416,609	444,962	430,463	434,183	420,769
Votes cast	203,524	112,417	321,330	121,860	236,874	122,023	335,982	110,319	231,993	109,662
Percent of votes cast	49.41%	26.79%	71.09%	29.83%	57.01%	29.29%	75.51%	25.63%	53.43%	26.06%
Court System										
Court Services										
Criminal cases filed	7,328	7,699	8,185	9,144	9,968	10,114	8,639	8,172	8,204	8,380
Civil cases filed	196	319	329	278	276	N/A	N/A	3,557	4,282	8,017
Protection from abuse cases filed	707	760	788	835	691	N/A	774	783	704	592
Estates probated	698	748	710	701	728	584	583	756	770	766
Wills probated	2,501	2,421	2,605	2,701	2,511	2,268	2,585	2,998	3,059	2,399
Marriage licenses issued	4,241	4,141	4,084	3,949	3,783	3,771	3,574	3,284	4,052	3,358
Child adoptions	369	324	376	275	252	259	213	255	283	207
Child relinquishments	158	152	131	108	152	159	169	129	N/A	N/A
Court Administration										
Criminal cases tried	124	163	179	N/A	N/A	N/A	N/A	197	92	97
Criminal cases negotiated plea settlements	5,043	4,983	5,130	N/A	N/A	N/A	N/A	184	453	629
Accelerated rehabilitative disposition (ARD) cases	1,889	2,034	2,201	N/A	N/A	N/A	1,733	1,440	1,419	2,054
New civil arbitration filings	503	428	343	404	371	N/A	397	403	294	378
Civil cases tried	133	137	113	138	126	N/A	128	119	108	68
Civil cases settled	258	233	233	190	178	206	206	162	168	1,771
District judge case filings	119,107	120,399	122,108	118,216	125,185	128,927	133,017	121,716	122,717	122,014
New juvenile probation cases	2,569	2,490	2,719	2,383	2,577	N/A	1,507	1,415	1,415	1,082
Youth Facility										
Average daily population	36	41	39	32	34	36	31	27	27	24
Annual admissions	842	900	878	716	757	694	671	709	707	599
Corrections										
Maximum Security										
Average daily population										
High	648	687	675	694	702	785	798	796	782	819
Low	578	617	611	626	654	661	750	737	746	737
Annual admissions	7,154	6,851	7,002	7,182	7,182	7,432	7,682	7,430	7,254	7,565
Minimum Custody										
Average daily population										
High	286	291	302	304	308	306	316	311	311	314
Low	257	270	262	288	298	282	300	290	277	272
House Arrest										
Average daily population										
High	151	144	168	217	243	277	295	294	234	256
Low	106	125	119	180	197	206	222	232	186	194

(Continued)

COUNTY OF BUCKS, PENNSYLVANIA

Property Tax Rates
Operating Indicators by Function
Last Ten Fiscal Years
Unaudited
(Continued)

<u>Function</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Parks										
Park reservations	1,608	1,587	1,540	1,600	1,596	1,282	1,320	1,335	1,425	1,343
Human Services										
Area Agency on Aging										
Case management clients - long	2,559	2,486	2,280	2,465	2,694	2,550	1,332	2,395	2,198	2,661
Meals provided	139,893	123,713	110,504	103,716	95,689	89,159	91,174	82,612	82,204	78,157
In-home services clients	556	456	429	466	503	533	669	453	410	296
Adult day care clients	134	122	125	69	94	98	100	81	69	48
Home -delivered meals	70,391	72,836	83,605	80,291	82,553	89,290	92,948	66,646	105,950	113,579
Children and Youth										
Children served	665	701	713	671	631	556	647	6,336	540	512
Placement days	N/A	N/A	176,899	164,035	162,489	124,681	169,312	114,411	82,753	154,544
Child abuse reports	900	896	813	838	752	622	842	711	847	800
Neshaminy Manor										
Days of care	128,817	128,718	131,094	130,779	130,003	130,658	130,663	130,192	129,896	128,985
Mental Health										
Emergency/crisis										
intervention hours	47,383	49,224	50,008	59,521	24,600	17,678	33,236	10,764	9,498	15,263
Community residential days	71,548	39,592	36,998	42,534	44,303	62,201	63,556	55,727	58,510	83,756
Community employment hours	16,551	6,839	6,651	30,680	31,572	21,568	21,693	6,130	5,869	6,080
Service case management hours	76,349	89,228	93,452	83,930	81,783	67,544	69,199	20,067	13,933	16,125
Day treatment hours	37,809	13,782	11,860	45,325	58,005	19,108	14,227	16,659	4,668	7,354
Outpatient hours	19,252	6,446	5,916	6,771	5,897	15,982	15,217	32,647	9,208	9,760
Family support hours	N/A	4,080	3,890	3,612	4,545	2,235	2,323	1,020	1,325	1,734
Family based hours	5,644	2,534	3,273	3,125	1,695	1,821	1,976	510	2,140	2,688
Mental Retardation										
Adult development hours	538,904	234,432	360,206	395,465	390,705	463,200	233,574	124,408	14,082	14,524
Vocational rehabilitation hours	285,727	742,057	759,409	805,812	786,629	382,030	555,280	284,846	37,291	34,864
Supported employment hours	70,196	69,967	73,602	91,250	85,506	68,646	64,578	28,192	3,375	3,419
Residential services clients	517	479	468	428	452	496	505	877	56	54
Early intervention clients	1,387	3,514	3,555	3,024	2,766	2,913	3,088	5,927	1,882	1,785
Family support services	9,831	9,055	13,198	9,268	5,924	3,058	37,479	27,645	44,581	37,541

Source: Administrative Office of Pennsylvania Courts (AOPC)
Various Bucks County government departments

N/A - Not available

COUNTY OF BUCKS, PENNSYLVANIA

Capital Asset Statistics by Function
Last Ten Fiscal Years
Unaudited

<u>Function</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Government										
Motor Vehicles (2)	44	46	43	44	45	46	47	59	60	55
Judiciary										
Motor Vehicles (2)	91	94	88	90	96	104	109	71	68	65
Corrections										
Motor Vehicles (2)	35	40	40	41	44	47	47	44	42	41
Social Services										
Motor Vehicles (2)	1	1	1	1	1	2	-	-	-	-
Nursing Facility										
Motor Vehicles (2)	12	12	12	11	11	11	11	8	8	8
Health										
Motor Vehicles (2)	1	1	1	2	2	2	3	3	3	3
Roads and Bridges										
Motor Vehicles (2)	15	15	15	15	15	15	15	8	6	6
Parks										
Motor Vehicles (2)	71	61	63	63	63	63	63	47	47	45
Emergency Services										
Motor Vehicles (2)	10	13	13	13	13	13	13	9	9	9
Public Works										
County-owned bridges (1)	117	117	117	117	115	115	115	115	115	115
Parks										
Number of parks	23	23	23	23	23	23	23	23	23	23
Park acreage	8,270	8,270	8,270	8,273	8,273	8,273	8,273	8,273	8,273	8,273

Note: (1) Demolition of 2 bridges in 2006
(2) Restructure of county fleet in 2009

Source: Various government departments