

COUNTY OF BUCKS, PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE YEAR ENDED
DECEMBER 31, 2012

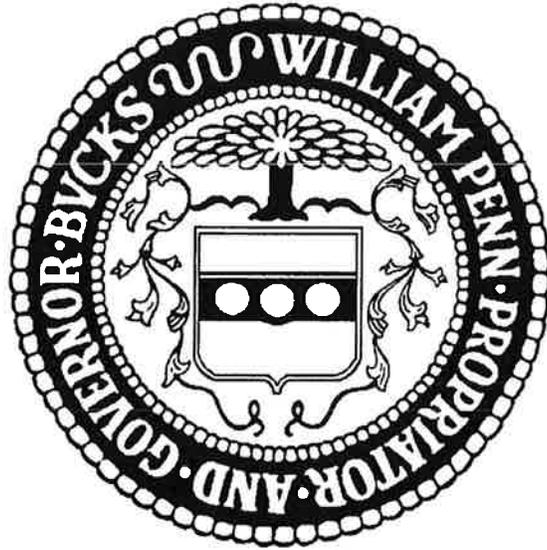
Prepared by the Office of the Controller
Raymond F. McHugh, Esquire, Controller



*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
FOR THE YEAR ENDED DECEMBER 31, 2012

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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 26, 2013

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, 2012, 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, 2011, 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, 2012. 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 627,053 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 7.4% unemployment rate compared favorably to the statewide rate of 7.9% and the national rate of 8.1% at December 31, 2012. 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 2012 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. The program now includes 155 farms totaling more than 13,000 acres. In 2012, the farmland preservation program had a successful year with over 650 acres on 6 farms being permanently protected through the use of agricultural conservation easements.



*The Trycieki Farm, Buckingham Township,
preserved in 2012*

- Since 1989, the Bucks County Agricultural Land Preservation Program has steadily conserved many of the County's most scenic land resources. In March 2012, an exciting addition to the program was the 150th preserved Bucks County farm. The Bowman farm, a 135.16 acre corn and hay farm is the 31st preserved in Bedminster Township, and is located adjacent to or near fifteen previously preserved farms. The Bowman farm is the 150th farm preserved by the Board of Commissioners over the last 23 years – and the 50th preserved since 2006.



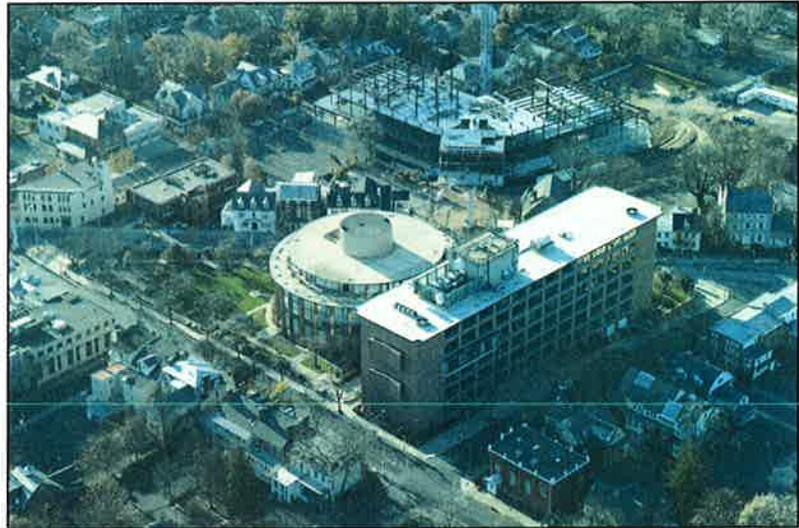
*The Bowman Farm, Bedminster Township,
preserved in 2012*

- *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. During 2012, Open Space preservation projects include the 52-acre Comly property in Buckingham Township, the 72.85-acre Hoff property in Bridgeton Township and the 35.98-acre Thomas property in Nockamixon 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. In 2012, four Natural Areas Program projects totaling 647 acres were approved, including the Reichenback and Long easements in Haycock Township.
- Since 1997, the Natural Areas Program has distributed 91 grants toward the preservation of 4,764 acres.

YEAR IN REVIEW

The year 2012 represents a vibrant time of capital growth, service excellence and fiscal prudence.

- Since the July 19, 2011 ground breaking of the \$84 million Justice Center project, the project is approximately thirty percent complete, and significant progress has been made on the structural steel of the building's frame. Throughout 2012, employees and courthouse visitors grew accustomed to the 177-foot construction crane that extends over the site. Foundation work included the stabilization to the early 1900's era Armory, which will be incorporated into the façade of the new building. The project is slated for completion during 2014 – with occupancy for court related offices to follow.



- My InnerView, a product of National Research Corporation, announced a select list of 610 skilled nursing homes around the United States as recipients of the 2011-2012 Excellence in Action awards. This honor, which recognizes nursing homes that achieve the “highest levels of satisfaction excellence – as demonstrated by overall resident or employee satisfaction scores that fall within the top ten percent of the My InnerView product database” – went to Bucks County’s Neshaminy Manor nursing facility for the fifth consecutive year. The County government operated facility was one of just nine Pennsylvania facilities to garner the Excellence in Action designation and one of only five “Customer Award” winners in the Commonwealth.
- On April 30th, the Bucks County Youth Center was honored for their efforts to earn the HealthierUS School Challenge Gold Distinguished Award from the USDA. The USDA’s HealthierUS School Challenge is a voluntary certification initiative, established in 2004 to recognize those schools participating in the National School Lunch Program that have created healthier school environments through the promotion of nutrition and physical activity. The Bucks County Youth Center adhered to specific food requirements, increased the physical activity of its residents, provided nutrition education and promoted its innovative garden therapy program. It took the Youth Center staff members approximately one year to go through the application process and another eight months to implement the challenge requirements.
- 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. 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 8,348 County participants with 784,220 pounds of material collected which is an average of 91 pounds of material per participant.
- The County announced a new economic development initiative that will focus resources on continuing and expanding economic prosperity in Bucks County and its 54 municipalities. The County will assist municipal governments by providing resources to ensure Bucks County’s continued economic vitality and growth.

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 expenditures. Each department was tasked to maintain departmental expenditures with little or no increase in 2012.

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 .14%. Interest earnings for the governmental activities totaled \$662,444 in 2012.

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 2012, 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 Mission of the Bucks County Office of Consumer Protection/Weights & Measures is to create and maintain a fair and equitable marketplace for consumers as well as businesses. The Department is headed by Michael D. Bannon, Bucks County Consumer Advocate and Chief Sealer. The Department is divided into two separate units, the Consumer Protection Unit and the Weights & Measures Unit.

The Weights & Measures Unit operates under a memorandum of understanding with the Commonwealth of Pennsylvania, Department of Agriculture Bureau of Rides and Measurement Standards, to inspect all weighing and measuring devices in Bucks County. The staff have been extensively trained in all areas of such devices and stay up to date on device education, as well as changes in technology as related to their field. The Weights & Measures Unit is comprised of 3 Inspectors who operate two specialty vehicles. The first vehicle is specifically designed to monitor gasoline and diesel fuel pumps throughout the County. All fuel pumps must be inspected and certified annually by the County. This vehicle also goes back to specific locations upon the receipt of any complaints of irregularities regarding fuel distribution. The second vehicle is designed to inspect all home heating oil truck meters, which are generally inspected each year from August through December. The truck is then used as a means of transportation for inspectors and their various testing equipment to complete inspection of other measuring or timing devices. This would include bar code scanners in retail stores, scales, and timing devices such as car washes, laundromats and even parking meters. All weighing and measuring devices must be registered, certified and documented with the County annually. During the year 2012 the Weights & Measures Unit performed 10,071 inspections. In addition the Unit also prosecuted five establishments as chronic offenders. There is a fee charged by the County for the registration of all weighing and measuring devices and last year the County received over \$300,000 in revenue from these registrations/inspections.

The Consumer Protection Unit is comprised of Director Bannon and two additional staff members. This unit handles all consumer issues and consumer complaints. Their first objective is to educate consumers as to their rights and responsibilities. In attempting to achieve that goal, the members of the Unit are regularly invited to attend schools, senior centers, churches and community groups in an effort to educate consumers in various areas. In 2012, they made over 100 such appearances. The Unit also maintains an extensive collection of brochures on all types of consumer issues. These brochures are available on line through the County Website as well as in printed form for distribution upon request. The Unit authors a weekly news article, "The Troubleshooter", which appears in both the *Intelligencer* and the *Courier Times*. The article addresses a different consumer issue each week. The topics are from questions and concerns that have been brought to the Unit by Bucks County Consumers. Director Bannon is a regular guest on a local radio segment every Tuesday morning in which he discusses current consumer topics. Another attempt to educate the consumer comes through the Business Data Base which is maintained by the Unit. The Unit keeps a data base on all justified complaints received concerning businesses operating within Bucks County. Consumers are encouraged to contact the Unit before doing business with someone particularly home improvement or home repair contractors. The Unit can advise the consumer if any complaints have been lodged with the County concerning work performance. Additionally, the Unit is able to monitor the data base for possible criminal activity and/or fraud. The Unit has forwarded these findings to the appropriate law enforcement agencies resulting in the successful prosecution of a number of businesses committing fraud.

During the year 2012, the Consumer Protection Unit received an estimated 8,000 consumer assistance calls. The issues included faulty products, incomplete or unsatisfactory home repairs, mail order and telemarketing issues, guarantee and/or warrantee issues, landlord-tenant disputes, and mobile home park laws. The Unit mediated over 400 consumer cases against businesses and as a result secured over \$100,000 in refunds for consumers.

The Consumer Protection Unit is very pro-active in the consumer protection area. The Unit was a founding member of the Bucks County Crimes Against Older Adults Task Force. In addition to the Consumer Protection Unit, the task force consists of the Bucks County District Attorney, the Register of Wills, NOVA (Network of Victim Assistance), PA Attorney General's Office and numerous Police Departments from Bucks County. The Consumer Protection Unit is also a member of the Federal Consumer Protection Agency, The Bucks County Area Agency on Aging Advisory Board and the Fair Housing Council of Suburban Pennsylvania. In addition, Director Bannon sits on the advisory board of the PUC (Pennsylvania Utilities Commission). The Consumer Protection Unit also recently joined with the neighboring counties of Montgomery, Delaware, Philadelphia and Chester to form SECA (Southeastern Society of Consumer Affairs), a consumer protection committee. This committee works together to share their information. This has been particularly helpful in identifying Home Improvement Contractors who have been defrauding consumers throughout the 5 county region.

Through their committee work and on their own, the Unit works closely with local State Legislators to update the Consumer Protection Laws. A prime example was the 2009 Contractor Legislation Law which now requires home improvement contractors to be registered and monitored by the State.

As a result of all of the above efforts, the Bucks County Office of Consumer Protection/Weights & Measures is recognized as one of the leaders in their field throughout the State. Director Bannon is regularly invited to COMCAST Newsmakers to appear and discuss consumer related issues. Also, several TV news reporters have reached out to Director Bannon to solicit his expert views on consumer issues that make the news. Director Bannon was honored in 2011 by the Pennsylvania Association of Weights & Measures as the winner of the "Great Guy Award". This award is given annually to a director in recognition of the outstanding work performed by their unit during that year.

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.

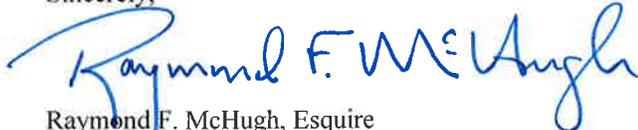
Litigation. In the normal course of business various claims and suits are pending against the County. In the opinion of counsel, the amount of such losses that might result from these claims and suits, if any, would not materially affect the financial position of the County.

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, 2011. This was the twenty-eighth 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, 2011

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



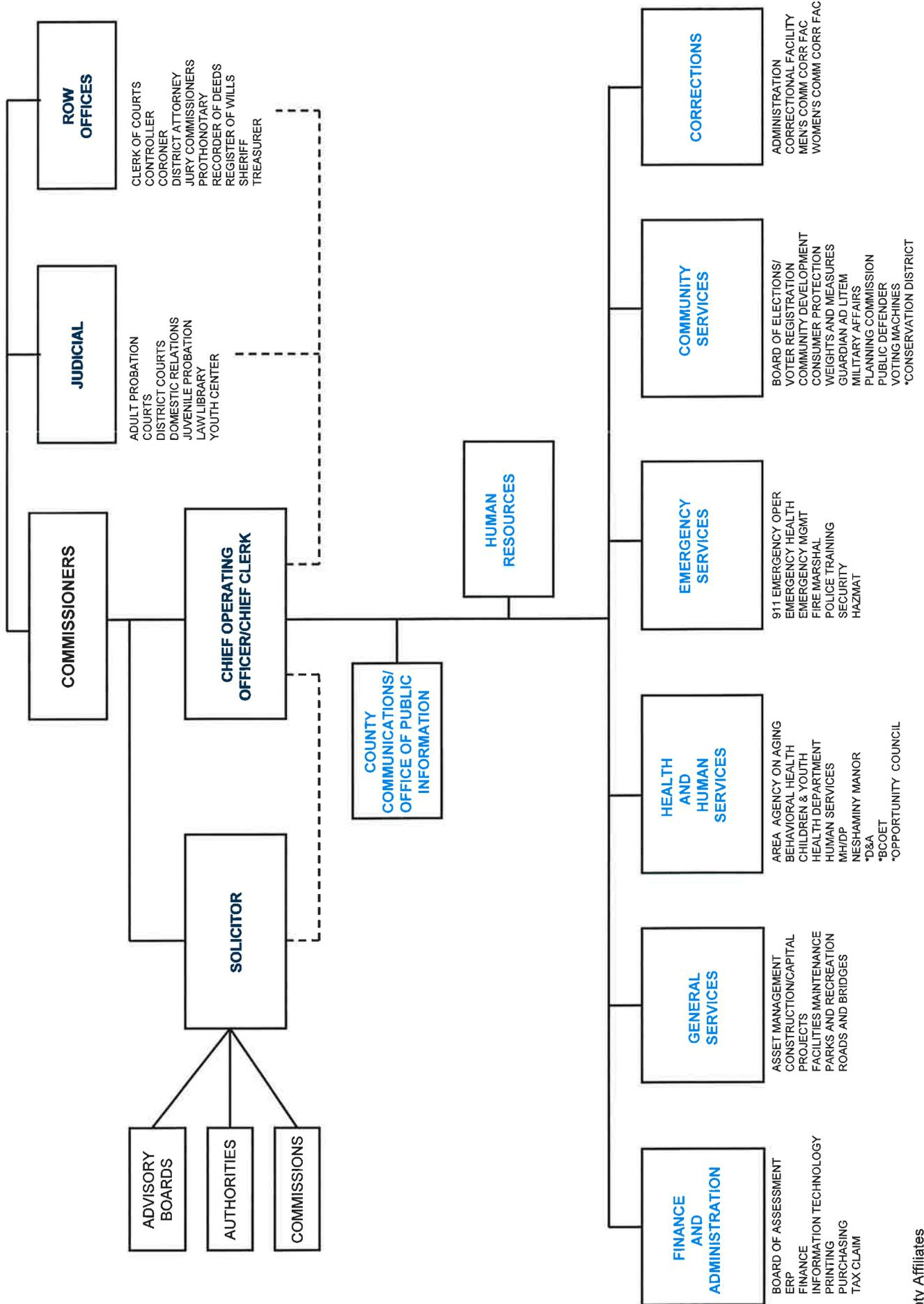
Christopher P. Mouill

President

Jeffrey R. Emer

Executive Director

COUNTY OF BUCKS ORGANIZATION CHART ELECTORATE



COUNTY OF BUCKS, PENNSYLVANIA

PRINCIPAL OFFICIALS

COUNTY COMMISSIONERS

Robert G. Loughery, Chairman
Charles H. Martin, 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

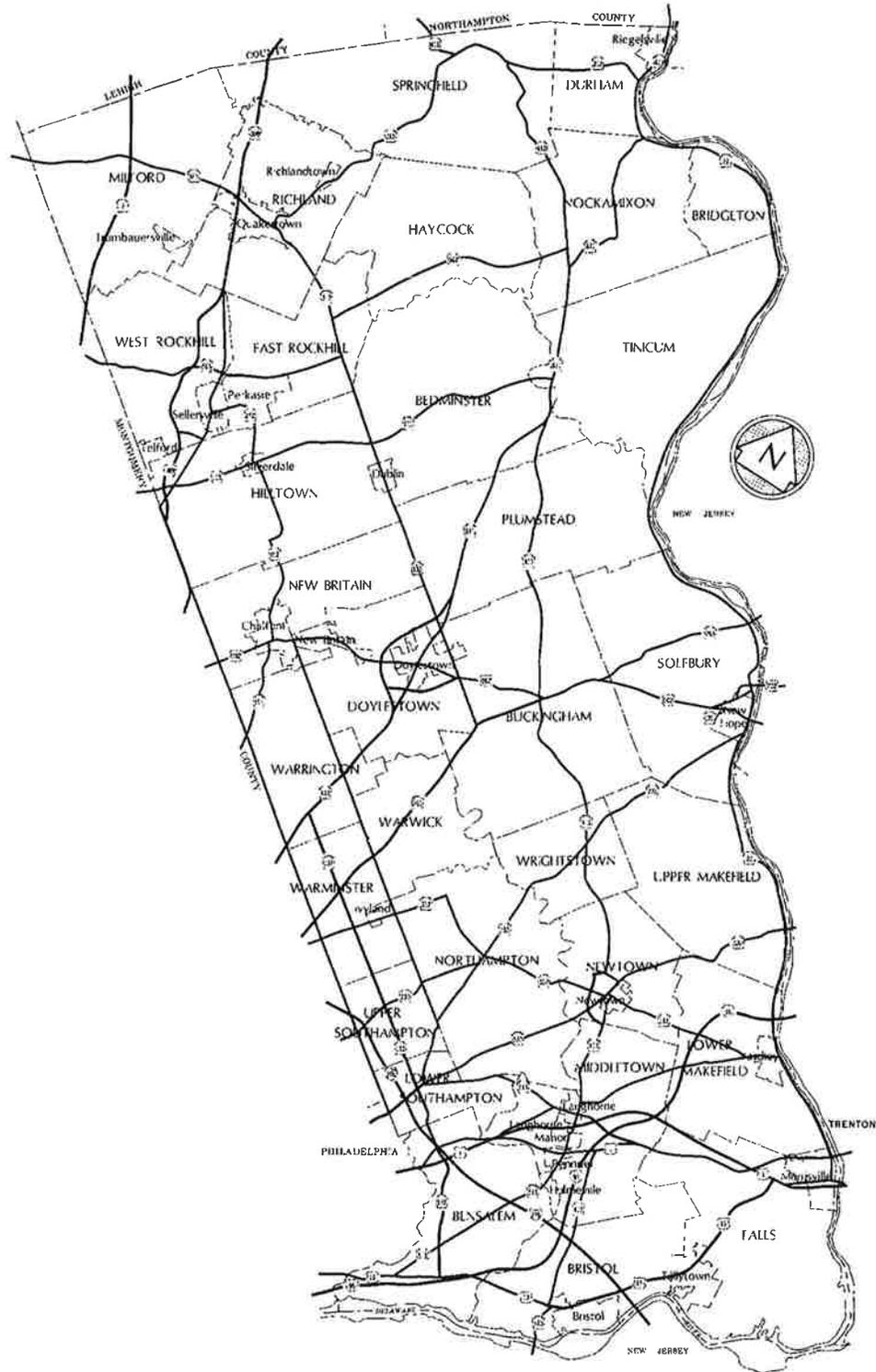
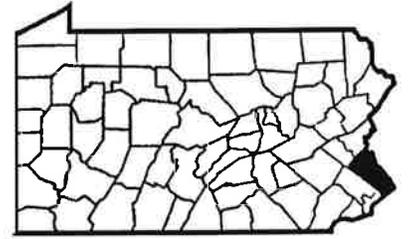
Honorable Susan Devlin Scott, President Judge
Honorable Rea B. Boylan, Judge
Honorable Alan M. Rubenstein, Judge
Honorable Robert J. Mellon, Judge
Honorable C. Theodore Fritsch, Jr., Judge
Honorable Albert J. Cepparulo, Judge
Honorable Clyde W. Waite, Judge
Honorable Jeffrey L. Finley, Judge
Honorable 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

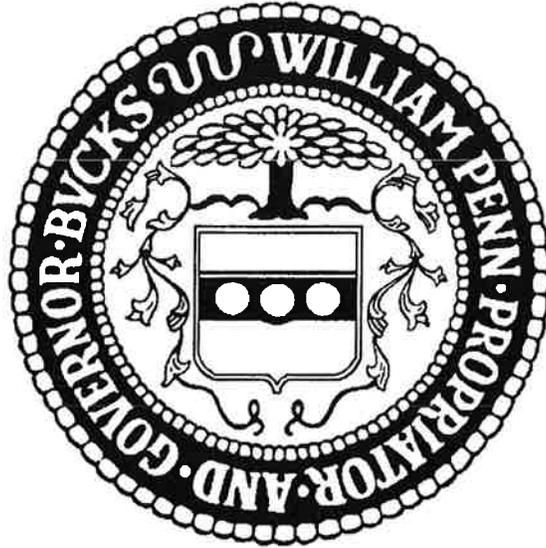
Debra E. DeBlasio
Theresa M. Farley



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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the discretely presented component units' financial statements for the Bucks County Airport Authority, the Bucks County Community College, the Bucks County Community College Authority, the Bucks County Drug and Alcohol Commission, the Bucks County Free Library and the Bucks County Housing Authority which represent 100% of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those aggregate discretely presented component units, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the 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 from material misstatement.

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

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

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

Zelenkofske Axelrod LLC

County Commissioners
County of Bucks
Doylestown, Pennsylvania

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, 2012, 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.

Adoptions of New GASB's

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of employer contributions and funding progress, and budgetary comparison schedules on pages 5 through 13, 69, and pages 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the COUNTY OF BUCKS' basic financial statements. The introductory section, combining and individual fund financial statements and budget and actual schedules (other supplementary information), and statistical section are presented for the purposes of additional analysis and are not a required part of the financial statements.

Zelenkofske Axelrod LLC

County Commissioners
County of Bucks
Doylestown, Pennsylvania

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2013 on our consideration of the COUNTY OF BUCKS' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the COUNTY OF BUCKS' internal control over financial reporting and compliance.



ZELENKOFKSKE AXELROD LLC

Jamison, Pennsylvania
June 26, 2013

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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, 2012 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 position was \$251,458,663 resulting from an excess of its assets over its liabilities, however, its unrestricted net position showed a deficit balance of \$(201,553,597).
- The County's property tax rate increased to 23.20 mills for calendar year 2012 from 21.942 in 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 position decreased by \$2,394,777 during the current calendar year. This is .51% of the annual operating costs of the County. The decrease in net position is attributed to the increase in general government expenses without a corresponding increase in intergovernmental income and charges for services. The County's debt service millage increased to 4.3091 in 2012.
- For the current calendar year, the County's governmental funds reported a combined ending fund balance of \$106,801,781, a decrease of \$35,748,914 over the prior year. This year's ending balance includes \$43,271,835 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 \$43,771,835, a decrease of \$1,869,093 from last year. The unassigned general fund balance was \$43,271,835. General fund revenues for the current year were \$207,215,440 as compared to \$200,880,467 for the prior year, while current year expenditures amounted to \$188,480,341 compared to \$192,213,413 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.

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 position, 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 position. Over time, increases or decreases in net position are an indicator of whether the County's financial position is improving or deteriorating.

COUNTY OF BUCKS MANAGEMENT'S DISCUSSION AND ANALYSIS

The statement of activities presents revenues and expenses and their effect on the change in the County's net position during the current year. These changes in net position 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.

The County maintains twenty-one 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 fifteen 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.

COUNTY OF BUCKS MANAGEMENT'S DISCUSSION AND ANALYSIS

- 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 position and changes in fiduciary net position. 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 position Statement of activities	Balance Sheet Statement of revenues, expenditures and changes in fund balances	Statement of fiduciary net position Statement of changes in fiduciary net position
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.

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.

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

- **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 position. As noted earlier, net position are useful indicators of a government's financial position. During 2012, net position decreased \$2,394,777 or .94% to \$251,458,663.

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 position, \$397,558,253. 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 position, \$55,454,007 is subject to external restrictions imposed by creditors, grantors or laws and regulations. The remaining component of net position is the unrestricted net assets, which ended the calendar year with a deficit balance of \$(201,553,597). This deficit is the result of the County having long-term commitments that are greater than currently available resources. The decrease in net position was affected by the increase in general government expenses and by the decrease in capital grants and contributions. Public Safety expenditures increased while the charges for services decreased in 2012.

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

	<u>December 31, 2012</u>	<u>December 31, 2011</u>	<u>Percentage Change</u>
Current and other assets	\$ 247,975,967	\$ 299,483,324	(17.20)%
Capital assets	<u>400,335,227</u>	<u>386,701,425</u>	3.53%
Total assets	648,311,194	686,184,749	
Current and other liabilities	79,594,988	92,376,784	(13.84)%
Long-term liabilities outstanding	<u>317,257,543</u>	<u>339,954,525</u>	(6.68)%
Total liabilities	396,852,531	432,331,309	
 <u>Net Position:</u>			
Net investment in capital assets	397,558,253	323,373,667	22.94%
Restricted	55,454,007	89,009,536	(37.70)%
Unrestricted (deficit)	<u>(201,553,597)</u>	<u>(158,529,763)</u>	27.14%
Total net position	<u>\$ 251,458,663</u>	<u>\$ 253,853,440</u>	(0.94)%

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

Changes in net position - The total cost of all County functions and programs this year was \$466,284,554. These expenses cover a wide range of services, of which approximately 48.01% are related to social services.

The County's total revenues this year were \$463,889,777. This is an increase of \$8,138,169 from 2011. The County's property tax rate increased to 23.20 mills in 2012. Approximately 39.60% of all revenue comes from property taxes. State, Federal and local grants account for another 45.95%, with the remainder of the revenue coming from user charges, fines, fees and various other sources.

Governmental Activities

In 2012, the County's net position decreased by \$2,394,777. 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					
	2012			2011		
	<u>Program</u>	<u>Program</u>	<u>Net</u>	<u>Program</u>	<u>Program</u>	<u>Net</u>
	<u>Costs</u>	<u>Revenue</u>	<u>Costs</u>	<u>Costs</u>	<u>Revenue</u>	<u>Costs</u>
General government	\$ 66,110,304	\$ 24,681,753	\$ 41,428,551	\$ 66,430,005	\$ 25,471,418	\$ 40,958,587
Judiciary	66,197,992	23,028,276	43,169,716	67,989,986	23,434,688	44,555,298
Corrections	37,434,942	1,499,616	35,935,326	38,489,415	1,252,774	37,236,641
Social services	223,844,221	206,694,095	17,150,126	225,798,807	206,607,272	19,191,535
Health & public safety	36,338,434	17,179,828	19,158,606	36,948,802	19,488,101	17,460,701
Other	36,358,661	5,297,991	31,060,670	37,275,851	3,784,739	33,491,112
	<u>\$ 466,284,554</u>	<u>\$ 278,381,559</u>	<u>\$ 187,902,995</u>	<u>\$ 472,932,866</u>	<u>\$ 280,038,992</u>	<u>\$ 192,893,874</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 \$466,284,554; however the amount that taxpayers paid for these programs through tax payments was only \$183,686,655. The federal and state governments subsidized certain programs with grants and contributions in the amount of \$213,193,284, while those who benefited from the programs paid \$65,188,275 through fees and charges. Unrestricted grants and contributions and other general types of revenues accounted for the balance of revenues in the amount of \$1,821,563.

In 2012, the Health and Public Safety received \$2,308,273 less in program revenue than in 2011. The costs of Health and Public Safety decreased by only \$610,368.

Taxes account for \$183,686,655 of the revenue. In 2012, the real estate tax rate increased to 23.20 mills. Prior to the 2012 increase, the millage rate had remained constant for five straight years.

Charges for services increased by \$4,264,173 in 2012. Charges for services include licenses and fees, fines, permits and commissions collected by County courts, Row Offices and departments. In 2012, the County received \$1,265,700 more in gaming revenue than in 2011. The Recorder of Deeds office received \$979,665 more in fees in 2012 than in 2011. Judiciary fines and fees increased by \$620,550 and social service fee revenue increased by \$1,660,881.

Investment earnings decreased in 2012 due to the decline in interest rates. The average rate of return in 2012 was .14% and in 2011 was .22%.

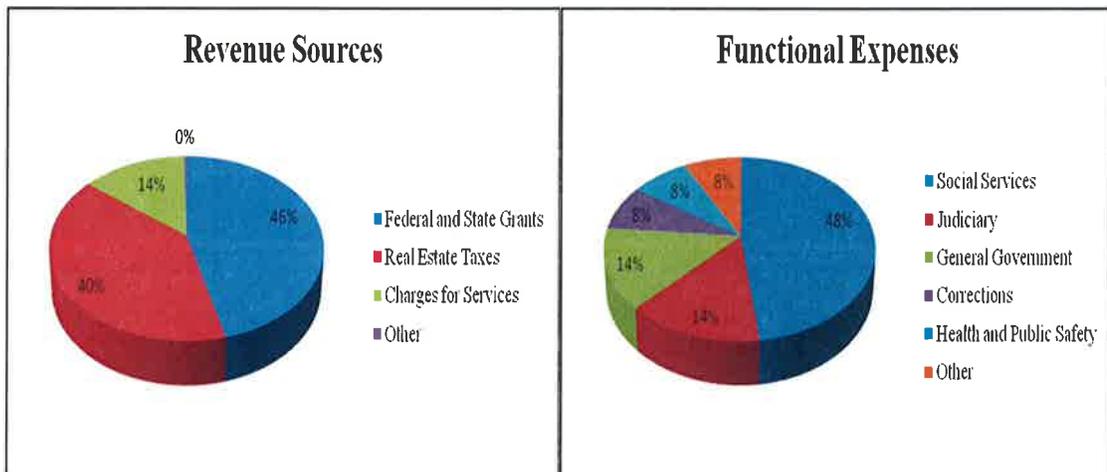
**COUNTY OF BUCKS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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, 2012.

Governmental Activities

	<u>Activities 2012</u>	<u>Activities 2011</u>	<u>Changes from 2011 to 2012</u>
Revenues			
Program revenues:			
Charges for services	\$ 65,188,275	\$ 60,924,102	\$ 4,264,173
Operating grants and contributions	207,743,529	208,866,679	(1,123,150)
Capital grants and contributions	5,449,755	10,248,211	(4,798,456)
General revenues:			
Real estate taxes	183,686,655	174,400,398	9,286,257
Unrestricted grants and contributions	1,348,997	755,878	593,119
Unrestricted investment earnings	472,566	556,340	(83,774)
Total revenues	<u>463,889,777</u>	<u>455,751,608</u>	<u>8,138,169</u>
Expenses			
General government	66,110,304	66,430,005	(319,701)
Judiciary	66,197,992	67,989,986	(1,791,994)
Corrections	37,434,942	38,489,415	(1,054,473)
Authorities	20,857,109	20,531,184	325,925
Social services	223,844,221	225,798,807	(1,954,586)
Bridges	3,086,309	2,813,243	273,066
Health	15,595,944	16,672,969	(1,077,025)
Public safety	20,742,490	20,275,833	466,657
Interest on long-term debt	12,415,243	13,931,424	(1,516,181)
Total expenses	<u>466,284,554</u>	<u>472,932,866</u>	<u>(6,648,312)</u>
Increase in net position	(2,394,777)	(17,181,258)	14,786,481
Net position - January 1	<u>253,853,440</u>	<u>271,034,698</u>	<u>(17,181,258)</u>
Net position - December 31	<u>\$ 251,458,663</u>	<u>\$ 253,853,440</u>	<u>\$ (2,394,777)</u>

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



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 2012, the County's governmental funds reported a combined fund balance of \$106,801,781, a decrease of \$35,748,914 over last year. Of the total fund balance, \$55,454,007 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 \$8,075,939 of funds constrained by the County's intent to be used for a specific purpose. The \$43,271,835 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 \$43,271,835 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 22.96% and 23.22%, respectively.

The total fund balance of the general fund decreased by \$1,869,093 during the current calendar year. Some of the key factors for this decrease are the increase in the debt service tax millage from 3.43577 mills to 4.3091 mills which resulted in an increase of \$6,539,686 in real estate taxes allocated to the debt service fund. 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 2012 was \$10,907,786 or 19.35% of the total cost of the program. The budgeted contribution was \$12,053,300.

The mental health/developmental programs fund is also funded primarily from federal and state dollars. The County's contribution for 2012 was \$1,411,471 or 4.33% of the total cost of the program. The budgeted contribution was \$1,833,400.

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 \$1,424,682, 77.92% of the beginning fund balance. The County's debt service fund millage increased from 3.43577 mills to 4.3091 mills for 2012. Debt service payments for principal and interest increased from the prior year. The County used existing bond funds to pay for capital expenditures for open space preservation, the new Court facility and other capital items. The planned draw down of the fund balance was \$1,228,500.

The 2011 series bond fund is discussed in the capital asset and debt administration section that follows on page 12 after the General Fund Budgetary Highlights.

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.

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

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 2012 include the Emergency Services Training Center and Self Insurance budget increases for \$650,000 and \$605,000, respectively. These adjustments were to fund unanticipated costs. The original budget in the Domestic Relations department was increased by \$225,000 to cover program costs. The County approved a budget adjustment for an additional \$499,000 transfer to the Emergency Response 911 Fund to fund increased Public Safety expenditures. The County Department of Information Services was under budget by \$490,329 and the Department of Public Works/County Properties was under budget by \$426,475. A budget adjustment of \$10,000,000 was approved for the increase in Behavioral Health fund expenditures and intergovernmental revenue related to increased services.

The general fund transfers out were \$1,531,108 under budget. The County's contribution to the children and youth program was \$1,145,514 less than budgeted and transfers to MH/DP were \$421,929 less than budgeted. The County only transferred \$232,499 to the Neshaminy Manor nursing home fund which was budgeted for \$1,549,900.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets amounts to \$400,335,227, 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 \$29,073,395 in 2012. 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 \$3,560,042.
- The County spent over \$1,780,970 upgrading 911 radio system narrowbanding infrastructure.
- Over \$204,250 was spent on a new system in the Board of Assessment.
- The County spent over \$17,785,275 on the new Court facility.
- Information Systems expensed over \$1,325,349 on upgrades.
- The Lower Bucks Safety Training Center expenditures were \$1,785,000.
- Other areas where significant capital investments were made include Neshaminy Manor Center improvements, computer upgrades and the Churchville Nature Center.

Capital Assets of Bucks County (Net of depreciation)	Governmental Activities	Governmental Activities
	<u>December 31, 2012</u>	<u>December 31, 2011</u>
Land	\$ 105,079,232	\$ 100,624,675
Construction in progress	50,906,680	31,432,268
Buildings	135,721,024	138,071,917
Improvements other than buildings	19,936,793	20,388,640
Machinery & equipment	16,874,924	25,394,904
Infrastructure	7,569,530	6,541,187
Leasehold buildings and improvements	64,247,044	64,247,834
Total	<u>\$ 400,335,227</u>	<u>\$ 386,701,425</u>

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

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

Long-term liabilities. At December 31, 2012, the County had \$321,057,543 in long-term liabilities. The following schedule shows a summary of all long-term liabilities.

Long-term Liabilities of Bucks County

	Governmental Activities <u>2012</u>	Governmental Activities <u>2011</u>	Percentage <u>Change</u>
General obligation bonds and notes	\$ 250,760,000	\$ 270,118,000	(7.17)%
Unamortized premium	13,951,713	15,104,840	(7.63)%
Lease rental debt	32,834,922	35,885,744	(8.50)%
Compensated absences	15,212,738	13,960,263	8.97%
Self insurance claims	8,298,170	8,085,678	2.63%
Total	<u>\$ 321,057,543</u>	<u>\$ 343,154,525</u>	(6.44)%

In December 2011, the County issued general obligation bonds, Series of 2011 totaling \$75,065,000 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 \$1,151,493,808 for general obligation bonds and \$1,585,859,750 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.

Economic Factors and Next Year's Budgets and Rates

Bucks County's population grew from 612,369 to 627,053, 2.40% from 2003 to 2012. The market value of taxable real estate increased over the same period from \$59,659,161 to \$74,567,527. 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 1.82% of the total real estate tax base, with no single taxpayer exceeding .51% 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 2012 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 2012 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 6.1% percent, a continuation of the recent trend. Grant and fee income was evaluated on a program-by-program basis.

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 net of total expenditures of any governmental fund in which sufficient cash reserve is maintained within the fund. 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 POSITION

December 31, 2012*

	<u>Primary Government</u>	<u>Component Units</u>
ASSETS	Governmental Activities	
Cash and cash equivalents	\$ 125,988,823	\$ 53,972,680
Cash and cash equivalents, restricted	403,619	7,552,275
Investments	36,237,284	7,937,440
Receivables: (net of allowance for uncollectibles)		
Intergovernmental	13,416,079	959,863
Taxes	4,672,044	-
Accounts	12,335,872	9,257,223
Loans	-	-
Lease rentals from primary government	-	32,834,922
Deferred charges	1,583,038	-
Due from agencies	553,921	-
Other assets	3,523,394	4,200,339
Pension assets	49,261,893	-
Capital assets		151,219,561
Land	105,079,232	-
Construction in progress	50,906,680	-
Buildings, net	135,721,024	-
Improvements, net	19,936,793	-
Machinery and equipment, net	16,874,924	-
Infrastructure, net	7,569,530	-
Leasehold buildings and improvements, net	64,247,044	-
Total assets	\$ 648,311,194	\$ 267,934,303
LIABILITIES		
Accounts payable and accrued liabilities	\$ 17,358,179	\$ 4,794,806
Payroll items payable	8,022,788	4,187,972
Insurance claims	3,800,000	-
Interest payable	1,300,652	-
Miscellaneous liabilities	5,746,924	1,435,260
Compensated absences payable		650,842
Unearned revenues	43,366,445	2,599,720
Long-term obligations payable:		
Due within one year	26,981,489	10,514,124
Due in more than one year	290,276,054	83,638,214
Total liabilities	396,852,531	107,820,938
NET POSITION		
Net investment in capital assets	397,558,253	93,673,310
Restricted for:		
Program expenditures	37,194	-
Debt service	403,619	-
Bond financed improvements	55,013,194	5,852,014
Unrestricted (deficit)	(201,553,597)	60,588,041
Total net position	\$ 251,458,663	\$ 160,113,365

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, 2012.

COUNTY OF BUCKS, PENNSYLVANIA

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2012*

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Indirect Expense Allocation</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenues and Changes in Net Position</u>	
			<u>Charges for Services</u>	<u>Capital Grants and Contributions</u>	<u>Operating Grants and Contributions</u>	<u>Primary Government Governmental Activities</u>	<u>Component Units</u>
Primary government:							
Governmental activities:							
General government	\$ 72,952,504	\$ (6,842,200)	\$ 18,322,793	\$ 5,449,755	\$ 909,205	\$ (41,428,551)	
Judiciary	65,003,979	1,194,013	14,401,708	-	8,626,568	(43,169,716)	
Corrections	37,434,942	-	1,223,131	-	276,485	(35,935,326)	
Authorities	20,857,109	-	-	-	2,898,710	(17,958,399)	
Social services	219,187,423	4,656,798	21,277,856	-	185,416,239	(17,150,126)	
Bridges	3,086,309	-	-	-	2,399,281	(687,028)	
Health	14,604,555	991,389	1,550,946	-	6,961,795	(7,083,203)	
Public safety	20,742,490	-	8,411,841	-	255,246	(12,075,403)	
Interest on long-term debt	12,415,243	-	-	-	-	(12,415,243)	
Total primary government	\$ 466,284,554	\$ -	\$ 65,188,275	\$ 5,449,755	\$ 207,743,529	(187,902,995)	
Component units:							
Airport	\$ 1,397,662	\$ -	\$ 1,100,354	\$ 150,369	\$ -		\$ (146,939)
Community college	87,671,047	-	39,157,713	7,065,435	46,405,397		4,957,498
Drug and alcohol	8,294,432	-	2,776,843	-	5,331,450		(186,139)
Library	9,793,045	-	513,987	-	10,254,343		975,285
Housing	33,366,499	-	4,999,637	611,950	24,706,049		(3,048,863)
Total component units	\$ 140,522,685	\$ -	\$ 48,548,534	\$ 7,827,754	\$ 86,697,239	-	2,550,842
General revenues:							
Real estate tax						183,686,655	-
Unrestricted investment earnings						472,566	1,188,302
Miscellaneous						1,348,997	200,933
Transfers							
Total general revenues						185,508,218	1,389,235
Change in net position						(2,394,777)	3,940,077
Net position - January 1						253,853,440	156,173,288
Net position - December 31						\$ 251,458,663	\$ 160,113,365

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, 2012.

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COUNTY OF BUCKS, PENNSYLVANIA

BALANCE SHEET GOVERNMENTAL FUNDS December 31, 2012

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	\$ 35,754,972	\$ 26,958,673	\$ -	\$ 9,603,459
Cash and cash equivalents, restricted	403,619	-	-	-
Investments	10,244,747	-	-	-
Receivables:				
Intergovernmental	1,405,928	-	5,461,852	210,600
Taxes	6,530,591	-	-	-
Accounts	9,268,652	-	31,450	8
Loans	-	-	-	-
Due from agencies	553,921	-	-	-
Due from other funds	25,751,536	-	585,898	-
Other assets	<u>3,513,565</u>	<u>-</u>	<u>9,823</u>	<u>-</u>
Total assets	\$ <u>93,427,531</u>	\$ <u>26,958,673</u>	\$ <u>6,089,023</u>	\$ <u>9,814,067</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 540,105	\$ 1,902,697	\$ 3,878,848	\$ 4,284,296
Payroll items payable	8,022,788	-	-	-
Compensated absences payable	-	-	-	-
Miscellaneous liabilities	17,707,981	-	240,983	-
Insurance claims	-	-	-	-
Due to other funds	10,072,834	673,065	-	4,280,066
Deferred revenue	<u>13,311,988</u>	<u>24,382,911</u>	<u>1,969,192</u>	<u>1,249,705</u>
Total liabilities	<u>49,655,696</u>	<u>26,958,673</u>	<u>6,089,023</u>	<u>9,814,067</u>
Fund Balances:				
Restricted	-	-	-	-
Assigned	500,000	-	-	-
Unassigned	<u>43,271,835</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>43,771,835</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	\$ <u>93,427,531</u>	\$ <u>26,958,673</u>	\$ <u>6,089,023</u>	\$ <u>9,814,067</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>		
\$ -	\$ 21,143,563	\$ 32,528,156	\$ 125,988,823
-		-	403,619
-	25,992,537	-	36,237,284
-	-	6,337,699	13,416,079
-	-	-	6,530,591
-	29,176	3,006,586	12,335,872
-	-	-	-
-	-	-	553,921
403,619	-	9,083,317	35,824,370
<u>-</u>	<u>-</u>	<u>6</u>	<u>3,523,394</u>
<u>\$ 403,619</u>	<u>\$ 47,165,276</u>	<u>\$ 50,955,764</u>	<u>\$ 234,813,953</u>
\$ -	\$ 3,348,931	\$ 3,403,302	\$ 17,358,179
-	-	-	8,022,788
-	-	-	-
-	-	-	17,948,964
-	-	-	-
-	523,509	20,274,896	35,824,370
-	-	7,944,075	48,857,871
<u>-</u>	<u>3,872,440</u>	<u>31,622,273</u>	<u>128,012,172</u>
403,619	43,292,836	11,757,552	55,454,007
-	-	7,575,939	8,075,939
-	-	-	43,271,835
<u>403,619</u>	<u>43,292,836</u>	<u>19,333,491</u>	<u>106,801,781</u>
<u>\$ 403,619</u>	<u>\$ 47,165,276</u>	<u>\$ 50,955,764</u>	<u>\$ 234,813,953</u>

COUNTY OF BUCKS, PENNSYLVANIA

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
December 31, 2012**

Total fund balances for governmental funds \$ 106,801,781

Total net assets reported for governmental activities in the statement of net position 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	\$ 105,079,232	
Construction in progress	50,906,680	
Buildings, net of \$81,931,125 accumulated depreciation	135,721,024	
Improvements other than buildings, net of \$32,177,832 accumulated depreciation	19,936,793	
Machinery and equipment, net of \$94,855,429 accumulated depreciation	16,874,924	
Infrastructure, net of \$4,910,243 accumulated depreciation	7,569,530	
Leasehold buildings and improvements	<u>64,247,044</u>	
Total capital assets		400,335,227

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. 49,261,893

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. 3,632,879

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, 2012 are:

Accrued interest on bonds	\$ (1,300,652)	
Bonds and notes payable	(250,760,000)	
Bonds premium	(13,951,713)	
Lease rental debt	(32,834,922)	
Compensated absences	(11,308,868)	
Deferred charges	<u>1,583,038</u>	
		<u>(308,573,117)</u>
Total net position of governmental activities		\$ <u>251,458,663</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, 2012**

	<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	\$ 149,741,551	\$ -	\$ -	\$ -
Licenses and fees	21,538,178	-	1,927,318	19,633
Judiciary costs and fines	13,608,003	-	-	-
Intergovernmental	20,548,804	78,173,740	43,532,486	31,169,184
Interest	209,597	39,550	-	28,165
Other	<u>1,569,307</u>	<u>-</u>	<u>814</u>	<u>-</u>
Total revenues	<u>207,215,440</u>	<u>78,213,290</u>	<u>45,460,618</u>	<u>31,216,982</u>
Expenditures:				
Current:				
General government	46,573,293	-	-	-
Judiciary	64,388,101	-	-	-
Corrections	36,076,663	-	-	-
Authorities	20,857,109	-	-	-
Social services	998,544	78,213,290	56,368,404	32,619,693
Bridges	-	-	-	-
Health	15,509,461	-	-	-
Public safety	3,989,107	-	-	-
Debt service	-	-	-	-
Capital projects	<u>88,063</u>	<u>-</u>	<u>-</u>	<u>8,760</u>
Total expenditures	<u>188,480,341</u>	<u>78,213,290</u>	<u>56,368,404</u>	<u>32,628,453</u>
Excess of revenues over (under) expenditures	<u>18,735,099</u>	<u>-</u>	<u>(10,907,786)</u>	<u>(1,411,471)</u>
Other financing sources (uses):				
Transfers in	-	-	10,907,786	1,411,471
Transfers out	<u>(20,604,192)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(20,604,192)</u>	<u>-</u>	<u>10,907,786</u>	<u>1,411,471</u>
Net change in fund balances	(1,869,093)	-	-	-
Fund balances - January 1	<u>45,640,928</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - December 31	\$ <u>43,771,835</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>
\$ 34,007,897	\$ -	\$ -	\$ 183,749,448
-	-	27,198,123	50,683,252
-	-	-	13,608,003
-	-	39,342,527	212,766,741
-	104,479	280,653	662,444
<u>571,416</u>	<u>-</u>	<u>341,144</u>	<u>2,482,681</u>
<u>34,579,313</u>	<u>104,479</u>	<u>67,162,447</u>	<u>463,952,569</u>
-	2,126,038	5,666,880	54,366,211
-	-	-	64,388,101
-	-	-	36,076,663
-	-	-	20,857,109
-	-	54,130,973	222,330,904
-	-	3,070,090	3,070,090
-	-	-	15,509,461
-	-	14,036,447	18,025,554
36,003,995	-	-	36,003,995
<u>-</u>	<u>22,795,606</u>	<u>6,180,966</u>	<u>29,073,395</u>
<u>36,003,995</u>	<u>24,921,644</u>	<u>83,085,356</u>	<u>499,701,483</u>
<u>(1,424,682)</u>	<u>(24,817,165)</u>	<u>(15,922,909)</u>	<u>(35,748,914)</u>
-	-	8,972,334	21,291,591
<u>-</u>	<u>(297,417)</u>	<u>(389,982)</u>	<u>(21,291,591)</u>
<u>-</u>	<u>(297,417)</u>	<u>8,582,352</u>	<u>-</u>
<u>(1,424,682)</u>	<u>(25,114,582)</u>	<u>(7,340,557)</u>	<u>(35,748,914)</u>
<u>1,828,301</u>	<u>68,407,418</u>	<u>26,674,048</u>	<u>142,550,695</u>
<u>\$ 403,619</u>	<u>\$ 43,292,836</u>	<u>\$ 19,333,491</u>	<u>\$ 106,801,781</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, 2012

Net change in fund balances - total governmental funds \$ (35,748,914)

The change in net position 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 \$29,073,395 exceeded depreciation \$18,378,122 in the current period. 10,695,273

Contributions in excess of the annual required contribution are reported as an expense in the governmental funds. However, in the statement of activities the expense is recorded and amortized as an asset. (2,821,251)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 1,141,546

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. 22,408,822

Repayments

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	867,096	
Amortization of bond premium	1,153,127	
Amortization of bond issuance costs	(185,115)	
Accrued interest on bonds	94,639	
Combined adjustment		1,929,747

Change in net position of governmental activities \$ (2,394,777)

See accompanying notes to the financial statements.

COUNTY OF BUCKS, PENNSYLVANIA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2012**

	Pension Trust Employes' Retirement System	Agency Funds
<u>Assets</u>		
Cash and cash equivalents	\$ 27,034,263	\$ 30,428,226
Investments:		
Bonds, debentures, bills, and notes:		
Government obligations	20,609,694	-
Corporate obligations	22,804,187	-
Common stock	144,311,219	-
Mutual funds	226,191,797	-
Fixed income securities	113,885,104	-
Repurchase agreement	-	943,253
Total investments	<u>527,802,001</u>	<u>943,253</u>
Receivables:		
Intergovernmental	-	1,634,116
Accounts	<u>947,453</u>	<u>11,672,053</u>
Total receivables	<u>947,453</u>	<u>13,306,169</u>
Total assets	\$ <u>555,783,717</u>	\$ <u>44,677,648</u>
<u>Liabilities</u>		
Accounts payable	\$ 2,360,844	\$ 27,531,612
Due to other governmental units	<u>-</u>	<u>17,146,036</u>
Total liabilities	<u>2,360,844</u>	\$ <u>44,677,648</u>
<u>Net Position</u>		
Net position held in trust for pension benefits	\$ <u>553,422,873</u>	

See accompanying notes to the financial statements.

COUNTY OF BUCKS, PENNSYLVANIA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - PENSION TRUST FUND
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Pension Trust</u>
Additions:	
Contributions	
Employee	\$ 13,088,945
Employer	<u>12,496,284</u>
Total contributions	<u>25,585,229</u>
Investment Income:	
Net realized gain and unrealized appreciation in fair value of investments	53,746,770
Interest	593,823
Dividends	<u>7,671,531</u>
Total investment income	62,012,124
Less investment expense	<u>1,749,478</u>
Net investment income	60,262,646
Miscellaneous income	<u>301,433</u>
Total additions	<u>86,149,308</u>
Deductions:	
Benefit payments	20,782,301
Refunds of employee contributions	1,921,180
Interest on refunds of employee contributions and other expenses	<u>281,505</u>
Total deductions	<u>22,984,986</u>
Net increase in plan net position	<u>63,164,322</u>
Net position held in trust for pension benefits:	
Beginning of year	<u>490,258,551</u>
End of year	\$ <u>553,422,873</u>

See accompanying notes to the financial statements.

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COUNTY OF BUCKS, PENNSYLVANIA

**COMBINING STATEMENT OF NET POSITION - COMPONENT UNITS
DECEMBER 31, 2012***

	Bucks County Airport <u>Authority</u>	Bucks County Community <u>College</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 402,392	\$ 17,738,712
Investments	-	-
Receivables:		
Intergovernmental	144,093	741,728
Accounts	36,770	5,108,868
Lease rentals from primary government	-	-
Restricted cash	515,347	1,989,504
Other assets	47,905	2,910,068
Capital assets	<u>25,009,332</u>	<u>100,447,460</u>
 Total assets	 <u>\$ 26,155,839</u>	 <u>\$ 128,936,340</u>
<u>Liabilities</u>		
Accounts payable	\$ 132,285	\$ 2,966,157
Payroll items payable	1,528	4,006,411
Compensated absences	-	-
Miscellaneous liabilities	79,607	860,457
Unearned revenues	86,075	1,848,461
Long-term obligations payable:		
Due within one year	339,396	6,412,109
Due in more than one year	<u>2,941,191</u>	<u>48,112,281</u>
 Total liabilities	 <u>3,580,082</u>	 <u>64,205,876</u>
<u>Net Position</u>		
Net investment in capital assets	21,728,745	49,262,588
Restricted	435,740	-
Unrestricted	<u>411,272</u>	<u>15,467,876</u>
 Total net position	 <u>\$ 22,575,757</u>	 <u>\$ 64,730,464</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, 2012.

Bucks County Community College Authority	Bucks County Drug and Alcohol Commission	Bucks County Free Library	Bucks County Housing Authority	Totals
\$ -	\$ 559,862	\$ 1,895,930	\$ 33,375,784	\$ 53,972,680
-	-	7,937,440	-	7,937,440
-	74,042	-	-	959,863
-	607,231	45,837	3,458,517	9,257,223
32,834,922	-	-	-	32,834,922
121,798	-	-	4,925,626	7,552,275
192,464	37,540	-	1,012,362	4,200,339
-	-	3,133,024	22,629,745	151,219,561
<u>\$ 33,149,184</u>	<u>\$ 1,278,675</u>	<u>\$ 13,012,231</u>	<u>\$ 65,402,034</u>	<u>\$ 267,934,303</u>
\$ 182,615	\$ 816,059	\$ 101,112	\$ 596,578	\$ 4,794,806
-	29,673	150,360	-	4,187,972
-	89,092	257,511	304,239	650,842
-	-	-	495,196	1,435,260
-	177,092	488,092	-	2,599,720
3,157,619	-	-	605,000	10,514,124
29,808,950	-	-	2,775,792	83,638,214
<u>33,149,184</u>	<u>1,111,916</u>	<u>997,075</u>	<u>4,776,805</u>	<u>107,820,938</u>
-	-	3,133,024	19,548,953	93,673,310
-	-	4,309,567	1,106,707	5,852,014
-	166,759	4,572,565	39,969,569	60,588,041
<u>\$ -</u>	<u>\$ 166,759</u>	<u>\$ 12,015,156</u>	<u>\$ 60,625,229</u>	<u>\$ 160,113,365</u>

COUNTY OF BUCKS, PENNSYLVANIA

COMBINING STATEMENT OF ACTIVITIES - COMPONENT UNITS FOR THE YEAR ENDED DECEMBER 31, 2012*

<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	\$ 1,397,662	\$ 1,100,354	\$ 150,369	\$ -	\$ (146,939)
Community college:					
Community college	86,279,127	39,157,713	7,065,435	45,091,201	-
Community college authority	<u>1,391,920</u>	<u>-</u>	<u>-</u>	<u>1,314,196</u>	<u>-</u>
Total community college	87,671,047	39,157,713	7,065,435	46,405,397	-
Drug and alcohol	8,294,432	2,776,843	-	5,331,450	-
Library	9,793,045	513,987	-	10,254,343	-
Housing	<u>33,366,499</u>	<u>4,999,637</u>	<u>611,950</u>	<u>24,706,049</u>	<u>-</u>
 Total component units	 <u>\$ 140,522,685</u>	 <u>\$ 48,548,534</u>	 <u>\$ 7,827,754</u>	 <u>\$ 86,697,239</u>	 <u>(146,939)</u>
General revenues:					
Unrestricted investment earnings					1,002
Miscellaneous					<u>-</u>
Total general revenues					<u>1,002</u>
Change in net position					(145,937)
Net position - beginning					<u>22,721,694</u>
Net position - ending					<u>\$ 22,575,757</u>

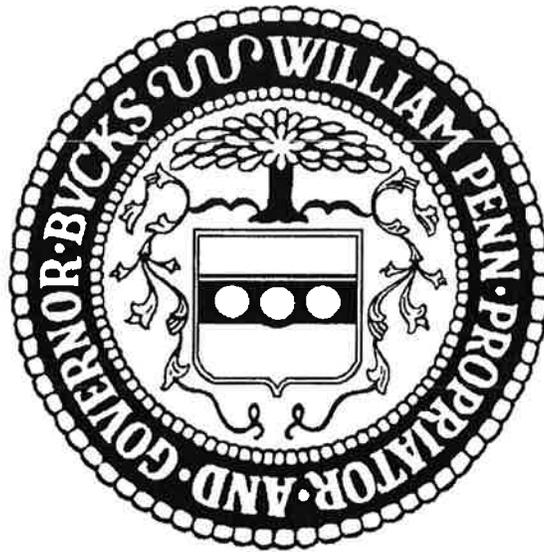
See accompanying notes to the financial statements.

*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, 2012.

Net (Expense) Revenues and Changes in Net Position

Bucks County Community College	Bucks County Community College Authority	Bucks County Drug and Alcohol	Bucks County Free Library	Bucks County Housing Authority	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ (146,939)
5,035,222	-	-	-	-	5,035,222
-	(77,724)	-	-	-	(77,724)
<u>5,035,222</u>	<u>(77,724)</u>	-	-	-	<u>4,957,498</u>
-	-	(186,139)	-	-	(186,139)
-	-	-	975,285	-	975,285
-	-	-	-	(3,048,863)	(3,048,863)
<u>5,035,222</u>	<u>(77,724)</u>	<u>(186,139)</u>	<u>975,285</u>	<u>(3,048,863)</u>	<u>2,550,842</u>
74,796	-	1,468	758,846	352,190	1,188,302
-	-	8,422	-	192,511	200,933
<u>74,796</u>	<u>-</u>	<u>9,890</u>	<u>758,846</u>	<u>544,701</u>	<u>1,389,235</u>
5,110,018	(77,724)	(176,249)	1,734,131	(2,504,162)	3,940,077
<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>
<u>\$ 64,730,464</u>	<u>\$ -</u>	<u>\$ 166,759</u>	<u>\$ 12,015,156</u>	<u>\$ 60,625,229</u>	<u>\$ 160,113,365</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, 2012

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

COUNTY OF BUCKS, PENNSYLVANIA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2012

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, 2012 (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 State and Federal revenues 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 residents of Bucks County with a mental illness or in need of developmental programs. 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 2012, 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 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.

COUNTY OF BUCKS, PENNSYLVANIA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2012 (Continued)

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. All 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.

J. 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, 2012, appropriate interfund receivables or payables have been established in the fund financial statements.

COUNTY OF BUCKS, PENNSYLVANIA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2012

K. 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

L. 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.

M. 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.

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.

COUNTY OF BUCKS, PENNSYLVANIA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2012

N. 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. The Board of Commissioners delegated the responsibility to approve or remove assigned fund balance that reflect the Commissioner's intended use of resources to the Finance Director.
- 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.

O. Net Position

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

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

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

COUNTY OF BUCKS, PENNSYLVANIA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2012

P. Deferred Outflows/Inflows of Resources

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

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

Q. Transfers

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

R. Indirect Costs

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

S. 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.

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.

T. 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.

U. Adoption of GASB Statements

The County adopted the requirements of GASB Statement No. 57, "OPEB Measurements by Agent Employer and Agent Multiple-Employer Plans". The adoption of this statement had no effect on previously reported amounts.

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

COUNTY OF BUCKS, PENNSYLVANIA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2012

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

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

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

V. GASB Pronouncements

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

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

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

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

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

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

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

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

2. 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.

COUNTY OF BUCKS, PENNSYLVANIA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2012

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.

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, 2012. 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, 2012.

COUNTY OF BUCKS, PENNSYLVANIA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2012

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 Opportunity Council
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, 2012

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 \$800,000 at June 30, 2012.

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, 2012

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, 2012

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 Position* 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, 2012**

C. Deposit & Investment Risk

As of December 31, 2012, 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	\$ 2,282,376	\$ 1,210,347	\$ 1,072,029
US government agencies	24,074,328	12,629,104	11,445,224
Corporate bonds	4,888,953	1,244,118	3,644,835
Certificate of Deposit	<u>4,991,627</u>	<u>4,740,961</u>	<u>250,666</u>
Total debt securities	<u>\$ 36,237,284</u>	<u>\$ 19,824,530</u>	<u>\$ 16,412,754</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 \$201,071,763 at December 31, 2012, \$1,809,059 was insured by the FDIC. The balance of \$199,262,704 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, 2012

As of December 31, 2012, the County investments in debt securities have received the following ratings from Standard and Poor's:

Investment Type	Standard & Poor's Rating	Fair Value	Percentage of Debt Securities
US Government treasuries	AAA	\$ 1,895,767	5.23%
US Government treasuries	Not Rated	386,609	1.07%
US Government agencies	AAA	21,771,721	60.08%
US Government agencies	Not Rated	2,302,606	6.35%
Corporate bonds	AA2	376,749	1.04%
Corporate bonds	AA3	622,776	1.72%
Corporate bonds	A1	1,205,512	3.33%
Corporate bonds	A2	1,113,748	3.08%
Corporate bonds	A3	341,814	0.94%
Corporate bonds	BAA1	163,077	0.45%
Corporate bonds	BAA2	3,160	0.00%
Corporate bonds	Not Rated	1,062,118	2.93%
Certificate of Deposit	Not Rated	4,991,627	13.78%
		<u>\$ 36,237,284</u>	<u>100.00%</u>

As of December 31, 2012, the pension trust fund had the following debt investments and maturities:

	Fair Value	Maturity in Years			
		Less than 1 year	1-5 years	6-10 years	More than 10 years
US government treasuries	\$ 19,053,708	\$ 147,559	\$ 11,011,849	\$ 4,788,533	\$ 3,105,767
US government agencies	1,555,986	-	1,555,986	-	-
Corporate debt	7,652,200	-	1,343,296	4,324,387	1,984,517
Municipal bonds	1,346,024	-	414,385	-	931,639
	<u>\$ 29,607,918</u>	<u>\$ 147,559</u>	<u>\$ 14,325,516</u>	<u>\$ 9,112,920</u>	<u>\$ 6,021,923</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, 2012**

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, 2012, 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	\$ 19,053,708	64.35%
US government agencies	AAA	1,555,986	5.26%
Corporate debt	AA2	202,324	0.68%
Corporate debt	A3	745,944	2.52%
Corporate debt	A2	309,855	1.05%
Corporate debt	A1	414,635	1.40%
Corporate debt	BA2	104,975	0.36%
Corporate debt	BAA1	410,860	1.39%
Corporate debt	BAA2	3,351,926	11.32%
Corporate debt	BAA3	2,111,681	7.13%
Municipal bonds	A1	208,072	0.70%
Municipal bonds	A2	723,567	2.44%
Municipal bonds	A3	414,385	1.40%
Total investments		\$ 29,607,918	

5. COMPONENT UNITS - DEPOSITS AND INVESTMENTS

A. Bucks County Airport Authority

At December 31, 2012, the carrying amount of Bucks County Airport Authority's deposits with financial institutions was \$917,739, and the bank balance was \$926,798, 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>676,798</u>
Total bank balance	<u>\$ 926,798</u>

COUNTY OF BUCKS, PENNSYLVANIA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2012

B. Bucks County Community College

At June 30, 2012, the carrying amount of Bucks County Community College's deposits with financial institutions was \$19,728,216 and the bank balance was \$21,290,632, 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.	\$ 3,165,199
Collateralized with securities held by the pledging financial institution's trust department or agent not in the College's name.	<u>18,125,433</u>
Total bank balance	<u>\$ 21,290,632</u>

C. Bucks County Community College Authority

At June 30, 2012 the carrying amount of Bucks County Community College Authority's deposits with financial institutions was \$121,798 and the bank balance was \$121,798, which is categorized as follows:

Amount insured by the FDIC or collateralized with securities held by the financial institution.	<u>\$ 121,798</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, 2012, the carrying amount of Bucks County Drug and Alcohol Commission's deposits with financial institutions was \$559,862, and the bank balance was \$559,862 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>\$ 559,862</u>
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E. Bucks County Free Library

As of December 31, 2012, the Bucks County Free Library (the Library) had the following debt investments and cash equivalents with their respective maturities recorded at fair value as follows: cash equivalents \$1,895,930, fixed income \$584,865, real estate investment trust \$320,312, mutual funds \$2,878,441, and equity funds \$4,153,822. These investments total \$9,833,370. At December 31, 2012, the carrying amount of the Library's deposits with financial institutions was \$1,895,930 and the bank balance was \$2,011,243. Of the bank balance, \$250,000 was insured by the FDIC. The amount in excess of insurance was collateralized with securities held by the pledging financial institution's trust department or agent not in the Library's name.

F. Bucks County Housing Authority

At December 31, 2012, the carrying amount of Bucks County Housing Authority's deposits and investments with financial institutions was \$38,301,410, and the bank balance was \$38,431,445, 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>\$ 38,431,445</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 2012 are recorded as receivables, net of allowance for uncollectibles of \$1,858,547.

COUNTY OF BUCKS, PENNSYLVANIA

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

7. INTERGOVERNMENTAL RECEIVABLES

Amounts due from other governments at December 31, 2012 are summarized as follows:

<u>Fund Category</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General	\$ 851,415	\$ 554,513	\$ 1,405,928
Children and youth services	5,243,319	218,533	5,461,852
Mental health/developmental programs	44,502	166,098	210,600
Nonmajor governmental funds	<u>1,128,141</u>	<u>5,209,558</u>	<u>6,337,699</u>
Totals	<u>\$ 7,267,377</u>	<u>\$ 6,148,702</u>	<u>\$ 13,416,079</u>

8. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2012 was as follows:

Primary Government	<u>Beginning</u>			<u>Ending</u>
Governmental activities:	<u>Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u>
Capital assets, not being depreciated:				
Land	\$ 100,624,675	\$ 4,454,557	\$ -	\$ 105,079,232
Construction in progress	<u>31,432,268</u>	<u>22,646,039</u>	<u>(3,171,627)</u>	<u>50,906,680</u>
Total capital assets, not being depreciated	<u>132,056,943</u>	<u>27,100,596</u>	<u>(3,171,627)</u>	<u>155,985,912</u>
Capital assets, being depreciated:				
Buildings	212,475,534	5,176,615	-	217,652,149
Improvements other than buildings	52,081,296	33,329	-	52,114,625
Machinery and equipment	110,867,065	863,288	-	111,730,353
Infrastructure	10,470,050	2,009,723	-	12,479,773
Leasehold buildings and improvements	<u>93,440,514</u>	<u>-</u>	<u>-</u>	<u>93,440,514</u>
Total capital assets being depreciated	<u>479,334,459</u>	<u>8,082,955</u>	<u>-</u>	<u>487,417,414</u>
Less accumulated depreciation:				
Buildings	(74,403,617)	(7,527,508)	-	(81,931,125)
Improvements other than buildings	(31,692,656)	(485,176)	-	(32,177,832)
Machinery and equipment	(85,472,161)	(9,383,268)	-	(94,855,429)
Infrastructure	(3,928,863)	(981,380)	-	(4,910,243)
Leasehold buildings and improvements	<u>(29,192,680)</u>	<u>(790)</u>	<u>-</u>	<u>(29,193,470)</u>
Total accumulated depreciation	<u>(224,689,977)</u>	<u>(18,378,122)</u>	<u>-</u>	<u>(243,068,099)</u>
Total capital assets, being depreciated, net	<u>254,644,482</u>	<u>(10,295,167)</u>	<u>-</u>	<u>244,349,315</u>

COUNTY OF BUCKS, PENNSYLVANIA

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

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

Governmental activities:	
General government	\$ 10,876,207
Judiciary	1,809,891
Corrections	1,358,279
Social services	1,513,317
Bridges	16,219
Health	86,483
Public safety	2,716,936
Leasehold buildings and improvements	<u>790</u>
Total depreciation expense - governmental activities	<u>\$ 18,378,122</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, 2012:

Land, not being depreciated	\$ 11,385,384
Easements, not being depreciated	145,301
Buildings and improvements	22,635,331
Equipment	708,686
Accumulated depreciation	<u>(9,865,370)</u>
	<u>\$ 25,009,332</u>

B. Bucks County Community College

The following is a summary of the Bucks County Community College's capital assets at June 30, 2012:

Land	\$ 5,111,329
Furniture and equipment	20,633,011
Leasehold improvements	109,947,042
Library equipment	4,182,381
Construction in progress	10,417,673
Accumulated depreciation	<u>(49,843,976)</u>
	<u>\$ 100,447,460</u>

C. Bucks County Free Library

The following is a summary of the Bucks County Free Library's capital assets at December 31, 2012:

Building improvements	\$ 1,643,625
Furniture and equipment	2,072,848
Library book collections	45,413,286
Accumulated depreciation	<u>(45,996,735)</u>
	<u>\$ 3,133,024</u>

COUNTY OF BUCKS, PENNSYLVANIA

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

D. Bucks County Housing Authority

The following is a summary of the Bucks County Housing Authority's capital assets at December 31, 2012:

Land, not being depreciated	\$ 3,952,867
Buildings	58,916,666
Furniture and equipment	1,117,415
Construction in progress	1,293,924
Accumulated depreciation	<u>(42,651,127)</u>
	<u>\$ 22,629,745</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, 2012</u>
Retirees and beneficiaries currently receiving benefits	1,047
Vested terminated employees	244
Active employees:	
Fully vested	1,868
Nonvested	683

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, 2012

Funding Policy

The Bucks County Employees' 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, 2012:

	<u>Cost</u>	<u>Fair Value</u>
Bonds, debentures, bills, and notes		
Government obligations	\$ 20,536,314	\$ 20,609,694
Corporate obligations	21,776,838	22,804,187
Commercial mortgage obligations	12,547,032	12,822,921
Common stock	123,975,831	144,311,219
Mutual funds	201,425,304	226,191,797
Fixed income securities	95,694,589	101,062,183
Subtotal - investments	<u>475,955,908</u>	<u>527,802,001</u>
Principal and income cash account	27,034,263	27,034,263
Total	<u>\$ 502,990,171</u>	<u>\$ 554,836,264</u>

COUNTY OF BUCKS, PENNSYLVANIA

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

Actuarial Valuation

The annual required contribution was determined based on the most recent annual actuarial valuation dated as of January 1, 2012. 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 2012 was:

Annual required contribution	\$ 12,496,284
Interest on NPO	(3,906,236)
Adjustment to annual required contribution	<u>6,727,487</u>
Annual pension cost	15,317,535
Contributions made	(12,496,284)
Decrease in net pension asset	2,821,251
Net pension asset, January 1, 2012	(52,083,144)
Net pension asset, December 31, 2012	<u>\$ (49,261,893)</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, 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
December 31, 2012	\$ 15,317,535	\$ 12,496,284	81.58%	\$ 49,261,893

As of January 1, 2012, the most recent actuarial valuation date, the plan was 87.8% funded. The actuarial value of the assets were \$508,258,781 and the actuarial accrued liability for benefits was \$578,660,034, resulting in an unfunded accrued actuarial liability (UAAL) of \$70,401,253. The covered payroll was \$144,641,742 and the ratio of the UAAL to the covered payroll was 48.7%. The actuarial value of assets as a percentage of the actuarial accrued liability was 87.8%.

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 2012 was \$12,496,284. The County contributed cash of \$12,496,284 on December 28, 2012. The contributions represented 8.64 percent of covered payroll. All contributions were for normal cost. Employee contributions in 2012 totaled \$13,088,945. These contributions represented 9.05 percent of covered payroll.

COUNTY OF BUCKS, PENNSYLVANIA

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

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, 2012 was \$440,687; the County's total payroll was \$143,841,949.

The total contribution for the year ended December 31, 2012 was \$66,155, which consisted of \$38,612 from the County and \$27,543 from employees. These contributions represented 8.76 percent and 6.25 percent of covered payroll, respectively. The County's contributions for the years ending December 31, 2012, 2011, and 2010 were \$38,612, \$24,587, and \$16,096, respectively, equal to the required contributions for each year.

11. COMPONENT UNITS - EMPLOYEES' RETIREMENT SYSTEM

	Bucks County Community College (BCCC)			Bucks County Free Library	
	<u>SERS</u>	<u>TIAA</u>	<u>PSERS</u>	<u>TIAA</u>	<u>AUL</u>
Payroll for covered employees	\$ 2,746,781	\$ 24,477,933	\$ 6,458,333	\$ 765,088	\$ 1,647,712
Total contributions	\$ 363,000	\$ 3,620,000	\$ 763,000	\$ 112,643	\$ 250,524
Employer contributions	\$ 192,000	\$ 2,274,000	\$ 279,000	\$ 50,040	\$ 90,017
Employer contributions as percentage of covered payroll	6.99%	9.29%	4.32%	6.54%	5.46%
Employee contributions	\$ 171,000	\$ 1,346,000	\$ 484,000	\$ 62,603	\$ 160,507
Employee contributions as percentage of covered payroll	6.23%	5.50%	7.50%	8.18%	9.74%

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, 2012, 2011, and 2010 were \$192,000, \$110,000, and \$76,748, 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, 2012 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.

Prior to the current AUL plan, all full time Bucks County Free Library employees were 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
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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, 2012, 2011, and 2010 were \$279,000, \$172,000, and \$109,678, 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, 2012 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 can elect to participate in the AUL plan. 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 2012, 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>2009-2012</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 \$4,063,487, 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, 2011 and December 31, 2012:

	<u>Year Ended</u> <u>December 31, 2011</u>	<u>Year Ended</u> <u>December 31, 2012</u>
Beginning year liability	\$ 7,451,629	\$ 8,085,678
Claims and changes in estimates	3,836,587	4,063,487
Claims payments	<u>(3,202,538)</u>	<u>(3,850,995)</u>
Ending year liability	<u>\$ 8,085,678</u>	<u>\$ 8,298,170</u>

13. LONG-TERM OBLIGATIONS

The following summary reflects the changes in long-term obligations for the year ended December 31, 2012:

	<u>January 1,</u> <u>2012</u>	<u>Additions</u>	<u>(Retirements)</u>	<u>December 31,</u> <u>2012</u>	<u>Due Within</u> <u>One Year</u>
Governmental activities:					
Bonds and notes payable:					
County general obligation bonds and notes	\$270,118,000	\$ -	\$ (19,358,000)	\$250,760,000	\$ 19,920,000
Lease rental debt	<u>35,885,744</u>	<u>-</u>	<u>(3,050,822)</u>	<u>32,834,922</u>	<u>3,157,619</u>
Total bonds and notes	306,003,744	-	(22,408,822)	283,594,922	23,077,619
Other liabilities:					
Compensated absences	13,960,263	14,751,053	(13,498,578)	15,212,738	3,903,870
Self-insurance claims	<u>8,085,678</u>	<u>4,063,487</u>	<u>(3,850,995)</u>	<u>8,298,170</u>	<u>3,800,000</u>
Total other liabilities	<u>22,045,941</u>	<u>18,814,540</u>	<u>(17,349,573)</u>	<u>23,510,908</u>	<u>7,703,870</u>
Subtotal	328,049,685	<u>\$ 18,814,540</u>	<u>\$ (39,758,395)</u>	307,105,830	<u>\$ 30,781,489</u>
Unamortized premium	<u>15,104,840</u>			<u>13,951,713</u>	
Total governmental activities long-term liability	<u>\$343,154,525</u>			<u>\$ 321,057,543</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, 2012

The following tables summarize the long-term bonds principal and interest payments for debt outstanding as of December 31, 2012 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, 2012 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</u>	<u>Total</u>
2004	85,230,000	Fund the unfunded pension accrued actuarial liabilities	4.80 - 5.68%	2024	\$ 61,315,000	\$ 24,283,098	\$ 85,598,098
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	30,715,000	4,613,675	35,328,675
2007	44,000,000	Fund certain capital projects - governmental activities	4.25 - 5.00%	2022	32,240,000	8,433,325	40,673,325
2008	64,370,000	Fund certain capital projects - governmental activities and refund the 1998 bond series	4.70 - 5.25%	2024	53,400,000	16,085,491	69,485,491
2011	75,065,000	Fund certain capital projects - governmental activities	2.00 - 5.00%	2026	73,090,000	26,120,000	99,210,000
Total					<u>\$250,760,000</u>	<u>\$ 79,535,589</u>	<u>\$ 330,295,589</u>

The requirements to amortize all County general obligation bonds outstanding as of December 31, 2012, 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>
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	22,435,000	7,944,085	30,379,085
2018-2022	96,625,000	25,544,649	122,169,649
2023-2026	<u>48,305,000</u>	<u>4,263,086</u>	<u>52,568,086</u>
Total	<u>\$ 250,760,000</u>	<u>\$ 79,535,589</u>	<u>\$ 330,295,589</u>

COUNTY OF BUCKS, PENNSYLVANIA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2012

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 2012, no payments were required by the County. The Authority's debt related to this note at June 30, 2012 totaled \$8,049,922.

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 of 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, 2012**

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 2012, 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, 2012 totaled \$665,000. (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 2012, no such payments were required to be made by the County. The Surety Agreement guaranteed loans of which \$3,280,587 remains outstanding as of December 31, 2012. (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 2012, and all other years, no such lease rental payments were required by the County. The Industrial Development Authority's debt at December 31, 2012 was \$6,505,000.

D. County Debt Margin

The County's legal debt margin at December 31, 2012, computed in accordance with the Commonwealth of Pennsylvania's Local Government Unit Debt Act of 1972, as amended, is \$1,151,493,808 for general obligation bonds and \$1,585,859,750 for general obligation bonds and lease rental debt. The County is in compliance with all applicable debt covenants at December 31, 2012.

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, 2012, which are considered defeased:

<u>Bonds</u>	<u>Amounts</u>
1990 First Series Bonds	\$ 12,095,000
1995 Series Bonds	8,695,000
1997 Series Bonds	13,510,000
1998 Series Bonds	9,125,000
1999 Series Bonds	2,135,000
	<u>\$ 45,560,000</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, 2012, which are considered defeased:

<u>Bond</u>	<u>Amount</u>
Fourth Supplemental Series A of 1973	<u>\$ 620,000</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, 2012:

	<u>2012</u>	<u>Additions</u>	<u>(Retirements)</u>	<u>2012</u>
Bucks County Airport Authority	\$ 3,602,322	\$ -	\$ (321,735)	\$ 3,280,587
Bucks County Community College Authority (1)	35,885,744	-	(3,050,822)	32,834,922
Bucks County Housing Authority	<u>3,952,275</u>	<u>-</u>	<u>(571,483)</u>	<u>3,380,792</u>
Total long-term obligations - Component Units	<u>\$ 43,440,341</u>	<u>\$ -</u>	<u>\$ (3,944,040)</u>	<u>\$ 39,496,301</u>

(1) Bucks County Community College Authority is presented for the year ended June 30, 2012.

COUNTY OF BUCKS, PENNSYLVANIA

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

A. Bucks County Airport Authority

The Bucks County Airport Authority (the Airport Authority) long-term obligations at December 31, 2012 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 1.164%	2016	\$ 122,000
2001	Interest rate varies weekly, currently averaging 1.164%	2016	47,000
2001	Interest rate 1.95%	2017	407,587
2002	Interest rate varies weekly, currently averaging 1.164%	2021	634,000
2003	Interest rate varies weekly, currently averaging 1.164%	2018	341,000
2004	Interest rate varies weekly, currently averaging 1.164%	2021	1,011,000
2005	Interest rate varies weekly, currently averaging 4.081%	2027	718,000
			<u>\$ 3,280,587</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, 2012, including principal payments, for the next five years and thereafter are as follows:

<u>Series</u>	<u>Amounts</u>
2013	\$ 339,396
2014	353,915
2015	366,489
2016	380,090
2017	217,697
2018 - 2022	1,080,000
2023 - 2027	<u>543,000</u>
Total	<u>\$ 3,280,587</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, 2012 are as follows:

<u>Series</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Principal</u>
2007 Bond	4.00 - 5.00%	2017	\$ 7,385,000
2007 Note	3.99%	2027	\$ 8,049,922
2008 Bond	3.00 - 5.00%	2028	\$ 17,400,000

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, 2012 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>
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	2,552,998	967,063	3,520,061
2018 - 2022	7,897,090	3,606,738	11,503,828
2023 - 2027	9,647,976	1,706,276	11,354,252
2028	1,505,000	119,600	1,624,600
Total	<u>\$ 32,834,922</u>	<u>\$ 11,441,175</u>	<u>\$ 44,276,097</u>

C. Bucks County Housing Authority

Long-term obligations of the Bucks County Housing Authority (the Housing Authority) totaling \$3,380,792 at December 31, 2012, consisted of Rural Housing Community Development Service (RD) mortgages totaling \$1,891,459, and Section 8 new construction revenue bonds totaling \$665,000, tax free mortgage loans of \$524,333, 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, 2012</u>
Sellersville Heights	10/85	\$ 2,200,000	10.75%	\$ 4,661	\$ 1,891,459

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

COUNTY OF BUCKS, PENNSYLVANIA

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

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, 2012 are as follows:

<u>Series</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1977	7.00%	2014	\$ 665,000	\$ 81,494	\$ 746,494

The requirements to amortize the Housing Authority revenue bonds outstanding at December 31, 2012 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>
2013	\$ -	\$ 46,550	\$ 46,550
2014	665,000	34,944	699,944
Total	<u>\$ 665,000</u>	<u>\$ 81,494</u>	<u>\$ 746,494</u>

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

	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Monthly Payment</u>	<u>Balance December 31, 2012</u>
Grundy House	4.88%	2015	\$ 22,216	\$ 524,333

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, 2012**

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, 2012 are as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Primary government		
Governmental activities:		
Major governmental funds:		
General fund	\$ 25,751,536	\$ 10,072,834
Behavioral health services fund	-	673,065
Children and youth services fund	585,898	-
Mental health/developmental programs fund	-	4,280,066
Debt service fund	403,619	-
2011 series bond fund	-	523,509
Total major governmental funds	<u>26,741,053</u>	<u>15,549,474</u>
Nonmajor governmental funds:		
Area agency on aging fund	-	5,416,148
Bridge reconstruction fund	-	341,585
Community and business development fund	-	2,314,837
Emergency response 911 fund	-	3,504,842
Hazardous material emergency response fund	-	683,544
HOME fund	-	1,015,124
Liquid fuels tax fund	-	396,702
Neshaminy Manor fund	-	5,692,990
2002 notes capital acquisitions fund	1,805	-
2003 notes capital acquisitions fund	-	25,415
2005 series bond	3,990,481	-
2007 series bond fund	-	-
2008 series bond fund	-	883,709
Open space fund	3,257,793	-
Miscellaneous capital projects fund	1,833,238	-
Total nonmajor governmental funds	<u>9,083,317</u>	<u>20,274,896</u>
Total primary government	<u>\$ 35,824,370</u>	<u>\$ 35,824,370</u>

COUNTY OF BUCKS, PENNSYLVANIA

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

17. TRANSFERS IN/OUT RECONCILIATION

During 2012, 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, 2012 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Transfers in/out:		
Governmental activities:		
Major governmental funds:		
General fund	\$ -	\$ 20,604,192
Children and youth services fund	10,907,786	-
2011 series bond fund	-	297,417
Mental health/developmental programs fund	1,411,471	-
Total major governmental funds	<u>12,319,257</u>	<u>20,901,609</u>
Nonmajor governmental funds	<u>8,972,334</u>	<u>389,982</u>
Total transfers in/out	<u>\$ 21,291,591</u>	<u>\$ 21,291,591</u>

18. FUND BALANCE/NET POSITION

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 \$500,000 in the general fund is for amounts restricted for the Economic Development Initiatives (VC4BC) for Bucks County. The funds are for the administration and management of centralizing the economic development function.

The restricted fund balance of \$403,619 in the debt service fund is for future debt payments. The 2011 Series Bond fund has restricted fund balance of \$43,292,836 for the payment of capital project expenditures.

In the nonmajor governmental funds, the County restricted \$37,194 of fund balance for Hazardous Materials Emergency Response. These amounts are restricted for future payment of expenditures related to the operation of the programs.

In the nonmajor capital project funds, a total of \$11,720,358 of fund balance was restricted for the payment of capital project expenditures. A total of \$7,575,939 of fund balance was assigned for future open space and growing greener project expenditures.

The restriction on net position included in the fiduciary funds represents \$553,422,873 of net position held in trust for pension benefits for future payments to members.

Net Position

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

Governmental Activities

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

COUNTY OF BUCKS, PENNSYLVANIA

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2012

Fiduciary Funds

Pension Trust Fund

Net position held in trust for pension benefits \$553,422,873

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

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 2012, the County provided operating and capital subsidies to SEPTA aggregating \$2,772,000 and \$324,999, respectively. Such subsidies are classified as Authorities in the general fund operating statement. As of December 31, 2012, the County's commitment to fund future SEPTA capital projects is \$23,234.

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 2012, the County expended \$13,441,552 for employee health care coverage to IBC and \$20,455,143 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, 2012:

<u>Years</u>	<u>Amounts</u>
2013	\$ 1,061,504
2014	381,348
2015	173,283
2016	158,827
2017	96,250
2018	64,509
Total	<u>\$ 1,935,721</u>

Rental expense for all operating leases amounted to \$1,267,897 in 2012.

COUNTY OF BUCKS, PENNSYLVANIA

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

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 \$901,650 are as follows:

<u>Years</u>	<u>Amounts</u>
2013	\$ 2,322,500
2014	2,323,750
2015	1,210,000
2016	1,212,400
2017	<u>1,218,000</u>
Total	<u>\$ 8,286,650</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

On March 20, 2013, the County Commissioners authorized the incurrence of electoral and nonelectoral debt with the issuance of General Obligation Bonds, Series of 2013 in the amount of \$65,300,000. The proceeds of the bonds will be used to finance a portion of the construction of the new Justice Center and improvements to certain other County facilities, the Open Space Program, the Emergency Services narrowbanding project, technology upgrades and other Public Works projects.

On April 3, 2013, the County Commissioners authorized the incurrence of nonelectoral debt with the General Obligation Notes, Series of 2013 in the amount of \$15,000,000. The proceeds of the notes will be used to finance the purchase of mobile and portable radios to be used by municipal public safety constituents in the County.

On May 1, 2013, the County Commissioners approved Ordinance No. 144 authorizing the incurrence of nonelectoral debt of \$59,615,000 federally taxable General Obligation Bonds, Series A of 2013. The proceeds will be used to advance refund \$53,515,000 of the County's General Obligation Bonds, Series of 2004.



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%
December 31, 2012	12,496,284	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%
1/1/2012	\$ 508,258,781	\$ 578,660,034	\$ 70,401,253	87.80%	\$ 144,641,742	48.7%

**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, 2012**

	<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:				
Real estate taxes	\$ 151,910,000	\$ 151,910,000	\$ 149,741,551	\$ (2,168,449)
Licenses and fees	19,033,200	19,689,700	21,538,178	1,848,478
Judiciary costs and fines	14,329,100	14,477,100	13,608,003	(869,097)
Intergovernmental	21,624,600	22,187,800	20,548,804	(1,638,996)
Interest	1,188,600	1,188,600	209,597	(979,003)
Other	<u>1,158,500</u>	<u>1,161,500</u>	<u>1,569,307</u>	<u>407,807</u>
Total revenues	<u>209,244,000</u>	<u>210,614,700</u>	<u>207,215,440</u>	<u>(3,399,260)</u>
Expenditures:				
Current:				
General government:				
Agricultural extension service	340,700	340,700	340,700	-
Allocated costs	(7,310,700)	(7,310,700)	(6,533,920)	(776,780)
Central telephone & service	159,400	159,400	135,505	23,895
Commissioners	1,035,000	1,035,000	1,023,325	11,675
Consumer protection	667,700	667,700	604,184	63,516
Controller	2,613,300	2,613,300	2,439,961	173,339
Emergency management	530,000	530,000	465,750	64,250
Employee benefits/self insurance	3,330,000	3,935,000	3,934,667	333
ERP	668,400	676,700	675,699	1,001
Finance	841,800	841,800	796,560	45,240
Fire marshal	427,800	427,800	385,202	42,598
Human resources	846,600	846,600	796,056	50,544
Information systems	6,285,100	6,285,100	5,794,771	490,329
Insurance	1,692,500	1,692,500	1,576,913	115,587
Mail room	614,200	635,200	584,855	50,345
Microfilming, printing and reproduction	449,400	449,400	397,210	52,190
Military affairs	377,500	395,900	393,445	2,455
Opportunity council	260,900	260,900	260,900	-
Parks and recreation	4,853,700	4,853,700	4,653,562	200,138
Planning and zoning	3,150,800	3,150,800	3,088,496	62,304
Public defender	3,624,900	3,624,900	3,557,034	67,866
Public information	648,800	648,800	558,004	90,796
Public works/County properties	10,498,200	10,498,200	10,071,725	426,475
Purchasing	603,100	603,100	573,771	29,329
Recorder of deeds	1,912,700	1,912,700	1,872,077	40,623
Solicitor	967,800	1,072,800	1,041,694	31,106
Tax assessment	2,358,600	2,438,600	2,405,169	33,431
Tax claim bureau	643,700	643,700	583,482	60,218
Tax collectors	1,156,400	1,156,400	1,151,607	4,793
Treasurer	893,800	915,800	911,602	4,198
Voter registration	1,560,200	1,534,200	1,506,115	28,085
Voting machines	<u>516,000</u>	<u>544,000</u>	<u>527,172</u>	<u>16,828</u>
Total general government	<u>47,218,300</u>	<u>48,080,000</u>	<u>46,573,293</u>	<u>1,506,707</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, 2012
(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>	
Judiciary:				
Adult probation & parole	\$ 6,921,800	\$ 7,104,200	\$ 7,033,098	\$ 71,102
Clerk of courts	1,937,400	1,937,400	1,936,255	1,145
Constables	1,705,500	2,008,500	2,008,449	51
Coroner	1,082,700	1,082,700	1,041,745	40,955
Court stenographers	2,378,400	2,444,900	2,405,635	39,265
Courts	8,031,700	8,388,700	8,373,245	15,455
Crime lab	501,200	525,300	492,077	33,223
District attorney	8,680,500	8,680,500	8,576,046	104,454
District courts	9,343,000	9,068,000	8,893,786	174,214
Domestic relations	8,822,300	8,500,800	8,485,514	15,286
Grand jury	34,100	34,100	30,308	3,792
Jury commissioners	22,300	23,900	22,962	938
Juvenile probation & parole	4,975,300	5,158,900	5,070,239	88,661
Law library	383,000	387,500	364,983	22,517
Prothonotary	2,308,600	2,308,600	2,252,405	56,195
Register of wills	1,625,900	1,625,900	1,569,248	56,652
Sheriff	5,867,600	5,867,600	5,832,106	35,494
Total judiciary	<u>64,621,300</u>	<u>65,147,500</u>	<u>64,388,101</u>	<u>759,399</u>
Corrections:				
Administration	3,264,400	3,264,400	3,237,422	26,978
County correctional facility	25,238,900	25,238,900	25,199,825	39,075
Men's community correction center	7,382,200	7,382,200	6,904,723	477,477
Women's community correction center	770,500	770,500	734,693	35,807
Total corrections	<u>36,656,000</u>	<u>36,656,000</u>	<u>36,076,663</u>	<u>579,337</u>
Authorities:				
BC transportation authority	2,389,200	2,898,800	2,898,710	90
Civic groups	200,000	200,000	188,300	11,700
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	3,096,999	1
Total authorities	<u>20,359,300</u>	<u>20,868,900</u>	<u>20,857,109</u>	<u>11,791</u>
Social services:				
Guardian ad litem	85,900	85,900	81,603	4,297
Human services	969,900	969,900	916,941	52,959
Victim witness pass through	-	20,000	-	20,000
Total social services	<u>1,055,800</u>	<u>1,075,800</u>	<u>998,544</u>	<u>77,256</u>

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2012
(Continued)

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	
Health:				
Emergency health services	\$ 804,600	\$ 804,600	\$ 731,238	\$ 73,362
Health department	<u>14,904,000</u>	<u>14,904,000</u>	<u>14,778,223</u>	<u>125,777</u>
Total health	<u>15,708,600</u>	<u>15,708,600</u>	<u>15,509,461</u>	<u>199,139</u>
Public safety:				
Emergency services training center	600,000	1,250,000	1,140,362	109,638
Hazardous waste program	229,000	229,000	125,533	103,467
Police training center	566,700	566,700	331,603	235,097
Security courthouse	<u>2,262,300</u>	<u>2,425,300</u>	<u>2,391,609</u>	<u>33,691</u>
Total public safety	<u>3,658,000</u>	<u>4,471,000</u>	<u>3,989,107</u>	<u>481,893</u>
Capital projects:				
County health department	15,000	15,000	7,450	7,550
Courts	24,200	16,200	-	16,200
Domestic relations	64,300	64,300	64,300	-
Information systems center	50,000	50,000	16,313	33,687
Microfilming, printing and reproduction	7,900	7,900	-	7,900
Sheriff	<u>180,000</u>	<u>180,000</u>	<u>-</u>	<u>180,000</u>
Total capital projects	<u>341,400</u>	<u>333,400</u>	<u>88,063</u>	<u>245,337</u>
Total expenditures	<u>189,618,700</u>	<u>192,341,200</u>	<u>188,480,341</u>	<u>3,860,859</u>
Excess of revenues over expenditures	<u>19,625,300</u>	<u>18,273,500</u>	<u>18,735,099</u>	<u>461,599</u>
Other financing sources (uses):				
Transfers in	100,000	100,000	-	(100,000)
Transfers out	<u>(21,600,300)</u>	<u>(22,135,300)</u>	<u>(20,604,192)</u>	<u>1,531,108</u>
Total other financing sources (uses)	<u>(21,500,300)</u>	<u>(22,035,300)</u>	<u>(20,604,192)</u>	<u>1,431,108</u>
Net change in fund balance	(1,875,000)	(3,761,800)	(1,869,093)	1,892,707
Fund balance - January 1	<u>50,298,600</u>	<u>50,298,600</u>	<u>45,640,928</u>	<u>(4,657,672)</u>
Fund balance - December 31	<u>\$ 48,423,600</u>	<u>\$ 46,536,800</u>	<u>\$ 43,771,835</u>	<u>\$ (2,764,965)</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, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 71,773,600	\$ 81,773,600	\$ 78,173,740	\$ (3,599,860)
Interest	<u>226,400</u>	<u>226,400</u>	<u>39,550</u>	<u>(186,850)</u>
Total revenues	<u>72,000,000</u>	<u>82,000,000</u>	<u>78,213,290</u>	<u>(3,786,710)</u>
Expenditures:				
Current:				
Social services	<u>72,000,000</u>	<u>82,000,000</u>	<u>78,213,290</u>	<u>3,786,710</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, 2012

	<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	\$ 1,913,400	\$ 1,913,400	\$ 1,927,318	\$ 13,918
Intergovernmental	45,931,100	45,931,100	43,532,486	(2,398,614)
Other	13,000	13,000	814	(12,186)
Total revenues	<u>47,857,500</u>	<u>47,857,500</u>	<u>45,460,618</u>	<u>(2,396,882)</u>
Expenditures:				
Current:				
Social services:				
Children & youth agency:				
Administration	5,319,700	5,319,700	4,968,969	350,731
Adoption	4,713,300	4,713,300	4,615,074	98,226
Bridge housing	270,000	270,000	161,027	108,973
Community residential	2,372,000	2,372,000	2,701,528	(329,528)
Counseling	1,765,100	1,765,100	1,722,215	42,885
Day care	102,800	102,800	131,094	(28,294)
Day treatment	5,300	5,300	22,900	(17,600)
Emergency shelter	1,658,900	1,658,900	1,207,841	451,059
Family center	201,200	201,200	207,990	(6,790)
Foster family	7,569,700	7,569,700	8,068,805	(499,105)
ICSP	54,400	54,400	-	54,400
Independent living	896,200	896,200	867,653	28,547
Intake and referral	1,543,100	1,543,100	1,343,295	199,805
Juvenile act proceedings	525,100	525,100	505,507	19,593
Life skills	383,300	383,300	338,628	44,672
PRF/CAP	30,600	30,600	32,641	(2,041)
Protective services	8,686,700	8,822,700	9,311,709	(489,009)
Residential	541,700	541,700	614,392	(72,692)
Special grant initiatives	1,065,500	1,065,500	993,355	72,145
SPLC	436,700	436,700	415,448	21,252
TLFR	215,000	215,000	249,427	(34,427)
Youth center:				
RSU	2,501,600	2,455,600	2,398,364	57,236
Youth center	5,623,800	5,863,800	5,429,523	434,277

(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, 2012
(Continued)

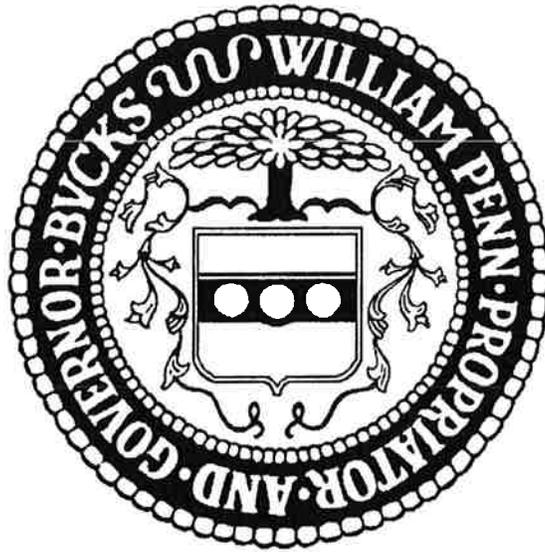
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Juvenile probation:				
Administration	2,010,404	1,716,404	646,663	1,069,741
Alternative treatment	81,500	81,500	61,375	20,125
Community residential	2,000,000	2,000,000	1,630,630	369,370
Counseling	4,000,000	4,000,000	3,495,734	504,266
Day treatment	25,000	25,000	33,355	(8,355)
Detention out of county	1,400	1,400	648	752
Emergency shelter	10,000	10,000	2,209	7,791
Foster family services	460,000	460,000	177,292	282,708
Juvenile act proceedings	107,500	107,500	111,125	(3,625)
Residential	3,015,000	3,015,000	2,321,771	693,229
YDC/YFC	<u>1,682,296</u>	<u>1,682,296</u>	<u>1,580,217</u>	<u>102,079</u>
Total social services	<u>59,874,800</u>	<u>59,910,800</u>	<u>56,368,404</u>	<u>3,542,396</u>
 Total expenditures	 <u>59,874,800</u>	 <u>59,910,800</u>	 <u>56,368,404</u>	 <u>3,542,396</u>
 Excess of revenues under expenditures	 <u>(12,017,300)</u>	 <u>(12,053,300)</u>	 <u>(10,907,786)</u>	 <u>1,145,514</u>
 Other financing sources:				
Transfers in	<u>12,017,300</u>	<u>12,053,300</u>	<u>10,907,786</u>	<u>(1,145,514)</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, 2012

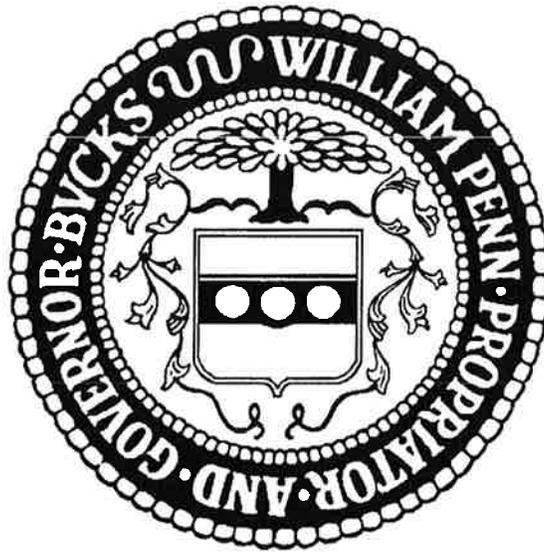
	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Licenses and fees	\$ -	\$ -	\$ 19,633	\$ 19,633
Intergovernmental	33,561,500	33,561,500	31,169,184	(2,392,316)
Interest	<u>31,000</u>	<u>31,000</u>	<u>28,165</u>	<u>(2,835)</u>
Total revenues	<u>33,592,500</u>	<u>33,592,500</u>	<u>31,216,982</u>	<u>(2,375,518)</u>
Expenditures:				
Current:				
Social services:				
Administration	6,192,008	6,192,008	5,343,613	848,395
Mental health services	17,069,592	17,313,592	16,352,855	960,737
Developmental programs	6,303,400	6,284,100	5,492,604	791,496
HUD	26,000	26,000	10,931	15,069
Early intervention	<u>5,791,900</u>	<u>5,567,200</u>	<u>5,419,690</u>	<u>147,510</u>
Total social services	<u>35,382,900</u>	<u>35,382,900</u>	<u>32,619,693</u>	<u>2,763,207</u>
Capital projects	<u>43,000</u>	<u>43,000</u>	<u>8,760</u>	<u>34,240</u>
Total expenditures	<u>35,425,900</u>	<u>35,425,900</u>	<u>32,628,453</u>	<u>2,797,447</u>
Excess of revenues under expenditures	<u>\$ (1,833,400)</u>	<u>\$ (1,833,400)</u>	<u>\$ (1,411,471)</u>	<u>\$ 421,929</u>
Other financing sources:				
Transfers in	<u>1,833,400</u>	<u>1,833,400</u>	<u>1,411,471</u>	<u>(421,929)</u>
Total other financing sources	<u>1,833,400</u>	<u>1,833,400</u>	<u>1,411,471</u>	<u>(421,929)</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 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, 2012**

Special Revenue Funds

	<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>
ASSETS							
Cash and cash equivalents	\$ 6,531,078	\$ -	\$ 2,375,886	\$ 9,026,912	\$ 660,736	\$ 945,905	\$ 350,687
Receivables:							
Intergovernmental	23,269	468,210	454,230	-	65,033	252,668	66,842
Accounts	103,848	-	2,652	438,231	3,216	50,230	-
Due from other funds	-	-	-	-	-	-	-
Other assets	3	-	-	-	-	-	-
Total assets	\$ 6,658,198	\$ 468,210	\$ 2,832,768	\$ 9,465,143	\$ 728,985	\$ 1,248,803	\$ 417,529
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 371,006	\$ 126,625	\$ 404,639	\$ 73,404	\$ 8,247	\$ 230,001	\$ 20,827
Due to other funds	5,416,148	341,585	2,314,837	3,504,842	683,544	1,015,124	396,702
Unearned revenue	871,044	-	113,292	5,886,897	-	3,678	-
Total liabilities	6,658,198	468,210	2,832,768	9,465,143	691,791	1,248,803	417,529
Fund balances:							
Restricted	-	-	-	-	37,194	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	-	-	-	-	37,194	-	-
Total liabilities and fund balances	\$ 6,658,198	\$ 468,210	\$ 2,832,768	\$ 9,465,143	\$ 728,985	\$ 1,248,803	\$ 417,529

Capital Projects Funds

Neshaminy Manor	2002 Notes Capital Acquisitions	2003 Notes Capital Acquisitions	2005 Series Bond	2008 Series Bond	Open Space Fund	Miscell- aneous Capital Projects	Total Nonmajor Governmental Funds
\$ -	\$ 306,999	\$ 246,495	\$ -	\$ 4,061,376	\$ 8,022,082	\$ -	\$ 32,528,156
4,280,743	-	-	-	-	401,559	325,145	6,337,699
2,406,893	-	-	-	-	1,516	-	3,006,586
-	1,805	-	3,990,481	-	3,257,793	1,833,238	9,083,317
-	3	-	-	-	-	-	6
<u>\$ 6,687,636</u>	<u>\$ 308,807</u>	<u>\$ 246,495</u>	<u>\$ 3,990,481</u>	<u>\$ 4,061,376</u>	<u>\$ 11,682,950</u>	<u>\$ 2,158,383</u>	<u>\$ 50,955,764</u>
\$ 994,646	\$ -	\$ -	\$ 155,399	\$ 247,870	\$ 402,660	\$ 367,978	\$ 3,403,302
5,692,990	-	25,415	-	883,709	-	-	20,274,896
-	-	-	-	-	569,164	500,000	7,944,075
<u>6,687,636</u>	<u>-</u>	<u>25,415</u>	<u>155,399</u>	<u>1,131,579</u>	<u>971,824</u>	<u>867,978</u>	<u>31,622,273</u>
-	308,807	221,080	3,835,082	2,929,797	3,135,187	1,290,405	11,757,552
-	-	-	-	-	7,575,939	-	7,575,939
-	-	-	-	-	-	-	-
<u>-</u>	<u>308,807</u>	<u>221,080</u>	<u>3,835,082</u>	<u>2,929,797</u>	<u>10,711,126</u>	<u>1,290,405</u>	<u>19,333,491</u>
<u>\$ 6,687,636</u>	<u>\$ 308,807</u>	<u>\$ 246,495</u>	<u>\$ 3,990,481</u>	<u>\$ 4,061,376</u>	<u>\$ 11,682,950</u>	<u>\$ 2,158,383</u>	<u>\$ 50,955,764</u>

COUNTY OF BUCKS, PENNSYLVANIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	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
Revenues:							
Licenses and fees	\$ 28,675	\$ -	\$ 6,892	\$ 7,693,854	\$ 200,134	\$ 1,096,740	\$ -
Intergovernmental	6,938,449	1,606,524	1,927,457	-	79,026	2,222,431	770,339
Interest	14,657	-	-	1,308	1,701	-	18
Other	318,744	-	-	-	-	-	22,400
Total revenues	<u>7,300,525</u>	<u>1,606,524</u>	<u>1,934,349</u>	<u>7,695,162</u>	<u>280,861</u>	<u>3,319,171</u>	<u>792,757</u>
Expenditures:							
Current:							
General government	-	-	-	-	-	-	-
Social services	9,350,178	-	1,934,349	-	-	3,319,171	-
Bridges	-	1,979,916	-	-	-	-	1,090,174
Public safety	-	-	-	13,736,128	300,319	-	-
Capital projects	-	-	-	-	-	-	-
Total expenditures	<u>9,350,178</u>	<u>1,979,916</u>	<u>1,934,349</u>	<u>13,736,128</u>	<u>300,319</u>	<u>3,319,171</u>	<u>1,090,174</u>
Excess of revenues over (under) expenditures	<u>(2,049,653)</u>	<u>(373,392)</u>	<u>-</u>	<u>(6,040,966)</u>	<u>(19,458)</u>	<u>-</u>	<u>(297,417)</u>
Other financing sources :							
Transfers in	1,451,724	373,392	-	6,040,966	-	-	297,417
Transfers out	-	-	-	-	-	-	-
Total other financing sources	<u>1,451,724</u>	<u>373,392</u>	<u>-</u>	<u>6,040,966</u>	<u>-</u>	<u>-</u>	<u>297,417</u>
Net change in Fund balances	<u>(597,929)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,458)</u>	<u>-</u>	<u>-</u>
Fund balances:							
January 1	<u>597,929</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,652</u>	<u>-</u>	<u>-</u>
December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,194</u>	<u>\$ -</u>	<u>\$ -</u>

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
\$ 18,171,828	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,198,123
20,348,546	-	-	-	-	-	2,547,420	2,902,335	39,342,527
-	57	755	226,402	-	14,869	16,086	4,800	280,653
-	-	-	-	-	-	-	-	341,144
<u>38,520,374</u>	<u>57</u>	<u>755</u>	<u>226,402</u>	<u>-</u>	<u>14,869</u>	<u>2,563,506</u>	<u>2,907,135</u>	<u>67,162,447</u>
-	-	-	-	-	924,380	1,716,714	3,025,786	5,666,880
39,527,275	-	-	-	-	-	-	-	54,130,973
-	-	-	-	-	-	-	-	3,070,090
-	-	-	-	-	-	-	-	14,036,447
<u>28,536</u>	<u>127,168</u>	<u>74,875</u>	<u>710,906</u>	<u>1,713,942</u>	<u>3,018,010</u>	<u>397,109</u>	<u>110,420</u>	<u>6,180,966</u>
<u>39,555,811</u>	<u>127,168</u>	<u>74,875</u>	<u>710,906</u>	<u>1,713,942</u>	<u>3,942,390</u>	<u>2,113,823</u>	<u>3,136,206</u>	<u>83,085,356</u>
<u>(1,035,437)</u>	<u>(127,111)</u>	<u>(74,120)</u>	<u>(484,504)</u>	<u>(1,713,942)</u>	<u>(3,927,521)</u>	<u>449,683</u>	<u>(229,071)</u>	<u>(15,922,909)</u>
232,499	-	-	-	-	-	-	576,336	8,972,334
-	-	-	(373,392)	(16,590)	-	-	-	(389,982)
<u>232,499</u>	<u>-</u>	<u>-</u>	<u>(373,392)</u>	<u>(16,590)</u>	<u>-</u>	<u>-</u>	<u>576,336</u>	<u>8,582,352</u>
(802,938)	(127,111)	(74,120)	(857,896)	(1,730,532)	(3,927,521)	449,683	347,265	(7,340,557)
<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>\$ -</u>	<u>\$ 308,807</u>	<u>\$ 221,080</u>	<u>\$ 3,835,082</u>	<u>\$ -</u>	<u>\$ 2,929,797</u>	<u>\$ 10,711,126</u>	<u>\$ 1,290,405</u>	<u>\$ 19,333,491</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, 2012

	<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	\$ 15,400	\$ 15,400	\$ 28,675	\$ 13,275
Intergovernmental	8,036,000	8,036,000	6,938,449	(1,097,551)
Interest	23,500	23,500	14,657	(8,843)
Other	240,600	240,600	318,744	78,144
Total revenues	8,315,500	8,315,500	7,300,525	(1,014,975)
Expenditures:				
Current:				
Social services:				
Administration	5,279,976	5,336,976	5,248,002	88,974
Assessment	197,500	186,500	147,620	38,880
Congregate meals	591,450	571,450	521,519	49,931
Cons reimb-federal	109,300	127,300	131,073	(3,773)
Cons reimb-state	78,471	106,902	122,802	(15,900)
Counseling	10,150	10,150	2,542	7,608
Daycare/in home services	1,663,050	1,503,050	1,460,327	42,723
DomCare	16,000	16,000	(4,215)	20,215
Employment	12,400	12,400	10,571	1,829
Environment modification	6,381	3,450	2,496	954
Family caregiver support	37,250	37,250	21,820	15,430
Home delivered meals	697,750	649,250	577,009	72,241
Information & referral	156,050	159,050	102,311	56,739
Legal services	60,700	61,800	62,923	(1,123)
OBRA	974	1,450	2,731	(1,281)
Ombudsman	53,600	62,100	70,732	(8,632)
Pre admission assistance II	45,676	41,200	47,031	(5,831)
Protective services	14,400	14,400	10,581	3,819
Recreation & socialization	186,900	315,400	352,169	(36,769)
RSVP	63,472	63,472	65,977	(2,505)
Transportation	177,050	175,950	156,291	19,659
Waiver care management	232,300	235,300	237,866	(2,566)
Total social services	9,690,800	9,690,800	9,350,178	340,622

(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, 2012
(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>9,690,800</u>	<u>9,690,800</u>	<u>9,350,178</u>	<u>340,622</u>
Excess of revenues under expenditures	<u>(1,375,300)</u>	<u>(1,375,300)</u>	<u>(2,049,653)</u>	<u>(674,353)</u>
Other financing sources: Transfers in	<u>1,375,300</u>	<u>1,375,300</u>	<u>1,451,724</u>	<u>76,424</u>
Net change in Fund balance	-	-	(597,929)	(597,929)
Fund balance - January 1	<u>-</u>	<u>-</u>	<u>597,929</u>	<u>597,929</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 - BRIDGE RECONSTRUCTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Intergovernmental	\$ <u>2,000,000</u>	\$ <u>2,000,000</u>	\$ <u>1,606,524</u>	\$ <u>(393,476)</u>
Total revenues	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,606,524</u>	<u>(393,476)</u>
Expenditures:				
Current:				
Bridges	<u>2,500,000</u>	<u>2,500,000</u>	<u>1,979,916</u>	<u>520,084</u>
Excess of revenues under expenditures	<u>(500,000)</u>	<u>(500,000)</u>	<u>(373,392)</u>	<u>126,608</u>
Other financing sources:				
Transfers in	<u>500,000</u>	<u>500,000</u>	<u>373,392</u>	<u>(126,608)</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 - COMMUNITY AND BUSINESS DEVELOPMENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<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	\$ 25,000	\$ 25,000	\$ 6,892	\$ (18,108)
Intergovernmental	<u>4,062,700</u>	<u>4,062,700</u>	<u>1,927,457</u>	<u>(2,135,243)</u>
Total revenues	<u>4,087,700</u>	<u>4,087,700</u>	<u>1,934,349</u>	<u>(2,153,351)</u>
Expenditures:				
Current:				
Social services	<u>4,087,700</u>	<u>4,087,700</u>	<u>1,934,349</u>	<u>2,153,351</u>
Total expenditures	<u>4,087,700</u>	<u>4,087,700</u>	<u>1,934,349</u>	<u>2,153,351</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, 2012**

	<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	\$ 9,204,000	\$ 9,204,000	\$ 7,693,854	\$ (1,510,146)
Interest	<u>10,300</u>	<u>10,300</u>	<u>1,308</u>	<u>(8,992)</u>
Total revenues	<u>9,214,300</u>	<u>9,214,300</u>	<u>7,695,162</u>	<u>(1,519,138)</u>
Expenditures:				
Current:				
Public safety	13,426,700	14,075,700	13,736,128	339,572
Capital projects	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>13,576,700</u>	<u>14,075,700</u>	<u>13,736,128</u>	<u>339,572</u>
Excess of revenues under expenditures	<u>(4,362,400)</u>	<u>(4,861,400)</u>	<u>(6,040,966)</u>	<u>(1,179,566)</u>
Other financing sources:				
Transfers in	<u>4,362,400</u>	<u>4,861,400</u>	<u>6,040,966</u>	<u>1,179,566</u>
Total other financing sources	<u>4,362,400</u>	<u>4,861,400</u>	<u>6,040,966</u>	<u>1,179,566</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, 2012**

	<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	\$ 170,000	\$ 200,134	\$ 30,134
Intergovernmental	33,000	33,000	79,026	46,026
Interest	-	-	1,701	1,701
Total revenues	<u>203,000</u>	<u>203,000</u>	<u>280,861</u>	<u>77,861</u>
Expenditures:				
Current:				
Public safety	<u>319,200</u>	<u>319,200</u>	<u>300,319</u>	<u>18,881</u>
Net change in Fund balance	(116,200)	(116,200)	(19,458)	96,742
Fund balance - January 1	<u>116,200</u>	<u>116,200</u>	<u>56,652</u>	<u>(59,548)</u>
Fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,194</u>	<u>\$ 37,194</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, 2012**

	<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	\$ 620,000	\$ 620,000	\$ 1,096,740	\$ 476,740
Intergovernmental	<u>3,928,700</u>	<u>3,928,700</u>	<u>2,222,431</u>	<u>(1,706,269)</u>
Total revenues	<u>4,548,700</u>	<u>4,548,700</u>	<u>3,319,171</u>	<u>(1,229,529)</u>
Expenditures:				
Current:				
Social services	<u>4,548,700</u>	<u>4,548,700</u>	<u>3,319,171</u>	<u>1,229,529</u>
Total expenditures	<u>4,548,700</u>	<u>4,548,700</u>	<u>3,319,171</u>	<u>1,229,529</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, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 550,000	\$ 550,000	\$ 770,339	\$ 220,339
Interest	-	-	18	18
Other	-	-	22,400	22,400
Total revenues	<u>550,000</u>	<u>550,000</u>	<u>792,757</u>	<u>242,757</u>
Expenditures:				
Current:				
Bridges	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,090,174</u>	<u>409,826</u>
Excess of revenues under expenditures	<u>(950,000)</u>	<u>(950,000)</u>	<u>(297,417)</u>	<u>652,583</u>
Other financing sources:				
Transfers in	<u>950,000</u>	<u>950,000</u>	<u>297,417</u>	<u>(652,583)</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, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
Revenues:				
Licenses and fees	\$ 16,898,400	\$ 16,898,400	\$ 18,171,828	\$ 1,273,428
Intergovernmental	<u>22,231,200</u>	<u>22,231,200</u>	<u>20,348,546</u>	<u>(1,882,654)</u>
Total revenues	<u>39,129,600</u>	<u>39,129,600</u>	<u>38,520,374</u>	<u>(609,226)</u>
Expenditures:				
Current:				
Social services:				
Activities	977,700	997,700	992,825	4,875
Business office	3,883,000	3,883,000	3,900,199	(17,199)
Dietary/café	4,237,500	4,237,500	4,072,300	165,200
Housekeeping	1,806,400	1,841,400	1,837,748	3,652
Laundry services	1,126,100	1,126,100	1,121,762	4,338
Nursing services - administration	2,706,300	2,656,300	2,634,479	21,821
Nursing services - CNA's	12,965,800	12,465,800	12,091,290	374,510
Nursing services - LPN's	3,135,000	3,175,000	3,170,023	4,977
Nursing services - Pool	558,000	358,000	323,384	34,616
Nursing services - RN's	3,225,200	3,315,200	3,311,086	4,114
Operation of facilities	1,315,100	1,410,100	1,381,286	28,814
Pharmacy	700,000	800,000	630,961	169,039
Physician	691,100	691,100	624,697	66,403
Procurement/utilities	710,000	755,000	711,253	43,747
Social services	455,500	455,500	448,713	6,787
Therapy	<u>2,001,800</u>	<u>2,326,800</u>	<u>2,275,269</u>	<u>51,531</u>
Total social services	<u>40,494,500</u>	<u>40,494,500</u>	<u>39,527,275</u>	<u>967,225</u>
Capital projects	<u>185,000</u>	<u>185,000</u>	<u>28,536</u>	<u>156,464</u>
Total expenditures	<u>40,679,500</u>	<u>40,679,500</u>	<u>39,555,811</u>	<u>1,123,689</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, 2012
(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>(1,549,900)</u>	\$ <u>(1,549,900)</u>	\$ <u>(1,035,437)</u>	\$ <u>514,463</u>
Other financing sources:				
Transfers in	<u>1,549,900</u>	<u>1,549,900</u>	<u>232,499</u>	<u>(1,317,401)</u>
Net change in Fund Balance	-	-	(802,938)	(802,938)
Fund balance - January 1	<u>-</u>	<u>-</u>	<u>802,938</u>	<u>802,938</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 - 2002 NOTES CAPITAL ACQUISITION FUND
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Interest	\$ <u>400</u>	\$ <u>400</u>	\$ <u>57</u>	\$ <u>(343)</u>
Expenditures:				
Current:				
General government	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital projects:				
Parks				-
Waste management projects	<u>436,200</u>	<u>436,400</u>	<u>127,168</u>	<u>309,232</u>
Total capital projects	<u>436,200</u>	<u>436,400</u>	<u>127,168</u>	<u>309,232</u>
Total expenditures	<u>436,200</u>	<u>436,400</u>	<u>127,168</u>	<u>309,232</u>
Net change in Fund balance	(435,800)	(436,000)	(127,111)	308,889
Fund balance - January 1	<u>435,800</u>	<u>436,000</u>	<u>435,918</u>	<u>(82)</u>
Fund balance - December 31	\$ <u>-</u>	\$ <u>-</u>	\$ <u>308,807</u>	\$ <u>308,807</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, 2012**

	<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>1,200</u>	\$ <u>1,200</u>	\$ <u>755</u>	\$ <u>(445)</u>
Expenditures:				
Current:				
General government	<u>122,200</u>	<u>122,200</u>	<u>-</u>	<u>122,200</u>
Capital projects:				
GIS system	210,800	76,700	55,425	21,275
Park capital improvements	<u>112,000</u>	<u>97,500</u>	<u>19,450</u>	<u>78,050</u>
Total capital projects	<u>322,800</u>	<u>174,200</u>	<u>74,875</u>	<u>99,325</u>
Total expenditures	<u>445,000</u>	<u>296,400</u>	<u>74,875</u>	<u>221,525</u>
Net change in Fund balance	(443,800)	(295,200)	(74,120)	221,080
Fund balance - January 1	<u>443,800</u>	<u>295,200</u>	<u>295,200</u>	<u>-</u>
Fund balance - December 31	\$ <u>-</u>	\$ <u>-</u>	\$ <u>221,080</u>	\$ <u>221,080</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, 2012

	<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>
Revenue:				
Intergovernmental	\$ 1,000,000	\$ 765,500	\$ 226,402	\$ (539,098)
Total revenues	<u>1,000,000</u>	<u>765,500</u>	<u>226,402</u>	<u>(539,098)</u>
Expenditures:				
Current:				
General government	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital projects:				
Churchville Nature Center	2,172,600	2,078,200	493,747	1,584,453
Courts	194,600	179,600	9,564	170,036
District Court	-	15,000	12,362	2,638
Information systems	389,700	430,200	50,217	379,983
Neshaminy Manor Center	225,600	213,000	-	213,000
Public Works	42,500	42,500	-	42,500
Administration Building	<u>3,000,000</u>	<u>2,000,000</u>	<u>145,016</u>	<u>1,854,984</u>
Total capital projects	<u>6,025,000</u>	<u>4,958,500</u>	<u>710,906</u>	<u>4,247,594</u>
Total expenditures	<u>6,025,000</u>	<u>4,958,500</u>	<u>710,906</u>	<u>4,247,594</u>
Excess of revenues under expenditures	<u>(5,025,000)</u>	<u>(4,193,000)</u>	<u>(484,504)</u>	<u>3,708,496</u>
Other financing uses:				
Transfers out	<u>(500,000)</u>	<u>(500,000)</u>	<u>(373,392)</u>	<u>126,608</u>
Total other financing uses	<u>(500,000)</u>	<u>(500,000)</u>	<u>(373,392)</u>	<u>126,608</u>
Net change in Fund balance	(5,525,000)	(4,693,000)	(857,896)	3,835,104
Fund balance - January 1	<u>5,525,000</u>	<u>4,693,000</u>	<u>4,692,978</u>	<u>(22)</u>
Fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,835,082</u>	<u>\$ 3,835,082</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, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Interest	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current:				
General government	-	-	-	-
Capital projects:				
Courts	7,300	12,900	12,920	(20)
Lower Bucks Fire School	1,516,900	1,516,900	1,516,850	50
Neshaminy Manor	216,600	184,200	184,172	28
Total capital projects	1,740,800	1,714,000	1,713,942	58
Total expenditures	1,740,800	1,714,000	1,713,942	58
Other financing uses:				
Transfers out	-	(16,600)	(16,590)	10
Net change in Fund balance	(1,740,800)	(1,730,600)	(1,730,532)	68
Fund balance - January 1	1,740,800	1,730,600	1,730,532	(68)
Fund balance - December 31	\$ -	\$ -	\$ -	\$ -

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, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Interest	\$ 36,600	\$ 36,600	\$ 14,869	\$ (21,731)
Expenditures:				
Current:				
General government	2,470,000	2,470,000	924,380	1,545,620
Capital projects:				
Board of Assessment	204,300	204,300	204,250	50
Court facility	30,000	60,100	59,202	898
Courts	130,700	28,900	28,860	40
ERP	76,900	76,900	76,883	17
Farmland preservation	328,800	346,200	346,122	78
Information systems	1,356,200	1,110,600	778,393	332,207
Library buildings	36,300	36,300	33,418	2,882
Lower Bucks Fire Training Center	-	268,200	268,150	50
Neshaminy Manor Center	600,000	600,000	205,555	394,445
Parking garage	83,300	84,800	84,728	72
Parkland acquisitions	1,092,900	1,092,900	482,496	610,404
Public works	924,800	514,800	449,953	64,847
Total capital projects	4,864,200	4,424,000	3,018,010	1,405,990
Total expenditures	7,334,200	6,894,000	3,942,390	2,951,610
Excess of revenues under expenditures	(7,297,600)	(6,857,400)	(3,927,521)	2,929,879
Other financing uses:				
Transfers out	-	-	-	-
Total other financing uses	-	-	-	-
Net change in Fund balance	(7,297,600)	(6,857,400)	(3,927,521)	2,929,879
Fund balance - January 1	7,297,600	6,857,400	6,857,318	(82)
Fund balance - December 31	\$ -	\$ -	\$ 2,929,797	\$ 2,929,797

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, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 4,382,200	\$ 5,182,200	\$ 2,547,420	\$ (2,634,780)
Interest	<u>32,400</u>	<u>32,400</u>	<u>16,086</u>	<u>(16,314)</u>
Total revenues	<u>4,414,600</u>	<u>5,214,600</u>	<u>2,563,506</u>	<u>(2,651,094)</u>
Expenditures:				
Current:				
General government	<u>4,051,400</u>	<u>5,553,000</u>	<u>1,716,714</u>	<u>3,836,286</u>
Capital projects:				
Hazardous mitigation	<u>1,330,800</u>	<u>1,330,800</u>	<u>397,109</u>	<u>933,691</u>
Total capital projects	<u>1,330,800</u>	<u>1,330,800</u>	<u>397,109</u>	<u>933,691</u>
Total expenditures	<u>5,382,200</u>	<u>6,883,800</u>	<u>2,113,823</u>	<u>4,769,977</u>
Net change in Fund balance	<u>(967,600)</u>	<u>(1,669,200)</u>	<u>449,683</u>	<u>2,118,883</u>
Fund balance - January 1	<u>11,148,800</u>	<u>10,261,500</u>	<u>10,261,443</u>	<u>(57)</u>
Fund balance - December 31	<u>\$ 10,181,200</u>	<u>\$ 8,592,300</u>	<u>\$ 10,711,126</u>	<u>\$ 2,118,826</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, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 7,174,800	\$ 7,194,800	\$ 2,902,335	\$ (4,292,465)
Miscellaneous	-	-	4,800	4,800
Total revenues	<u>7,174,800</u>	<u>7,194,800</u>	<u>2,907,135</u>	<u>(4,287,665)</u>
Expenditures:				
Current:				
General government	<u>7,374,800</u>	<u>6,894,800</u>	<u>3,025,786</u>	<u>3,869,014</u>
Capital projects:				
Parks capital improvements	1,173,200	1,617,400	50,437	1,566,963
Public works	79,400	79,400	37,409	41,991
Neshaminy Manor Center	<u>25,000</u>	<u>25,000</u>	<u>22,574</u>	<u>2,426</u>
Total capital projects	<u>1,277,600</u>	<u>1,721,800</u>	<u>110,420</u>	<u>1,611,380</u>
Total expenditures	<u>8,652,400</u>	<u>8,616,600</u>	<u>3,136,206</u>	<u>5,480,394</u>
Excess of revenues under expenditures	<u>(1,477,600)</u>	<u>(1,421,800)</u>	<u>(229,071)</u>	<u>1,192,729</u>
Other financing sources:				
Transfers in	<u>462,000</u>	<u>478,600</u>	<u>576,336</u>	<u>97,736</u>
Total other financing sources	<u>462,000</u>	<u>478,600</u>	<u>576,336</u>	<u>97,736</u>
Net change in Fund balance	(1,015,600)	(943,200)	347,265	1,290,465
Fund balance - January 1	<u>1,015,600</u>	<u>943,200</u>	<u>943,140</u>	<u>(60)</u>
Fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,290,405</u>	<u>\$ 1,290,405</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, 2012**

	<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	\$ 34,640,000	\$ 34,640,000	\$ 34,007,897	\$ (632,103)
Other	<u>271,500</u>	<u>271,500</u>	<u>571,416</u>	<u>299,916</u>
Total revenues	<u>34,911,500</u>	<u>34,911,500</u>	<u>34,579,313</u>	<u>(332,187)</u>
Expenditures:				
Debt service	<u>36,140,000</u>	<u>36,140,000</u>	<u>36,003,995</u>	<u>136,005</u>
Net change in Fund balance	<u>(1,228,500)</u>	<u>(1,228,500)</u>	<u>(1,424,682)</u>	<u>(196,182)</u>
Fund balance - January 1	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,828,301</u>	<u>328,301</u>
Fund balance - December 31	<u>\$ 271,500</u>	<u>\$ 271,500</u>	<u>\$ 403,619</u>	<u>\$ 132,119</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, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenue:				
Interest	\$ 585,800	\$ 585,800	\$ 104,479	\$ (481,321)
Total revenues	<u>585,800</u>	<u>585,800</u>	<u>104,479</u>	<u>(481,321)</u>
Expenditures:				
Current:				
General government	<u>3,000,000</u>	<u>3,471,500</u>	<u>2,126,038</u>	<u>1,345,462</u>
Capital projects:				
Correctional facility	500,000	500,000	40,835	459,165
Court facility	35,254,200	35,269,400	17,726,073	17,543,327
Courts	600,000	600,000	-	600,000
Emergency Communications	19,265,200	19,265,200	1,780,970	17,484,230
Farmland preservation	4,500,000	4,000,000	2,063,416	1,936,584
Information systems	2,500,000	2,500,000	496,739	2,003,261
Library buildings	400,000	400,000	19,565	380,435
Natural areas preservation	1,037,200	1,037,200	668,008	369,192
Parkland acquisitions	1,000,000	500,000	-	500,000
Public works	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Total capital projects	<u>65,556,600</u>	<u>64,571,800</u>	<u>22,795,606</u>	<u>41,776,194</u>
Total expenditures	<u>68,556,600</u>	<u>68,043,300</u>	<u>24,921,644</u>	<u>43,121,656</u>
Excess of revenues under expenditures	<u>(67,970,800)</u>	<u>(67,457,500)</u>	<u>(24,817,165)</u>	<u>42,640,335</u>
Other financing uses:				
Transfers out	<u>(950,000)</u>	<u>(950,000)</u>	<u>(297,417)</u>	<u>652,583</u>
Total other financing uses	<u>(950,000)</u>	<u>(950,000)</u>	<u>(297,417)</u>	<u>652,583</u>
Net change in Fund balance	(68,920,800)	(68,407,500)	(25,114,582)	43,292,918
Fund balance - January 1	<u>68,920,800</u>	<u>68,407,500</u>	<u>68,407,418</u>	<u>(82)</u>
Fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,292,836</u>	<u>\$ 43,292,836</u>

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COUNTY OF BUCKS, PENNSYLVANIA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

(Continued)

	<u>Balance</u> <u>January 1,</u> <u>2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31,</u> <u>2012</u>
ACT 515/319				
<u>Assets</u>				
Cash and cash equivalents	\$ 167,407	\$ 25,790	\$ (167,407)	\$ 25,790
Accounts receivable	<u>9</u>	<u>3,512</u>	<u>(3,521)</u>	<u>-</u>
Total assets	\$ <u>167,416</u>	\$ <u>29,302</u>	\$ <u>(170,928)</u>	\$ <u>25,790</u>
<u>Liabilities</u>				
Accounts payable	\$ <u>167,416</u>	\$ <u>29,302</u>	\$ <u>(170,928)</u>	\$ <u>25,790</u>
 AID FOR DEPENDENT CHILDREN				
<u>Assets</u>				
Cash and cash equivalents	\$ 1,749,009	\$ 9,194,338	\$ (9,665,380)	\$ 1,277,967
Intergovernmental receivables	<u>2,348,393</u>	<u>2,013,885</u>	<u>(2,728,162)</u>	<u>1,634,116</u>
Total assets	\$ <u>4,097,402</u>	\$ <u>11,208,223</u>	\$ <u>(12,393,542)</u>	\$ <u>2,912,083</u>
<u>Liabilities</u>				
Accounts payable	\$ <u>4,097,402</u>	\$ <u>11,208,223</u>	\$ <u>(12,393,542)</u>	\$ <u>2,912,083</u>
 AREA AGENCY ON AGING				
<u>Assets</u>				
Cash and cash equivalents	\$ <u>149</u>	\$ <u>13,553</u>	\$ <u>(13,553)</u>	\$ <u>149</u>
<u>Liabilities</u>				
Accounts payable	\$ <u>149</u>	\$ <u>13,553</u>	\$ <u>(13,553)</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, 2012
(Continued)**

	Balance January 1, <u>2012</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>2012</u>
BID DEPOSITS				
<u>Assets</u>				
Accounts receivable	\$ <u>144,632</u>	\$ <u>200,176</u>	\$ <u>(210,084)</u>	\$ <u>134,724</u>
<u>Liabilities</u>				
Accounts payable	\$ <u>144,632</u>	\$ <u>200,176</u>	\$ <u>(210,084)</u>	\$ <u>134,724</u>
 CLERK OF COURTS				
<u>Assets</u>				
Cash and cash equivalents	\$ 2,902,522	\$ 10,220,758	\$ (10,030,671)	\$ 3,092,609
Investments	<u>1,060,027</u>	<u>943,253</u>	<u>(1,060,027)</u>	<u>943,253</u>
Total assets	\$ <u>3,962,549</u>	\$ <u>11,164,011</u>	\$ <u>(11,090,698)</u>	\$ <u>4,035,862</u>
<u>Liabilities</u>				
Accounts payable	\$ 3,698,724	\$ 8,262,876	\$ (8,173,411)	\$ 3,788,189
Due to other governmental units	<u>263,825</u>	<u>2,901,135</u>	<u>(2,917,287)</u>	<u>247,673</u>
Total liabilities	\$ <u>3,962,549</u>	\$ <u>11,164,011</u>	\$ <u>(11,090,698)</u>	\$ <u>4,035,862</u>
 CORRECTIONS				
<u>Assets</u>				
Cash and cash equivalents	\$ <u>691,245</u>	\$ <u>3,824,737</u>	\$ <u>(3,760,724)</u>	\$ <u>755,258</u>
<u>Liabilities</u>				
Accounts payable	\$ <u>691,245</u>	\$ <u>3,824,737</u>	\$ <u>(3,760,724)</u>	\$ <u>755,258</u>

(Continued)

COUNTY OF BUCKS, PENNSYLVANIA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

(Continued)

	<u>Balance</u> <u>January 1,</u> <u>2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31,</u> <u>2012</u>
DISTRICT COURTS				
<u>Assets</u>				
Cash and cash equivalents	\$ 974,680	\$ 16,389,418	\$ (16,198,149)	\$ 1,165,949
<u>Liabilities</u>				
Accounts payable	\$ 704,066	\$ 6,539,432	\$ (6,415,183)	\$ 828,315
Due to other governmental units	270,614	9,849,986	(9,782,966)	337,634
Total liabilities	\$ 974,680	\$ 16,389,418	\$ (16,198,149)	\$ 1,165,949
DOMESTIC RELATIONS				
<u>Assets</u>				
Cash and cash equivalents	\$ 44,346	\$ 1,691,630	\$ (1,694,042)	\$ 41,934
<u>Liabilities</u>				
Due to other governmental units	\$ 44,346	\$ 1,691,630	\$ (1,694,042)	\$ 41,934
ESCHEAT FUNDS				
<u>Assets</u>				
Cash and cash equivalents	\$ 122,694	\$ 28,856	\$ (111,898)	\$ 39,652
Accounts receivable	819,339	341,684	(93,442)	1,067,581
Total assets	\$ 942,033	\$ 370,540	\$ (205,340)	\$ 1,107,233
<u>Liabilities</u>				
Due to other governmental units	\$ 942,033	\$ 370,540	\$ (205,340)	\$ 1,107,233
INMATE CANTEEN				
<u>Assets</u>				
Cash and cash equivalents	\$ 454,817	\$ 985,000	\$ (652,083)	\$ 787,734
Accounts receivable	36,773	117,071	(36,773)	117,071
Total assets	\$ 491,590	\$ 1,102,071	\$ (688,856)	\$ 904,805
<u>Liabilities</u>				
Accounts payable	\$ 491,590	\$ 1,102,071	\$ (688,856)	\$ 904,805

(Continued)

COUNTY OF BUCKS, PENNSYLVANIA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

(Continued)

	<u>Balance</u> <u>January 1,</u> <u>2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31,</u> <u>2012</u>
LODGING ROOM RENTAL				
TAX ESCROW				
<u>Assets</u>				
Cash and cash equivalents	\$ 85,753	\$ 2,514,742	\$ (2,469,716)	\$ 130,779
<u>Liabilities</u>				
Accounts payable	\$ 85,753	\$ 2,514,742	\$ (2,469,716)	\$ 130,779
 MISCELLANEOUS				
<u>Assets</u>				
Cash and cash equivalents	\$ 9,167	\$ 22,891	\$ (25,363)	\$ 6,695
Accounts receivable	16,720	238	(1,438)	15,520
Total assets	\$ 25,887	\$ 23,129	\$ (26,801)	\$ 22,215
<u>Liabilities</u>				
Accounts payable	\$ 25,887	\$ 23,129	\$ (26,801)	\$ 22,215
 NESHAMINY MANOR				
<u>Assets</u>				
Cash and cash equivalents	\$ 262,258	\$ 545,255	\$ (560,758)	\$ 246,755
Accounts receivable	-	-	-	-
Total assets	\$ 262,258	\$ 545,255	\$ (560,758)	\$ 246,755
<u>Liabilities</u>				
Accounts payable	\$ 262,258	\$ 545,255	\$ (560,758)	\$ 246,755
 PINE RUN ESCROW				
<u>Assets</u>				
Accounts receivable	\$ 16,759	\$ 28	\$ -	\$ 16,787
<u>Liabilities</u>				
Accounts payable	\$ 16,759	\$ 28	\$ -	\$ 16,787

(Continued)

COUNTY OF BUCKS, PENNSYLVANIA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

(Continued)

	<u>Balance</u> <u>January 1,</u> <u>2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31,</u> <u>2012</u>
PROTHONOTARY				
<u>Assets</u>				
Cash and cash equivalents	\$ 4,090,865	\$ 5,608,805	\$ (6,539,951)	\$ 3,159,719
<u>Liabilities</u>				
Accounts payable	\$ 4,066,865	\$ 5,313,503	\$ (6,240,489)	\$ 3,139,879
Due to other governmental units	24,000	295,302	(299,462)	19,840
Total liabilities	\$ 4,090,865	\$ 5,608,805	\$ (6,539,951)	\$ 3,159,719
RECORDER OF DEEDS				
<u>Assets</u>				
Cash and cash equivalents	\$ 4,430,504	\$ 90,391,078	\$ (88,536,915)	\$ 6,284,667
<u>Liabilities</u>				
Accounts payable	\$ 2,067,813	\$ 5,531,556	\$ (5,139,192)	\$ 2,460,177
Due to other governmental units	2,362,691	84,859,522	(83,397,723)	3,824,490
Total liabilities	\$ 4,430,504	\$ 90,391,078	\$ (88,536,915)	\$ 6,284,667
REGISTER OF WILLS				
<u>Assets</u>				
Cash and cash equivalents	\$ 7,802,992	\$ 2,415,840	\$ (2,127,245)	\$ 8,091,587
<u>Liabilities</u>				
Accounts payable	\$ 7,795,484	\$ 2,282,719	\$ (1,994,903)	\$ 8,083,300
Due to other governmental units	7,508	133,121	(132,342)	8,287
Total liabilities	\$ 7,802,992	\$ 2,415,840	\$ (2,127,245)	\$ 8,091,587

(Continued)

COUNTY OF BUCKS, PENNSYLVANIA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012
(Continued)**

	<u>Balance</u> <u>January 1,</u> <u>2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31,</u> <u>2012</u>
SECURITY ESCROW				
<u>Assets</u>				
Accounts receivable	\$ 35,689	\$ 13	\$ -	\$ 35,702
<u>Liabilities</u>				
Accounts payable	\$ 35,689	\$ 13	\$ -	\$ 35,702
SHERIFF				
<u>Assets</u>				
Cash and cash equivalents	\$ 2,568,922	\$ 21,567,329	\$ (20,020,762)	\$ 4,115,489
Accounts receivable	-	-	-	-
Total assets	\$ 2,568,922	\$ 21,567,329	\$ (20,020,762)	\$ 4,115,489
<u>Liabilities</u>				
Accounts payable	\$ 2,246,046	\$ 19,472,016	\$ (17,820,023)	\$ 3,898,039
Due to other governmental units	322,876	2,095,313	(2,200,739)	217,450
Total liabilities	\$ 2,568,922	\$ 21,567,329	\$ (20,020,762)	\$ 4,115,489
TAX CLAIM BUREAU				
<u>Assets</u>				
Cash and cash equivalents	\$ 1,010,454	\$ 767,972	\$ (618,849)	\$ 1,159,577
Accounts receivable	9,995,924	43,778,127	(43,637,743)	10,136,308
Total assets	\$ 11,006,378	\$ 44,546,099	\$ (44,256,592)	\$ 11,295,885
<u>Liabilities</u>				
Due to other governmental units	\$ 11,006,378	\$ 44,546,099	\$ (44,256,592)	\$ 11,295,885

(Continued)

COUNTY OF BUCKS, PENNSYLVANIA

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

(Continued)

	<u>Balance</u> <u>January 1,</u> <u>2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>December 31,</u> <u>2012</u>
TAX PROTEST ESCROW				
<u>Assets</u>				
Accounts receivable	\$ <u>148,248</u>	\$ <u>112</u>	\$ <u>-</u>	\$ <u>148,360</u>
<u>Liabilities</u>				
Accounts payable	\$ <u>148,248</u>	\$ <u>112</u>	\$ <u>-</u>	\$ <u>148,360</u>
 TREASURER LICENSES				
<u>Assets</u>				
Cash and cash equivalents	\$ <u>53,088</u>	\$ <u>660,732</u>	\$ <u>(667,904)</u>	\$ <u>45,916</u>
<u>Liabilities</u>				
Accounts payable	\$ <u>249</u>	\$ <u>75,351</u>	\$ <u>(75,294)</u>	\$ <u>306</u>
Due to other governmental units	<u>52,839</u>	<u>585,381</u>	<u>(592,610)</u>	<u>45,610</u>
Total liabilities	\$ <u>53,088</u>	\$ <u>660,732</u>	\$ <u>(667,904)</u>	\$ <u>45,916</u>
 TOTAL AGENCY FUNDS				
<u>Assets</u>				
Cash and cash equivalents	\$ <u>27,420,872</u>	\$ <u>166,868,724</u>	\$ <u>(163,861,370)</u>	\$ <u>30,428,226</u>
Investments	<u>1,060,027</u>	<u>943,253</u>	<u>(1,060,027)</u>	<u>943,253</u>
Receivables:				
Intergovernmental	<u>2,348,393</u>	<u>2,013,885</u>	<u>(2,728,162)</u>	<u>1,634,116</u>
Accounts	<u>11,214,093</u>	<u>44,440,961</u>	<u>(43,983,001)</u>	<u>11,672,053</u>
Total assets	\$ <u>42,043,385</u>	\$ <u>214,266,823</u>	\$ <u>(211,632,560)</u>	\$ <u>44,677,648</u>
<u>Liabilities</u>				
Accounts payable	\$ <u>26,746,275</u>	\$ <u>66,938,794</u>	\$ <u>(66,153,457)</u>	\$ <u>27,531,612</u>
Due to other governmental units	<u>15,297,110</u>	<u>147,328,029</u>	<u>(145,479,103)</u>	<u>17,146,036</u>
Total liabilities	\$ <u>42,043,385</u>	\$ <u>214,266,823</u>	\$ <u>(211,632,560)</u>	\$ <u>44,677,648</u>

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COUNTY OF BUCKS, PENNSYLVANIA

**SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
AS OF DECEMBER 31, 2012**

	<u>Land</u>	<u>Buildings</u>	<u>Improvements</u>
General government	\$ 103,862,834	\$ 95,015,679	\$ 48,739,829
Judiciary	470,020	25,409,338	1,826,832
Corrections	13,501	40,681,884	152,785
Social services	720,575	44,145,656	1,390,609
Bridges	-	250,878	-
Health	-	17,968	-
Public safety	<u>12,302</u>	<u>12,130,746</u>	<u>4,570</u>
 Total capital assets allocated to functions	 105,079,232	 217,652,149	 52,114,625
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets	<u>\$ 105,079,232</u>	<u>\$ 217,652,149</u>	<u>\$ 52,114,625</u>

	<u>Machinery and Equipment</u>	<u>Infrastructure</u>	<u>Leasehold Buildings and Improvements</u>	<u>Totals</u>
\$	68,011,894	\$ -	\$ 93,440,514	\$ 409,070,750
	8,960,096	-	-	36,666,286
	6,383,628	-	-	47,231,798
	7,178,308	-	-	53,435,148
	351,123	12,479,773	-	13,081,774
	896,185	-	-	914,153
	19,949,119	-	-	32,096,737
	<u>111,730,353</u>	<u>12,479,773</u>	<u>93,440,514</u>	<u>592,496,646</u>
	-	-	-	50,906,680
\$	<u>111,730,353</u>	\$ <u>12,479,773</u>	\$ <u>93,440,514</u>	\$ <u>643,403,326</u>

COUNTY OF BUCKS, PENNSYLVANIA

**SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Capital Assets January 1, <u>2012</u>	<u>Additions</u>	<u>Deductions</u>	Capital Assets December 31, <u>2012</u>
General government	\$ 401,727,408	\$ 7,343,342	\$ -	\$ 409,070,750
Judiciary	36,624,860	41,426	-	36,666,286
Corrections	46,197,513	1,034,285	-	47,231,798
Social services	53,129,380	305,768	-	53,435,148
Bridges	11,072,051	2,009,723	-	13,081,774
Health	896,185	17,968	-	914,153
Public safety	<u>30,311,737</u>	<u>1,785,000</u>	<u>-</u>	<u>32,096,737</u>
Subtotals	579,959,134	12,537,512	-	592,496,646
Construction in progress	<u>31,432,268</u>	<u>22,646,039</u>	<u>(3,171,627)</u>	<u>50,906,680</u>
Total capital assets	<u>\$ 611,391,402</u>	<u>\$ 35,183,551</u>	<u>\$ (3,171,627)</u>	<u>\$ 643,403,326</u>

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COUNTY OF BUCKS, PENNSYLVANIA

**SCHEDULE OF COUNTY GENERAL OBLIGATIONS PAYABLE
DECEMBER 31, 2012**

<u>Year</u>	<u>Bond - 2004 Series</u>		<u>Bond - 2005 Series</u>		<u>Bond - 2007 Series</u>	
	<u>Principal</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest Rate</u>
2013	3,810,000	4.80%	4,870,000	5.00%	2,620,000	4.25%
2014	3,990,000	4.85%	5,115,000	5.00%	2,730,000	4.25%
2015	4,185,000	5.04%	4,945,000	5.00%	2,845,000	5.00%
2016	4,395,000	5.19%	5,195,000	5.00%	2,990,000	5.00%
2017	4,625,000	5.30%	5,090,000	5.00%	3,140,000	5.00%
2018	4,870,000	5.38%	1,760,000	4.00%	3,295,000	4.00%
2019	5,130,000	5.47%	1,835,000	4.00%	3,425,000	4.25%
2020	5,410,000	5.68%	1,905,000	4.00%	3,575,000	4.38%
2021	5,720,000	5.68%	-		3,730,000	4.38%
2022	6,045,000	5.68%	-		3,890,000	4.50%
2023	6,385,000	5.68%	-		-	
2024	6,750,000	5.68%	-		-	
2025	-		-		-	
2026	-		-		-	
	<u>\$ 61,315,000</u>		<u>\$ 30,715,000</u>		<u>\$ 32,240,000</u>	

Bond - 2008		Bond - 2011		Totals
Series		Series		
<u>Principal</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest Rate</u>	
4,645,000	5.00%	3,975,000	2.00%	19,920,000
4,715,000	5.00%	4,080,000	3.00%	20,630,000
4,950,000	5.00%	4,200,000	3.00%	21,125,000
4,790,000	5.00%	4,350,000	4.00%	21,720,000
5,030,000	5.00%	4,550,000	5.00%	22,435,000
3,575,000	5.00%	4,775,000	5.00%	18,275,000
3,760,000	5.25%	5,025,000	5.00%	19,175,000
3,955,000	4.70%	5,255,000	4.00%	20,100,000
4,155,000	5.13%	5,470,000	4.00%	19,075,000
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
-		<u>6,915,000</u>	5.00%	<u>6,915,000</u>
<u>\$ 53,400,000</u>		<u>\$ 73,090,000</u>		<u>\$ 250,760,000</u>

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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 These schedules contain trend information to help the reader understand how the County's financial performance and well being have changed over time.	1 - 4	119 - 125
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, property tax.	5 - 9	126-133
Debt Capacity 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.	10 - 13	134-139
Demographic and Economic Information..... 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.	14 - 15	140-141
Operating Information 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.	16 - 18	142 - 146

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COUNTY OF BUCKS, PENNSYLVANIA

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

Primary Government- Governmental Activities	Fiscal Year									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Net investment in capital assets	\$ 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	\$ 397,558,253
Restricted	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	55,454,007
Unrestricted	<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>	<u>(201,553,597)</u>
Total net position	<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>	<u>\$ 251,458,663</u>

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

COUNTY OF BUCKS, PENNSYLVANIA

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

Primary Government- Governmental Activities	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Program Expenses										
General government	\$ 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	\$ 66,110,304
Judiciary	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	66,197,992
Corrections	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	37,434,942
Authorities	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	20,857,109
Social services	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	223,844,221
Bridges	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	3,086,309
Health	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	15,595,944
Public safety	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	20,742,490
Interest on long-term debt	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	12,415,243
Total program expenses	\$ 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	\$ 466,284,554
Program Revenues										
Charges for services:										
General government	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	\$ 18,322,793
Judiciary	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	14,401,708
Corrections	889,765	882,981	1,247,589	1,375,705	1,223,180	1,234,559	1,469,048	939,718	929,671	1,223,131
Social services	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	21,277,856
Health	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	1,550,946
Public safety	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	8,411,841
Operating grants and contributions:										
General government	543,119	691,076	3,356,463	2,827,770	1,759,314	3,086,631	924,436	1,204,147	325,699	909,205
Judiciary	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	8,626,568
Corrections	462,264	377,287	522,129	403,176	334,636	472,129	314,716	447,892	323,103	276,485
Authorities	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	2,898,710
Social services	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	185,416,239
Bridges	488,428	967,886	347,416	351,576	578,986	739,310	667,279	706,110	1,144,478	2,399,281
Health	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	6,961,795
Public safety	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	255,246
Capital projects	1,018,354	2,700,664	440,112	-	-	-	-	-	-	-
Capital grants and contributions	1,418,856	1,989,751	-	3,078,077	1,999,441	-	5,497,354	8,526,737	10,248,211	5,449,755
Total program revenues	\$ 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	\$ 278,381,559
Net expense	\$ (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)	\$ (187,902,995)

(Continued)

COUNTY OF BUCKS, PENNSYLVANIA

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

General Revenues and Other Changes in Net Position	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Taxes:										
Real estate tax	\$ 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	\$ 183,686,655
Grant and contributions not restricted to specific programs	2,121,776	1,820,410	1,585,128	1,027,252	663,839	886,516	420,287	291,851	-	-
Unrestricted investment earnings	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	472,566
Miscellaneous	-	-	-	-	-	-	-	-	755,878	1,348,997
Transfers	-	-	-	-	-	-	-	-	-	-
Total general revenue	\$ 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	\$ 185,508,218
Net (expense) revenue	\$ (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)	\$ (2,394,777)

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>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General fund					
Reserved	\$ 5,018,247	\$ 3,840,921	\$ 2,609,994	\$ 1,714,107	\$ 409,157
Unreserved	4,060,657	15,569,678	25,344,605	51,866,836	69,917,510
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total general fund	<u>\$ 9,078,904</u>	<u>\$ 19,410,599</u>	<u>\$ 27,954,599</u>	<u>\$ 53,580,943</u>	<u>\$ 70,326,667</u>
All other governmental funds					
Reserved:					
Debt service funds	\$ 1,769,016	\$ 5,460,045	\$ 11,099,161	\$ 12,717,844	\$ 11,883,569
Capital projects funds	31,660	22,134	-	-	-
Unreserved:					
Special revenue funds	549,885	901,285	1,824,590	3,142,485	5,297,903
Capital projects funds	52,333,387	35,492,605	50,326,098	36,076,307	62,185,106
Restricted:					
Debt service funds	-	-	-	-	-
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Assigned:					
Debt service funds	-	-	-	-	-
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Unassigned:					
Debt service funds	-	-	-	-	-
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Total all other governmental funds	<u>\$ 54,683,948</u>	<u>\$ 41,876,069</u>	<u>\$ 63,249,849</u>	<u>\$ 51,936,636</u>	<u>\$ 79,366,578</u>
Total fund balances of all governmental funds	<u>\$ 63,762,852</u>	<u>\$ 61,286,668</u>	<u>\$ 91,204,448</u>	<u>\$ 105,517,579</u>	<u>\$ 149,693,245</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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 232,057	\$ 274,703	\$ 209,801	\$ -	\$ -
73,670,388	63,256,018	57,798,371	-	-
-	-	-	-	-
-	-	-	1,785,000	500,000
-	-	-	43,855,928	43,271,835
<u>\$ 73,902,445</u>	<u>\$ 63,530,721</u>	<u>\$ 58,008,172</u>	<u>\$ 45,640,928</u>	<u>\$ 43,771,835</u>
\$ 12,634,540	\$ 9,277,817	\$ 5,202,815	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
5,758,678	5,446,559	3,468,672	-	-
95,083,164	59,647,010	36,143,643	-	-
-	-	-	-	-
-	-	-	1,828,301	403,619
-	-	-	1,400,867	37,194
-	-	-	85,780,368	55,013,194
-	-	-	-	-
-	-	-	-	-
-	-	-	7,843,579	7,575,939
-	-	-	-	-
-	-	-	56,652	-
-	-	-	-	-
<u>\$ 113,476,382</u>	<u>\$ 74,371,386</u>	<u>\$ 44,815,130</u>	<u>\$ 96,909,767</u>	<u>\$ 63,029,946</u>
<u>\$ 187,378,827</u>	<u>\$ 137,902,107</u>	<u>\$ 102,823,302</u>	<u>\$ 142,550,695</u>	<u>\$ 106,801,781</u>

COUNTY OF BUCKS, PENNSYLVANIA

Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Revenues:				
Real estate taxes	\$ 120,830,185	\$ 140,796,249	\$ 156,824,706	\$ 171,411,950
Licenses and fees	38,024,421	35,265,245	37,792,815	37,833,423
Judiciary costs and fines	8,371,936	8,747,124	9,281,072	9,348,177
Intergovernmental	181,178,153	211,482,359	210,920,792	227,476,698
Interest	2,706,489	2,989,649	5,576,603	10,093,438
Other	2,837,723	2,411,986	2,023,766	1,571,649
Total revenues	<u>353,948,907</u>	<u>401,692,612</u>	<u>422,419,754</u>	<u>457,735,335</u>
Expenditures:				
Current:				
General government	50,628,741	51,809,268	42,759,865	37,666,632
Judiciary	42,578,443	44,910,440	45,944,515	47,598,154
Corrections	22,697,054	25,397,478	27,252,630	27,789,335
Authorities	4,407,646	17,204,999	17,897,422	18,672,209
Social services	189,532,260	204,629,909	211,341,879	224,684,657
Bridges	903,360	950,312	1,489,008	709,714
Health	11,803,266	12,436,394	13,292,036	14,648,455
Public safety	11,529,656	14,099,187	15,194,547	15,328,428
Debt service:				
Principal	14,982,000	16,383,000	17,311,000	22,262,000
Interest	6,352,912	9,170,123	12,880,776	14,462,834
Capital projects	26,289,741	17,605,648	9,549,969	19,599,786
Total expenditures	<u>381,705,079</u>	<u>414,596,758</u>	<u>414,913,647</u>	<u>443,422,204</u>
Excess of revenues over (under) expenditures	(27,756,172)	(12,904,146)	7,506,107	14,313,131
Other financing sources (uses):				
Transfers in	27,328,661	16,357,912	18,074,540	18,041,387
Proceeds from loan	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	(27,328,661)	(16,357,912)	(18,074,540)	(18,041,387)
Contribution to pension trust	-	(73,962,570)	-	-
Transfers to component units	(15,212,800)	-	-	-
Total other financing sources (uses)	<u>12,168,790</u>	<u>10,427,962</u>	<u>22,411,673</u>	<u>-</u>
Net change in fund balances	<u>\$ (15,587,382)</u>	<u>\$ (2,476,184)</u>	<u>\$ 29,917,780</u>	<u>\$ 14,313,131</u>
Debt service as a percentage of noncapital expenditures				
	6.00%	6.45%	7.48%	8.66%

Schedule 4

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 172,902,475	\$ 173,391,040	\$ 173,836,964	\$ 173,483,637	\$ 175,012,541	\$ 183,749,448
40,139,991	43,833,854	40,964,054	46,345,642	48,112,313	50,683,252
10,400,637	10,974,010	11,987,883	11,606,888	12,811,789	13,608,003
230,764,395	240,522,839	231,625,482	221,288,523	216,681,202	212,766,741
11,255,055	6,138,711	3,525,110	2,222,537	714,375	662,444
941,035	1,147,723	1,076,566	1,275,684	2,527,771	2,482,681
<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>	<u>463,952,569</u>
42,390,938	46,938,111	56,783,539	54,748,710	56,518,099	54,366,211
49,904,096	53,801,403	57,454,636	62,907,760	66,562,244	64,388,101
29,253,862	31,976,444	33,967,624	36,333,379	37,159,001	36,076,663
18,913,957	19,747,938	20,038,165	20,553,198	20,531,184	20,857,109
233,382,229	246,787,461	233,791,777	219,384,008	224,424,546	222,330,904
946,993	1,026,199	1,642,042	1,491,172	2,805,264	3,070,090
15,153,303	15,310,893	15,903,338	16,250,189	16,583,421	15,509,461
15,922,816	15,808,082	17,821,175	18,616,597	18,075,091	18,025,554
23,312,000	22,020,000	22,415,000	16,477,000	16,945,000	19,358,000
13,611,351	11,840,077	14,884,560	14,536,331	14,169,141	16,645,995
24,708,515	28,331,324	37,790,923	30,003,372	27,766,432	29,073,395
<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>	<u>499,701,483</u>
(1,096,472)	(17,579,755)	(49,476,720)	(35,078,805)	(45,679,432)	(35,748,914)
21,585,943	24,741,211	23,682,688	18,040,570	22,739,634	21,291,591
-	-	-	-	75,065,000	-
44,000,000	64,370,000	-	-	-	-
-	-	-	-	-	-
1,272,138	2,020,648	-	-	10,341,825	-
-	(11,125,312)	-	-	-	-
(21,585,943)	(24,741,211)	(23,682,688)	(18,040,570)	(22,739,634)	(21,291,591)
-	-	-	-	-	-
<u>45,272,138</u>	<u>55,265,336</u>	<u>-</u>	<u>-</u>	<u>85,406,825</u>	<u>-</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>	\$ <u>(35,748,914)</u>
8.40%	7.27%	7.70%	6.72%	6.57%	7.65%

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>
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
2012	183,749,448	-	183,749,448

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
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 (5)	6,300,078 (2)	1,125,400 (2)	206,688	344,383 (2)	914,211
2010 (5)	6,268,965 (2)	1,155,652	208,249	341,990 (2)	919,165
2011 (5)	6,299,184	1,149,387	210,949	337,548 (2)	949,566
2012 (5)	6,309,474	1,147,746 (2)	212,155	334,739 (2)	925,160

- 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
4,272	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%
49,169	8,053,283		23.20	74,567,527	10.8%

COUNTY OF BUCKS, PENNSYLVANIA

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
TOTAL COUNTY DIRECT RATE	65.00	74.50	20.49	21.94	21.94	21.94	21.94	21.94	21.94	23.20
General County	49.65	56.07	14.88	16.06	16.06	16.53	16.58	17.51	17.45	17.84
Debt Service	11.12	14.41	4.58	4.83	4.83	4.35	4.27	3.36	3.44	4.31
Community College	4.23	4.02	1.03	1.05	1.05	1.06	1.09	1.07	1.05	1.05
School District Rates										
Bensalem Township	420.43	445.33	111.33	120.33	126.00	130.40	134.00	139.47	141.43	144.35
Bristol Borough	318.00	323.00	88.75	101.40	114.00	120.00	120.00	138.00	154.00	154.00
Bristol Township	550.83	608.39	159.98	169.40	171.18	176.45	177.07	185.28	188.31	192.27
Centennial	281.00	281.00	73.50	88.45	91.45	96.45	102.70	108.54	113.58	116.07
Central Bucks	345.77	379.98	97.92	102.03	105.87	110.50	114.80	119.20	120.80	122.80
Council Rock	353.10	372.54	94.28	97.60	101.46	105.41	107.96	110.68	110.68	112.56
Morrisville Borough	616.40	616.40	159.10	182.80	205.10	187.30	177.30	177.30	177.30	177.30
Neshaminy	500.60	520.40	133.90	137.40	142.30	148.60	152.00	152.00	152.00	152.00
New Hope/Solebury	252.00	267.90	67.68	68.33	71.83	76.70	79.84	82.15	83.30	84.72
Palisades	304.50	327.50	85.38	92.38	95.38	100.00	104.10	108.85	110.34	110.34
Pennridge	331.76	358.16	96.70	104.49	111.69	116.60	119.55	123.02	123.02	123.02
Pennsbury	464.00	481.00	128.60	134.70	139.40	145.00	148.80	150.30	150.30	150.30
Quakertown	368.00	421.00	115.75	118.21	120.09	125.50	125.50	138.37	140.25	141.51
Borough Rates										
Bristol	90.00	125.00	31.25	49.89	49.89	49.89	49.89	49.89	49.89	49.89
Chalfont	18.00	30.00	7.50	9.50	9.50	11.50	11.50	12.00	13.00	13.50
Doylestown	25.00	29.00	7.98	7.98	8.73	8.73	10.73	10.73	11.23	11.23
Dublin	30.00	30.00	7.50	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Hulmeville	22.00	27.00	7.35	7.35	8.25	8.25	8.52	9.97	9.97	9.97
Ivyland	29.00	29.00	8.50	10.50	11.50	11.25	12.50	12.50	13.50	13.50
Langhorne	44.35	44.35	12.20	12.20	12.20	12.20	12.20	12.20	12.20	12.20
Langhorne Manor	37.50	37.50	9.38	9.38	9.88	9.88	9.88	9.88	9.88	9.38
Morrisville	85.00	97.00	24.88	24.88	30.38	35.93	39.43	39.93	40.93	40.93
New Britain	43.00	51.50	12.88	12.88	15.88	15.88	21.88	21.88	21.88	21.88
New Hope	43.00	38.50	9.38	9.73	9.73	9.73	11.73	11.73	11.73	12.23
Newtown	24.00	24.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	9.00
Penn del	33.00	36.00	9.00	9.00	9.00	10.50	10.50	12.00	12.50	15.50
Perkasie	15.00	15.00	3.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
Quakertown	6.50	6.50	1.63	1.63	1.63	1.63	1.63	1.63	1.63	1.63
Richlandtown	5.00	5.00	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Riegelsville	22.00	22.00	5.50	6.25	7.75	8.75	9.75	11.25	11.25	11.75
Sellersville	23.00	23.00	6.33	6.33	7.33	8.33	9.33	12.00	16.00	16.00
Silverdale	10.00	10.00	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Telford	3.71	3.87	4.07	4.27	4.27	4.52	4.61	4.61	4.63	5.31
Trumbauersville	13.00	13.00	3.25	3.25	3.25	3.25	3.25	2.50	2.50	2.50
Tullytown	46.00	46.00	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50
Yardley	61.75	55.50	15.60	16.73	16.74	16.74	16.74	16.74	16.74	16.73

(Continued)

COUNTY OF BUCKS, PENNSYLVANIA

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

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Township Rates										
Bedminster	24.00	29.00	8.50	8.50	7.50	7.50	7.50	7.50	7.50	7.50
Bensalem	66.75	69.50	17.50	18.50	18.50	18.50	18.50	18.50	19.50	19.50
Bridgeton	12.00	12.00	3.00	3.00	3.00	3.00	3.00	6.00	6.00	6.00
Bristol	55.25	55.25	14.61	19.61	19.61	19.61	20.99	23.99	23.99	23.99
Buckingham	11.00	15.00	3.75	1.75	1.25	1.25	1.50	5.50	5.50	5.50
Doylestown	28.00	28.00	7.00	7.00	7.00	7.00	7.25	7.25	10.25	10.25
Durham	3.00	3.00	0.83	0.83	0.83	0.83	0.83	2.00	4.00	4.00
East Rockhill	11.00	11.00	3.03	3.78	5.28	4.28	5.23	7.49	7.49	8.14
Falls	31.40	30.90	7.72	7.72	7.72	7.22	7.22	7.22	7.22	7.22
Haycock	5.00	5.00	1.25	1.25	1.25	1.25	2.50	4.00	5.00	5.00
Hilltown	18.00	18.00	6.75	6.75	6.75	6.75	6.75	6.75	8.75	8.75
Lower Makefield	40.27	40.27	11.07	12.87	12.87	14.87	15.12	15.12	15.12	15.12
Lower Southampton	65.35	59.15	14.80	13.58	13.58	14.08	14.08	14.08	14.08	14.08
Middletown	37.41	37.17	9.78	11.28	13.34	14.84	15.84	17.57	17.57	17.57
Milford	5.00	8.00	2.00	2.00	2.50	2.00	2.00	2.00	2.00	2.00
New Britain	29.25	43.25	10.81	11.06	11.06	11.06	11.06	11.06	12.06	12.06
Newtown	11.00	10.50	2.63	2.63	2.63	2.50	2.50	2.50	2.50	2.50
Nockamixon	4.00	4.00	1.00	1.00	1.00	1.00	1.00	6.50	6.00	6.00
Northampton	15.65	18.65	4.66	6.31	7.31	9.06	10.14	11.14	11.14	11.14
Plumstead	30.00	30.00	9.00	9.00	9.00	9.00	9.75	13.25	13.25	13.25
Richland	10.00	10.00	2.50	2.50	2.50	2.50	9.50	9.50	9.50	9.50
Solebury	42.60	38.60	9.40	10.50	14.10	14.10	15.60	15.35	19.06	19.56
Springfield	10.00	10.00	2.50	3.50	3.50	3.50	3.50	3.50	3.50	4.50
Tinicum	16.50	19.00	4.75	4.75	5.25	6.00	7.50	8.50	8.50	8.50
Upper Makefield	27.00	34.25	9.41	12.85	12.49	12.35	12.35	13.35	13.35	12.85
Upper Southampton	46.93	55.93	15.38	15.88	15.88	17.88	17.88	18.88	21.88	21.88
Warminster	32.25	32.25	8.07	12.07	12.07	12.07	12.07	12.07	17.07	17.07
Warrington	20.60	20.60	5.15	6.15	8.45	8.45	11.55	11.55	11.55	11.55
Warwick	24.00	32.00	8.50	10.25	10.25	11.25	13.25	15.25	15.25	15.25
West Rockhill	11.00	17.00	4.25	4.25	5.25	5.25	5.25	5.25	5.25	5.25
Wrightstown	20.00	22.00	6.05	6.92	6.92	6.92	6.92	6.58	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, 2012
Unaudited

Taxpayer	2012			2003		
	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	.51%	\$ 2,958,000	3	.16%
Anns Choice Inc	29,860,000	2	.37%			
McStome, Inc. c/o Kravco, Inc.	21,042,460	3	.26%	6,427,600	1	.35%
Korman Financing Partnership, LP	12,268,840	4	.15%	3,020,190	2	.16%
Neshaminy Mall Joint Venture Ltd.	9,830,000	5	.12%	2,779,980	4	.15%
Doylestown Hospital	7,269,110	6	.09%	2,000,620	8	.11%
KRT Properties Holding, Inc.	6,751,630	7	.08%	1,817,130	9	.10%
Open Door Estates	6,741,880	8	.08%	1,685,470	10	.09%
F Greek Bristol Properties, LP	6,713,980	9	.08%	2,031,150	7	.11%
Oxford Valley Road Associates	6,314,040	10	.08%			
United States Steel				2,183,750	5	.12%
Rohm & Haas Co.				2,155,580	6	.12%
	<u>\$ 147,569,860</u>		<u>1.82%</u>	<u>\$ 27,059,470</u>		<u>1.47%</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</u>	<u>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:									
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%
2012	187,059,074		182,363,379	97.5%	1,386,069	183,749,448	98.2%	6,425,066	3.4%

- 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>
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
2012	250,760,000	32,834,922	-	283,594,922	8,053,283	0.28%	452.27	0.83%

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>
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
2012	250,760,000	32,834,922	283,594,922	0.28%	452.27	0.83%

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, 2012

<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	\$ 52,013,665	100.0%	\$ 52,013,665
Bristol Borough	28,721,191	100.0%	28,721,191
Bristol Township	4,736,292	100.0%	4,736,292
Centennial	134,951,835	100.0%	134,951,835
Central Bucks	252,179,293	100.0%	252,179,293
Council Rock	160,402,157	100.0%	160,402,157
Morrisville Borough	6,605,199	100.0%	6,605,199
Neshaminy	95,620,237	100.0%	95,620,237
New Hope/Solebury	27,912,143	100.0%	27,912,143
Palisades	24,605,643	100.0%	24,605,643
Pennridge	124,891,587	100.0%	124,891,587
Pennsbury	150,172,481	100.0%	150,172,481
Quakertown	105,627,000	100.0%	105,627,000
Total school districts	<u>\$ 1,168,438,723</u>		<u>\$ 1,168,438,723</u>
Boroughs			
Bristol	\$ 9,780,756	100.0%	\$ 9,780,756
Chalfont	-		-
Doylestown	-		-
Dublin	-		-
Hulmeville	-		-
Ivyland	-		-
Langhorne	-		-
Langhorne Manor	-		-
Morrisville	8,170,000	100.0%	8,170,000
New Britain	-		-
New Hope	3,747,000	100.0%	3,747,000
Newtown	-		-
Penndel	-		-
Perkasie	6,076,376	100.0%	6,076,376
Quakertown	8,923,208	100.0%	8,923,208
Richlandtown	-		-
Riegelsville	-		-
Sellersville	1,183,772	100.0%	1,183,772
Silverdale	-		-
Telford	6,330,489	100.0%	6,330,489
Trumbauersville	-		-
Tullytown	-		-
Yardley	-		-
Total boroughs	<u>\$ 44,211,601</u>		<u>\$ 44,211,601</u>

(Continued)

COUNTY OF BUCKS, PENNSYLVANIA

Direct and Overlapping Governmental Activities Debt
As of December 31, 2012
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	\$ 3,542,432	100.0%	\$ 3,542,432
Bensalem	46,400,000	100.0%	46,400,000
Bridgeton	-		-
Bristol	23,963,921	100.0%	23,963,921
Buckingham	20,970,532	100.0%	20,970,532
Doylestown	260,887	100.0%	260,887
Durham	-		-
East Rockhill	2,249,950	100.0%	2,249,950
Falls	-		-
Haycock	-		-
Hilltown	-		-
Lower Makefield	32,637,588	100.0%	32,637,588
Lower Southampton	10,555,103	100.0%	10,555,103
Middletown	26,078,587	100.0%	26,078,587
Milford	4,245,828	100.0%	4,245,828
New Britain	1,084,032	100.0%	1,084,032
Newtown	9,985,545	100.0%	9,985,545
Nockamixon	-		-
Northampton	18,473,719	100.0%	18,473,719
Plumstead	16,419,923	100.0%	16,419,923
Richland	4,980,000	100.0%	4,980,000
Solebury	30,294,641	100.0%	30,294,641
Springfield	4,756,535	100.0%	4,756,535
Tinicum	7,505,000	100.0%	7,505,000
Upper Makefield	17,837,648	100.0%	17,837,648
Upper Southampton	4,480,839	100.0%	4,480,839
Warminster	5,290,853	100.0%	5,290,853
Warrington	27,896,611	100.0%	27,896,611
Warwick	7,305,643	100.0%	7,305,643
West Rockhill	3,899,280	100.0%	3,899,280
Wrightstown	-		-
Total townships	<u>\$ 331,115,097</u>		<u>\$ 331,115,097</u>
Total overlapping debt			<u>\$ 1,543,765,421</u>
County of Bucks direct debt			<u>283,594,922</u>
Total direct and overlapping debt			<u>\$ 1,827,360,343</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>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<u>Borrowing Base Revenues (1):</u>				
Two years prior	\$ 313,008,727	\$ 351,519,892	\$ 360,523,399	\$ 397,339,369
Prior year	351,519,892	360,523,399	397,339,369	429,996,691
Current Year	360,523,399	397,339,369	429,996,691	452,890,419
Total borrowing base revenues	\$ 1,025,052,018	\$ 1,109,382,660	\$ 1,187,859,459	\$ 1,280,226,479
Average borrowing base revenues	\$ 341,684,006	\$ 369,794,220	\$ 395,953,153	\$ 426,742,160
<u>Debt Limit For General Obligation Bonds:</u>				
Average borrowing base revenues	\$ 341,684,006	\$ 369,794,220	\$ 395,953,153	\$ 426,742,160
Debt limit percent	x 300%	x 300%	x 300%	x 300%
Debt limit	1,025,052,018	1,109,382,660	1,187,859,459	1,280,226,479
Total amount of debt applicable to debt limit (2)	(148,351,155)	(217,052,021)	(215,285,022)	(217,052,021)
Legal debt margin	\$ 876,700,863	\$ 892,330,639	\$ 972,574,437	\$ 1,063,174,458
Total net debt applicable to the limit as a percentage of debt limit	14.47%	19.57%	18.12%	16.95%
<u>Debt Limit For General Obligation Bonds and Lease Rental Debt</u>				
Average borrowing base revenues	\$ 341,684,006	\$ 369,794,220	\$ 395,953,153	\$ 426,742,160
Debt limit percent	x 400%	x 400%	x 400%	x 400%
Debt limit	1,366,736,024	1,479,176,880	1,583,812,612	1,706,968,639
Total amount of debt applicable to debt limit	(166,359,254)	(234,073,270)	(232,932,865)	(234,073,270)
Legal debt margin	\$ 1,200,376,770	\$ 1,245,103,610	\$ 1,350,879,747	\$ 1,472,895,369
Total net debt applicable to the limit as a percentage of debt limit	12.17%	15.82%	14.71%	13.71%

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

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 429,996,691	\$ 452,890,419	\$ 516,230,910	\$ 464,830,652	\$ 460,560,281	\$ 470,872,941
452,890,419	516,230,910	464,830,652	460,560,281	470,872,941	464,766,172
<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>465,542,162</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>	\$ <u>1,401,181,275</u>
\$ <u>466,372,673</u>	\$ <u>477,983,994</u>	\$ <u>480,540,614</u>	\$ <u>465,421,291</u>	\$ <u>465,399,798</u>	\$ <u>467,060,425</u>
\$ 466,372,673	\$ 477,983,994	\$ 480,540,614	\$ 465,421,291	\$ 465,399,798	\$ 467,060,425
x 300%					
<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>	<u>1,401,181,275</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>(249,687,467)</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>	\$ <u>1,151,493,808</u>
15.63%	17.40%	15.77%	15.12%	19.28%	17.82%
\$ 466,372,673	\$ 477,983,994	\$ 480,540,614	\$ 465,421,291	\$ 465,399,798	\$ 467,060,425
x 400%					
<u>1,865,490,693</u>	<u>1,911,935,975</u>	<u>1,922,162,457</u>	<u>1,861,685,165</u>	<u>1,861,599,192</u>	<u>1,868,241,700</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>(282,381,950)</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>	\$ <u>1,585,859,750</u>
13.06%	13.81%	13.99%	13.42%	16.38%	15.11%

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>
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%
2012	627,053	34,232,169	54,609	42	91,249	7.4%

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, 2012
Unaudited

<u>Employer</u>	<u>2012</u>			<u>2003</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>
Giant Food Stores	N/A	1	N/A			
St. Mary Medical Center	N/A	2	N/A	N/A	6	N/A
Central Bucks School District	N/A	3	N/A	N/A	1	N/A
Bucks County	N/A	4	N/A	N/A	2	N/A
Northtec LLC	N/A	5	N/A	N/A	3	N/A
Doylestown Hospital	N/A	6	N/A	N/A	4	N/A
Wal-Mart Associates	N/A	7	N/A	N/A	8	N/A
Woods Services	N/A	8	N/A	N/A	9	N/A
Grand View Hospital	N/A	9	N/A			
Council Rock School District	N/A	10	N/A	N/A	10	N/A
Healthcare Services				N/A	5	N/A
Pennsbury School District				N/A	7	N/A
	<u>0</u>		<u>N/A</u>	<u>0</u>		<u>N/A</u>
Total Employees in County	314,627			322,686		

Source: Center for Workforce Information & Analysis as of 3rd Quarter 2012
Center for Workforce Information & Analysis as of 4th Quarter 2003

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**

Function	Full-time Equivalent Employees as of December 31									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Commissioners	9	9	9	9	8	10	10	10	9	9
Solicitor	7	6	7	7	7	8	8	8	8	8
Voter Registration	12	12	11	10	11	12	10	10	11	10
Board of Assessment	34	34	33	30	32	31	30	32	31	27
Consumer Protection	9	9	9	9	9	9	9	9	7	6
Treasurer	10	10	10	9	10	11	11	11	11	11
Tax Claim	6	7	7	7	7	5	6	8	8	6
Controller	31	30	29	29	31	30	29	28	30	27
Voting Machines	4	4	4	4	4	4	4	4	3	3
Planning Commission	33	35	33	34	32	31	33	33	32	28
Recorder of Deeds	29	28	26	26	26	26	27	26	23	23
Central Telephone & Service	2	2	1	2	2	2	2	2	2	-
Information Systems	51	49	48	50	51	51	53	48	45	38
Purchasing	9	8	7	7	8	8	8	8	7	7
Microfilming & Reproduction	6	6	6	6	6	6	5	6	5	5
Public Information	6	5	7	7	7	7	7	6	6	6
ERP	-	-	-	2	2	2	2	4	4	4
Fire Marshall	4	4	3	4	4	4	4	4	4	3
Finance	6	6	6	6	7	8	7	7	7	6
Public Works	152	147	147	148	150	158	156	111	106	101
Human Resources	11	11	11	11	10	8	10	10	10	9
Mail Room	2	2	2	2	2	2	2	2	2	2
Public Defender	37	37	36	36	37	36	36	36	36	35
Military Affairs	3	3	3	3	3	3	3	3	3	3
Community Development	7	7	7	6	8	8	8	7	8	7
Parks and Recreation	38	36	36	36	36	37	37	39	38	35
Total General Government	518	507	498	500	510	517	517	472	456	419
Judiciary										
Register of Wills	20	21	22	20	22	20	21	21	18	19
Sheriff	67	67	68	68	67	65	67	72	69	66
Coroner	5	5	5	5	5	8	8	8	8	8
Prothonotary	32	33	30	30	29	29	30	30	29	29
Clerk of Courts	21	22	23	22	24	25	25	24	25	25
Domestic Relations	83	85	86	88	86	89	88	88	87	83
District Attorney	73	73	71	72	75	76	78	79	78	78
Law Library	3	3	2	2	2	2	2	2	2	2
Courts	81	87	85	85	84	85	81	84	86	85
Jury Commissioners	2	2	2	2	2	2	2	2	2	2
Crime Lab	3	3	3	3	3	3	3	4	5	5
Court Stenographers	20	20	20	20	20	21	21	21	20	20
Adult Probation and Parole	58	58	59	61	60	69	72	68	71	69
Juvenile Probation & Parole	49	47	49	50	50	51	51	49	51	49
District Courts	106	108	103	105	106	121	112	108	105	106
Total Judiciary	623	634	628	633	635	666	661	660	656	646

(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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Corrections										
Corrections - Administration	16	17	17	17	17	16	16	17	18	18
Women's Community Correction Center	11	10	11	10	10	10	10	10	9	9
Prison	229	234	236	240	244	250	254	256	253	244
Men's Community Correction Center	61	63	66	66	66	62	67	67	66	66
Total Corrections	317	324	330	333	337	338	347	350	346	337
Health										
Health Dept-Admin-State	10	10	8	7	7	7	6	6	6	5
Health Dept-Admin-County	104	103	107	106	117	113	117	114	113	105
Emergency Health	6	5	6	6	6	6	6	6	6	5
Total Health	120	118	121	119	130	126	129	126	125	115
Public Safety										
Emergency Management	3	4	5	5	5	5	3	4	4	2
Police Training	1	1	1	1	1	1	1	1	1	1
Security	22	25	27	27	25	26	24	27	27	27
Hazardous Material	2	2	2	2	2	2	2	2	2	2
Emergency Reponse/911	133	126	129	130	129	126	131	133	136	127
Total Public Safety	161	158	164	165	162	160	161	167	170	159
Social Services										
Guardian Ad Litem	6	6	6	6	6	6	6	6	6	6
Human Services	4	4	4	4	3	3	3	4	4	4
Children & Youth	157	155	171	175	177	179	173	180	179	177
Youth Center	63	66	67	66	66	68	68	68	70	72
Juvenile Probation & Parole	6	8	9	9	9	9	9	9	8	8
Neshaminy Manor	290	275	302	302	308	301	309	367	362	341
Area Agency on Aging	51	52	51	53	55	54	54	55	53	51
MH/Developmental Programs	44	46	45	44	44	44	42	50	50	45
Total Social Services	621	612	655	659	668	664	664	739	732	704
	2,360	2,353	2,396	2,409	2,442	2,471	2,479	2,514	2,485	2,380

COUNTY OF BUCKS, PENNSYLVANIA

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

<u>Function</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>	<u>2012</u>
General Government										
Fiscal Affairs										
Property transfers recorded	20,052	18,285	19,150	15,832	14,019	11,913	10,913	10,607	10,172	11,690
Subdivision plans filed	329	373	412	375	434	395	239	269	171	181
New building permits received	3,215	2,560	2,104	1,552	1,359	1,110	459	440	418	561
Administration										
General election information										
Registered voters	419,700	451,979	408,513	415,467	416,609	444,962	430,463	434,183	420,769	435,735
Votes cast	112,417	321,330	121,860	236,874	122,023	335,982	110,319	231,993	109,662	322,400
Percent of votes cast	26.79%	71.09%	29.83%	57.01%	29.29%	75.51%	25.63%	53.43%	26.06%	73.99%
Court System										
Court Services										
Criminal cases filed	7,699	8,185	9,144	9,968	10,114	8,639	8,172	8,204	8,380	8,535
Civil cases filed	319	329	278	276	N/A	N/A	3,557	4,282	8,017	7,689
Protection from abuse cases filed	760	788	835	691	N/A	774	783	704	592	568
Estates probated	748	710	701	728	584	583	756	770	766	699
Wills probated	2,421	2,605	2,701	2,511	2,268	2,585	2,998	3,059	2,399	2,318
Marriage licenses issued	4,141	4,084	3,949	3,783	3,771	3,574	3,284	4,052	3,358	3,473
Child adoptions	324	376	275	252	259	213	255	283	207	155
Child relinquishments	152	131	108	152	159	169	129	N/A	N/A	154
Court Administration										
Criminal cases tried	163	179	N/A	N/A	N/A	N/A	197	92	97	115
Criminal cases negotiated plea settlements	4,983	5,130	N/A	N/A	N/A	N/A	184	453	629	726
Accelerated rehabilitative disposition (ARD) cases	2,034	2,201	N/A	N/A	N/A	1,733	1,440	1,419	2,054	2,087
New civil arbitration filings	428	343	404	371	N/A	397	403	294	378	469
Civil cases tried	137	113	138	126	N/A	128	119	108	68	94
Civil cases settled	233	233	190	178	206	206	162	168	1,771	169
District judge case filings	120,399	122,108	118,216	125,185	128,927	133,017	121,716	122,717	122,014	116,850
New juvenile probation cases	2,490	2,719	2,383	2,577	N/A	1,507	1,415	1,415	1,082	1,018
Youth Facility										
Average daily population	41	39	32	34	36	31	27	27	24	23
Annual admissions	900	878	716	757	694	671	709	707	599	624
Corrections										
Maximum Security										
Average daily population										
High	687	675	694	702	785	798	796	782	819	883
Low	617	611	626	654	661	750	737	746	737	809
Annual admissions	6,851	7,002	7,182	7,182	7,432	7,682	7,430	7,254	7,565	7,180
Minimum Custody										
Average daily population										
High	291	302	304	308	306	316	311	311	314	312
Low	270	262	288	298	282	300	290	277	272	263
House Arrest										
Average daily population										
High	144	168	217	243	277	295	294	234	256	231
Low	125	119	180	197	206	222	232	186	194	183

(Continued)

COUNTY OF BUCKS, PENNSYLVANIA

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

<u>Function</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>	<u>2012</u>
Parks										
Park reservations	1,587	1,540	1,600	1,596	1,282	1,320	1,335	1,425	1,343	1,311
Human Services										
Area Agency on Aging										
Case management clients - long term	2,486	2,280	2,465	2,694	2,550	1,332	2,395	2,198	2,661	2,676
Meals provided	123,713	110,504	103,716	95,689	89,159	91,174	82,612	82,204	78,157	82,862
In-home services clients	456	429	466	503	533	669	453	410	296	328
Adult day care clients	122	125	69	94	98	100	81	69	48	37
Home-delivered meals	72,836	83,605	80,291	82,553	89,290	92,948	66,646	105,950	113,579	92,877
Children and Youth										
Children served	701	713	671	631	556	647	6,336	540	512	580
Placement days	N/A	176,899	164,035	162,489	124,681	169,312	114,411	82,753	154,544	121,590
Child abuse reports	896	813	838	752	622	842	711	847	800	737
Neshaminy Manor										
Days of care	128,718	131,094	130,779	130,003	130,658	130,663	130,192	129,896	128,985	129,395
Mental Health										
Emergency/crisis										
intervention hours	49,224	50,008	59,521	24,600	17,678	33,236	10,764	9,498	15,263	8,229
Community residential days	39,592	36,998	42,534	44,303	62,201	63,556	55,727	58,510	83,756	68,100
Community employment hours	6,839	6,651	30,680	31,572	21,568	21,693	6,130	5,869	6,080	5,125
Service case management hours	89,228	93,452	83,930	81,783	67,544	69,199	20,067	13,933	16,125	12,692
Day treatment hours	13,782	11,860	45,325	58,005	19,108	14,227	16,659	4,668	7,354	3,547
Outpatient hours	6,446	5,916	6,771	5,897	15,982	15,217	32,647	9,208	9,760	6,255
Family support hours	4,080	3,890	3,612	4,545	2,235	2,323	1,020	1,325	1,734	7,530
Family based hours	2,534	3,273	3,125	1,695	1,821	1,976	510	2,140	2,688	797
Mental Retardation										
Adult development hours	234,432	360,206	395,465	390,705	463,200	233,574	124,408	14,082	14,524	14,063
Vocational rehabilitation hours	742,057	759,409	805,812	786,629	382,030	555,280	284,846	37,291	34,864	32,939
Supported employment hours	69,967	73,602	91,250	85,506	68,646	64,578	28,192	3,375	3,419	3,037
Residential services clients	479	468	428	452	496	505	877	56	54	51
Early intervention clients	3,514	3,555	3,024	2,766	2,913	3,088	5,927	1,882	1,785	1,865
Family support services	9,055	13,198	9,268	5,924	3,058	37,479	27,645	44,581	37,541	21,573

Sources: 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>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Government										
Motor Vehicles (2)	46	43	44	45	46	47	59	60	55	51
Judiciary										
Motor Vehicles (2)	94	88	90	96	104	109	71	68	65	62
Corrections										
Motor Vehicles (2)	40	40	41	44	47	47	44	42	41	40
Social Services										
Motor Vehicles (2)	1	1	1	1	2	-	-	-	-	-
Nursing Facility										
Motor Vehicles (2)	12	12	11	11	11	11	8	8	8	8
Health										
Motor Vehicles (2)	1	1	2	2	2	3	3	3	3	3
Roads and Bridges										
Motor Vehicles (2)	15	15	15	15	15	15	8	6	6	6
Parks										
Motor Vehicles (2)	61	63	63	63	63	63	47	47	45	45
Emergency Services										
Motor Vehicles (2)	13	13	13	13	13	13	9	9	9	9
Public Works										
County-owned bridges (1)	117	117	117	115	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	8,273	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