COUNTY OF DAUPHIN
HARRISBURG, PENNSYLVANIA

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2009

COUNTY OF DAUPHIN, PENNSYLVANIA

YEAR ENDED DECEMBER 31, 2009

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Zelenkofske Axelrod LLC

INDEPENDENT AUDITORS' REPORT

Commissioners
County of Dauphin
Harrisburg, Pennsylvania

We have audited the accompanying financial statements of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of COUNTY OF DAUPHIN as of and for the year ended December 31, 2009, which collectively comprise the COUNTY OF DAUPHIN's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the COUNTY OF DAUPHIN's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the discretely presented component unit financial statements for the Dauphin County General Authority, which represents 87.17 percent and 58.38 percent, respectively of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by another auditor whose report thereon has been furnished to us, and our opinion insofar as it relates to the amounts for the Dauphin County General Authority is based solely on the report of the other auditor.

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 Dauphin County General Authority and the Dauphin County Industrial Development Authority were not audited in accordance with *Government Auditing Standards.* Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of another auditor provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of another auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the COUNTY OF DAUPHIN as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the financial statements, in 2009 the COUNTY OF DAUPHIN adopted the provisions of Governmental Accounting Standards Board's Statement No. 52 "*Land and Other Real Estate Held as Investments by Endowments.*"

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Zelenkofske Axelrod LLC

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2010 on our consideration of the COUNTY OF DAUPHIN's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of employer contributions and funding progress, schedule of funding progress for postemployment benefits other than pensions and budgetary comparison information on pages 3 through 18 and pages 124; 125; and 126 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basis financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the COUNTY OF DAUPHIN's financial statements as a whole. The combining non-major fund financial statements and schedule of departmental expenditures on pages 128 through 138 and pages 139 through 147 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining non-major fund financial statements and schedule of departmental expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Zelenkofske Axelrod LLC

ZELENKOFSKE AXELROD LLC

Harrisburg, Pennsylvania
December 17, 2010

Management's Discussion & Analysis

Introduction

This section of the financial statements for the County of Dauphin (the County) presents a narrative overview and analysis of the County's financial performance for the fiscal year ended December 31, 2009. We recommend that it be read in conjunction with the accompanying basic financial statements and notes to financial statements in order to obtain a thorough understanding of the County's financial condition at December 31, 2009.

Financial Highlights

- Dauphin County's property tax rate of 6.876 mills was not raised in 2009.

- On January 21, 2009, the two 2008 Range Accrual Swaps with Deutsche Bank were terminated at a net final benefit to the County of approximately $398,000.

- Also in January, the County entered into a Basis Swap agreement with RBC. The notional amount of the swap was $45,040,000. The terms stipulated that the County would pay the SIFMA rate to RBC on 5/15 and 11/15 of each year and RBC would pay 88.9% of 3-month Libor on the same dates. This swap was terminated on 8/6/09 at a final net benefit of approximately $1.3 million.

- On May 29, 2009, the County made the initial payment on the Harrisburg Incinerator Debt after defaults by the Harrisburg Authority and Harrisburg City. Dauphin County is the second guarantor on a portion of this facility's debt. A total of $2,283,120.26 was paid by the County as a result of these defaults in 2009.

- On October 16, 2009 the County settled on a $21,965,000 General Obligation Bond issue. The proceeds will be used to cover two separate projects at approximately $11,000,000 each. The first is an energy conservation project which will upgrade fixtures and equipment in many of the County's buildings. The second will cover the renovation cost of a new Female Work Release Center, the construction of a new Night Court/Central Booking Center, the construction of a new Juvenile Court, and the construction of an Emergency Vehicle Storage Building.

- Dauphin County's Standard & Poors 'AA' rating with a 'stable outlook' was downgraded to a 'negative outlook' as part of the 10/16/09 borrowing. The slight downgrade is a result of the County's now active participation in the Harrisburg Incinerator debt defaults by the Harrisburg Authority and Harrisburg City.

- On November 12, 2009, the Dauphin County General Authority settled on a $7,435,000 refunding issue for office buildings utilized by County departments. Dauphin County guaranteed this borrowing as it had on both of the original issues that were refunded.

- At December 31, 2009 the General Fund's unreserved/undesignated balance was $60,841,154. This is up slightly from the $60,768,632 balance at the end of 2008.

- The County's total net assets increased by $18,208,187 in 2009. Unrestricted net assets at year-end were $59,094,620.

Overview of the Financial Statements

The financial section of this report consists of four parts:

- Management's discussion and analysis (this section)
- Basic financial statements (including notes)
- Required supplementary information
- Supplementary information

Management's discussion and analysis is a guide to reading the financial statements and provides related information to help the reader to better understand the County government. The basic financial statements include notes that provide additional information essential to a full understanding of the financial data provided in the government-wide and fund financial statements. Required supplementary information is provided on the County's pension plan and budget to actual figures for major funds. In addition to these required elements, an optional supplementary section is included with combining and other statements that provide particulars about non-major funds.

The basic financial statements present two different views of the County.

- **Government-wide financial statements**, the first two statements, provide information about the County's overall financial status as well as the financial status of the County's component units.

- **Fund financial statements,** the remaining statements, focus on individual parts of County government. They provide more detail on operations than the government-wide statements. There are three types of fund financial statements:

  - *Governmental funds statements* show how general government services such as public safety were financed in the short term, as well as what remains for future spending.

  - *Proprietary fund statements* offer short-term and long-term financial information about the activities the county operates like a business, such as the County's parking garage.

  - *Fiduciary funds statements* reflect activities involving resources that are held by the County as a trustee or agent for the benefit of others, including employees of the County like the pension plan. Fiduciary funds are not reflected in the government-wide statements because the resources cannot be used to support the County's programs.

Table A-1 shows how the various parts of this annual report are arranged and how they are related to one another.

Table A-1: Organization of the County's annual financial report

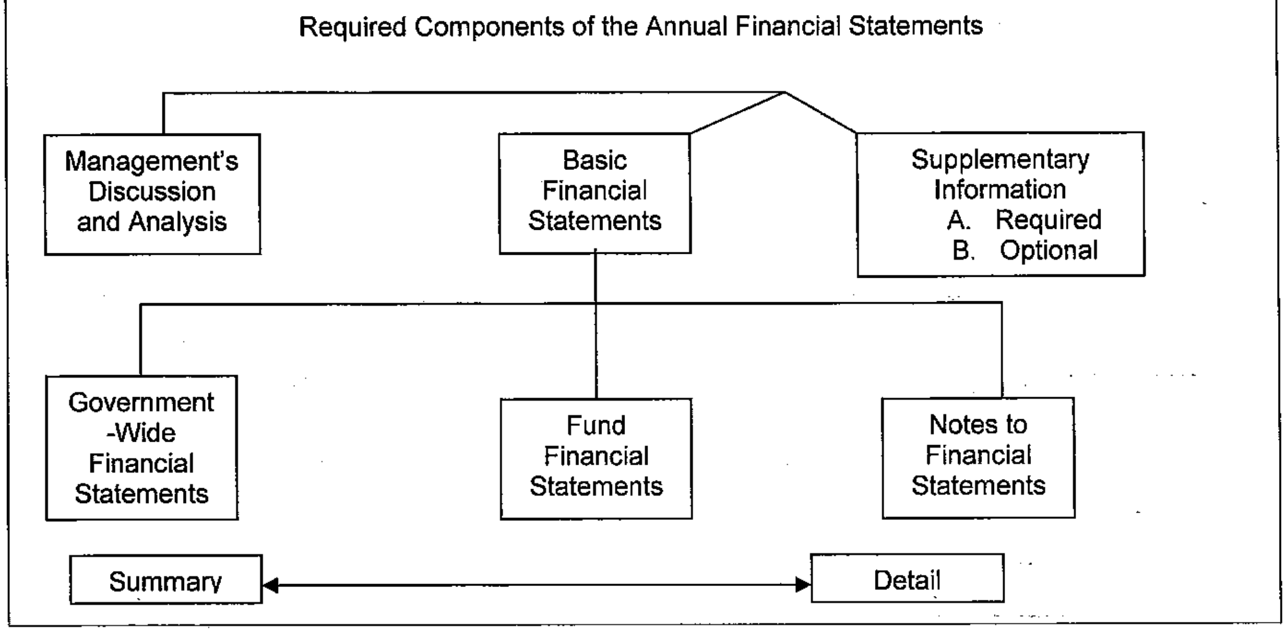

Table A-2 summarizes the major features of the County's financial statements, including the area of the County's activities they cover and the types of information they contain.

Table A-2: Major features of the government-wide and fund financial statements

	Government-wide Statements	Fund Financial Statements		
		Governmental	Proprietary	Fiduciary
Scope	Entire entity and component units (except fiduciary funds)	The day-to-day operating activities of the County, such as public safety and courts	The activities of the County, such as the Parking Garage.	Instances in which the County administers resources on behalf of others, such as the employee pension plan
Required Financial Statements	- Statement of net assets - Statement of activities	- Balance Sheet - Statement of revenues, expenditures and changes in fund balance	- Statement of net assets -Statement of revenues, expenses and changes in net assets -Statement of cash flows	- Statement of fiduciary net assets - Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources measurement focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset and liability information	All assets and liabilities, both financial and capital, short-term and long-term	Current assets and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both financial and capital short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow and outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year; regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

The remainder of this overview explains the structure and contents of the government-wide and fund financial statements.

Government-wide Financial Statements

Government-wide financial statements report information about the County as a whole using accounting methods similar to those used by private-sector companies.

- The *statement of net assets* includes all of the County's assets and liabilities, except fiduciary funds, with the difference between the two reported as net assets. This statement serves a purpose similar to that of the balance sheet of a private-sector business.

- The *statement of activities* focuses on how the County's net assets changed during the year. Because it separates program revenue (revenue generated by specific programs through charges for services, grants and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each program has to rely on local taxes for funding.

All changes to net assets are reported using the accrual method of accounting, which requires that revenues be reported when they are earned and expenses be reported when the goods and/or services are received, regardless of when cash is received or paid.

Net assets are one way to measure the County's financial position. Over time, increases or decreases in the County's net assets are one indicator of whether the County financial position is improving or deteriorating. However, other non-financial factors such as changes in the County's real property tax base and general economic conditions must be considered to assess the overall position of the County.

The primary government and its component units are included in the government-wide financial statements. Component units reflect the activities of legally separate government entities over which the County can exercise influence and/or be obligated to provide financial support. The County has five discretely presented component units including the Conservation District; the General Authority; MH/MR Case Management Unit; Industrial Development Authority; and the Economic Development Corporation. Complete and detailed financial statements for the individual component units are available for public inspection in the County Controller's Office. (See Note 1, Notes to the Financial Statements.)

There are two categories of activities for the primary government.

- *Governmental activities* include the County's basic services such as general and judicial administration, corrections, public safety, public works, and human services. Property taxes and state and federal grants finance most of these activities.

- *Business-type activities* such as the County's parking facility and the EMA 911 Communications system charge a fee to customers to help cover the costs of services.

Net assets of the governmental activities differ from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets are reported as expenditures when financial resources (money) are expensed to purchase or build said assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. The principal and interest payments are both considered expenditures when paid. Depreciation is not calculated as it does not provide or reduce current financial resources. Finally, capital assets and long-term debt do not affect fund balances.

Government-wide statements are reported using an economic resources measurement focus and full accrual basis of accounting that involves the following steps to format the statement of net assets:

- Capitalize current outlays of capital assets
- Report long-term debt as a liability
- Depreciate capital assets and allocate the depreciation to the proper program/activities
- Calculate revenue and expense using the economic resources measurement focus and the accrual basis of accounting
- Allocate net asset balances as follows:
    - Net assets invested in capital assets, net of related debt
    - Restricted net assets are those with constraints placed on the use by external sources (creditors, grantors, contributors, or laws or regulations of governments) or imposed by law through constitutional provisions or enabling legislation
    - Unrestricted net assets are net assets that do not meet any of the above restrictions

Fund Financial Statements

Fund financial statements provide more detailed information on the County's most significant funds, *not the County as a whole.* Funds are accounting devices, i.e., a group of related accounts, the County uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law. Other funds are established to control and manage resources designated for specific purposes. Fund financial statements are reported using current financial resources and modified accrual accounting established by the Government Accounting Standards Board (GASB) for governments.

The County has three kinds of funds:

- Governmental funds include most of the County's basic services and focus on: (1) the flow in and out of cash and other financial assets that can readily be converted into cash, and: (2) the balances left at year-end that are available for spending. These funds are reported using the modified accrual accounting basis, and a current financial resources measurement focus. Consequently, the governmental funds statements provide a detailed short-term view that helps determine the financial resources available in the near future to finance the County's programs.

  The relationship between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is described in a reconciliation that follows the governmental fund financial statements.

  The County adopts an annual budget for the General, certain special revenue, and capital project funds, as required by the state law. Budgetary comparisons of the County's major funds are presented as required supplementary information.

- Proprietary Funds report business-type programs and activities that charge fees designed to recover the cost of providing services. They report using full accrual accounting.

- *Fiduciary Funds* are funds for which the County is the trustee or fiduciary. These include the Employee Retirement Fund and certain agency funds, or clearing accounts for assets held by the County in its role as custodian until the funds are allocated to the private parties, organizations, or government agencies to which they belong. The County is responsible to ensure the assets reported in these funds are used for their intended purposes. This fiduciary activity is reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. These funds are excluded from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

Implementation of GASB No. 34

The year ending December 31, 2002 marked the first year that the County reported its financial statements in accordance with GASB No. 34.

Government-Wide Financial Statements

Net Assets

Dauphin County's total assets were $254,640,719 at December 31, 2009. Of this amount, $99,328,551 was capital assets and construction-in-progress.

GASB No. 34 requires that all capital assets, including infrastructure, be valued and reported within the governmental activities column of the government-wide financial statements, but allows infrastructure to be added over several years. In 2006, the County fully adopted the provisions of GASB No. 34.

Table A-3
County of Dauphin's
Condensed Statement of Net Assets

	Governmental Activities		Business-Type Activities		Total Primary Government		Total Percentage Change
	2008	2009	2008	2009	2008	2009	
Current & Other Assets	$ 128,180,056	$ 147,612,708	$ 7,659,348	$ 7,669,460	$ 135,839,404	$ 155,282,168	14.3%
Capital Assets	82,428,764	90,548,929	8,464,054	8,779,622	90,892,818	99,328,551	9.3%
Total Assets	**$ 210,608,820**	**$ 238,161,637**	**$ 16,123,402**	**$ 16,449,082**	**$ 226,732,222**	**$ 254,610,719**	**12.3%**
Long-Term Debt Outstanding	$ 125,624,731	$ 143,136,917	$ 7,051,583	$ 5,530,791	$ 132,676,314	$ 148,667,708	12.1%
Other Liabilities	38,363,433	30,584,318	1,602,981	3,061,012	39,966,414	33,645,330	-15.8%
Total Liabilities	**163,988,164**	**173,721,235**	**8,654,564**	**8,591,803**	**172,642,728**	**182,313,038**	**5.6%**
Net Assets:							
Invested in Cap. Assets, Net Related Debt	$ (17,589,895)	$ (13,684,780)	$ 538,052	$ 1,944,288	$ (17,051,843)	$ (11,740,492)	31.1%
Restricted	17,379,968	24,943,553	-	-	17,379,968	24,943,553	43.5%
Unrestricted	46,830,583	53,181,629	6,930,786	5,912,991	53,761,369	59,094,620	9.9%
Total Net Assets	**$ 46,620,656**	**$ 64,440,402**	**$ 7,468,838**	**$ 7,857,279**	**$ 54,089,494**	**$ 72,297,681**	**33.7%**

The following statement of activities represents changes in net assets for the year ended December 31, 2009. It shows revenues by source and expenses by function for governmental activities, business-type activities and the government as a whole.

Table A-4
County of Dauphin's
Condensed Statement of Activities

	Governmental Activities		Business-Type Activities		Total Primary Government		Total %
	2008	2009	2008	2009	2008	2009	Change
Revenues							
Program Revenues							
Charges for Services	$ 27,953,824	$ 27,182,897	$ 62,950,624	$ 79,084,975	$ 90,904,448	$ 106,267,872	16.9%
Operating Grants & Contributions	160,160,331	150,351,360	244,744	110,469	160,405,075	150,461,829	-6.2%
General Revenues							
Property Taxes	96,267,073	99,687,242	-	-	96,267,073	99,687,242	3.6%
Hotel Taxes	8,169,200	8,222,770	-	-	8,169,200	8,222,770	0.7%
In Lieu of Taxes	1,737,651	1,628,168	-	-	1,737,651	1,628,168	-6.3%
Unrestricted Investment Earnings	2,626,764	1,288,331	55,336	111,791	2,682,100	1,400,122	-47.8%
Gain/Loss on Asset Disposal	(7,878)	(18,789)	-	213,814	(7,878)	195,025	2575.6%
Swap/Options Termination Payments	-	1,668,000	-	-	-	1,668,000	100.0%
(Depreciation)/Appreciation in Fair Market Value of Investments	(165,228)	91,754	-	-	(165,228)	91,754	155.5%
Gain on Basis Swap	800,000	-	-	-	800,000	-	-100.0%
Rent Recoupment	-	(635,707)	-	-	-	(635,707)	-100.0%
Transfers From Component Units	593,114	637,361	-	-	593,114	637,361	7.5%
Transfers	1,788,076	(743,735)	(1,788,076)	743,735	-	-	0.0%
Total Revenues	**299,922,927**	**289,359,652**	**61,462,628**	**80,264,784**	**361,385,555**	**369,624,436**	**2.3%**
Program Expenses							
General Government	14,392,439	15,903,755	-	-	14,392,439	15,903,755	10.5%
Judicial	50,450,527	53,147,354	-	-	50,450,527	53,147,354	5.3%
Public Safety	38,335,836	41,182,762	5,261,041	5,625,023	43,596,877	46,807,785	7.4%
Public Works	579,421	718,647	1,934,246	2,002,016	2,513,667	2,720,663	8.2%
Human Services	150,614,176	134,686,746	54,203,204	70,655,604	204,817,380	205,342,350	0.3%
Culture & Recreation	10,001,243	9,857,683	-	-	10,001,243	9,857,683	-1.4%
Conservation & Development	8,694,781	10,461,945	-	-	8,694,781	10,461,945	20.3%
Interest on Long Term Debt	5,298,211	5,581,014	-	-	5,298,211	5,581,014	5.3%
Other Programs	-	-	1,196,261	1,593,700	1,196,261	1,593,700	33.2%
Total Program Expenses	**278,366,634**	**271,539,906**	**62,594,752**	**79,876,343**	**340,961,386**	**351,416,249**	**3.1%**
Change in Net Assets	**21,556,293**	**17,819,746**	**(1,132,124)**	**388,441**	**20,424,169**	**18,208,187**	**-10.8%**
Net Assets - Beginning	**25,064,363**	**46,620,656**	**8,600,962**	**7,468,838**	**33,665,325**	**54,089,494**	**60.7%**
Net Assets - Ending	**$ 46,620,656**	**$ 64,440,402**	**$ 7,468,838**	**$ 7,857,279**	**$ 54,089,494**	**$ 72,297,681**	**33.7%**

Net Program Expenses

Net program expenses indicate the amount of support required from taxes and other general revenues for a program of the government. In 2009, general property taxes brought in $99,687,242. Table A-5 depicts the net program expenses for the year ended December 31, 2009.

Table A-5: 2009 Net Cost of Governmental and Business-Type Activities

Program	Total Cost of Services	Net Cost of Services
General Government	$ 15,903,755	$ 9,441,123
Judicial	53,147,354	34,171,178
Public Safety	46,807,785	31,423,033
Public Works	2,720,663	260,440
Human Services	205,342,350	12,336,468
Culture & Recreation	9,857,683	9,353,244
Conservation & Development	10,461,945	(8,415,765)
Interest on Long Term Debt	5,581,014	5,581,014
Other Programs	1,593,700	535,813
Total	**$ 351,416,249**	**$ 94,686,548**

The County relied on property taxes and other general revenues to fund 27.0% of its governmental and business-type activities in 2009.

The property tax is based on the assessed value of real property. The County's 2009 millage rate of 6.876 is unchanged from 2008 and is well below the Commonwealth-set cap of 25 mills for operating costs.

Property taxes and other general revenues covered 59.4% of general government spending with the remainder coming from grants and fees for specific services. 64.3% of judicial system spending came from the property tax and other general revenues with the remainder coming from grants, fines and court costs. Property taxes and other general revenue covered more than 67.1% of public safety costs with the remainder coming from grants and fees covering room and board at the county prison.

9.6% of Public Works expenses were covered by tax dollars in 2009. This area of the County's operations includes the management of a parking garage and the maintenance and replacement of county bridges.

Program expenditures for Culture & Recreation and Interest on Long Term Debt were almost 100% funded by property taxes and other general revenues, while Human Services expenses required only 6.0% from these sources, with most of the remainder being picked up by state and federal grants.

Conservation and Development program expenditures required no tax dollars in 2009. This area of County Government actually had a surplus due to the inclusion of Gaming monies from the Hollywood Casino located in Dauphin County.

Capital Assets

The County's investment in capital assets at December 31, 2009, net of accumulated depreciation, was $99,328,551 which is up over $8.4 million from 2008. Capital assets consist primarily of land, buildings and equipment. Table A-6 is a summary of capital assets at December 31, 2009.

Table A-6
County of Dauphin's
Capital Assets

	Governmental Activities		Business-Type Activities		Total Primary Government		Total Percentage Change
	2008	2009	2008	2009	2008	2009	
Contruction in Progress	$ 28,213,541	$ 35,438,279	$ -	$ 63,821	$ 28,213,541	$ 35,502,100	25.8%
Infrastructure - Construction-in-Progress	136,789	210,170	-	-	136,789	210,170	53.6%
Infrastructure	10,897,951	11,935,947	-	-	10,897,951	11,935,947	9.5%
Land	335,663	498,551	111,492	111,492	447,155	610,043	36.4%
Buildings & Improvements	80,829,982	82,436,433	3,609,100	3,817,947	84,439,082	86,254,380	2.1%
Machinery & Equipment	7,598,150	7,994,201	10,676,394	12,144,252	18,274,544	20,138,453	10.2%
Furniture & Fixtures	-	-	65,346	65,346	65,346	65,346	0.0%
Leasehold Assets	11,128,764	11,651,804	15,574,509	15,585,704	26,703,273	27,237,508	2.0%
Accumulated Depreciation	(56,712,076)	(59,616,456)	(21,572,787)	(23,008,940)	(78,284,863)	(82,625,396)	-5.5%
Total Capital Assets	**$ 82,428,764**	**$ 90,548,929**	**$ 8,464,054**	**$ 8,779,622**	**$ 90,892,818**	**$ 99,328,551**	**9.3%**

Construction in Progress increased in 2009 as various projects in the County's Capital Projects Fund continue to move along. These include the EMA Radio Upgrade project; renovation work at the Courthouse and Prison; various Parks & Recreation projects; and the beginning of the Energy Upgrades work.

Other detailed information about the County's capital assets can be found in Note 6, Notes to Financial Statements.

Debt Administration

Long Term Debt:

At December 31, 2009, the County had $143,487,813 of long-term debt outstanding. This was an increase of $17,723,878 from the previous year. Table A-7 details activity related to the long-term debt.

Table A-7

County of Dauphin's

2009 Statement of Long Term Debt

Type	Beginning Balance	Additions	Reductions	Ending Balance
Bonds & Notes Payable	$ 115,840,000	$ 21,965,000	$ (4,850,000)	$ 132,955,000
Compensated Absences	7,686,625	198,841	-	7,885,466
Estimated Workers Comp. Claims	2,237,310	410,037	-	2,647,347
Total Long Term Debt	**$ 125,763,935**	**$ 22,573,878**	**$ (4,850,000)**	**$ 143,487,813**

The amount of indebtedness a county may incur is limited by Pennsylvania law to 300 percent (non-electoral) and 400 percent (net non-electoral and lease rental) of a three-year average of the total revenue received, exclusive of governmental grants for a specific purpose. The County's non-electoral debt limit at December 31, 2009 was over $1 billion, and the total non-electoral debt outstanding was approximately $139 million, well below the debt limit.

At year-end, the County had $132,955,000 million in bonds and notes outstanding. This figure is up from year-end 2008 due to the $21.9 million dollar borrowing in October 2009 for energy upgrades and various building renovations.

More detailed information about the County's long-term liabilities is presented in Note 8 to the financial statements.

Bond Rating

The County's current bond rating through Standard & Poors is 'AA Negative Outlook'. This rating was set as part of the 2009 G.O. Bonds issuance and represents a slight downgrade due to the Harrisburg Incinerator Debt Guarantees. The current combined net non-electoral and net lease rental debt limit is approximately $1.3 billion.

Governmental Funds

The County of Dauphin uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of governmental funds is to provide information on near-term inflows, outflow, and balances of resources available for spending. Such information is useful in assessing the County's financing requirements. In particular, unreserved/undesignated fund balance may serve as a useful measure of the County's net resources available for spending at the end of the year.

The County's governmental funds include the general fund, special revenue funds, and the capital projects fund. The general fund is the chief operating fund for the County. Special revenue funds are restricted to specific legislated use, while construction and other projects funded primarily through bond issues are run through the Capital Projects Fund. The major funds are shown on the statement of revenues, expenditures and changes in fund balance in the financial statements.

Governmental Fund Revenues

Governmental fund revenues by source at December 31, 2009 and December 31, 2008 were as follows. Table A-8 also presents changes from 2008 to 2009.

Table A-8
County of Dauphin's
Revenues by Source, Governmental Funds

Source	2009	2008	Changes from 2008 to 2009
Property Taxes	$ 99,139,719	$ 95,576,298	$ 3,563,421
Hotel Taxes	8,222,770	8,169,200	53,570
Intergovernmental	149,947,426	161,107,930	(11,160,504)
Charges for Services	21,746,731	22,523,026	(776,295)
License and Permits	98,232	107,559	(9,327)
Court Costs and Fines	5,343,825	5,330,022	13,803
Interest and Rents	1,739,286	3,251,986	(1,512,700)
Appreciation Fair Market Value Investments	91,754	(165,228)	256,982
Miscellaneous Revenue	1,599,415	158,047	1,441,368
Transfers from Component Units	637,361	593,114	44,247
Proceeds from Sale of Fixed Assets	275	5,518	(5,243)
Capital Lease Proceeds	523,041	668,806	(145,765)
Bonds/Notes Proceeds	21,965,000	16,865,000	5,100,000
Rent Recoupment	(635,707)	-	(635,707)
Gain on Basis Swap	1,668,000	800,000	868,000
Net Premium on Bonds Issued	238,427	-	238,427
Operating Transfers In	52,234,218	25,746,722	26,487,496
Total Revenues	**$ 364,559,773**	**$ 340,738,000**	**$ 23,821,773**

Governmental fund revenues totaled $364,559,773 for the year ended December 31, 2009. This is an increase of almost $24,000,000 over the revenue total from 2008.

The large decrease in the 'Intergovernmental' category was primarily the result of reductions in State and Federal funding due to budget constraints at those levels. The State cut over $41 million from the County's Mental Retardation Program for the 2009/10 Fiscal Year as this operation was moved to direct State oversight.

The bulk of the overall $23.8 million increase can be found in the 'Operating Transfers In' category. This includes the transfer of $21.9 million in bond proceeds from the General Fund where it was initially recorded, to the Capital Projects Fund where it will be spent. An itemization of all of the interfund transfers can be found in Note 17 on the financial statements.

Governmental Fund Expenditures

Governmental fund expenditures by function at December 31, 2009 and December 31, 2008 were as follows. Table A-9 also presents changes from 2008 to 2009.

Table A-9
County of Dauphin's
Expenditures by Function, Governmental Funds

Function	2009	2008	Changes from 2008 to 2009
General Government	$ 15,799,802	$ 12,854,496	$ 2,945,306
Judicial	52,924,790	49,139,054	3,785,736
Public Safety	40,368,605	37,789,097	2,579,508
Public Works	1,524,277	340,634	1,183,643
Human Services	134,252,651	149,908,799	(15,656,148)
Culture & Recreation	9,865,376	9,888,932	(23,556)
Conservation & Development	10,447,932	8,676,219	1,771,713
Debt Service Principle	5,621,657	5,465,009	156,648
Debt Service Interest	5,224,873	5,198,692	26,181
Capital Projects	8,513,873	10,859,547	(2,345,674)
Payment to Refunded Bond Escrow Agent	-	16,700,000	(16,700,000)
Operating Transfers Out	52,977,953	23,958,646	29,019,307
Total Expenditures	**$ 337,521,789**	**$ 330,779,125**	**$ 6,742,664**

Governmental fund expenditures totaled $337,521,789 for the year ended December 31, 2009. This represents an increase of approximately $6.7 million over 2008.

The large decrease showing in the 'Human Services' category is due to the State takeover of the Mental Retardation piece of the County's MH/MR Program as noted in the revenue section above.

There were no refunding debt issues in 2009 hence the large reduction in the 'Payment to Refunded Bond Escrow Agent' category.

The 'Operating Transfers Out' category shows a large increase in 2009. As explained in the revenue section above, the primary cause of this increase is the transfer of bond proceeds out of the General Fund and into the Capital Projects Fund.

Governmental Fund Balances

Table A-10 reflects ending balances for governmental funds and net assets for proprietary funds at December 31, 2009.

Table A-10: 2009 Ending Fund Balances, Governmental Funds; Net Assets, Proprietary Funds

Fund	Governmental Funds	Proprietary Funds
General Fund	$ 65,518,334	$ -
Mental Health/Mental Retardation Fund	-	-
Children & Youth Fund	-	-
State Grants Fund	437,374	-
Capital Projects Fund	25,496,409	-
Other Governmental Funds	8,610,324	-
Gaming Fund	15,600,339	-
Health Choices Fund	-	67,887
Human Services Building Fund	-	(2,566,866)
EMA 911 and Act 56 Funds	-	6,690,150
Other Enterprise Funds	-	3,666,108
Total	**$ 115,662,780**	**$ 7,857,279**

The County's governmental funds reported a combined fund balance of $115,662,780 at December 31, 2009. Of the total, $60,841,154 was unreserved in the General Fund and is available to meet the County's current and future needs. This unreserved portion is basically unchanged from the total at the end of 2008. The Proprietary Funds are showing a balance of $7,857,279 at year-end. Most of the balance shown in the Capital Projects Fund is a result of the 2009 bond issue covering the energy project and various court-related buildings and renovations.

A detailed breakdown of ending fund balance for the $8,610,324 million in 'Other Governmental Funds' can be found starting on page 128 in the Other Supplementary Information section of the financial statements. A detailed breakdown of ending fund balance for the $3,666,108 million in 'Other Enterprise Funds' can be found on page 134 also in the Other Supplementary Information section.

Budgetary Highlights

The County budget director revises the budget on an ongoing basis. These revisions include common budget transfers from one line item to another, and amendments to the bottom-line of individual funds. The line item transfers are submitted by department directors, and if reasonable, are entered into the system. No commissioner approval is required for these types of budget revisions. Budget Amendments, which represent increases or decreases to the bottom-line of an individual fund, are entered as new sources of revenue are identified or unplanned operating expenditures become evident. New grants are a common source of budget amendments. The County Board of Commissioners approves these amendments on a quarterly basis.

On December 17, 2008 the Dauphin County Commissioners approved the 2009 General Fund Budget totaling $141,072,541. The budget contained a drawdown of fund balance in the amount of $7,950,489 to meet the initial budgeted expenditures. Throughout the year, budget amendments of $842,937 were approved. The budget amendments resulted in a final General Fund budget for 2009 in the amount of $141,915,478.

Total General Fund revenue came in over budget again in 2009 as tax revenue exceeded expectations. Interest earnings were way down due to record low interest rates.

Most of the major expenditure categories in the General Fund stayed well within their budgeted appropriation for 2009. There were 10 new positions added in 2009 at an approximate cost of $570,000.

Economic Factors and Next Year's Budget

Economic Conditions

Unemployment in Dauphin County now stands at approximately 8.7%, which is one of the lowest of Pennsylvania's 67 counties. This rate is slightly lower than the Pennsylvania average rate of 8.8 % and the national rate of 9.6%.

Homeownership in Dauphin County is at 67.1% with the median value of owner-occupied housing units being $148,700.00. There is currently an estimated 258,934 residents within Dauphin County. The estimated median household income is $52,360.00.

With Dauphin County being listed as the 5th fastest growing hi-tech region in the nation, there are many family-sustaining job opportunities. The County is also home to many great companies such as the Hershey Company, HE&R, Milton S. Hershey/Penn State University Medical Center, Harman Stove Company, Phoenix Development Corporation, Pinnacle Health System, Capital Blue Cross, Tyco and ArcelorMittal.

Furthermore, the County houses many institutions of higher education. Penn State University has a four-year campus in Middletown and Harrisburg University is located in the heart of downtown Harrisburg. Dickinson University and Widener University are located in Dauphin County and Harrisburg Area Community College (HACC) is located in Harrisburg. Eastern University, Temple University, the University of Phoenix, and Albright University all maintain campuses in the Harrisburg area offering select undergraduate and graduate degree programs. In addition, the Dixon University Center, also centrally located in Harrisburg, is a regional hub of undergraduate and graduate degree program where students can earn degrees from many statewide institutions such as Shippensburg University, Millersville University, Indiana University of PA, Elizabethtown University, East Stroudsburg University, West Chester University, Clarion University, and a few others.

The South-central Region of Pennsylvania is strategically located close to major domestic and international markets. Within a 500 mile radius of the Region lies 40% of the United States population and more than 60% of Canada's population. This fact makes Dauphin County a major distribution hub for the movement of goods. It is estimated that approximately 61,000 freight carriers pass through the county daily and 33% of the nation's gross national product moves through Dauphin County.

These details have come together earning the Harrisburg-Carlisle MSA the distinction of being ranked 3rd on MSN's Real Estate Most-Livable Bargain Markets list and 5th on Forbes list of American's Most Livable Cities. These lists evaluate the most affordable housing markets, the unemployment rates, commute times, and entertainment and recreation opportunities.

To support these growth patterns, new economic development projects continue to evolve such as the expansion of TecPort, The Hershey Center for Applied Research, Hollywood Casino, The Swatara Market Place, and other ongoing developments and redevelopments of commercial space throughout the county. There are also proposals for the continued development of the mid-town and downtown sections of Harrisburg, including the construction of additional hotel/retail/office space, Federal Building will be relocated in the Mid-Town area, expansion of HACC Mid-Town campus. Advances also exist for a proposed regional rail service, Red Rose Capital Corridor and Corridor 2 (Premium Bus Service), Middletown Inter-Model Center, and many alternative energy projects under consideration, including the Dauphin County IDA 1 Mega Watt Solar Project. Additionally, the development of two approved projects in Londonderry Township, the 948 unit TND and 443 unit TND development of School Heights. These developments will provide economic vitality for Dauphin County for years to come.

Next Year's Budget

On December 16, 2009, the Board of Commissioners passed a $199,038,795 General Fund Budget for 2010 maintaining the 6.876 millage rate. Per the terms of the guarantees on the Harrisburg Incinerator Debt, the County was required to include all potential debt payments in its 2010 adopted budget. These payments totaled approximately $41,000,000, which caused the large budget increase. A budgeted drawdown on fund balance in the amount of $52.9 million was necessary in order to cover the initial 2010 expenditure budget. There were 9 new positions approved as a result of the addition of two new Judges on the County Court of Common Pleas. The budgeted cost of these 10 positions was just over $540,000.

On April 15, 2010, the 2008 $16.8 million Fixed-Payer Swap with Deutsche Bank was terminated to allow a refunding of the associated bonds. This swap was tied to the phase 2 borrowing for the EMA Radio Project and was designed to lower the interest cost of that variable rate issue. The final cost of this swap was approximately $3.2 million.

On May 13, 2010 the County settled on its 2010 Series B, C, & D Refunding Bonds. The B series refunded the Series A of 2004 saving approximately $212,000. The Series C refunded the 2004B series saving $92,000. The Series D bonds refunded the 2008 variable rate bonds and, as noted above, the estimated $1.9 million in savings was offset by the cost of terminating the fixed-payer swap associated with it.

On December 1, 2010, the County settled on a $34,746,500 Federally Taxable Bond Anticipation Note. The proceeds of this note were used to pay off the 2007 Working Capital Loan of the Harrisburg Incinerator as part of the County's guarantee on this borrowing. This action was required as a result of the defaults by the Harrisburg Authority and Harrisburg City on this payment.

In addition to the Working Capital pay off noted above, Dauphin County paid $5,802,603.55 toward Harrisburg Incinerator Debt after defaults by the Authority and City in 2010.

The County has 7 labor contracts with four separate unions that represent approximately 57% of all employees. Three Teamster contracts will expire on 12/31/2010. These include: employees at the Prison, the Court Appointed and Court Related units. All other labor contracts: AFSCME (1/1/2009 – 12/31/2012), PSSU (1/1/2010 – 12/31/2013), CID (1/1/2010 – 12/31/2013), and Teamsters at Schaffner (1/1/2010 – 12/31/2012) have recently been settled. Salary increases for AFSCME are 4% in 2010; increases for CID and PSSU as well as Schaffner were 2% in January and longevity increases at certain anniversary dates. Non-union employees received 2% increases for 2010.

Contacting the County's Financial Management

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability. Questions concerning this financial information or requests for additional information should be directed to:

County of Dauphin
Budget & Finance Department
P.O. Box 1295
Harrisburg, PA 17108

COUNTY OF DAUPHIN
STATEMENT OF NET ASSETS (DEFICIT)
DECEMBER 31, 2009

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Cash and Cash Equivalents	$ 92,695,505	$ 7,331,637	$ 100,027,142	$ 3,696,997
Investments	6,740,798	-	6,740,798	2,901,379
Inventory	-	-	-	93,182
Receivables:				
Accounts, Net of Allowance	4,438,538	1,508,006	5,946,544	2,055,243
Taxes	8,831,601	-	8,831,601	-
Interest and Dividends	4,923	-	4,923	11,196
Program Loans	-	-	-	81,580
Deferred Loans	3,383,292	-	3,383,292	-
Internal Balances	1,299,453	(1,299,453)	-	-
Due From Other Governments	23,127,015	-	23,127,015	201,017
Due From Component Units	171,410	-	171,410	-
Investment in Direct Financing Leases, Current	-	-	-	1,015,782
Prepaid Expenses	1,999,659	-	1,999,659	293,673
Other Assets	1,511,374	1,004	1,512,378	99
Due From Related Party	-	-	-	238,675
Deferred Issuance Costs on Bonds, Net	-	1,378	1,378	1,216,817
Bond Issuance Costs	-	-	-	2,591
Bond Discount	-	-	-	1,586,673
Deferred Loss on Bonds	-	126,888	126,888	-
Deferred Interest from Refunding	2,132,470	-	2,132,470	-
Loans Receivable, Net of Current Portion	-	-	-	278,079
Investment in Direct Financing Leases, Net of Current Portion	-	-	-	9,434,238
Restricted Cash	1,276,670	-	1,276,670	10,199,002
Restricted Investments	-	-	-	14,109,826
Capital Assets, Not Being Depreciated	36,147,000	175,313	36,322,313	2,260,238
Capital Assets Being Depreciated, Net	54,401,929	8,604,309	63,006,238	71,826,859
Total Assets	$ 238,161,637	$ 16,449,082	$ 254,610,719	$ 121,503,146
Liabilities				
Accounts Payable	$ 8,956,679	$ 1,258,348	$ 10,215,027	$ 1,802,599
Accrued Liabilities	2,139,532	80,780	2,220,312	12,281,649
Unearned Revenues	9,690,074	-	9,690,074	647,851
Due to Primary Government	-	-	-	171,410
Current Portion of Notes Payable	-	-	-	870,460
Current Portion of Loans Payable	-	-	-	6,192
Funds Held in Escrow	425,647	-	425,647	-
Funds Held in Fiduciary Capacity	555,507	-	555,507	-
Bond Premium	-	8,280	8,280	-
Security Deposits	-	-	-	10,521
Obligation to Construct	-	-	-	47,826
Other Liabilities	3,234,648	-	3,234,648	-
Long-term liabilities				
Portion Due or payable within one year:				
Obligation Under Capital Lease	827,231	603,604	1,430,835	29,418
General Obligation Debt	4,755,000	1,110,000	5,865,000	3,654,564
Bonds Called but not Presented	-	-	-	135,000
Portion Due or payable after one year:				
Obligation Under Capital Lease	5,132,432	4,801,716	9,934,148	97,842
General Obligation Debt	126,650,000	440,000	127,090,000	125,231,722
Loans Payable	-	-	-	175,588
Line of Credit	-	-	-	624,767
Deferred Charge on Debt Refunding, Net	-	-	-	(799,438)
Accrued Compensated Absences	7,602,356	283,110	7,885,466	-
Estimated Workers' Compensation Claims	2,641,382	5,965	2,647,347	-
Unfunded Other Postemployment Benefits	1,110,747	-	1,110,747	-
Total Liabilities	173,721,235	8,591,803	182,313,038	144,987,971
Net Assets (Deficit)				
Invested in Capital Assets, Net of Related Debt	(13,684,780)	1,944,288	(11,740,492)	(26,241,141)
Restricted for:				
Debt Service	-	-	-	442,480
Workers Compensation	295,516	-	295,516	-
Program Purposes	23,836,239	-	23,836,239	3,431,042
Permanent Fund	811,798	-	811,798	-
Unrestricted	53,181,629	5,912,991	59,094,620	(1,117,206)
Total Net Assets (Deficit)	$ 64,440,402	$ 7,857,279	$ 72,297,681	$ (23,484,825)

The accompanying notes are an integral part of the financial statements.

COUNTY OF DAUPHIN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

			Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
						Primary Government			
Functions/Programs	Expenses	Indirect Expense Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Units
Primary government:									
Governmental activities:									
General Government	$ 25,676,531	$ (9,772,776)	$ 6,381,052	$ 81,580	$ -	$ (9,441,123)	$ -	$ (9,441,123)	
Judicial	48,312,938	4,834,416	9,789,809	9,186,367	-	(34,171,178)	-	(34,171,178)	
Public Safety	38,933,598	2,249,164	7,785,758	1,848,508	-	(31,548,496)	-	(31,548,496)	
Public Works	714,493	4,154	-	809,066	-	90,419	-	90,419	
Human Services	133,374,047	1,312,699	2,403,398	119,866,570	-	(12,416,778)	-	(12,416,778)	
Culture and Recreation	9,411,019	446,664	119,914	384,525	-	(9,353,244)	-	(9,353,244)	
Conservation and Development	10,295,203	166,742	702,966	18,174,744	-	8,415,765	-	8,415,765	
Interest and Fiscal Charges on Long Term Debt	5,581,014	-	-	-	-	(5,581,014)	-	(5,581,014)	
Total government activities	272,298,843	(758,937)	27,182,897	150,351,360	-	(94,005,649)	-	(94,005,649)	
Business-type activities:									
Human Services - Health Choices Fund	70,648,977	6,627	70,735,914	-	-	-	80,310	80,310	
Public Works - Human Service Building	1,414,489	587,527	1,651,157	-	-	-	(350,859)	(350,859)	
Other Programs:									
Public Works - Solid Waste Fund	1,457,505	47,167	901,257	40,469	-	-	(562,946)	(562,946)	
Public Safety - Emergency 911	5,507,407	117,616	5,750,486	-			125,463	125,463	
Culture and Recreation - Fort Hunter	89,028		46,161	70,000	-	-	27,133	27,133	
Total Other Programs	7,053,940	164,783	6,697,904	110,469	-	-	(410,350)	(410,350)	
Total business-like activities	79,117,406	758,937	79,084,975	110,469	-	-	(680,899)	(680,899)	
Total Primary government	$ 351,416,249	$ -	$ 106,267,872	$ 150,461,829	$ -	$ (94,005,649)	$ (680,899)	$ (94,686,548)	
Component Units:									
Conservation District	$ 448,813	$ -	$ 279,703	$ 708,160	$ -				$ 539,050
General Authority	31,521,688	-	24,872,138	-	-				(6,749,550)
Mental Health/Mental Retardation Case Management Unit	9,815,707	-	126,974	9,731,940	-				43,207
Industrial Development Authority	2,770,065	-	672,631	2,692,393	-				594,959
Dauphin County Economic Development Corporation	4,985,256	-	307,227	4,697,662	-				19,633
Total Component Units	$ 49,641,529	$ -	$ 26,258,673	$ 17,830,155	$ -				(5,552,701)
General revenues:									
Taxes:									
Property taxes, levied for general purposes						99,687,242	-	99,687,242	-
Hotel taxes						8,222,770	-	8,222,770	-
In-lieu of taxes						1,628,168	-	1,628,168	-
Unrestricted investment earnings						1,288,331	111,791	1,400,122	2,192,709
Gain / loss from asset dispoal						(18,789)	213,814	195,025	-
Appreciation in Fair Market Value of Investments						91,754	-	91,754	-
Rent Recoupment						(635,707)		(635,707)	
Proceeds from Swap Termination						1,668,000	-	1,668,000	-
Transfers from Component Unit						637,361	-	637,361	-
Transfers from/(to) Primary Government						-	-	-	(637,361)
Transfers in/(out)						(743,735)	743,735	-	-
Total general revenues, special items, and transfers						111,825,395	1,069,340	112,894,735	1,555,348
Change in net assets						17,819,746	388,441	18,208,187	(3,997,353)
Net assets (deficit) - beginning						46,620,656	7,468,838	54,089,494	(19,487,472)
Net assets (deficit) - ending						$ 64,440,402	$ 7,857,279	$ 72,297,681	$ (23,484,825)

The accompanying notes are an integral part of the financial statements.

COUNTY OF DAUPHIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009

Assets	General	Mental/Health Mental Retardation	Children and Youth	State Grants	Gaming	Capital Projects	Other Governmental Funds	Total Governmental Funds
Cash and Cash Equivalents	$ 53,024,404	$ 3,581,499	$ 2,500	$ 642,198	$ 8,094,061	$ 18,716,052	$ 8,634,791	$ 92,695,505
Investments	-	-	-	-	-	5,929,000	811,798	6,740,798
Receivables								
Accounts, net	4,079,336	30,581	147,989	39,629	-	-	141,003	4,438,538
Taxes, net	8,831,601	-	-	-	-	-	-	8,831,601
Deferred Loans	-	-	-	-	-	-	3,383,292	3,383,292
Interest and Dividends	4,923	-	-	-	-	-	-	4,923
Due From Other Funds	7,232,235	42,002	122,626	19,979	-	1,419,350	178,136	9,014,328
Due From Other Governments	1,761,763	19,875	10,750,415	387,200	7,506,278	-	2,701,484	23,127,015
Due From Component Units	171,410	-	-	-	-	-	-	171,410
Prepaid Expenses	1,999,659	-	-	-	-	-	-	1,999,659
Other Assets	-	-	-	-	-	-	63,943	63,943
Restricted Assets								
Cash	1,276,670	-	-	-	-	-	-	1,276,670
Total Assets	$ 78,382,001	$ 3,673,957	$ 11,023,530	$ 1,089,006	$ 15,600,339	$ 26,064,402	$ 15,914,447	$ 151,747,682

The accompanying notes are an integral part of the financial statements.

COUNTY OF DAUPHIN
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2009

Liabilities and Fund Balances	General	Mental/Health Mental Retardation	Children and Youth	State Grants	Gaming	Capital Projects	Other Governmental Funds	Total Governmental Funds
Liabilities								
Accounts Payable	$ 2,327,201	$ 1,353,318	$ 2,745,404	$ 415,949	$ -	$ 567,993	$ 1,546,814	$ 8,956,679
Accrued Liabilities	850,242	35,853	92,583	4,741	-	-	110,643	1,094,062
Deferred Revenues	6,831,898	2,284,786	1,306,047	225,475	-	-	5,299,394	15,947,600
Due to Other Funds	482,640	-	6,879,496	5,467	-	-	347,272	7,714,875
Funds Held in Escrow	425,647	-	-	-	-	-	-	425,647
Funds Held in Fiduciary Capacity	555,507	-	-	-	-	-	-	555,507
Other Liabilities	1,390,532	-	-	-	-	-	-	1,390,532
Total Liabilities	12,863,667	3,673,957	11,023,530	651,632	-	567,993	7,304,123	36,084,902
Fund Balances:								
Reserved For:								
Program Purposes	-	-	-	437,374	15,600,339	-	7,798,526	23,836,239
Permanent Fund	-	-	-	-	-	-	811,798	811,798
Workers Compensation	295,516	-	-	-	-	-	-	295,516
Prepaid Expenses	1,999,659	-	-	-	-	-	-	1,999,659
Accounts Receivable	2,283,120	-	-	-	-	-	-	2,283,120
Capital Projects	-	-	-	-	-	25,496,409	-	25,496,409
Human Service Building	17,616	-	-	-	-	-	-	17,616
Drug Act - Forfeited State	81,269	-	-	-	-	-	-	81,269
Unreserved:								
Undesignated, reported in:								
General Fund	60,841,154	-	-	-	-	-	-	60,841,154
Total Fund Balances	65,518,334	-	-	437,374	15,600,339	25,496,409	8,610,324	115,662,780
Total Liabilities and Fund Balances	$ 78,382,001	$ 3,673,957	$ 11,023,530	$ 1,089,006	$ 15,600,339	$ 26,064,402	$ 15,914,447	$ 151,747,682

The accompanying notes are an integral part of the financial statements.

COUNTY OF DAUPHIN
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2009

Total fund balances for governmental funds		$ 115,662,780
Total net assets reported for governmental activities in the statement of net assets is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land	498,551	
Construction in progress - Infrastructure	210,170	
Construction in progress	35,438,279	
Infrastructure, net of $5,542,374 accumulated depreciation	6,393,573	
Buildings and improvements, net of $39,810,873 accumulated depreciation	42,625,560	
Machinery and Tools, net of $6,783,438 accumulated depreciation	1,210,763	
Leasehold assets, net of $7,479,771 accumulated amortization	4,172,033	
Total capital assets		90,548,929
The County is self insured for the costs of worker's compensation. The liability for workers' compensation is included in the statement of net assets in the following amount:		(2,641,382)
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 deferred revenue in the funds.		6,257,526
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 County incurred costs of $246,738. The bond issuance costs will be amortized as an adjustment of interest expense over the remaining life of the new debt. Balances at December 31, 2009 are:		
Accrued interest on bonds	(1,045,470)	
General obligation Debt	(131,405,000)	
Less Deferred interest from refunding	2,132,470	
Capital leases payable	(5,959,663)	
Compensated absences	(7,602,356)	
Deferred amount of bond issuance costs	1,447,431	
Unamortized premiums/discounts	(1,844,116)	
Unfunded Other Postemployment Benefits	(1,110,747)	
		(145,387,451)
Total net assets of governmental activities		$ 64,440,402

The accompanying notes are an integral part of the financial statements.

COUNTY OF DAUPHIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	General	Mental/Health Mental Retardation	Children and Youth	State Grants	Gaming	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues								
Property Taxes	$ 99,139,719	$ -	$ -	$ -	$ -	$ -	$ -	$ 99,139,719
Hotel Taxes	-	-	-	-	-	-	8,222,770	8,222,770
Intergovernmental	10,187,754	47,418,006	30,306,298	31,225,303	13,813,594	104,700	16,891,771	149,947,426
Charges for Services	18,778,438	779,757	803,696	-	-	-	1,384,840	21,746,731
License and Permits	98,232	-	-	-	-	-	-	98,232
Court Costs and Fines	4,115,015	-	-	446,934	-	-	781,876	5,343,825
Interest and Rents	1,242,459	123,511	37	3,046	140,110	69,143	160,980	1,739,286
Appreciation in Fair Market Value of Investments	-	-	-	-	-	-	91,754	91,754
Miscellaneous Revenue	-	-	-	-	-	124,415	1,475,000	1,599,415
Total Revenues	133,561,617	48,321,274	31,110,031	31,675,283	13,953,704	298,258	29,008,991	287,929,158
Expenditures								
Current:								
General Government	15,799,802	-	-	-	-	-	-	15,799,802
Judicial	45,469,364	-	-	930,033	-	-	6,525,393	52,924,790
Public Safety	38,735,028	-	-	1,531,118	-	-	102,459	40,368,605
Public Works	-	-	-	-	-	-	1,524,277	1,524,277
Human Services	3,542,056	48,999,815	40,506,245	26,596,379	-	-	14,608,156	134,252,651
Culture and Recreation	2,086,115	-	-	-	-	-	7,779,261	9,865,376
Conservation and Development	3,084,522	-	-	2,790,296	3,567,257	-	1,005,857	10,447,932
Debt Service								
Principle	5,108,467	118,190	-	-	-	-	395,000	5,621,657
Interest	5,087,763	61,927	-	13,713	-	-	61,470	5,224,873
Capital Projects	-	-	-	-	-	8,513,873	-	8,513,873
Total Expenditures	118,913,117	49,179,932	40,506,245	31,861,539	3,567,257	8,513,873	32,001,873	284,543,836
Excess of Revenues Over (Under) Expenditures	14,648,500	(858,658)	(9,396,214)	(186,256)	10,386,447	(8,215,615)	(2,992,882)	3,385,322
Other Financing Sources (Uses)								
Transfer In	8,926,690	858,658	16,158,566	47,621	-	24,071,655	2,171,028	52,234,218
Transfer Out	(44,223,263)	-	(6,762,352)	(208,392)	(1,492,558)	(125,349)	(166,039)	(52,977,953)
Transfers from Component Units	637,361	-	-	-	-	-	-	637,361
Proceeds (Loss) from Asset Disposal	-	-	-	275	-	-	-	275
Premium on Bonds Issued	238,427	-	-	-	-	-	-	238,427
Rent Recoupment	(635,707)	-	-	-	-	-	-	(635,707)
Termination Proceeds from Basis Swap	1,668,000	-	-	-	-	-	-	1,668,000
Capital Lease Proceeds	523,041	-	-	-	-	-	-	523,041
Proceeds of General Obligation Debt	21,965,000	-	-	-	-	-	-	21,965,000
Total Other Financing Sources(Uses)	(10,900,451)	858,658	9,396,214	(160,496)	(1,492,558)	23,946,306	2,004,989	23,652,662
Net change in fund balances	3,748,049	-	-	(346,752)	8,893,889	15,730,691	(987,893)	27,037,984
Fund Balances - Beginning of Year	61,770,285	-	-	784,126	6,706,450	9,765,718	9,598,217	88,624,796
Fund Balances - End of Year	$ 65,518,334	$ -	$ -	$ 437,374	$ 15,600,339	$ 25,496,409	$ 8,610,324	$ 115,662,780

The accompanying notes are an integral part of the financial statements.

COUNTY OF DAUPHIN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

Net change in fund balances - total governmental funds		$ 27,037,984
The change in net assets reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays ($11,060,752) exceeded depreciation ($2,921,523) and net book value of disposed fixed assets ($19,064) in the current period.		8,120,165
Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.		
Debt issued:		
General Obligation Debt	(21,965,000)	
Bond issuance costs on new debt issues	246,738	
Premium/discount on new debt issues	(238,427)	
Capital Leases	(3,093,041)	
Repayments:		
General Obligation Debt	4,815,000	
Payment to Refund Capital Lease	2,490,000	
Capital Leases	806,657	
Net adjustment		(16,938,073)
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 differences for the items dicussed above are:		
Compensated absenses expense	(172,314)	
Other postemployment benefits expense	(81,291)	
Amortization of debt premium/discount	197,643	
Amortization of bond issuance costs	(170,557)	
Amortization of deferred interest from refunding	(195,130)	
Accrued interest on long-term debt	(122,132)	
Combined adjustment		(543,781)
Under the modified accrual basis of accounting used in governmental funds, revenues are not reported until they become available. In the statement of activities, however, revenues are recorded regardless of when financial resources are available. This is the change in unearned real estate tax revenue from 12/31/08 to 12/31/09.		547,523
The County is self insured for the costs of worker's compensation. The increase in liability related to the worker's compensation is reported as an increase in expenditures of the governmental activities.		(404,072)
Change in net assets of governmental activities		$ 17,819,746

The accompanying notes are an integral part of the financial statements.

COUNTY OF DAUPHIN
STATEMENT OF NET ASSETS (DEFICIT)
PROPRIETARY FUNDS
DECEMBER 31, 2009

	Health Choices Fund	Human Service Building	Emergency 911 Operating & Act 56 Wireless Fund	Other Enterprise Funds	Total
ASSETS					
Current Assets:					
Cash and cash equivalents	$ 151,211	$ 43,750	$ 6,224,525	$ 912,151	$ 7,331,637
Accounts Receivables	1,055,825	197	231,704	220,280	1,508,006
Due from Other Funds	-	-	113,575	6,322	119,897
Other Assets	-	-	1,004	-	1,004
Total current assets	1,207,036	43,947	6,570,808	1,138,753	8,960,544
Noncurrent Assets					
Capital Assets, Not Being Depreciated	-	-	63,821	111,492	175,313
Capital Assets, Being Depreciated (Net)	-	4,275,764	1,849,494	2,479,051	8,604,309
Deferred Issuance Costs on Bonds, Net	-	1,378	-	-	1,378
Deferred Loss on Bonds, Net	-	126,888	-	-	126,888
Total noncurrent assets	-	4,404,030	1,913,315	2,590,543	8,907,888
Total assets	$ 1,207,036	$ 4,447,977	$ 8,484,123	$ 3,729,296	$ 17,868,432
LIABILITIES					
Current liabilities:					
Accounts Payable	$ 1,139,149	$ 20,850	$ 52,697	$ 45,652	$ 1,258,348
Accrued Liabilities	-	40,713	35,915	4,152	80,780
Due to Other Funds	-	-	1,419,350	-	1,419,350
Bond Premium	-	8,280	-	-	8,280
Estimated Workers' Comensation Claims	-	-	5,965	-	5,965
Obligation Under Capital Lease	-	600,000	3,604	-	603,604
General Obligation Debt	-	1,110,000	-	-	1,110,000
Total current liabilities	1,139,149	1,779,843	1,517,531	49,804	4,486,327
Noncurrent liabilities:					
Obligation Under Capital Lease	-	4,795,000	6,716	-	4,801,716
General Obligation Debt	-	440,000	-	-	440,000
Accrued Compensated Absences	-	-	269,726	13,384	283,110
Total noncurrent liabilities	-	5,235,000	276,442	13,384	5,524,826
Total liabilities	1,139,149	7,014,843	1,793,973	63,188	10,011,153
NET ASSETS (DEFICIT)					
Invested in Capital Assets Net of Related Debt	-	(2,549,250)	1,902,995	2,590,543	1,944,288
Unrestricted	67,887	(17,616)	4,787,155	1,075,565	5,912,991
Total net assets (deficit)	$ 67,887	$ (2,566,866)	$ 6,690,150	$ 3,666,108	$ 7,857,279

The accompanying notes are an integral part of the financial statements.

COUNTY OF DAUPHIN
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS (DEFICIT)
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Health Choice Fund	Human Service Building	Emergency 911 Operating & Act 56 Wireless Fund	Other Enterprise Funds	Total
Operating Revenues					
Charges for Services	$ 70,735,914	$ 1,651,157	$ 5,750,486	$ 947,418	$ 79,084,975
Total Operating Revenues	70,735,914	1,651,157	5,750,486	947,418	79,084,975
Operating Expenses					
Personnel Services	235,808	-	4,082,774	344,979	4,663,561
Contracted Services	35,867	108,416	26,965	699,620	870,868
Supplies and Materials	782	5,588	44,832	26,560	77,762
Repairs and Maintenance	-	101,959	302,297	94,944	499,200
Utilities	741	215,787	430,931	24,125	671,584
Other Services and Charges	31,884	587,527	208,803	173,411	1,001,625
Claims Expense	70,350,522	-	-	-	70,350,522
Depreciation and Amortization	-	704,841	526,854	230,061	1,461,756
Total Operating Expenses	70,655,604	1,724,118	5,623,456	1,593,700	79,596,878
Operating Income (Loss)	80,310	(72,961)	127,030	(646,282)	(511,903)
Nonoperating Revenues (Expenses)					
Interest Income	3,744	1,295	88,428	18,324	111,791
Interest Expense	-	(277,898)	(1,567)	-	(279,465)
Gain (Loss) on Disposal of Capital Assets	-	-	213,814	-	213,814
Grants	-	-	-	110,469	110,469
Total Nonoperating Revenues (Expenses)	3,744	(276,603)	300,675	128,793	156,609
Income Before Operating Transfers	84,054	(349,564)	427,705	(517,489)	(355,294)
Transfers In	-	781,188	48,668	20,000	849,856
Transfers Out	(106,121)	-	-	-	(106,121)
Total Transfers In (Out)	(106,121)	781,188	48,668	20,000	743,735
Change In Net Assets	(22,067)	431,624	476,373	(497,489)	388,441
Total Net Assets (Deficit) - Beginning of Year	89,954	(2,998,490)	6,213,777	4,163,597	7,468,838
Total Net Assets (Deficit) - End of Year	$ 67,887	$ (2,566,866)	$ 6,690,150	$ 3,666,108	$ 7,857,279

The accompanying notes are an integral part of the financial statements.

COUNTY OF DAUPHIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Health Choice Fund	Human Service Building	Emergency 911 Operating & Act 56 Wireless Fund	Other Enterprise Funds	Totals
Cash Flows From Operating Activities					
Receipts from Health Choices Services	$ 69,680,089	$ -	$ -	$ -	$ 69,680,089
Receipts from Recycling Services	-	-	-	805,111	805,111
Receipts from Emergency Communications Services	-	-	5,979,210	-	5,979,210
Receipts from Recreational Activities	-	-	-	46,161	46,161
Receipts from Space and Parking Rentals	-	1,684,993	-	-	1,684,993
Payments to Employees	(235,808)	-	(4,169,243)	(351,337)	(4,756,388)
Payments to Suppliers	1,062,796	(1,059,169)	(1,071,643)	(1,030,152)	(2,098,168)
Payments for Claims	(70,350,522)	-	-	-	(70,350,522)
Internal Activity - Payments (from) to other funds	(51,121)	-	1,305,775	(6,322)	1,248,332
Net Cash Provided by (Used in) Operating Activities	105,434	625,824	2,044,099	(536,539)	2,238,818
Cash Flow From Noncapital Financing Activities					
Operating Transfers In (Out)	(106,121)	781,188	48,668	20,000	743,735
Operating Grants Received	-	-	-	70,000	70,000
Net Cash Provided by (Used in) Noncapital Financing Activities	(106,121)	781,188	48,668	90,000	813,735
Cash Flows from Capital and Related Financing Activities					
Purchase of Fixed Assets	-	-	(1,514,974)	(236,749)	(1,751,723)
Gain/Loss on Disposal of Capital Assets	-	-	213,814	-	213,814
Grants			-	40,469	40,469
Interest Paid	-	(285,338)	(1,567)	-	(286,905)
Increase in Capital Lease Obligation	-	4,865,000	-		4,865,000
Increase in Deferred Loss	-	(124,319)	-		(124,319)
Principal Payments on Capital Lease	-	(5,785,000)	(29,512)	-	(5,814,512)
Principal Payments on Bonds	-	(35,000)	-	-	(35,000)
Net Cash Used in Capital and Related Financing Activities	-	(1,364,657)	(1,332,239)	(196,280)	(2,893,176)
Cash Flows from Investing Activities					
Interest Income	3,744	1,295	88,428	18,324	111,791
Net Cash Provided by Investing Activities	3,744	1,295	88,428	18,324	111,791
Net Increase in Cash and Cash Equivalents	3,057	43,650	848,956	(624,495)	271,168
Cash and Cash Equivalents, Beginning of Year	148,154	100	5,375,569	1,536,646	7,060,469
Cash and Cash Equivalents, End of Year	$ 151,211	$ 43,750	$ 6,224,525	$ 912,151	$ 7,331,637
Supplemental Schedule of Noncash Items					
Increase in Deferred Loss due to refunding of Capital Lease	$ -	$ (124,319)	$ -	$ -	$ (124,319)

COUNTY OF DAUPHIN
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Health Choice Fund	Human Service Building	Emergency 911 Operating & Act 56 Wireless Fund	Other Enterprise Funds	Totals
Reconciliation of Operating income to net cash provided by (used in) operating activities					
Operating Income	$ 80,310	$ (72,961)	$ 127,030	$ (646,282)	$ (511,903)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used In) Operating Activities					
Depreciation and Amortization Expense	-	704,841	526,854	230,061	1,461,756
Change in assets and liabilities					
Accounts Receivable	(1,055,825)	33,649	226,532	(96,146)	(891,790)
Other Assets	-	187	2,192	853	3,232
Accounts Payable	1,132,070	(3,172)	(57,815)	(12,345)	1,058,738
Accrued Expenses	-	(36,720)	(117,783)	(7,536)	(162,039)
Estimated Workers' Compensation Claims	-	-	5,965	-	5,965
Accrued Vacation and Sick Pay	-	-	25,349	1,178	26,527
Due To/Due From Other Funds	(51,121)	-	1,305,775	(6,322)	1,248,332
Net Cash Provided by (Used In) Operating Activities	$ 105,434	$ 625,824	$ 2,044,099	$ (536,539)	$ 2,238,818

COUNTY OF DAUPHIN
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2009

	Retirement Trust Fund	Agency Funds	Totals
ASSETS			
Cash and Cash Equivalents	$ 3,497,194	$ 8,176,203	$ 11,673,397
Investments	171,176,276	-	171,176,276
Interest and Dividends Receivable	527,605	-	527,605
Employee Contributions Receivable	259	-	259
Total Assets	$ 175,201,334	$ 8,176,203	$ 183,377,537
LIABILITIES			
Accounts Payable	$ -	$ 655,751	$ 655,751
Benefits Payable	126,026	-	126,026
Funds Held in Escrow	-	5,640,482	5,640,482
Due To Other Governments	-	1,879,970	1,879,970
Total Liabilities	126,026	8,176,203	8,302,229
NET ASSETS			
Held in trust for pension benefits	$ 175,075,308	$ -	$ 175,075,308

The accompanying notes are an integral part of the financial statements.

COUNTY OF DAUPHIN
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2009

		Retirement Trust Fund
Addition:		
Contributions:		
Employee	$	4,124,493
Employer		7,732,226
Total Contributions		11,856,719
Investment Income:		
Net Appreciation in Fair Value of Investments		26,360,818
Interest		2,058,884
Dividends		1,316,211
Miscellaneous Revenue		19,527
		29,755,440
Less: Investment Expense		389,486
Net Investment Income		29,365,954
Total Additions		41,222,673
Deductions:		
Benefits		9,234,524
Refunds of Contributions		433,979
Administrative Expenses		167,933
Total Deductions		9,836,436
Net Increase		31,386,237
Net Assets - Beginning of Year		143,689,071
Net Assets End of Year	$	175,075,308

COUNTY OF DAUPHIN
COMBINING STATEMENT OF NET ASSETS (DEFICITS)
COMPONENT UNITS
DECEMBER 31, 2009

Assets	Conservation District	General Authority	Case Management Unit	Industrial Development Authority	Dauphin County Economic Development Corporation	Total
Cash and Cash Equivalents	$ 477,429	$ 2,213,091	$ 328,729	$ 664,483	$ 13,265	$ 3,696,997
Investments	658,643	2,242,736	-	-	-	2,901,379
Inventory	-	93,182	-	-	-	93,182
Receivables:						
Accounts, Net of Allowance	8,602	535,955	1,510,686	-	-	2,055,243
Interest and Dividends	11,196	-	-	-	-	11,196
Loans	-	-	-	81,580	-	81,580
Due from Other Governments	166,017	-	-	-	35,000	201,017
Due from Primary Government	-	-	-	-	-	-
Investment in Direct Financing Leases, Current	-	890,069	-	125,713	-	1,015,782
Prepaid Expenses	2,862	208,751	82,060	-	-	293,673
Other Assets	-	99	-	-	-	99
Due from Related Party	-	98,615	-	-	140,060	238,675
Deferred financing costs (net of accumulated amortization)	-	1,184,384	-	-	32,433	1,216,817
Bond Issuance Costs	-	-	-	2,591	-	2,591
Bond Discount		1,586,673				1,586,673
Loans Receivable, Net of Current Portion	-	-	-	278,079	-	278,079
Investment in Direct Financing Leases, net of Current Portion	-	7,255,000	-	2,179,238	-	9,434,238
Restricted Cash	-	6,419,086	-	1,211,283	2,568,633	10,199,002
Restricted Investments	-	14,109,826	-	-	-	14,109,826
Restricted Accrued Interest Income	-	-	-	-	-	-
Capital Assets, Not Being Depreciated	-	2,054,636	-	205,602	-	2,260,238
Capital Assets, Being Depreciated, Net	760,045	67,020,162	522,319	1,674,516	1,849,817	71,826,859
Total Assets	$ 2,084,794	$ 105,912,265	$ 2,443,794	$ 6,423,085	$ 4,639,208	$ 121,503,146
Liabilities						
Accounts Payable	$ 7,863	$ 913,818	$ 86,482	$ 733,216	$ 61,220	$ 1,802,599
Accrued Liabilities	-	11,258,056	960,101	-	63,492	12,281,649
Bank Overdraft	-		-	-	-	-
Unearned Revenues	27,895	614,951	5,005	-	-	647,851
Due to Other Governments	-	-	-	-	-	-
Due to Primary Government	171,410	-	-	-	-	171,410
Due to Related Party	-	-	-	-	-	-
Current Portion of Notes Payable	-	-	-	870,460	-	870,460
Current Portion of Loans Payable	-	-	-	6,192	-	6,192
Security Deposits	-	-	-	10,521	-	10,521
Obligation to Construct	-	47,826	-	-	-	47,826
Long-term liabilities						
Portion Due or payable within one year:						
Capital Lease Obligation	-	29,418	-	-	-	29,418
General Obligation Debt	-	3,494,564	-	-	160,000	3,654,564
Bonds Called but not Presented	-	135,000	-	-	-	135,000
Portion Due or payable after one year:						
Capital Lease Obligation	-	97,842	-	-	-	97,842
General Obligation Debt	-	117,717,317	-	2,964,405	4,550,000	125,231,722
Loans Payable	-	-	-	175,588	-	175,588
Line of Credit	-	-	575,000	49,767	-	624,767
Deferred Charge on Debt Refunding, Net	-	(799,438)	-	-	-	(799,438)
Total Liabilities	207,168	133,509,354	1,626,588	4,810,149	4,834,712	144,987,971
Net Assets (Deficits)						
Invested in Capital Assets, Net of Related Debt	760,045	(27,691,929)	522,319	168,424	-	(26,241,141)
Restricted for:						
Program Purposes	16,133	2,661,364	294,887	680,737	(222,079)	3,431,042
Debt Service	-	442,480	-	-	-	442,480
Unrestricted	1,101,448	(3,009,004)	-	763,775	26,575	(1,117,206)
Total Net Assets (Deficits)	$ 1,877,626	$ (27,597,089)	$ 817,206	$ 1,612,936	$ (195,504)	$ (23,484,825)

COUNTY OF DAUPHIN
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2009

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Conservation District	General Authority	Case Management Unit	Industrial Development Authority	Dauphin County Economic Development Corporation	Total
Conservation District										
Conservation and Development	$ 448,813	$ 279,703	$ 708,160	$ -	$ 539,050	-	-	-		$ 539,050
General Authority										
General Authority Operations	31,621,688	24,872,138				(6,749,550)	-	-		(6,749,550)
Case Management Unit										
Human Services	9,815,707	126,974	9,731,940	-	-	-	43,207	-		43,207
Industrial Development Authority										
Conservation and Development	2,770,065	672,631	2,692,393	-	-	-	-	594,959		594,959
Dauphin County Economic Development Corporation										
Tourism and Economic Development	4,985,256	307,227	4,697,662	-	-	-	-	-	19,633	19,633
Total Component Units	$ 49,641,529	$ 26,258,673	$ 17,830,155	$ -	$ 539,050	$ (6,749,550)	$ 43,207	$ 594,959	$ 19,633	$ (5,552,701)
General revenues:										
Unrestricted investment earnings					26,678	2,148,936	-	16,909	186	2,192,709
Insurance Recoveries					-	-	-	-	-	-
Transfer from / (to) primary government					(637,361)	-	-	-	-	(637,361)
Total general revenue, special items, transfers					(610,683)	2,148,936	-	16,909	186	1,555,348
Change in net assets					(71,633)	(4,600,614)	43,207	611,868	19,819	(3,997,353)
Net assets (Deficit) -beginning					1,949,259	(22,996,475)	773,999	1,001,068	(215,323)	(19,487,472)
Net assets (Deficit) -ending					$ 1,877,626	$ (27,597,089)	$ 817,206	$ 1,612,936	$ (195,504)	$ (23,484,825)

The accompanying notes are an integral part of the financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies follows:

A. Reporting Entity

The County of Dauphin (the "County") operates under the direction of an elected Board of Commissioners, and provides the following services: general administrative services, tax assessments and collections, judicial, public improvements, public safety and human services programs. The County follows the criteria promulgated by the Governmental Accounting Standards Board ("GASB") Statement No. 39 for purposes of determining the scope of its reporting entity. As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the County of Dauphin (the Primary Government) and its Component Units. The Component Units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Discretely Presented Component Units

In conformity with accounting principles generally accepted in the United States of America, the financial statements of the Component Units discussed below have been included in the financial reporting entity as discretely presented Component Units.

Dauphin County Conservation District ("District"): The District was formed by the County Commissioners in 1952 pursuant to the Conservation District Law ("Law"). The seven-member board is made up of one County Commissioner and six members appointed by the County Commissioners from a list of nominees received from organizations approved by the Commonwealth of Pennsylvania. The District was formed to manage the conservation of natural resources in the County. The Law gives the Commonwealth certain powers to supervise and direct the operations of the District. Employees of the District are County employees subject to the County Salary Board. The Law also gives the County Commissioners the ability to unilaterally disband the District if they believe a substantial portion of landowners desire such action.

The District operates and reports on a calendar year basis.

Dauphin County General Authority ("General Authority"): The General Authority was incorporated on March 17, 1984. It was created for the purpose of acquiring, financing, holding, constructing, improving, maintaining and operating, owning, and leasing, either in the capacity of lessor or lessee, projects of the kind and character contemplated by law for a general purpose authority. The General Authority's five-member board is appointed by the County Commissioners.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

Dauphin County General Authority ("General Authority"): (Continued)

The County has guaranteed the General Authority Revenue Bonds Series of 2005 (golf course debt). The proceeds were used to advance refund the 1993 Series Bonds which financed the construction of the golf course operated by the General Authority. The General Authority has agreed to pay the County 90% of the revenues net of operating expenses and debt service earned in connection with the golf course. The County has also guaranteed the General Authority's 1992 Series Bonds (lease debt) related to the long-term lease of the human services building and the General Authority's 2009 Series Bonds, Series C and D (lease debt). The County Commissioners must approve all of the General Authority's bond issues, but neither the County nor the General Authority has an ongoing liability for these bond issues other than the golf course and lease debt.

The General Authority reports on a calendar year basis.

Case Management Unit: The Case Management Unit serves as the base service unit for the County Mental Health/Mental Retardation Program ("MH/MR Program") providing case management services to residents of Dauphin County. The MH/MR Program approves the Case Management Unit administrator and board member appointments. The County has the ability to dissolve the Case Management Unit. Revenues are primarily from contracts with the County.

The Case Management Unit operates on a fiscal year ending June 30.

Dauphin County Industrial Development Authority ("IDA"): The IDA was organized in 1967 as a standing authority of Dauphin County. It operates in compliance with the Industrial Development Authority Law, Act No. 102, August 23, 1967.

The IDA acts as a financing vehicle for industrial development in the County. The IDA's serves as a financing vehicle for industrial development in Dauphin County. The IDA arranges financing through tax exempt and taxable bonds as well as mortgages for manufacturers, non-profits and companies establishing corporate headquarters in the County. The IDA participates in new construction and rehabilitation each year through its industrial recruitment and expansion projects. The IDA also owns several commercial properties which it leases.

The County pays for all significant management and administrative costs required to operate the IDA on a day-to-day basis. IDA's management and support staff are employees of the County. In addition. the County have the sole power to appoint members of the IDA's Board of Directors and guarantees the IDA's debts.

The IDA operates and reports on a fiscal year ending September 30.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

Dauphin County Economic Development Corporation ("DCEDC"): The DCEDC is a nonprofit organization which operates in compliance with Section 7502 of the Nonprofit Corporation Law of 1972 and Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The DCEDC, an industrial development corporation, was established to partner in real estate development projects and to channel grant funding to communities and organizations in need of community and economic development assistance. The DCEDC administers programs to promote tourism and regional development.

The DCEDC is administered by the County of Dauphin through the Dauphin County Department of Community and Economic Development. The Commissioners of Dauphin County have the sole power to appoint members of the DCEDC's Board of Directors. The County pays for all significant management and administrative costs required to operate the DCEDC on a day-to-day basis as the DCEDC's management and support staff are employees of the County. The County also provides significant operating revenue to the DCEDC, primarily through distributions of hotel tax collections.

The DCEDC operates and reports on a calendar year end basis.

B. Related Organizations

The Board of County Commissioners is also responsible for appointing the members of the governing boards of other organizations, but the County's accountability for these organizations does not extend beyond making appointments. The County does not designate management nor does it have the ability to significantly influence the operations of these entities. In addition, the County does not supply any funding (either directly or as a result of special financing relationships) and has no responsibility for fiscal matters for these entities (i.e., not responsible for deficits or entitled to surpluses, no guarantees of debt, etc.). These organizations include:

Authorities
Dauphin County Housing Authority
Dauphin County Redevelopment Authority
Dauphin County Hospital Authority
Dauphin County Library System

Advisory Boards
Dauphin County Parks and Recreation
Dauphin County Planning Commission
Aging Advisory Council
Child Care Advisory Committee
Mental Health/Mental Retardation Advisory Board
Woodside Juvenile Detention Center Advisory Board
Drugs and Alcohol Advisory Board
Fort Hunter Board

C. Joint Ventures

The County is a participant with other municipalities in joint ventures that provide services to the constituents of all the participants. The County has no interest in the equity of these organizations and therefore they should not be included in its financial reporting entity. Separately published audit reports of the Joint Ventures are available for public inspection in the Controller's Office. Condensed financial information relative to these entities is included in the notes herein:

Name of Organization	Cumberland, Dauphin Harrisburg Transit Authority	Tri-County Regional Planning Commission
Services Provided	Bus Services	Regional Planning
Dauphin County Board Representation	3 of 7 Members	11 of 31 Members
Fiscal Year	June 30, 2009	December 31, 2009
Current Assets	$ 4,707,449	$ 586,844
Total Assets	$ 30,057,997	$ 616,240
Net Assets/Fund Balance	$ 25,443,062	$ 311,318
Operating Revenues	$ 6,610,787	$ 2,440,373
Operating Revenue (Loss)	$ (13,639,580)	$ (77,821)
Net Loss	$ (442,271)	$ (74,858)
Dauphin County Contribution to Operations	$ 372,865	$ -
Dauphin County Working Capital Advances	None	None

D. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include; 1) charges to customers or applicants who purchase, use or directly benefit from the goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The government-wide financial statements are reported using the economic resource measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property 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 an expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability rather than an expenditure.

Governmental fund financial statements are reported using the current financial resource measurement focus and the modified accrual 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 revenues to be available if they are collected within 365 days of the end of the current fiscal period with the exception of property taxes which must be received within 60 days of year end to be deemed available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Licenses, operating and capital grants, and interest associated with the current fiscal period are 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 only when the cash is received by the County.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of "available spendable resources". Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during the period.

Because of their spending measurement focus, expenditure recognition for governmental fund types exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended rather than as fund assets. The proceeds of long-term debt are recorded as another financing source rather than a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims for judgments, are recorded only when payment is due.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The County reports the following major governmental funds:

- The General Fund is the government's primary operating fund. It accounts for all financial revenues of the general government, 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 basic activities of the County are accounted for in this fund including operation of general County government, boards, commissions, the court systems, and health and welfare services.

- The Mental Health/Mental Retardation Fund is used to account for specific revenue sources related to the provisions of Mental Health/Mental Retardation services that are restricted to expenditures for those specified purposes.

- The Children and Youth Families Fund is used to account for specific revenue sources related to the provisions of Children and Youth that are restricted to expenditures for those specified purposes.

- The State Grant Fund is used to account for specific revenue sources related to various grant programs that are restricted to expenditures for those specified purposes.

- The Gaming Fund is used to account for revenue received from the operation of Hollywood Casino in East Hanover Township. These funds are to be used at the sole discretion of the Dauphin County Commissioners. The Gaming Advisory Committee advises the County on the need for municipal grants for health, safety, transportation, and other projects in the public interest generated as a result of gaming.

- The Capital Projects Fund is used to account for financial resources to be used for capital acquisitions and the related expenditures.

The County's enterprise funds are proprietary funds. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net assets.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Based on the accounting and reporting standards set forth in GASB Statement No. 20, "Accounting and financial reporting for Proprietary funds and other Governmental entities that use Proprietary Fund Accounting", the County has opted to apply only the accounting and reporting pronouncements issued by the Financial Accounting Standard Board (FASB) on or before November 30, 1989 for business-type activities and enterprise funds.

The County reports the following major proprietary funds:

- Health Choices Fund accounts for the fiscal activities of the County Behavioral Health Program.

- Human Services Building Fund accounts for the fiscal activities of the County's Human Services Building.

- The Emergency 911 Operating & Act 56 Wireless Fund accounts for the emergency response communications network of the County.

  These proprietary funds are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges and cost reimbursement plans.

Additionally, the County reports the following fund types:

- The Pension Trust Fund accounts for the revenue (i.e. member contributions, County contributions, and net investment income) and the expenses (i.e. contributions refunded, retirement allowances and death benefits paid) of the Pension Trust Fund.

- The Agency Funds that consist of restricted revenues of the various row offices of the County. The row office funds, in essence are escrow funds maintained by the row offices for bail posted, funds held for sheriff sales, realty transfer taxes held and owed to other governmental entities and other funds received for disposition of legal action.

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 for their intended purposes.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities, and Net Assets or Fund Balances

1. Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows, the County considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

2. Receivables and Payables

- Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All receivables are shown net of an allowance for doubtful accounts.

3. Investments

Investments for the County are reported at fair value.

4. Restricted Assets

Restricted Assets represent revenues set-aside for liquidation of specific obligations, as detailed in Note 4.

5. Capital Assets

Capital Assets, which include property, plant and equipment and infrastructure assets (e.g. bridges) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets with initial, individual costs that equal or exceed $5,000 and estimated useful lives of over one year are recorded as capital assets. Capital assets are recorded at historical costs or estimated costs if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities, and Net Assets or Fund Balances (Continued)

5. Capital Assets (continued)

Major outlays for capital assets and improvements are capitalized as projects are completed. Interest incurred during the construction phase of the capital asset of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets of the County are depreciated using the straight-line method over the following estimated useful lives:

Asset	Years
Buildings and Improvements	40
Machinery and Equipment	3-20
Infrastructure	40
Leasehold Assets	5-20

6. Allowance for Doubtful Accounts

Accounts Receivable have been reported net of allowance for doubtful accounts.

7. Compensated Absences

County policy permits employees to accumulate a limited amount of earned, but unused, vacation and sick leave. These benefits are payable to employees upon separation of services. All leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is recorded. The computed liability is in compliance with GASB 16, *Accounting for Compensated Absences*.

8. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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 debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as general government expenditures.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities, and Net Assets or Fund Balances (Continued)

9. Unearned and Deferred Revenues

Revenues that are received but not earned are deferred in the government-wide and enterprise fund financial statements. In the County's governmental funds, deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred and unearned revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for unearned revenue is removed from the governmental funds' balance sheet and revenue is recognized. The County deems revenues received within 365 days of year end to be available with the exception of property taxes, which must be received within 60 days of year end to be deemed available.

10. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions except quasi-external transactions and reimbursements are reported as transfers.

11. Net Assets/Fund Balances

The government-wide and business-type activities fund financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted and unrestricted.

- *Invested In Capital Assets, Net of Related Debt* – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

- *Restricted Net Assets* – 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 Assets* – This category represents net assets of the County, not restricted for any project or other purpose.

In the fund financial statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various reserves and designations are established by actions of the Board of Commissioners and management and can be increased, reduced, or eliminated by similar actions.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities, and Net Assets or Fund Balances (Continued)

12. Accounting Estimates

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

G. Adoption of Governmental Accounting Standards Board Statements

The County adopted the provisions of GASB Statement No. 52, "*Land and Other Real Estate Held as Investments by Endowments*". The adoption of this statement had no effect on previously reported amounts.

H. Pending Changes in Accounting Principles

In June 2007 the GASB issued Statement No. 51, "*Accounting and Financial Reporting for Intangible Assets*". The County is required to adopt Statement No. 51 for its calendar year 2010 financial statements.

In June 2008 the GASB issued Statement No. 53, "*Accounting and Financial Reporting for Derivative Instruments*". The County is required to adopt Statement No. 53 for its calendar year 2010 financial statements.

In March 2009 the GASB issued Statement No. 54 "*Fund Balance Reporting and Governmental Fund Type Definitions.*" The County is required to adopt Statement No. 54 for its calendar year 2011 financial statements.

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

In December 2009 the GASB issued Statement No. 58 "*Accounting and Financial Reporting for Chapter 9 Bankruptcies.*" The County is required to adopted Statement No. 58 for its calendar year 2010 financial statements.

In June 2010 the GASB issued Statement No. 59 "*Financial Instruments Omnibus.*" The County is required to adopt Statement No. 59 for its calendar year 2011 financial statements.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Component Units - Summary of Significant Accounting Policies

Dauphin County Conservation District

Basis of Accounting

The financial statements of the District are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Capital Assets

Capital assets are recorded at cost. Depreciation is being provided on a straight line method over the estimated useful lives of the assets.

Dauphin County General Authority

Basis of Accounting

The General Authority financial statements are reported using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activities are included on their balance sheets. Net assets are segregated into "invested in capital assets, net of related debt", "restricted" and "unrestricted" components. The financial statements are reported using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The General Authority's enterprise funds have elected to apply GASB pronouncements only, rather than pronouncements of the Financial Accounting Standards Board issued after November 30, 1989.

Conduit Debt Issues

The General Authority participates in various bond issues for which it has limited liability. Acting solely in an agency capacity, the General Authority serves as a financing conduit, bringing the ultimate borrower and the ultimate lender together for which it receives an administrative fee. Although the General Authority is a party to the Trust indenture with the trustee, the agreements are structured such that there is no recourse against the General Authority in the case of default. As such, the corresponding debt is not reflected on the General Authority's balance sheet.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Component Units - Summary of Significant Accounting Policies (Continued)

Dauphin County General Authority (Continued)

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the General Authority considers all highly liquid investments of a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are stated at fair value.

Direct Financing Lease Transactions

The General Authority accounts for its leases with various agencies as direct financing leases.

Capital Assets

Capital Assets are recorded at cost. The General Authority provides for depreciation and amortization over the estimated useful lives of the assets using the straight-line method. Upon sale or retirement, the cost and related accumulated depreciation or amortization of such assets are removed from the accounts and any resulting gain or loss is credited or charged to income for the period. Expenditures for maintenance and repairs are charged to income as incurred. Capital assets are defined by the General Authority as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of two years.

Inventory

Inventory is valued at the lower of cost or market. Cost is determined on the first-in, first-out method. Inventory consists of consumable supplies used for operations and maintenance and also represents items for sale. Inventory is expensed when the items are used or sold.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Component Units - Summary of Significant Accounting Policies (Continued)

Dauphin County General Authority (Continued)

Deferred Financing Costs

Deferred financing costs, representing issuance costs for the outstanding bonds, net of reimbursement, are amortized over the outstanding terms of the bonds on the straight-line method. Certain bond issues were extinguished prior to the original term of the bonds. Therefore, amortization of deferred financing costs for these bonds has been adjusted accordingly.

Bond Discount

Bond discounts, representing the underwriters' discount on bonds issued and/or the discount for bonds issued at less than par value, are amortized over the outstanding terms of the bonds by the straight-line method. Certain bond issues were extinguished prior to the original term of the bonds. Therefore, amortization of bond discounts for these bonds has been adjusted accordingly.

Restricted Assets

Restricted assets represent cash and investments maintained in accordance with bond resolutions, loan agreements, grant awards and other resolutions and formal actions of the General Authority or by agreement for the purpose of funding certain debt service payments, depreciation and contingency activities.

Net Assets

Net assets are classified in the following three components: invested in capital assets, net of related debt; restricted and unrestricted net assets. Invested in capital assets, net of related debt, consists of all capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction and improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination. Restricted consists of net assets for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation, including self-imposed legal mandates, less any related liabilities. Unrestricted consists of all other net assets not included in the above categories. For the time period that the revenue bonds are outstanding and the trust indenture is in effect in each fund, the net assets of the fund are presented as restricted for fund operations.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Component Units - Summary of Significant Accounting Policies (Continued)

Dauphin County General Authority (Continued)

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from primary activities. For the General Authority, these revenues are charges for services, investment income and miscellaneous revenues. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the General Authority.

Case Management Unit

Basis of Presentation

The Case Management Unit's financial statements are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Case Management Unit applies all GASB pronouncements as well as FASB statements and interpretations and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Revenue Recognition

Revenue from County program funded contracts is recognized as reimbursable costs are incurred as established by regulations promulgated by the Pennsylvania Department of Public Welfare. Reimbursable costs are reduced by other program income including third-party reimbursements, private payments, and interest income.

Net patient service revenue consists of Healthchoices, medical assistance and client fees. These revenues are reported at the estimated net realizable amounts from patients, third-party payers, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and are adjusted in future periods as final settlements are determined.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Component Units - Summary of Significant Accounting Policies (Continued)

Case Management Unit (Continued)

Use of Estimates

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

Capital Assets

Capital assets of Dauphin County Mental Health/Mental Retardation Case Management Unit include furniture and equipment and leasehold improvements and are reported in the financial statements at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets are defined as assets with an initial, individual cost of more than $500 and an estimated useful life in excess of 3 years.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Capital assets of Dauphin County Mental Health/Mental Retardation Case Management Unit are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Furniture and Equipment	3-10
Leasehold Improvements	10

Income Taxes

The Dauphin County Mental Health/Mental Retardation Case Management Unit has been recognized as a not-for-profit corporation which is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code and also from state income taxes.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Component Units - Summary of Significant Accounting Policies (Continued)

Case Management Unit (Continued)

Compensated Absences

The Dauphin County Mental Health/Mental Retardation Case Management Unit policy permits employees to accumulate a limited amount of earned, but unused vacation and sick leave. These benefits are payable to employees upon separation of services. All leave pay is accrued when incurred in the financial statements. A liability for these amounts is recorded. The computed liability is in compliance with GASB 16, *Accounting for Compensated Absences.*

Dauphin County Industrial Development Authority ("IDA")

Basis of Accounting

The Dauphin County Industrial Development Authority operations are reported as a proprietary fund. This fund is used to account for activities which are associated with the financing of industrial development projects in the County of Dauphin. The financial statements are reported using the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the Industrial Development Authority follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict or contradict GASB pronouncements.

Cash and Cash Equivalents

The IDA considers all highly-liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash and cash equivalents at September 30, 2009 consist of cash held in bank accounts.

Restricted Assets

Restricted assets represent cash balances from gaming revenues which are restricted for the purpose of providing municipal grants. Restricted assets also consist of cash related to the revolving loan program which is restricted for the purpose of providing loans to businesses. At September 30, 2009, the restricted cash balance was $1,211,283.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Component Units - Summary of Significant Accounting Policies (Continued)

Dauphin County Industrial Development Authority ("IDA") (Continued)

Capital Assets

Capital Assets which include office equipment and furnishings and buildings and building improvements, are recorded at original cost at the time title reverts to the IDA and said assets are in operating condition. The IDA records all capital outlays as capital assets. Capital assets are depreciated using the straight-line method over their estimated useful lives. Estimated useful lives for office equipment furnishings range from three to seven years. The estimated useful life for buildings and building improvements are forty years and fifteen years, respectively.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates and assumptions in the IDA's financial statements related to the collectability of loans and other receivables and the useful lives of fixed assets. Actual results could differ from those estimates.

Long-Term Obligations

Long-term debt and other obligations are reported as noncurrent liabilities. Bond issuance costs in connection with issuing debt are a deferred charge and amortized to expense over the life of the bonds.

Loans Receivable

Loans receivable that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at outstanding principal. Account balances generally are written off when management judges such balances uncollectible such as an account in bankruptcy. Management continually monitors and reviews loan receivable balances. Interest at rates ranging from 3-5% is charged on unpaid balances and is recognized in revenue upon receipt. The IDA's management evaluates the risk and when determined to be necessary, provides an allowance for loans which may become uncollectible. Management considers all loan receivables to be fully collectible at September 30, 2009. Loans receivable are shown net of an allowance of $68,787.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Component Units - Summary of Significant Accounting Policies (Continued)

Dauphin County Industrial Development Authority ("IDA") (Continued)

Direct Financing Lease Transactions

The IDA accounts for its leases with the County of Dauphin as direct financing leases in accordance with FASB No. 13.

Debt Related Costs

Debt related costs include bond issuance costs that have been capitalized and are amortized to interest expense using the straight-line method over the term of the associated debt.

Net Assets

Net assets are categorized as invested capital assets (net of related debt), restricted and unrestricted.

a. *Invested In Capital Assets, Net of Related Debt* – This category groups all capital assets into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

b. *Restricted Net Assets* – This category represents net assets of the Authority that are restricted for project or other purposes.

c. *Unrestricted Net Assets* – This category represents net assets of the Authority, not restricted for any project or other purpose.

Dauphin County Economic Development Corporation ("DCEDC")

Basis of Accounting

The financial statements for the year ended December 31, 2009 have been prepared on the accrual basis of accounting under which revenue is recognized when earned and expenses are recognized when incurred.

Net Assets

DCEDC follows FASB Accounting Standards Codification 958-210, Presentation of Financial Statements. Under FASB ASC 958-210, DCEDC is required to report information regarding its financial positions and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Component Units - Summary of Significant Accounting Policies (Continued)

Dauphin County Economic Development Corporation ("DCEDC") (Continued)

Revenue

Revenue is classified as unrestricted, temporarily restricted or permanently restricted depending on the existence and/or nature of any legal restrictions. DCEDC's Hotel Tax, CDBG, HOME, and Section 108 revenue is considered to be temporarily restricted because its use is restricted to specific programs and activities. Temporarily restricted net assets are reclassified to unrestricted net assets upon satisfaction of the applicable use restrictions, i.e., when they are used for the purpose for which they are intended.

Cash and Cash Equivalents

DCEDC considers all highly-liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash and cash equivalents at December 31, 2009 consist of cash held in bank checking accounts.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Capital Assets

Purchases of capital assets are recorded at their original cost and are depreciated on a straight line basis over their estimated useful lives. DCEDC records all capital outlays as capital assets. Estimated lives for office equipment and furnishings range from three to seven years. The estimated life for buildings is 39 years. Depreciation expense for the year ended December 31, 2009 was $53,697.

Concentration of Credit Risk

Financial instruments which potentially subject the DCEDC to credit risk consist primarily of cash. DCEDC maintains its cash deposits with various regional financial institutions. DCEDC's bank accounts at December 31, 2009 were insured by the Federal Deposit Insurance Corporation or were collateralized in accordance with Act 72. Uninsured balances at December 31, 2009 totaled $1,414,200.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Component Units - Summary of Significant Accounting Policies (Continued)

Dauphin County Economic Development Corporation ("DCEDC") (Continued)

Income Taxes

DCEDC is exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code and files Form 990, return of Organization Exempt from Income Tax with the Internal Revenue Service. Certain revenue deemed to be unrelated to a nonprofit corporation's tax-exempt purpose is subject to federal income taxes.

Restricted Assets

Restricted assets represent cash balances from hotel tax and grant program distributions received from Dauphin County. These distributions are restricted for the purpose of promoting tourism and regional development and for the CDBG, Home and Section 108 programs. At December 31, 2009 the restricted cash balance was $2,568,633.

NOTE 2: BUDGETARY DATA

County Budget Process

Formal budgetary accounting is employed as a management control for the General Fund, Certain Special Revenue Funds, and Capital Project Funds of the County. Annual operating budgets are adopted each year through the passage of an annual budget ordinance and accounting principles generally accepted in the United States of America are used to complete the budget. The County of Dauphin follows these procedures in establishing the budgetary data reflected in the financial statements:

(1) During July and August, the department heads are supplied with current financial status reports for their programs which they are to use as a basis or guide for financial projections for the ensuing year. These proposed budgets are then submitted to the County Commissioners for review.

(2) During September, the Finance Department interviews each department head to discuss their budgets as submitted and allow them to substantiate projected expenditures and recommends an expenditure amount.

(3) The County Commissioners then interview each department head to discuss their budgets as submitted and allow them to substantiate projected expenditures.

(4) Upon consolidation of the department and agency expenditure projections, the County Commissioners must ascertain the most viable method of financing them.

NOTE 2: BUDGETARY DATA (CONTINUED)

County Budget Process (Continued)

(5) Subsequently, the Director of Budget assembles the preliminary projections of revenues and expenditures into a final budget incorporating any revisions or adjustments resulting from the aforementioned County Commissioners' review.

(6) By early December, the final budget is presented to the County Commissioners. Pursuant to budgetary requirements, as set forth in the County Code, public notice is given that the proposed budget is available for inspection for a period of 20 days.

(7) After the 20-day inspection period but no later than December 31, the County Commissioners adopt the final budget by enacting an appropriate ordinance.

(8) As required by the Commonwealth of Pennsylvania County Code, the proposed budget is made available for public inspection for at least 20 days prior to the date of adoption, with adoption required by December 31. Subsequent to the budget approval, the County Commissioners adopt the appropriation measures required to put the budget into effect and fix the rate of taxation. Within 15 days subsequent to the legal adoption of the budget, the County Commissioners file a copy of the budget with the Department of Community and Economic Development of the Commonwealth of Pennsylvania.

Legal Requirements

An annual budget is required to be legally adopted for the General Fund since real estate taxes are levied to finance its operations. Although not legally required, the County also adopts annual budgets for its Capital Projects Fund, and certain additional Special Revenue Funds (the Domestic Relations and Liquid Fuels Fund). Budgetary data is presented on the basis of accounting principles generally accepted in the United States of America for all funds that adopt annual budgets.

Level of Control

The County is legally required to maintain budgetary controls at the major function level. In practice, the County maintains budgetary control at the fund level.

Lapsing of Appropriations

Unexpended appropriations lapse at year-end.

Management Amendment Authority

During the course of the year, departmental needs may change, emergencies may occur, or additional revenue sources may arise. As a result, funds are occasionally transferred between line items of a department's budget or additional revenue may need to be budgeted for a specific project or grant. Adjustments to the budget are made on a line item basis during the year and are approved by the County Commissioners.

Financial analysis is provided monthly to management showing spending levels in comparison to the current budget. The budget is also reviewed by management with operating departments.

COUNTY OF DAUPHIN, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

NOTE 3: DEPOSIT AND INVESTMENT RISK

The County's investments at December 31, 2009 were as follows:

	Cost	Market
Governmental Funds		
Capital Projects Fund - CDs	$ 5,929,000	$ 5,929,000
Fort Hunter Permanent Fund		
Fixed Income Mutual Funds - Bonds	383,789	395,091
Fixed Income Mutual Funds - Stocks	385,991	416,707
Total Permanent Fund	769,780	811,798
Total Governmental Funds	6,698,780	6,740,798
Fiduciary Funds		
Retirement Fund		
U.S. Government Securities	30,718,931	30,949,386
Corporate Bonds	17,854,049	18,383,512
Common Stocks	68,031,483	71,931,741
Equity Funds	53,553,024	49,911,637
Total Retirement Fund	170,157,487	171,176,276
Total Fiduciary Funds	170,157,487	171,176,276
Total Investments	$ 176,856,267	$ 177,917,074

As of December 31, 2009, the County had the following debt investments and maturities within its excess operating fund accounts:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1	1-5	6-10	More Than 10
Fixed Income Mutual Fund - Bonds	$ 395,091	$ 395,091	$ -	$ -	$ -
Total	$ 395,091	$ 395,091	$ -	$ -	$ -

As of December 31, 2009, the County had the following debt investments and maturities within its retirement plan accounts:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than 1	1-5	6-10	More Than 10
U.S. Government Treasuries	$ 14,830,769	$ 225,871	$ 12,329,035	$ 2,275,863	$ -
U.S. Government Agencies	16,118,617	522,048	4,768,163	4,882,284	5,946,122
Corporate Bonds	18,383,512	338,560	11,358,741	5,238,153	1,448,058
Total	$ 49,332,898	$ 1,086,479	$ 28,455,939	$ 12,396,300	$ 7,394,180

NOTE 3: DEPOSIT AND INVESTMENT RISK (Continued)

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's Operating Funds Investment Policy states that maturities shall be set to generally match the projected cash flow requirements for the County as determined by the County Controller.

The County's Retirement Plan Investment Policy Statement ("Retirement Investment Policy") states that emphasis shall be placed on providing adequate and timely investment cash flow to permit benefit payments from the Retirement Plan when due. The average effective duration of domestic intermediate fixed income securities shall be no more than 25 percent greater or less than the effective duration Barclays Bond Index.

Credit Risk. The County's Operating Investment Policy limits investments to direct obligations of the United States Government or its agencies or instrumentalities; other obligations that are either insured or guaranteed by the United States Government; deposits with banks within the Commonwealth of Pennsylvania properly insured in accordance with the requirements of the County Code or properly collateralized in accordance with the County Code and Act 72 of 1971 P.S. Section 3836-1, et seq.; or investments with the Pennsylvania Local Government Investment Trust ("PLGIT").

As of December 31, 2009, the County's operating investments had a credit rating as follows:

Investment Type	Credit Quality Rating	Percent of Investment Type
Fixed Income Mutual Funds	Aaa	77%
Fixed Income Mutual Funds	Aa	4%
Fixed Income Mutual Funds	A	10%
Fixed Income Mutual Funds	Baa	9%

The County's Retirement Investment Policy limits the average quality of fixed income securities to a minimum of "A2" or better, the third broad investment grade as determined by Moody's. The minimum quality of any single fixed income investment shall be investment grade, as defined by two out of three of the following rating agencies; Moody's, Standard and Poors, or Fitch. If an investment is made in commercial paper, the single standard shall be "A1", "P1", or "Prime".

COUNTY OF DAUPHIN, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

NOTE 3: DEPOSIT AND INVESTMENT RISK (Continued)

As of December 31, 2009, the County's retirement investments had a credit rating as follows:

Investment Type	Credit Quality Rating	Percentage of Investment Type
U.S. Government Agencies	AAA	100%
Corporate Bonds	AAA	11%
Corporate Bonds	AA1	2%
Corporate Bonds	AA2	12%
Corporate Bonds	AA3	3%
Corporate Bonds	A-	1%
Corporate Bonds	A1	9%
Corporate Bonds	A2	26%
Corporate Bonds	A3	11%
Corporate Bonds	BA1	2%
Corporate Bonds	BAA1	5%
Corporate Bonds	BAA2	9%
Corporate Bonds	BAA3	5%
Corporate Bonds	Not Rated	4%

Custodial Credit Risk. For deposits and investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2009, $114,295,119 of the County's deposits were exposed to custodial credit risk, as they are collateralized with securities held by the pledging financial institution and uninsured. None of the County's retirement investments were exposed to custodial credit risk at December 31, 2009.

Concentration of Credit Risk. The County's Operating Investment Policy does not allow a single issuer or guarantor to represent more than 10% of the total value of holdings at the time of acquisition.

The County's Retirement Investment Policy limits single investments in U.S. Treasury securities and zero coupon securities to 30% and 10%, respectively, of the domestic intermediate fixed income investments at market value. Agency securities are limited to 50% of fixed income investments at market value, 25% per agency and to 10% per any single issue. Other types of securities are limited to 5% for each single security.

At December 31, 2009, the County is not subject to concentration of credit risk.

NOTE 3: DEPOSIT AND INVESTMENT RISK (CONTINUED)

Component Units – Deposit and Investment Risk

Dauphin County Conservation District

Deposits and Investments

Custodial credit risk. For Deposits and investments custodial credit risk is the risk that in the event of a bank failure, the Conservation District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2009, the Conservation District's cash balance was $477,429, and its bank balance was $527,249. Of this bank balance, $428,497 was exposed to custodial credit risk, as it was collateralized with securities held by the pledging financial institution and uninsured. In addition, at December 31, 2009, the Conservation District held $658,643 in fully insured certificates of deposit which are classified as investments on the financial statements.

Dauphin County General Authority

Deposits and Investments

Cash and investments are held by trustees, pursuant to provisions of various Trust Indentures, except for the Administrative Fund cash account and the Dauphin Highlands Golf Course cash account, which are administered by the General Authority's Executive Director.

The Municipality Authorities Act provides for investment of governmental funds into certain authorized investment types, including U.S. Treasury bills, other short-term U.S. and Pennsylvania government obligations or their agencies or instrumentalities and insured or collateralized time deposits and certificates of deposit. The Act does not prescribe regulations relating to demand deposits.

Deposits

Custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The General Authority does not have a deposit policy for custodial credit risk. At December 31, 2009, the book balance of the Authority's unrestricted deposits was $2,213,091 and the bank balance was $2,261,673. Of the unrestricted bank balance, $653,869 was covered by federal depository insurance, $814,021 was collateralized under Act 72 of the 1971 session of the Pennsylvania General Assembly for the protection of public depositors, and the remaining unrestricted bank balance of $793,783 was uncollateralized. At December 31, 2009, the book balance of the Authority's restricted deposits was $6,419,086 and the bank balance was $6,410,934. Of the restricted bank balance, $154,024 was covered by federal depository insurance, $4,876,826 was collateralized under Act 72, and the remaining restricted bank balance of $1,380,084 was uncollateralized. This uncollateralized bank balance of $1,380,084 is held by the Authority's management agent for the Hyatt Hotel and Conference Center Fund.

NOTE 3: DEPOSIT AND INVESTMENT RISK (CONTINUED)

Component Units – Deposit and Investment Risk (Continued)

Dauphin County General Authority (Continued)

Investments

Total General Authority investments reported on the balance sheet at December 31, 2009 are as follows:

	Fair Value
Unrestricted	
Money market funds	$995,272
U.S. government obligations	2,464
U.S. government agency obligations	1,245,000
	$2,242,736
Restricted	
Money market funds	$14,109,826

Concentration of credit risk. The Authority places no limit on the amount the Authority may invest in any one issuer. More than 5 percent of the Authority's investments were held with the following issuers:

	Fair Value	Percent of Investment
FHLB	$1,245,000	7.61%

Credit Risk. The Authority does not have a formal policy that would limit investment choices with regard to credit risk. The Authority's money market funds and fixed income investments had the following level of exposure to credit risk as of December 31, 2009:

	Fair Value	Rating
Unrestricted		
Money market funds	$ 995,272	AAA
U.S. government agencies	2,464	AAA
U.S Government agency obligations	1,245,000	AAA
Restricted		
Money market funds	$ 14,109,826	AAA

COUNTY OF DAUPHIN, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

NOTE 3: DEPOSIT AND INVESTMENT RISK (CONTINUED)

Component Units – Deposit and Investment Risk (Continued)

Dauphin County General Authority (Continued)

Investments (Continued)

Interest rate risk. The Authority does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The following is a list of the Authority's money market and fixed income investments and their related average maturities:

		Investment Maturities (In Years)			
Investment Type	Fair Value	Less Than 1	1-5	6-10	Greater Than 10
Unrestricted					
Money market funds	$ 995,272	$ 995,272	$ -	$ -	$ -
U.S. Government obligations	2,464	-	-	-	2,464
U.S. Government agency obligations	1,245,000	1,245,000	-	-	-
	$ 2,242,736	$ 2,240,272	$ -	$ -	$ 2,464
Restricted					
Money market funds	$ 14,109,826	$ 14,109,826	$ -	$ -	$ -

Case Management Unit

Cash Concentrations

Custodial Credit Risk – For deposits, custodial credit risk is the risk that in the event of the failure of the counterparty, CMU will not be able to recover the value of its deposits that are in the possession of an outside party. As of June 30, 2009, CMU's cash balance was $328,729 and its bank balance was $351,881. Of the bank balance for June 30, 2009, $100,171 of the CMU's deposits were exposed to custodial credit risk, as they are collateralized with securities held by pledging financial institution and uninsured.

Dauphin County Industrial Development Authority ("IDA")

Deposits

Custodial credit risk. For deposits, custodial credit risk is the risk that in the event of failure of the counterparty, the IDA will not be able to recover the value of its deposits or collateral securities that are in the possession of an outside party. At September 30, 2009, $1,159,097 of the IDA's deposits were exposed to custodial credit risk as they were uninsured, and are held by the counterparty's trust department or agent but not in the IDA's name. The IDA does not have a formal policy to limit its exposure to custodial credit risk.

COUNTY OF DAUPHIN, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

NOTE 4: RESTRICTED ASSETS

Assets whose use is limited to a specific purpose have been classified as "restricted" in the balance sheet. Restricted assets are composed of the following:

	Cash and Accrued Interest
Governmental Funds	
General Fund	
Amounts held in escrow for purposes including tax protest ordered liabilities	$ 425,647
Amounts held in fiduciary capacity District Attorney's Office	555,507
Amounts Reserved for Workers' Compensation Liabilities	295,516
Total General Fund	1,276,670
Total Governmental Funds	$ 1,276,670

NOTE 5: RISK MANAGEMENT

The County is exposed to risk of loss related to self-insurance activities for workers' compensation. The County records the liability for the risk associated with the workers' compensation. The County has excess workers' compensation insurance with a self-insured retention per occurrence of $750,000, and a maximum indemnity per occurrence of $1,000,000.

As required by the Pennsylvania Department of Labor and Industry, the County has established a trust amount for workers' compensation. The cash balance at December 31, 2009, was $295,516 and is included in the restricted cash amount in the General Fund. The purpose of the account is to provide a source of funds for claimants entitled to benefits under Article III Section 305 of the Pennsylvania Workers' Compensation Act in case the County could not pay claims.

The County maintains workers' compensation reserves for claims incurred and claims incurred but not reported on the funds to which, per the County's estimate, they apply. Independent of these reserves, the County maintains a $120,000 deposit with a third-party administrator to facilitate claim processing. This amount is recorded in the General Fund.

The accrued liability for workers' compensation claims is determined by an actuary in accordance with actuarial principles; such claims are discounted at 3.5% for workers' compensation. Accrued workers' compensation self-insurance liabilities at December 31, 2009, are summarized as follows:

Governmental Activities	Business-type Activities	Total
$ 2,641,382	$ 5,965	$ 2,647,347

NOTE 5: RISK MANAGEMENT (CONTINUED)

The following summary provides aggregate information on self-insurance liabilities, incurred claims, and payments during the years ended December 31, 2009 and 2008.

2009

January 1, 2009, Liability	Incurred Claims and Changes in Estimate	Payments	December 31, 2009, Liability
$2,237,310	$613,000	$(202,963)	$2,647,347

2008

January 1, 2008, Liability	Incurred Claims and Changes in Estimate	Payments	December 31, 2008, Liability
$2,152,457	$286,470	$(201,617)	$2,237,310

There have been no significant reductions in insurance coverage from coverage in the prior year and the amount of settlements have not exceeded insurance coverage for each of the past three years.

Component Units – Risk Management

Case Management Unit

CMU has elected to self-insure itself for medical insurance for certain employees. CMU is liable for all claims up to an aggregate of $1,276,754 or $75,000 per individual for any one plan year. Once the deductible has been met, all future stop loss reimbursements for that contract year are payable. CMU purchased stop loss insurance to cover all claims incurred in excess of these deductible points of $280,910. As of June 30, 2009, CMU has recorded a liability for claims incurred. No settlements exceeded insurance coverage for each of the past three years. The claims liability is included in accrued expenses on the financial statements.

Balance as of June 30, 2009	$ 70,264
Add: Incurred claims relating to:	
Stop Loss Reimbursement	153,784
Current year	1,431,772
	1,655,820
Less: Payment of claims relating to:	
Prior years	70,264
Current year	1,304,646
	1,374,910
Balance as of June 30, 2009	$ 280,910

NOTE 5: RISK MANAGEMENT (CONTINUED)

Component Units – Risk Management (Continued)

Dauphin County Industrial Development Authority ("IDA")

The IDA is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance. There were no significant reductions in insurance coverages during 2009. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 6: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2009 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 335,663	$ 162,888	$ -	$ 498,551
Construction in Progress - Infrastructure	136,789	73,381	-	210,170
Construction in Progress	28,213,541	8,509,497	(1,284,759)	35,438,279
Total Capital Assets, Not Being Depreciated	28,685,993	8,745,766	(1,284,759)	36,147,000
Capital Assets, Being Depreciated				
Infrastructure	10,897,951	1,037,996	-	11,935,947
Buildings and Improvements	80,829,982	1,606,451	-	82,436,433
Machinery and Equipment	7,598,150	432,258	(36,207)	7,994,201
Leasehold Assets	11,128,764	523,040	-	11,651,804
Total Capital Assets, Being Depreciated	110,454,847	3,599,745	(36,207)	114,018,385
Less Accumulated Depreciation and Amortization For:				
Infrastructure	(5,243,975)	(298,399)	-	(5,542,374)
Buildings and Improvements	(38,469,235)	(1,341,638)	-	(39,810,873)
Machinery and Equipment	(6,310,800)	(489,781)	17,143	(6,783,438)
Leasehold Assets	(6,688,066)	(791,705)	-	(7,479,771)
Total Accumulated Depreciation and Amortization	(56,712,076)	(2,921,523)	17,143	(59,616,456)
Total Capital Assets, Being Depreciated, Net	53,742,771	678,222	(19,064)	54,401,929
Governmental Activities Capital Assets, Net	$ 82,428,764	$ 9,423,988	$ (1,303,823)	$ 90,548,929
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 111,492	$ -	$ -	$ 111,492
Construction in Progress	-	63,821	-	63,821
Total Capital Assets, Not Being Depreciated	111,492	63,821	-	175,313
Capital Assets, Being Depreciated				
Buildings and Improvements	3,609,100	208,847	-	3,817,947
Machinery and Equipment	10,676,394	1,467,858	-	12,144,252
Furniture and Fixtures	65,346	-	-	65,346
Leasehold Assets	15,574,509	11,195	-	15,585,704
Total Capital Assets, Being Depreciated	29,925,349	1,687,900	-	31,613,249
Less Accumulated Depreciation and Amortization For:				
Buildings and Improvements	(1,683,890)	(99,040)	-	(1,782,930)
Machinery and Equipment	(9,190,430)	(631,079)	-	(9,821,509)
Furniture and Fixtures	(63,354)	(1,991)	-	(65,345)
Leasehold Assets	(10,635,113)	(704,043)	-	(11,339,156)
Total Accumulated Depreciation and Amortization	(21,572,787)	(1,436,153)	-	(23,008,940)
Total Capital Assets, Being Depreciated, Net	8,352,562	251,747	-	8,604,309
Business-Type Activities Capital Assets, Net	$ 8,464,054	$ 315,568	$ -	$ 8,779,622

NOTE 6: CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:	
General Government	$ 822,001
Judiciary	830,791
Conservation and Development	23,414
Human Services	386,957
Culture and Recreation	70,485
Public Safety	482,129
Public Works	305,746
Total Depreciation Expense – Governmental Activities	$2,921,523
Business-Type Activities:	
Public Works	$ 170,117
Public Safety	526,854
Human Services	679,238
Culture and Recreation	59,944
Total Depreciation Expense – Business-Type Activities	$1,436,153

Component Units – Capital Assets

Dauphin County Conservation District

Capital Assets consist of the following:

	Cost	Estimated Useful Lives
Land Improvements	$ 110,095	20 years
Buildings and Improvements	1,114,048	40 years
Machinery and Equipment	150,961	5-6 years
Leasehold Assets	15,241	5 years
	1,390,345	
Less: Accumulated Amortization and Depreciation	(630,300)	
	$ 760,045	

Depreciation expense for the year ended December 31, 2009 was $46,447.

COUNTY OF DAUPHIN, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

NOTE 6: CAPITAL ASSETS (CONTINUED)

Component Units – Capital Assets (Continued)

Dauphin County General Authority

Changes in Capital Assets of the business-type activities at December 31, 2009, consist of the following:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	$ 2,028,786	$ -	$ -	$ 2,028,786
Construction in progress	-	25,850	-	25,850
Total capital assets, not being depreciated	2,028,786	25,850	-	2,054,636
Capital assets, being depreciated				
Land improvements	5,743,097	-	-	5,743,097
Buildings	95,251,597	112,150	-	95,363,747
Building improvements	365,983	-	-	365,983
Golf course equipment	886,108	234,857	(129,500)	991,465
Other equipment	1,201,129	292,780	(26,616)	1,467,293
Total capital assets, being depreciated	103,447,914	639,787	(156,116)	103,931,585
Less accumulated depreciation for:				
Land improvements	(2,528,011)	(191,437)	-	(2,719,448)
Buildings	(29,411,401)	(3,238,723)	-	(32,650,124)
Building improvements	(226,766)	(24,323)	-	(251,089)
Golf course equipment	(753,421)	(64,613)	129,500	(688,534)
Other equipment	(483,750)	(122,803)	4,325	(602,228)
Total accumulated depreciation and amortization	(33,403,349)	(3,641,899)	133,825	(36,911,423)
Capital assets, being depreciated, net	70,044,565	(3,002,112)	(22,291)	67,020,162
Capital assets, net	$72,073,351	$(2,976,262)	$ (22,291)	$69,074,798

NOTE 6: CAPITAL ASSETS (CONTINUED)

Component Units – Capital Assets (Continued)

Dauphin County General Authority

Depreciation and amortization was calculated on the straight-line method using the following useful lives:

	Estimated Useful Life
Land	-
Construction in progress	-
Land improvements	30 years
Buildings	30 years
Building improvements	15 years
Golf course equipment	7 years
Other equipment	7-10 years

Case Management Unit

Capital assets activity for the year ended June 30, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets being depreciated:				
Furniture and Equipment	$1,360,780	$ 62,998	$ -	$1,423,778
Leasehold Improvements	99,750	-	-	99,750
Total Capital Assets, Being Depreciated	1,460,530	62,998	-	1,523,528
Less Accumulated Depreciation for:				
Furniture and Equipment	783,896	161,188	-	945,084
Leasehold Improvements	46,150	9,975	-	56,125
Total Accumulated Depreciation	830,046	171,163	-	1,001,209
Total Capital Assets, net	$630,484	$ (108,165)	$ -	$ 522,319

CMU functions solely as designee in possession of the assets for the purpose of providing services under the County contract. Capital assets purchased are capitalized and depreciated over their estimated useful life for financial statement purposes.

COUNTY OF DAUPHIN, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

NOTE 6: CAPITAL ASSETS (CONTINUED)

Component Units – Capital Assets (Continued)

Dauphin County Industrial Development Authority ("IDA")

The following is a summary of changes in capital assets for business-type activities for the year ended September 30, 2009:

	Balance October 1, 2008	Additions	Deletions	Balance September 30, 2009
Capital assets, not being Depreciated:				
Construction in progress	$ -	$ 154,702	$ -	$ 154,702
Land	50,900	-	-	50,900
Total capital assets, not Depreciated	50,900	154,702	-	205,602
Capital assets, being depreciated:				
Buildings held for lease	474,354	-	-	474,354
Building Improvements	1,393,922	71,805	-	1,465,727
Office furniture and equipment	5,243	3,367	-	8,610
Total capital assets, being depreciated	1,873,519	75,172	-	1,948,691
Less accumulated depreciation for:				
Buildings held for lease	(41,506)	(11,859)	-	(53,365)
Building improvements	(119,908)	(95,322)	-	(215,230)
Office furniture and equipment	(5,243)	(337)	-	(5,580)
Total accumulated depreciation	(166,657)	(107,518)	-	(274,175)
Total capital assets, being depreciated, net	1,706,862	(32,346)	-	1,674,516
Total capital assets, net	$ 1,757,762	$ 122,356	$ -	$ 1,880,118

NOTE 7: CONDUIT DEBT ISSUES

Component Unit - Conduit Debt Issues

Dauphin County General Authority

The following Conduit debt issues were outstanding at December 31, 2009:

Reading Hospital and Medical Center	$ 7,080,000
Dauphin County Library System	1,079,870
Pinnacle Health Systems	193,880,000
Pinnacle Health Systems	70,000,000
	$272,039,870

NOTE 7: CONDUIT DEBT ISSUES (CONTINUED)

Component Unit - Conduit Debt Issues (Continued)

Dauphin County Industrial Development Authority

Variable Rate Demand Revenue Bonds (WITF, Inc. Project), Series of 2005

On September 23, 2005, the IDA issued Variable Rate Demand Revenue Bonds, Series of 2005 (the Bonds) in the aggregate principal amount of $19,000,000. The IDA appointed Fulton Financial Advisors, N.A., to serve as trustee, bond registrar and paying agent for the Bonds. The bonds are limited obligations of the IDA, payable solely from the payments required to be made by WITF, Inc. (the Borrower) under a loan agreement by and between DCIDA and the Borrower (the Agreement.)

Pursuant to the Agreement, the IDA lent the full proceeds of the Bonds to the Borrower for the acquisition and construction of a public media center to be occupied and used by the Borrower, and payment of related costs and expenses, including a portion of the costs incurred to issue the Bonds. The Borrower is obligated to make payments in amounts equal to scheduled principal and interest on the Bonds, along with certain annual administrative expenses of the IDA, until the Bonds mature in 2026.

The IDA assigned all of its rights under the Agreement to the Trustee. Under the bond indenture and the Agreement, the Borrower is obligated to make the payments directly to the Trustee in amounts necessary to satisfy the debt service requirements of the Bonds. Accordingly, no recourse can be made against the IDA for payment of principal or interest on the Bonds.

In 2009 the IDA approved the refinancing of these bonds into a tax exempt private loan.

Lease Revenue Bonds, Series of 2005 (Pennsylvania Fish and Boat Commission)

On September 28, 2005, the IDA issued Lease Revenue Bonds, Series of 2005 (the Bonds) in the aggregate principal amount of $4,220,000. The IDA appointed Manufacturers and Traders Trust Company, to serve as trustee, bond registrar and paying agent for the Bonds. The bonds are limited obligations of the IDA, payable solely from the payments required to be made by PA Fish and Boat Commission (the Borrower) under a lease/purchase agreement by and between DCIDA and the Borrower (the Agreement).

Pursuant to the Agreement, the IDA lent the full proceeds of the Bonds to the Borrower to advance refund Lease Revenue Bonds, Series of 1999, fund a debt service reserve fund, and pay Bond issuance costs. The Borrower is obligated to make payments in amounts equal to scheduled principal and interest on the Bonds, along with certain annual administrative expenses of the IDA, until the Bonds mature in 2015.

The IDA assigned all of its rights under the Agreement to the Trustee. Under the bond indenture and the Agreement, the Borrower is obligated to make timely payments directly to the Trustee in amounts necessary to satisfy the debt service requirement of the Bonds. Accordingly, no recourse can be made against the IDA for payment of principal or interest on the Bonds.

NOTE 7: CONDUIT DEBT ISSUES (CONTINUED)

Component Unit - Conduit Debt Issues (Continued)

Dauphin County Industrial Development Authority (Continued)

Taxable Mortgage Revenue Bonds, Series 2006 Bentley Harrisburg Senior Living Facility)

On April 6, 2006, the Authority issued Taxable Mortgage Revenue Bonds, Series 2006 (the Bonds) in the aggregate principal amount of $2,720,000. The IDA appointed Wells Fargo Bank, N.A. to serve as trustee, bond registrar and paying agent for the Bonds. The bonds are limited obligations of the Authority, payable solely from the payments required to be made by Harrisburg Senior Living, LLC and Bentley Harrisburg Senior Center, LLC (the Borrowers) under the loan agreement by and between IDA and the Borrowers (the Agreement).

Pursuant to the Agreement, the IDA lent the full proceeds of the Bonds to the Borrowers to refinance certain short-term debt incurred by the Borrowers to acquire the facility, to fund certain working capital needs for the facility, and to pay Bond issuance costs. The Borrower is obligated to make payments in amounts equal to scheduled principal and interest on the Bonds, along with certain annual administrative expenses of the IDA, until the Bonds mature in 2039.

The IDA assigned all of its rights under the Agreement to the Trustee. Under the bond indenture and the Agreement, the Borrower is obligated to make timely payments directly to the Trustee in amounts necessary to satisfy the debt service requirements of the Bonds. Accordingly, no recourse can be make against the IDA for payment of principal or interest on the Bonds.

Federally Taxable Tax Increment Financing Bond, Series of 2006 (The Harrisburg East Mall Tax Increment Financing District)

On June 30, 2006, the IDA issued a Tax Increment Financing Bond, Series of 2006 (the Bond) in the aggregate principal amount of $3,200,000. The IDA appointed Manufacturers and Traders Trust Company, to serve as trustee, bond registrar and paying agent for the Bonds. The bonds are limited obligations of the IDA, payable solely from the Tax Increment Financing revenues (TIF revenues) under a reimbursement and trust agreement by and between DCIDA and the Trustee (the Agreement.)

Pursuant to the Agreement, the IDA will reimburse Feldman Lubert Adler Harrisburg, LP (the Company) for costs incurred and paid and eligible to be funded pursuant to the Tax Increment Financing Act, Act of July 11, 1990, P.L. 465, as amended and supplemented. The Trustee, via TIF revenues, is obligated to make payments in amounts equal to scheduled principal and interest to the Company, along with certain annual administrative expenses of the IDA, until the Bond matures in 2015.

The IDA assigned, transferred and pledged all moneys held from time to time by the Trustee, the TIF Agreement and all pledged receipts under the Agreement to the Trustee. Under the bond indenture and the Agreement, the Trustee is obligated to make timely payments directly to the Company in amounts necessary to satisfy the debt service requirements of the Bond. Accordingly, no recourse can be made against the IDA for payment of principal or interest on the Bond.

NOTE 7: CONDUIT DEBT ISSUES (CONTINUED)

Component Unit - Conduit Debt Issues (Continued)

Dauphin County Industrial Development Authority (Continued)

Mortgage Revenue Note, Series of 2007 (Yellow Breeches Educational Center, Inc. Project)

In December 2008, the Authority authorized the issuance of a Mortgage Revenue Note (Note) totaling $437,000 for the purpose of assisting a Pennsylvania non-profit corporation in the acquisition, of an existing educational facility, and the acquisition of the sewer treatment plant, which serves said educational facility. Final Maturity on the Note is December 2023. The note is secured by various assets of the borrower, accordingly, no recourse can be made against the Authority for payment of principal or interest on the bond.

Other Projects Financed by Limited Obligation Mortgages and Bond Issues

The IDA serves as a financing vehicle for industrial development in the County of Dauphin, using tax exempt and taxable bonds, as well as mortgage financing. Such projects are amortized through lease rentals received from respective tenants. The terms range from 15 to 27 years with various interest rate structures. Industrial projects are leased or sold to tenants under the provisions of long-term noncancellable leases or installment sales agreements. The leases provide a purchase option under which the tenant may acquire the property by assuming the unpaid principal balance of the mortgage or bond issue. The bond issues are limited obligations of the IDA, payable from the payments required to be made by the projects or tenant. No recourse can be made against the IDA for payment of principal or interest. The mortgages are arranged between private contractors and the banks by the IDA, but are not obligations of the IDA. The installment sales agreements provide for a purchase price equal to the indebtedness of the IDA. The aggregate principal amount payable for these bonds and mortgages could not be determined; however, their original issue amounts totaled approximately $84,000,000.

The total aggregate principal amount payable for conduit debt could not be determined; however, the original issue amounts of all conduits issued by the IDA as of September 30, 2009 was approximately $114,000,000.

COUNTY OF DAUPHIN, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

NOTE 8: LONG-TERM DEBT

A summary of changes in long-term debt obligations excluding obligations under capital lease follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds and notes payable:					
General obligation bonded debt	$114,255,000	$21,965,000	$(4,815,000)	$131,405,000	$ 4,755,000
Total bonds and notes payable	$114,255,000	$21,965,000	$(4,815,000)	$131,405,000	$ 4,755,000
Other Liabilities:					
Compensated absences	7,430,042	172,314	-	7,602,356	-
Estimated workers compensation claims	2,237,310	404,072	-	2,641,382	-
Total Other Liabilities	$ 9,667,352	$ 576,386	$ -	$ 10,243,738	$ -
Governmental Activities Long-Term Liabilities	$123,922,352	$22,541,386	$(4,815,000)	$141,648,738	$ 4,755,000
Business-Type Activities:					
Bonds and notes payable:					
General obligation debt	$ 1,585,000	$ -	$ (35,000)	$ 1,550,000	$ 1,110,000
Total bonds and notes payable	$ 1,585,000	$ -	$ (35,000)	$ 1,550,000	$ 1,110,000
Other Liabilities:					
Compensated absences	256,583	26,527	-	283,110	-
Estimated workers compensation claims	-	5,965	-	5,965	
Total Other Liabilities	$ 256,583	$ 32,492	$ -	$ 289,075	$ -
Business-Type Activities Long-Term Liabilities	$ 1,841,583	$ 32,492	$ (35,000)	$ 1,839,075	$ 1,100,000

An analysis of debt service requirements to maturity on the Governmental Activities obligations follows:

	Principal Requirements	Interest Requirements	Total Debt Service Requirements
Years Ended December 31:			
2010	$ 4,755,000	$ 5,019,573	$ 9,774,573
2011	7,755,000	4,726,755	12,481,755
2012	8,240,000	4,521,016	12,761,016
2013	8,110,000	4,232,909	12,342,909
2014	8,425,000	3,961,357	12,386,357
2015-2019	42,545,000	15,011,340	57,556,340
2020-2024	47,920,000	6,225,478	54,145,478
2025-2029	3,655,000	455,145	4,110,145
	$131,405,000	$44,153,573	$175,558,573

COUNTY OF DAUPHIN, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

NOTE 8: LONG-TERM DEBT (CONTINUED)

An analysis of debt service requirements to maturity on the Business-Type Activities obligations follows:

	Principal Requirements	Interest Requirements	Total Debt Service Requirements
Years Ended December 31:			
2010	$ 1,110,000	$ 45,895	$ 1,155,895
2011	440,000	1,000	451,000
	$ 1,550,000	$ 56,895	$ 1,606,895

Pertinent information regarding long-term debt obligations outstanding is presented below (Payable from General Fund tax revenues.):

Date of Issue	Amount of Original Issue	Purpose	Balance Outstanding at December 31, 2009
2002	$ 3,500,000	Provide funds to construct road and transportation improvements at a variable interest rate from 1.80%-3.85%. (Final Maturity in 2012).	$ 1,275,000
2002	$ 16,500,000	Current refunding of general obligation note Series A of 2001 and pay the cost of issuance related to the bond issue at a variable interest rate from 1.55%-4.70% (Final Maturity in 2024).	16,470,000
2003	$ 7,910,000	Series A and B issued for refinancing current principal and interest payment of general obligation bonds Series of 1993, 1998, 2001, and defeased general obligation notes Series 2000 B and F and pay the cost of issuance related to the bond issue at a variable interest rate from 4.00%-4.40%. (Final Maturity in 2010).	2,850,000
2004	$ 6,775,000	Series A and B issued for refinancing current principal and interest payments of general obligation bonds Series of 1998, 1999, 2001 and 2002A and pay the cost of issuance related to the Bond issue at a variable interest rate from 3.25%-4.60%. (Final Maturity in 2014).	6,750,000
2004	$ 39,760,000	General Obligation Bonds, Series 2004 and General Obligation Notes, Series C and D issued for defeasing General Obligation Bonds, Series of 1998, 1999 Series A of 2003 and to partially refund the Second Series of 2001 and to pay the cost of issuance related to the bond issue at a variable interest rate from 2.40%-5.40%. (Final Maturity in 2024).	17,495,000
2005	$ 33,990,000	General Obligation Bonds, Series of A, B and C of 2005 issued to currently refund General Obligation Bonds, Series A of 2000; to advance refund General Obligation Bonds, Second Series of 2001; and to advance refund General Obligation Bonds, Series of 2002 at a variable interest rate from 2.65%-5.00%. (Final Maturity in 2024)	27,675,000
2005	$ 5,315,000	General Obligation Bonds, Series D of 2005 issued to currently refund General Obligation Notes, Series E of 2000 at a variable interest rate from 3.20%-3.50%. (Final Maturity in 2011)	5,180,000

NOTE 8: LONG-TERM DEBT (CONTINUED)

Date of Issue	Amount of Original Issue	Purpose	Balance Outstanding at December 31, 2009
2006	$ 16,450,000	General Obligation Bonds, Series of 2006 issued to fund the costs of the emergency communications project and to pay the cost of issuance related to the bond issue at a variable interest rate from 3.55%-5.00%. (Final Maturity 2023)	$ 16,435,000
2008	$ 16,865,000	General Obligation Bonds, Series of 2008 issued to currently refund the County's outstanding General Obligation Bond, Series 2007 (Final Maturity 2023). These bonds bear a weekly variable rate not to exceed 25% per annum. Interest at December 31, 2009 was 0.18%.	16,860,000
2009	$ 21,965,000	General Obligation Bonds, Series of 2009 issued to fund the following projects: the Energy Project, the Work Release Center Project, the Juvenile Court Project and the Emergency Vehicle Storage Building Project and to pay the cost of issuance related to the bond issue at a variable interest rate from 3.00%-4.125%. (Final Maturity 2029)	21,965,000
			$ 132,955,000

Interest rates on the above obligations range from 1.8% to 5.4%. The County has pledged its taxing power as security for outstanding general obligation debt.

In February 2003, the County issued $3,420,000 in General Obligation Notes, Series B of 2003 to refund general obligation debt of the County. As a result of the refunding, the Human Service Building Fund recognized a loss of $172,010 that is being amortized on the interest method over the term of the notes. The balance of the deferred loss at December 31, 2009 is $4,568.

In August 2005, the County issued $4,120,000 in General Obligation Bonds, Series A of 2005 to currently refund general obligation debt of the County. The Human Service Building Fund recognized a bond premium of $41,144 as a result of this refunding. The premium is being amortized on the interest method over the term of the bonds. The balance of the premium at December 31, 2009 is $8,280.

In September 2009, the County issued $21,965,000 in General Obligation Bonds. The County recognized a bond premium of $238,427 as a result of the issuance. The proceeds of the Series 2009 Bonds were used to fund the costs of the Energy Project ($10,956,655) and various Other Construction Projects ($11,000,000) and to pay issuance costs of $246,773. The Energy Project bonds mature on November 15, 2024 while the Other Construction Projects bonds mature on November 15, 2029. The bonds carry an interest rate between 3.0% and 4.50%.

In the current and prior years, the County defeased various general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the accompanying general purpose financial statements. At December 31, 2009, the principal amount outstanding relative to defeased debt was $29,435,000.

COUNTY OF DAUPHIN, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

NOTE 8: LONG-TERM DEBT (CONTINUED)

Component Units - Long-term Debt

Dauphin County General Authority

Long-term debt outstanding at December 31, 2009, is as follows:

Office and Parking Revenue Bonds (Riverfront Office Center):	
Series A of 1998	$31,100,000
Series C of 1998-Capital Appreciation Bonds	11,552,317
Hotel and Conference Center Bonds (Hyatt Hotel Project) Series of 1998	59,630,000
Dauphin County Guaranteed Lease Revenue Bonds – Series C of 2009 (Building Bonds)	4,865,000
Dauphin County Guaranteed Lease Revenue Bonds - Series of 1992	
(Building Bonds) Capital Appreciation Bonds	524,564
Lease Revenue Bonds (100 Chestnut Street)	
Series B of 2003	175,000
Series D of 2009	2,570,000
Dauphin County Guaranteed Revenue Bonds – Series A and B of 2005	
(Dauphin Highlands)	10,795,000
Capital Lease Payable (Dauphin Highlands)	127,260
	$121,339,141

Long-term debt is shown on the balance sheet as follows:

Current portion of long-term debt	$ 3,523,982
Long-term debt, net of current portion	117,815,159
	$121,339,141

Long-term liability activity for the General Authority for the year ended December 31, 2009, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Long-term debt	$304,975,005	$ 8,421,851	$(192,057,715)	$121,339,141	$3,523,982
Deferred charge	(890,582)	-	91,144	(799,438)	-
	$304,084,423	$ 8,421,851	$(191,966,571)	$120,539,703	$3,523,982

Each of the General Authority's financing programs is described below. The General Authority has complied with the covenants contained in its debt agreements for the year ended December 31, 2009 except as described in Note 26.

COUNTY OF DAUPHIN, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

NOTE 8: LONG-TERM DEBT (CONTINUED)

Component Units - Long-term Debt (Continued)

Dauphin County General Authority (Continued)

School District Pooled Financing Program I

On July 15, 1986, the General Authority issued demand revenue bonds in the amount of $200,000,000. The bond proceeds were to be used to finance the acquisition or construction of capital assets at the request of public school districts within the Commonwealth of Pennsylvania. The General Authority entered into either a Project Sale Agreement or a Project Loan Agreement with the districts and received General Obligation Notes from the districts. The terms of each Agreement required that the school district pay sufficient amounts to allow the General Authority to pay the principal and interest on the bonds, program administrative costs, and other expenses associated with the program. Excess profits may be applied toward loan-related expenses.

The bonds were originally set to mature on June 1, 2026, and bore interest at variable rates adjusted periodically by the Remarketing Agent. The rate was set to be the rate necessary to enable the Remarketing Agent to sell the bonds (exclusively of accrued interest, if any) at a price equal to their principal amount.

During the year ended December 31, 2008, the weekly rate associated with the bond insurance was higher than historical rates and the Authority would not have been able to renew the liquidity facility. As a result, all participating school districts have either prepaid their loans or have given the notice of intention to do so.

As of December 31, 2009, the remaining loans were repaid by the participating school districts, the balance of the Variable Rate Demand Revenue Bonds was paid in full by the General Authority, and the pool was collapsed. The remaining nets assets of the School Pool I fund were transferred to the General Authority's internal service fund.

As of December 31, 2009, the balance outstanding on the Revenue Bonds was zero. However, a balance of $135,000 is classified as bonds called but not redeemed and is reported as a current liability for financial statement purposes.

School District Pooled Financing Program II

On October 8, 1997, the General Authority issued school revenue bonds in the amount of $250,000,000. The bond proceeds may be used to finance the acquisition or construction of capital assets at the request of public school districts within the Commonwealth of Pennsylvania. The General Authority entered into either a Project Sale Agreement or a Project Loan Agreement with the districts and received General Obligation Notes from the districts. The terms of each Agreement required that the school district pay sufficient amounts to allow the General Authority to pay the principal and interest on the Bonds, program administrative costs and other expenses associated with the program. Excess profits may be applied toward loan-related expenses.

NOTE 8: LONG-TERM DEBT (CONTINUED)

Component Units - Long-term Debt (Continued)

Dauphin County General Authority (Continued)

During 2002, $100,000,000 in revenue bonds were called to effectuate a reduction in the program. The remaining bonds were to mature on September 1, 2032, and bore interest at variable rates adjusted periodically by the Remarketing Agent. The rate set will be the rate necessary to enable the Remarketing Agent to sell the bonds (exclusively of accrued interest, if any) at a price equal to their principal amount.

During the year ended December 31, 2008, an adequate line of credit could not be obtained and the bonds were not insured by a municipal bond guaranty insurance policy. As a result, the bonds could not be remarketed, and the Authority notified the participating school district's that repayment was required.

During the year ended December 31, 2009, the remaining loans were repaid by the participating school districts, the balance of the School Revenue Bonds was paid in full by the General Authority, and the pool was collapsed. The remaining net assets of the School Pool II fund were transferred to the General Authority's internal service fund.

Office and Parking Revenue Bonds – Series A, B and C of 1998 (Riverfront Office Center)

On June 30, 1998, the General Authority issued Office and Parking Revenue Bonds Series A, B, and C in the principal amounts of $38,950,000, $1,120,000, and $5,235,436 respectively. The bond proceeds were used to acquire certain real estate and parking facilities in the City of Harrisburg, known as the "Riverfront Office Center," to fund a debt service reserve, and to pay the costs of issuance. The bonds were issued without a municipal bond guaranty insurance policy.

The bonds, as issued, consisted of Current Interest and Capital Appreciation Bonds. The Series A and B are Current Interest Bonds and the Series C are Capital Appreciation Bonds.

The Current Interest Bonds bear interest and mature as follows:

Series A

Years	Interest Rate	Principal	Interest	Total
2010	5.75%	$ 1,100,000	$ 1,863,250	$ 2,963,250
2011	6.00%	1,160,000	1,800,000	2,960,000
2012	6.00%	1,230,000	1,730,400	2,960,400
2013	6.00%	1,305,000	1,656,600	2,961,600
2014	6.00%	1,385,000	1,578,300	2,963,300
2015-2019	6,00%	8,265,000	6,541,800	14,806,800
2020-2024	6.00%	11,070,000	3,745,500	14,815,500
2025	6.00%	5,585,000	335,100	5,920,100
		$31,100,000	$19,250,950	$50,350,950

Series B

There was no balance remaining on the Series B bonds at December 31, 2009.

NOTE 8: LONG-TERM DEBT (CONTINUED)

Component Units - Long-term Debt (Continued)

Dauphin County General Authority (Continued)

Office and Parking Revenue Bonds – Series A, B and C of 1998 (Riverfront Office Center) (Continued)

Series C
The Capital Appreciation Bonds, which have an effective yield of 7%, bear no stated interest and have stated initial principal values as follows:

Maturity Dates	Stated Values at Issuance	Maturity Values	Discount	Accreted Value
July 1, 2024	$ 304,140	$ 1,820,000	$1,148,893	$ 671,107
January 1, 2025	293,857	1,820,000	1,171,589	648,411
July 1, 2025	283,920	1,820,000	1,193,501	626,499
January 2, 2026	274,310	1,820,000	1,214,704	605,296
July 1, 2026	265,047	1,820,000	1,235,161	584,839
January 1, 2027	256,074	1,820,000	1,254,945	565,055
July 1, 2027	247,411	1,820,000	1,274,055	545,945
January 1, 2028	3,310,677	25,205,000	17,899,835	7,305,165
	$5,235,436	$37,945,000	$26,392,683	$11,552,317

As required by a mandatory sinking fund provision, the trustee deposited $2,964,300 of bond proceeds to the Debt Service Reserve Account.

Hotel and Conference Center Revenue Bonds – Series of 1998 (Hyatt Hotel Project)

On July 1, 1998, the General Authority issued Hotel and Conference Center Revenue Bonds, Series 1998 in the principal amount of $64,500,000. The bond proceeds were used to provide funds to design, construct, and equip the Hyatt Regency Pittsburgh International Airport Hotel and Conference Center, to capitalize interest through the construction period, to fund a debt service reserve, to fund an operating reserve and pay the costs of issuance. The bonds were issued without a municipal bond guaranty insurance policy.

NOTE 8: LONG-TERM DEBT (CONTINUED)

Component Units - Long-term Debt (Continued)

Dauphin County General Authority (Continued)

The Bonds bear interest and mature as follows:

Years	Interest Rate	Principal	Interest	Total
2010	6.00%	$ 1,430,000	$ 3,651,300	$ 5,081,300
2011	6.00%	1,580,000	3,559,420	5,139,420
2012	6.20%	1,675,000	3,458,515	5,133,515
2013	6.20%	1,770,000	3,351,720	5,121,720
2014	6.20%	1,885,000	3,238,415	5,123,415
2015-2019	6.20%	11,315,000	14,229,775	25,544,775
2020-2024	6.20%	14,985,000	10,182,725	25,167,725
2025-2029	6.20%	24,990,000	4,612,800	29,602,800
		$59,630,000	$46,284,670	$105,914,670

As required by a mandatory sinking fund provision, the trustee deposited $5,189,000 of bond proceeds to the Debt Service Reserve Account. However, as discussed in Note 26, an unscheduled draw was made in July 2009 out of the Bond Redemption and Improvement Fund.

Dauphin County Guaranteed Lease Revenue Bonds - Series of 2001 and Series C of 2009 (Building Bonds)

On November 21, 2001, the General Authority issued $5,620,000 Dauphin County Guaranteed Lease Revenue Refunding Bonds – Series A of 2001 and $4,750,000 Dauphin County Guaranteed Lease Revenue Bonds, Series B of 2001. The proceeds of Series A of 2001 were used to defease the County Building Bonds Series of 1997, as issued, consisted of Current Interest Bonds of $8,535,000. The bonds are insured by a municipal bond guaranty insurance policy. The General Authority used the Series A of 2001 Bond proceeds to advance refund the Current Interest Bonds, resulting in defeasance of the bonds. As a result, the liability for those bonds has been removed from the Building Bond Fund. The balance outstanding on the County Building Bonds Series of 1997 at December 31, 2009, is zero.

The Series B of 2001 Bonds were issued to make renovations and improvements to a portion of the building; upgrade the electrical, plumbing and HVAC systems and installation of a new steam heating system to the property; and to pay the costs of issuance associated with issuing the bonds.

On November 12, 2009, the general Authority issued $4,865,000 Dauphin County Guaranteed Lease Revenue Bonds – Series C of 2009. The proceeds of Series C of 2009 were used to currently refund Series B of 2001 and to pay the costs of issuance associated with issuing the bonds. The current refunding reduced total debt service payments by $452,508 through 2022, and resulted in an economic gain (difference between the present value of the old and new debt service payments) of $375,029. The balance outstanding on the Series B or 2001 bonds at December 31, 2009 is zero.

COUNTY OF DAUPHIN, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

NOTE 8: LONG-TERM DEBT (CONTINUED)

Component Units - Long-term Debt (Continued)

Dauphin County General Authority (Continued)

Dauphin County Guaranteed Lease Revenue Bonds - Series of 2001 and Series C of 2009 (Building Bonds) (Continued)

The County has pledged its taxing power to support its lease rental payments related to both principal and interest due on the General Authority's Bonds. These bonds mature as follows:

Years	Interest Rate	Principal	Interest	Total
2010	1.00%	$ 70,000	$ 111,693	$ 181,693
2011	2.00%	350,000	148,225	498,225
2012	2.00%	350,000	141,225	491,225
2013	2.25%	360,000	134,225	494,225
2014	2.50%	365,000	126,125	491,125
2015-2019	3.00%-3.55%	2,000,000	465,640	2,465,640
2020-2022	3.70%-3.88%	1,370,000	106,338	1,476,338
		$ 4,865,000	$ 1,233,471	$ 6,098,471

Dauphin County Guaranteed Lease Revenue Bonds - Series of 1992 (Building Bonds)

The General Authority issued $11,845,695 Dauphin County Guaranteed Lease Revenue Bonds - Series of 1992 on July 1, 1992, the proceeds of which were used to defease the County Building Bonds - Series of 1986. The balance outstanding on the defeased bonds at December 31, 2009, is $530,000. The bonds are insured by a municipal bond guaranty insurance policy.

The 1992 Bonds, as issued, consisted of Current Interest Bonds and Capital Appreciation Bonds of $10,900,000 and $945,695, respectively. The bonds are insured by a municipal bond guaranty insurance policy. Through the issuance of the County Building Bonds Series of 1997, the General Authority advance refunded the Current Interest Bonds resulting in defeasance of the bonds. The balance outstanding on the defeased bonds at December 31, 2009, is zero.

The 1992 Capital Appreciation Bonds mature as follows:

Maturity Dates	Stated Values at Issuance	Maturity Values	Discount	Accreted Value
March 1, 2010	$ 176,935	$ 530,000	$ 5,436	$524,564

NOTE 8: LONG-TERM DEBT (CONTINUED)

Component Units - Long-term Debt (Continued)

Dauphin County General Authority (Continued)

Lease Revenue Bonds – Series A and B of 2003 and Series D of 2009 (100 Chestnut Street)

On October 1, 2003, the Authority issued Tax Exempt Lease Revenue Bonds, Series A in the principal amount of $2,490,000 and Federally Taxable Lease Revenue Bonds, Series B in the principal amount of $1,355,000. The Authority used the 2003 bond proceeds to advance refund the Lease Revenue Bonds, Series A and B of 1998, resulting in defeasance of the bonds. The bonds are insured by a municipal bond guaranty insurance policy.

On November 12, 2009, the General Authority issued Tax Exempt Lease Revenue Bonds, Series D of 2009, in the principal amount of $2,570,000. The General Authority used the Series D bond proceeds to currently refund the 2003 Bonds Payable, Series A. The current refunding reduced total debt service payments by $136,538 through 2018, and resulted in an economic gain (difference between the present values of the old and new debt service payments) of $121,212.

The bonds bear interest and mature as follows:

Series B of 2003

Years	Interest rate	Principal	Interest	Total
2010	4.90%	$175,000	$ 8,575	$183,575

Series D of 2009

Years	Interest Rate	Principal	Interest	Total
2010	1.00%	$ 110,000	$ 54,432	$ 164,432
2011	1.20%	290,000	60,328	350,328
2012	1.55%	295,000	56,848	351,848
2013	2.00%	295,000	52,275	347,275
2014	2.30%	300,000	46,375	346,375
2015-2018	2.70%-3.40%	1,280,000	103,895	1,383,895
		$2,570,000	$ 374,153	$2,944,153

COUNTY OF DAUPHIN, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

NOTE 8: LONG-TERM DEBT (CONTINUED)

Component Units - Long-term Debt (Continued)

Dauphin County General Authority (Continued)

Lease Revenue Bonds – Series A and B of 1998 (100 Chestnut Street)

On September 1, 1998, the General Authority issued Tax Exempt Lease Revenue Bonds, Series A in the principal amount of $4,285,000 and Federally Taxable Lease Revenue Bonds, Series B in the principal amount of $340,000. The bond proceeds were used to acquire certain real estate in the City of Harrisburg, known as "100 Chestnut Street," to fund certain renovations to the facility, to fund a debt service reserve, and to pay the costs of issuance. On October 1, 2003, the General Authority advance refunded the Series A and B of the 1998 Bonds, resulting in a defeasance of the bonds. As a result, the liability for those bonds has been removed from the 100 Chestnut Street Fund. The balance outstanding on the defeased Series A bonds on December 31, 2009 is $2,590,000. The Series B bonds matured in 2006 and were paid in full.

Dauphin County Guaranteed Revenue Bonds – Series A and B of 2005 (Dauphin Highlands)

On January 6, 2005, the General Authority issued Tax Exempt County Guaranteed Revenue Refunding Bonds, Series A of 2005 and Taxable County Guaranteed Revenue Refunding Bonds, Series B of 2005 in the principal amount of $8,565,000 and $2,435,000, respectively. The bonds are insured by a municipal bond guaranty insurance policy. The net proceeds were used to advance refund the 1993 Series Capital Appreciation Bonds, advance refund the County Guaranteed Revenue Bonds, Series of 2003 and pay the costs of issuing the bonds. As a result, the liability for those bonds has been removed from Dauphin Highlands. At December 31, 2009, the maturity value and accreted value of the bonds outstanding on the 1993 Series Capital Appreciation Bonds are $13,265,000 and $8,596,690, respectively. There is no balance outstanding on the County Guaranteed Revenue Bonds, Series of 2003, at December 31, 2009.

Dauphin County has pledged its full faith, credit and taxing power to guarantee the debt service payments related to both principal and interest due on the Series A of 2005 Revenue Refunding Bonds. These bonds mature as follows:

Years	Interest Rate	Principal	Interest	Total
2010	3.00%	$ 5,000	$ 392,498	$ 397,498
2011	3.25%	5,000	392,348	397,348
2012	3.50%	5,000	392,166	397,166
2013	3.60%	5,000	392,010	397,010
2014	4.00%	5,000	391,830	396,830
2015-2019	4.00%	25,000	1,958,150	1,983,150
2020-2024	4.00% - 4.50%	1,490,000	1,879,150	3,369,150
2025-2029	4.50% - 4.63%	3,015,000	1,374,298	4,389,298
2030-2034	4.63% - 4.70%	3,990,000	580,296	4,570,296
		$ 8,545,000	$ 7,752,746	$ 16,297,746

COUNTY OF DAUPHIN, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

NOTE 8: LONG-TERM DEBT (CONTINUED)

Component Units - Long-term Debt (Continued)

Dauphin County General Authority (Continued)

Dauphin County Guaranteed Revenue Bonds – Series A and B of 2005 (Dauphin Highlands) (Continued)

Dauphin County has pledged its full faith, credit and taxing power to guarantee the debt service payments related to both principal and interest due on the Series B of 2005 Revenue Refunding Bonds. These bonds mature as follows:

Years	Interest Rate	Principal	Interest	Total
2010	4.25%	$ 80,000	$ 117,656	$ 197,656
2011	4.50%	95,000	114,254	209,254
2012	4.65%	115,000	109,980	224,980
2013	5.15%	135,000	104,632	239,632
2014	5.15%	155,000	97,680	252,680
2015-2019	5.15%-5.50%	1,155,000	342,020	1,497,020
2020-2021	5.50%	515,000	39,050	554,050
		$ 2,250,000	$ 925,272	$ 3,175,272

Dauphin County Industrial Development Authority

Qualified Tax-Exempt Obligations

$488,000 Guaranteed Lease Revenue Note, Series of 2004, due in monthly installments of $4,855 through November 4, 2014 plus interest at 3.63%.

The proceeds of the note, dated November 4, 2004, were used for and towards the acquisition of a building situated at 1805 North Cameron Street in the City of Harrisburg, Dauphin County; and paying the costs and expenses related to the foregoing purposes and to the issuance of the Note.

Under a lease agreement dated November 4, 2004 between the IDA, as lessor, and the County, as lessee, the County is obligated to make monthly payments to or on behalf of the IDA in amounts required by the note. The County is currently making monthly payments directly to the bank. The County guarantees payment of principal and interest on the Note.

The following is a maturity schedule for the Guaranteed Lease Revenue Note, Series 2004:

Principal	Interest	Interest Rate	Maturity Date
$ 49,126	$ 9,139	3.63%	2010
50,940	7,325	3.63%	2011
52,820	5,445	3.63%	2012
54,770	3,495	3.63%	2013
56,791	1,474	3.63%	2014
9,667	43	3.63%	2015
$ 274,114	$ 26,921		

NOTE 8: LONG-TERM DEBT (CONTINUED)

Component Units - Long-term Debt (Continued)

Dauphin County Industrial Development Authority (Continued)

Qualified Tax-Exempt Obligations (Continued)

$900,000 Guaranteed Lease Revenue Note, Series of 2005, due in monthly installments of interest only through June 1, 2006 and in monthly installments of $6,319 through June 1, 2026. Interest is at 5.75%.

The proceeds of the note, dated June 1, 2005, were used for and towards the acquisition of a building located at 112 Market Street in the City of Harrisburg, Dauphin County, known as the Veterans Building; certain renovations and improvements thereto; and paying the costs and expenses related to the foregoing purposes of the note.

The IDA's payment obligations under the note and loan agreement are secured by a pledge of the IDA's right, title and interest in and to the receipts, revenues and moneys derived by the IDA in any manner from the operation of the Veterans Building. The County guarantees payment of principal and interest on the note. This note is a limited obligation of the IDA secured solely as provided in the loan agreement.

The following is a maturity schedule for the Guaranteed Lease Revenue Note, Series of 2005:

Principal	Interest	Interest Rate	Maturity Date
$ 29,786	$ 46,039	5.75%	2010
31,544	44,281	5.75%	2011
33,407	42,418	5.75%	2012
35,379	40,446	5.75%	2013
37,468	38,357	5.75%	2014
223,252	155,873	5.75%	2015 to 2019
297,410	81,715	5.75%	2020 to 2024
126,707	6,743	5.75%	2025 to 2026
$ 814,953	$ 455,872		

$900,000 Guaranteed Lease Revenue Note, Series of 2006, due in monthly installments of $5,677 through April 5, 2026 plus interest at 4.40%.

The proceeds of the note, dated April 5, 2006, were used for and towards the acquisition of a building situated at 1300 Rolleston Street in the City of Harrisburg, Dauphin County; and paying the costs and expenses related to the foregoing purposes and to the issuance of the Note.

Under a lease agreement dated April 5, 2006 between the IDA, as lessor, and the County, as lessee, the County is obligated to make monthly payments to or on behalf of the IDA in amounts required by the note. The County is currently making monthly payments directly to the bank. The County guarantees payment of principal and interest on the Note.

NOTE 8: LONG-TERM DEBT (CONTINUED)

Component Units - Long-term Debt (Continued)

Dauphin County Industrial Development Authority (Continued)

Qualified Tax-Exempt Obligations (Continued)

The following is a maturity schedule for the Guaranteed Lease Revenue Note, Series 2006:

Principal	Interest	Interest Rate	Maturity Date
$ 33,236	$ 34,885	4.40%	2010
34,749	33,372	4.40%	2011
36,242	31,879	4.40%	2012
37,982	30,139	4.40%	2013
39,712	28,409	4.40%	2014
227,305	113,300	4.40%	2015 to 2019
283,999	56,606	4.40%	2020 to 2024
103,957	3,907	4.40%	2025 to 2026
$ 797,182	$ 332,497		

Loan Payable, Vartan Bank, due in monthly installments of interest only through May 13, 2006 and in monthly installments of $1,563 through March 16, 2026. Interest is fixed at 7.00% through March 13, 2009 then is adjusted monthly with the Wall Street Journal Prime (WSJP) for the balance of the term. The WSJP at September 30, 2009 was 3.25%.

The proceeds of the loan, dated March 13, 2006, were used for and towards renovations and improvements to a building located at 112 Market Street in the city of Harrisburg, Dauphin County, known as the Veterans Building.

The following is a maturity schedule for the Loan Payable, Vartan Bank:

Principal	Interest	Interest Rate	Maturity Date
$ 6,192	$ 12,564	Var.	2010
6,640	12,116	Var.	2011
7,127	11,629	Var.	2012
7,617	11,139	Var.	2013
8,117	10,639	Var.	2014
49,573	44,207	Var.	2015 to 2019
71,341	22,439	Var.	2020 to 2024
25,173	880	Var.	2025 to 2026
$ 181,780	$ 125,613		

COUNTY OF DAUPHIN, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

NOTE 8: LONG-TERM DEBT (CONTINUED)

Component Units - Long-term Debt (Continued)

Dauphin County Industrial Development Authority (Continued)

Qualified Tax-Exempt Obligations (Continued)

$410,651 Guaranteed Lease Revenue Note, Series 2007A, due in monthly installments of $2,688 through August 16, 2027 plus interest at 4.83%.

The proceeds of the note, dated August 16, 2007 were used for and towards the acquisition of a building situated at 2125 Paxton Church Road in the City of Harrisburg, Dauphin County; and paying the costs and expenses related to the foregoing purposes and to the issuance of the Note.

Under a lease agreement dated August 16, 2007 between the Authority, as lessor, and the County, as lessee, the County is obligated to make monthly payments to or on behalf of the Authority in amounts required by the note. The County is currently making monthly payments directly to the bank. The County guarantees payment of principal and interest on the Note.

The following is a maturity schedule for the Guaranteed Lease Revenue Note, Series 2007A:

Principal	Interest	Interest Rate	Maturity Date
$ 13,748	$ 18,505	4.83%	2010
14,437	17,816	4.83%	2011
15,112	17,141	4.83%	2012
15,917	16,336	4.83%	2013
16,714	15,539	4.83%	2014
96,951	64,314	4.83%	2015 to 2019
123,784	37,481	4.83%	2020 to 2024
87,503	6,568	4.83%	2025 to 2027
$ 384,166	$ 193,700		

$900,000 Guaranteed Lease Revenue Note Series 2007, due in monthly installments of $5,291 through November 29, 2027 plus interest at 4.89%.

The proceeds of the note, dated November 29, 2007, were used for and towards the acquisition of a building situated at 5925 Stevenson Avenue in Lower Paxton Township, Dauphin County, Pennsylvania; and paying the costs and expenses related to the foregoing purposes and the issuance of the Note.

Under a lease agreement dated November 29, 2007 between the IDA, as lessor and the County, as lessee, the County is obligated to make monthly payments to or on behalf of the IDA in amounts required by the note. The County is currently making payments directly to the bank. The County guarantees payment of the principal and interest on the Note.

NOTE 8: LONG-TERM DEBT (CONTINUED)

Component Units - Long-term Debt (Continued)

Dauphin County Industrial Development Authority (Continued)

Qualified Tax-Exempt Obligations (Continued)

The following is a maturity schedule for the Guaranteed Lease Revenue Note, Series 2007:

Principal	Interest	Interest Rate	Maturity Date
$ 29,603	$ 41,445	4.83%	2010
31,105	39,943	4.83%	2011
32,574	38,475	4.83%	2012
34,334	36,715	4.83%	2013
36,076	34,972	4.83%	2014
209,653	145,588	4.83%	2015 to 2019
268,486	86,755	4.83%	2020 to 2024
207,658	17,124	4.83%	2025 to 2027
$ 849,489	$ 441,017		

$1,000,000 Guaranteed Construction Note (Veterans Building Project) Series of 2008 (Taxable) interest due in monthly installments at a rate of 4.40% APR on the outstanding principle balance. The balance of all principle outstanding is due on the Notes maturity date on June 1, 2010.

The proceeds of the note, dated June 17, 2008, are to be used to finance the costs acquisition, construction, and installation of improvements on an 8 story building located at 112 Market Street in the City of Harrisburg known generally as the "Veterans Building". The IDA draws on the note as needed to fund the capital project. The principal balance outstanding on the note at September 30, 2009 was $714,961.

The following is a maturity schedule for the Guaranteed Construction Note Series 2008:

Principal	Interest	Interest Rate	Maturity Date
$ 714,961	$ 20,972	4.40%	2010
$ 714,961	$ 20,972		

NOTE 8: LONG-TERM DEBT (CONTINUED)

Component Units - Long-term Debt (Continued)

Dauphin County Industrial Development Authority (Continued)

The following is a summary of long-term debt for the year ended September 30, 2009:

Guaranteed lease revenue notes:	Balance October 1, 2008	Additions	Deletions	Balance September 30, 2009	Due Within One Year
Series of 2004	$ 321,492	$ -	$ 47,378	$ 274,114	$ 49,126
Series of 2005	842,290	-	27,337	814,953	29,786
Series of 2006	828,971	-	31,789	797,182	33,236
Series of 2007	877,663	-	28,174	849,489	29,603
Series of 2007(A)	397,256	-	13,090	384,166	13,748
Subtotal	3,267,672	-	147,768	3,119,904	155,499
2008 Construction Note	714,961	-	-	714,961	714,961
Loan Payable	188,077	-	6,297	181,780	6,192
Total	$ 4,170,710	$ -	$ 154,065	$4,016,645	$ 876,652

Dauphin County Economic Development Corporation

Long-term debt at December 31, 2009, consisted of the following:

Note payable available of $2,200,000 to a bank, payable in variable annual installments plus interest at the LIBOR rate determined and in effect on the applicable adjustment date not to exceed 10%, initial principal payment due 2006, final payment due December 2030, bank has the option to call the note in December 2014, secured by assignment of leases and rentals. Interest rate at December 31, 2009 was 1.7415%.	$ 1,870,000
Section 108 Note payable in the amount of $3,000,000 issued for the purpose of redeveloping a brownfield site at an approximate interest rate of 5.4% and final payment due August 2026.	2,840,000
	4,710,000
Less current portion	(160,000)
Long-term debt	$ 4,550,000

Maturities of long-term debt are as follows:

2010	$ 160,000
2011	160,000
2012	215,000
2013	230,000
2014	235,000
Thereafter	3,710,000
	$ 4,710,000

COUNTY OF DAUPHIN, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

NOTE 9: GUARANTEED DEBT

The County is currently the guarantor of three Swaps that were issued through the Harrisburg Authority.

The first swap is related to the Resource Recovery Multi-Modal Bonds, Series D of 2003, originally issued in the amount of $96,480,000. The synthetic variable swap (the "Second 2003 Variable Swap") was executed in the amount of $65,000,000. The 2003 Variable Swap was entered into with the Royal Bank of Canada (the Counterparty). The effective date of the 2003 Variable Swap was December 30, 2003 and the termination date is December 1, 2013. The Harrisburg Authority pays to the Counterparty SIFMA and receives from the Counterparty a fixed rate of 3.37%.

The second swap is related to the Resource Recovery Multi-Modal Bonds, Series D of 2003 (the "2003D Bonds"), originally issued in the amount of $96,480,000. The floating-to-fixed swap (the "2006 Fixed Payor") was executed in the amount of $96,480,000. The 2006 Fixed Payor was entered into with the Royal Bank of Canada (the Counterparty). The 2006 Fixed Payor had an effective date of June 1, 2006 and a termination date of June 1, 2011. The Harrisburg Authority pays to the Counterparty a fixed rate of 3.35% and receives from the Counterparty 68% of One-Month LIBOR.

The third swap is related to the Resource Recovery Multi-Modal Bonds, Series D of 2003 (the "2003D Bonds"), originally issued in the amount of $96,480,000. A 6% cap (the "2003D Cap") was purchased from the Royal Bank of Canada (the Counterparty), commenced in 2006 and expires in 2033.

Component Units – Guaranteed Debt

Dauphin County Economic Development Corporation

On August 15, 2002, the Dauphin County Industrial Development Authority (IDA) issued County Guaranteed Revenue Bonds, Series of 2002 (the Bonds) in the aggregate principal amount of $3,500,000.

The IDA appointed M & T Bank (formerly Allfirst), to serve as trustee, bond registrar and paying agent for the Bonds. The Bonds are limited obligations of IDA, payable solely from the funds pledged by the County of Dauphin (the County) under an agreement titled "Repayment Agreement by and between Dauphin County Industrial Development Authority and County of Dauphin, Pennsylvania regarding $3,500,000 Dauphin County Industrial Development Authority County Guaranteed Revenue Bonds, Series of 2002," (the Repayment Agreement).

Pursuant to the Repayment Agreement, the IDA lent the full proceeds of the Bonds to the County to finance road and transportation improvements related to tourism and regional promotion and to pay costs incurred to issue the bonds. The County is obligated to make payments in amounts equal to scheduled principal and interest on the Bonds, along with certain annual administrative expenses of the IDA, until the Bonds mature in 2012.

NOTE 9: GUARANTEED DEBT (CONTINUED)

Component Units – Guaranteed Debt (Continued)

Dauphin County Economic Development Corporation (Continued)

Under the bond indenture and the Repayment Agreement, the County is obligated to make timely payments directly to the Trustee in amounts necessary to satisfy the debt service requirements of the Bonds. DCEDC will make debt service payments to the Trustee on behalf of the County using transfers in from Dauphin County revenue. However, the Bonds are the obligations of the County, not DCEDC, and therefore are not reflected as a liability in the financial statements of DCEDC as of December 31, 2009.

Scheduled interest rates and principal maturities on the Bonds are as follows:

Maturity November 15	Rate of Interest	Principal	Interest	Total Debt Service
2010	3.55%	$ 410,000	$ 47,843	$ 457,843
2011	3.75%	425,000	32,878	457,878
2012	3.85%	440,000	16,940	456,940
		$1,275,000	$ 97,661	$1,372,661

COUNTY OF DAUPHIN, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

NOTE 10: INTEREST RATE SWAPS

2005 SWAP

Objectives and terms of the swap. In October 2005, the County entered into a basis swap with the Royal Bank of Canada as the Counterparty. The basis swap is structured such that the notional principle schedule matches the principle amortization of the County's General Obligation Notes, Series D of 2004. The County pays the Counterparty the SIFMA Municipal Swap Index, while the Counterparty pays the County 67% of 1-month LIBOR plus a pre-determined .39% per annum.

The terms, fair values, and credit ratings of the basis swap as of December 31, 2009 were as follows. The notional amount of the swap match the principal amount of the 2004 D Series Notes.

Associated Bond Issue	Notional Amount	Effective Date	County Pays	County Receives	Fair Value	Swap Termination Date	Counterparty Credit Rating
Series D of 2004 GON	$ 14,805,000	10/1/2005	SIFMA	67% of USD-LIBOR + .39%	$ (331,257)	3/1/2019	Aaa/ AA-/ AA

Fair market value. The swap had a negative fair market value as of December 31, 2009. The fair market value was estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

Credit risk. The swap's fair value represented the County's exposure to the counterparty as of December 31, 2009. Should the counterparty to this transaction fail to perform according to the terms of the swap contract, the County faces a maximum possible loss equivalent to the swap fair value. As of December 31, 2009, the counterparty was rated Aaa by Moody's Investors Service, AA- by Standard & Poor's, and AA by Fitch Ratings.

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

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

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

COUNTY OF DAUPHIN, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

NOTE 10: INTEREST RATE SWAPS (Continued)

2006 SWAPS

Objectives and terms of the swap. In June 2006, the County entered into a floating to fixed rate basis swap with the Deutsche Bank as the Counterparty. This swap was subsequently amended and restated in March 2008 in the amount of $16,865,000 (the "2008 Fixed Swap"). The County entered into the fixed swap with the Deutsche Bank as the Counterparty. The County will pay the Counterparty a fixed rate of 3.979%, while the Counterparty will pay the County 67% of 1-month LIBOR.

The terms, fair values, and credit ratings of the basis swap as of December 31, 2009 were as follows. The notional amount of the swap match the principal amount of the 2008 Series Bonds.

Associated Bond Issue	Notional Amount	Effective Date	County Pays	County Receives	Fair Value	Swap Termination Date	Counterparty Credit Rating
Series of 2008 GOB	$ 16,865,000	3/27/2008	3.979%	67% of 1 MONTH-LIBOR	$ (1,847,495)	10/15/2023	Aa1/ A+/ AA-

Fair market value. The swap had a negative fair market value as of December 31, 2009. The fair market value was estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

Credit risk. The swap's fair value represented the County's exposure to the counterparty as of December 31, 2009. Should the counterparty to this transaction fail to perform according to the terms of the swap contract, the County faces a maximum possible loss equivalent to the swap fair value. As of December 31, 2009, the counterparty was rated Aa1 by Moody's Investors Service, A+ by Standard & Poor's, and AA- by Fitch Ratings.

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

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

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

NOTE 10: INTEREST RATE SWAPS (Continued)

2007 SWAPS

Objectives and terms of the swaps. In September 2007 the County executed fixed to variable rate swaps. The 2005C fixed to variable rate swap has a beginning notional amount of $16,975,000 and is structured to match the principal amortization of the 2005C Bonds. The Counterparty will have the right to place the County into the swap quarterly beginning November 15, 2007, through and including November 15, 2012, thus creating "synthetic variable rate debt". In exchange for this right, the Counterparty made an upfront payment to the County in the amount of $424,200. The 2002A fixed to variable rate swap has a beginning notional amount of $16,480,000 and is structured to match the principal amortization of the 2002A Bonds. The Counterparty will have the right to place the County into the swap quarterly beginning November 15, 2007, through and including November 15, 2012, thus creating "synthetic variable rate debt". In exchange for this right, the Counterparty made an upfront payment to the County in the amount of $411,850. The Series B of 2005 fixed to variable rate swap has a beginning notional amount of $6,600,000 and is structured to match the principal amortization of the 2005B Bonds. The Counterparty will have the right to place the County into the swap quarterly beginning November 15, 2007, through and including November 15, 2012, thus creating "synthetic variable rate debt". In exchange for this right, the Counterparty made an upfront payment to the County in the amount of $164,950.

The terms, fair values, and credit ratings of the outstanding transactions as of December 31, 2009, were as follows:

Transaction Type	Associated Bonds	County Pays	County Receives	Effective Date	Maturity Date	Initial Notional	Counterparty	Counterparty Credit Rating	Fair Value
Swaption	Series 2005C	SIFMA	3.735%	9/25/2007	11/15/2012	$ 16,975,000	DEPFA Bank	A2 / BBB / A-	$ (400,000)
Swaption	Series 2002A	SIFMA	3.735%	9/25/2007	11/15/2012	$ 16,480,000	DEPFA Bank	A2 / BBB / A-	$ (400,000)
Swaption	Series 2005B	SIFMA	3.775%	9/25/2007	11/15/2012	$ 6,600,000	DEPFA Bank	A2 / BBB / A-	$ (300,000)

Fair Market Values. The swaps had negative fair market values as of December 31, 2009. The fair market values are a calculation of the mid-market value were the County to exit the swaps. Mid-market values exclude transaction costs. These are estimated using the zero-coupon method and market standard option pricing methods. This method calculates the future net settlement payments required by the swaps, assuming that current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rate implied by the current yield curve for the hypothetical zero-coupon bonds due on the date of each future net settlement on the swaps.

Credit risk. The swap's fair value represented the County's exposure to the counterparty as of December 31, 2009. Should the counterparty to this transaction fail to perform according to the terms of the swap contract, the County faces a maximum possible loss equivalent to the swap fair value. As of December 31, 2009, the counterparty was rated A2 by Moody's Investors Service, BBB by Standard & Poor's, and A- by Fitch Ratings. Due to recent ratings downgrades of DEPFA, a more highly rated counterparty is being sought to replace DEPFA and assume all obligation of DEPFA under the swaptions.

Interest Rate Risk. The swaps increase the County's exposure to interest rate risk.

Termination Risk. The swaps were issued pursuant to the International Swap Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The County or counterparty may terminate the swaps if the other party fails to perform under the terms of the contract. If the swaps are terminated, the County will be responsible for the underlying fixed rate bond obligations. Also, if at the time of termination the swaps have a negative fair value, the County would be liable to the counterparty for a payment equal to the swaps fair values.

NOTE 10: INTEREST RATE SWAPS (Continued)

2008 SWAPS

Objectives and terms of the swaps. In September 2008 the County executed two range accrual swaps (2008 SWAP I and 2008 SWAP II). The 2008 Swap I has a beginning notional amount of $30,685,000 and a maturity date of September 1, 2018. The notional amount of the 2008 Swap I will be related to portions of the 2002A Bonds (2018-2022 maturities), 2004C Notes (2023 maturity), 2005B Bonds (2018-2022 maturities), 2005C Bonds (2018-2022 maturities), and 2006 Bonds (2018-2022 maturities). From September 1, 2008 through September 1, 2009, the County will pay the Counterparty 3-month LIBOR, and the Counterparty will pay the County 3-month LIBOR plus a fixed spread. From September 1, 2009 through the maturity date, the County will pay the Counterparty 3-month LIBOR, and the Counterparty will pay the County 3-month LIBOR plus the Fixed Spread I, multiplied by a Ratio. The Ratio is defined as N/D, where N equals the number of calendar days in the observation period for which 3-month LIBOR is less than or equal to 7.00%, and D equals the actual number of calendar days in such observation period. The 2008 Swap II has a beginning notional amount of $11,110,000 and a maturity date of September 1, 2023. The notional amount of the 2008 Swap II will be related to portions of the 2002A Bonds (2023-2024 maturities), 2004C Notes (2024 maturity), 2005C Bonds (2023-2024 maturities), and 2006 Bonds (2023 maturity). From September 1, 2008 through September 1, 2009, the County will pay the Counterparty 3-month LIBOR, and the Counterparty will pay the County 3-month LIBOR plus a fixed spread. From September 1, 2009 through the maturity date, the County will pay the Counterparty 3-month LIBOR, and the Counterparty will pay the County 3-month LIBOR plus the Fixed Spread II, multiplied by a Ratio. The Ratio is defined as N/D, where N equals the number of calendar days in the observation period for which 3-month LIBOR is less than or equal to 7.00%, and D equals the actual number of calendar days in such observation period.

The terms, fair values, and credit ratings of the outstanding transactions as of December 31, 2009, were as follows:

Transaction Type	Associated Bonds	County Pays	County Receives	Effective Date	Maturity Date	Intial Notional	Counterparty	Fair Value
Swaption	Various	3 Month LIBOR	3 Month LIBOR + 171 bp	9/1/2008	9/1/2018	$ 30,685,000	Deutsche Bank AG	$ -
Swaption	Various	3 Month LIBOR	3 Month LIBOR + 262 bp	9/1/2008	9/1/2023	$ 11,110,000	Deutsche Bank AG	$ -

These Swaps were terminated during 2009, resulting in net proceeds to the County of $398,000.

2009 SWAPS

Objectives and terms of the swaps. In January 2009 the County executed a basis swap with Royal Bank of Canada (RBC), the Counterparty. The 2009 Swap has a beginning notional amount of $45,040,000 and a maturity date of November 15, 2024. The notional amount of the 2009 Swap will be related to portions of the 2002A Bonds (2014-2024 maturities), 2005C Notes (2014-2024 maturities), and 2006 Bonds (2014-2023 maturities). Commencing January 23, 2009, the County will make semiannual payments to the Counterparty equal to the notional amount outstanding multiplied by the SIFMA Municipal Swap Index ("SIFMA"), and the Counterparty with make semiannual payments to the County equal to the notional amount outstanding multiplied by a percentage of 3-month LIBOR. The County will have the option to terminate the 2009 Swap at the market termination value at any time.

These Swaps were terminated during 2009 resulting in net proceeds to the County of $1,270,000.

NOTE 11: DIRECT FINANCING LEASES

Component Unit - Direct Financing Leases

Dauphin County General Authority

The General Authority's County Building Bond Fund leasing operation consists of leasing a parking garage/office building to the County of Dauphin under a direct financing lease arrangement, with the lease assigned to a trustee as collateral for the County Building Bonds. Subsequent to leasing, the County designated the General Authority as agent to operate the facility. All operating costs remain the responsibility of the County and are accounted for on the County's records. In November 2009, the General Authority currently refunded the Revenue Bonds Series 2001 through the issuance of Guaranteed Lease Revenue Bonds. The term of the revised lease agreement is 20 years and expires in 2022.

The General Authority's 100 Chestnut Street Bond Fund leasing operation consists of leasing an office building to the County of Dauphin under a direct financing lease arrangement, with the lease assigned to a trustee as collateral for the Chestnut Street Revenue Bonds. The Chestnut Street Revenue Bonds were originally advanced refunded in 2003 through the issuance of Lease Revenue Bonds, Series A and B of 2003. In November 2009, the General Authority refunded the Lease Revenue Bonds, Series A of 2003 through the issuance of Tax Exempt Lease Revenue Bonds, Series D of 2009. The term of the revised lease agreement is 15 years and expires in 2018.

Following is a schedule of minimum lease payments for all direct financing leases:

Years Ending December 31,	County Building Bond Fund	100 Chestnut Street Fund	Total
2010	$706,258	$348,007	$ 1,054,265
2011	498,225	350,328	848,553
2012	491,225	351,848	843,073
2013	494,225	347,275	841,500
2014	491,125	346,375	837,500
2015-2019	2,465,640	1,383,895	3,849,535
2020-2022	1,476,337	-	1,476,337
	$ 6,623,035	$ 3,127,728	$ 9,750,763

The net investment in direct financing leases consists of the following at December 31, 2009:

	County Building Bond Fund	100 Chestnut Street Fund	Total
Total Minimum Lease Payments to be Received	$ 6,623,035	$ 3,127,728	$ 9,750,763
Less: Unearned Income	1,233,471	372,223	1,605,694
	$ 5,389,564	$ 2,755,505	$ 8,145,069
Current Portion	$ 594,564	$ 295,505	$ 890,069
Noncurrent Portion	4,795,000	2,460,000	7,255,000
	$ 5,389,564	$ 2,755,505	$ 8,145,069

COUNTY OF DAUPHIN, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

NOTE 11: DIRECT FINANCING LEASES (CONTINUED)

Component Unit - Direct Financing Leases (Continued)

Dauphin County Industrial Development Authority

On November 4, 2004 the IDA entered into a lease agreement with the County of Dauphin for a building for a fifteen year term. The lease requires the County to make payments equal to the principal and interest of the IDA's Series of 2004 Guaranteed Lease Revenue Note used for the purchase of the building. The County has the right to purchase the leased buildings and equipment for the sum of one dollar, plus the amount, if any, required to pay in full the outstanding balance due under the IDA's Series of 2004 Guaranteed Lease Revenue Note. The amount of the lease outstanding at September 30, 2009 is $274,114.

On April 5, 2006, the IDA entered into a lease agreement with the County of Dauphin for a building for a twenty year term. The lease requires the County to make payments equal to the principal and interest of the IDA's Series of 2006 Guaranteed Lease Revenue Note used for the purchase of the building. The County has the right to purchase the leased building for the sum of one dollar, plus the amount, if any, required to pay in full the outstanding balance due under the IDA's Series of 2006 Guaranteed Lease Revenue Note. The amount of the lease outstanding at September 30, 2009 is $797,182.

On August 15, 2007 the IDA entered into a lease agreement with County of Dauphin for a building for a twenty year term. The lease requires the County to make payments equal to the principal and interest of the IDA's Series of 2007A Guaranteed Lease Revenue Note. The County has the right to purchase the leased building for the sum of one dollar, plus the amount, if any, required to pay in full the outstanding balance due under the IDA's Series of 2007A Guaranteed Lease Revenue Note. The amount of the lease outstanding at September 30, 2009 is $384,166.

On November 29, 2007 the IDA entered into a lease agreement with the County of Dauphin for a building for a twenty-year term. The lease requires the County to make payments equal to the principal and interest of the IDA's Series 2007 Guaranteed Lease Revenue Note. The County has the right to purchase the leased building for the sum of one dollar, plus the amount, if any, required to pay in full the outstanding balance due under the IDA's Series 2007 Guaranteed Lease Revenue Note. The amount of the lease outstanding at September 30, 2009 is $849,489.

Following is a schedule of minimum lease payments for the direct financing leases:

Years Ending September 30,	
2010	$ 229,687
2011	229,687
2012	229,688
2013	229,688
2014	229,687
2015 - 2019	866,821
2020 - 2024	857,111
2025 - 2029	426,717
	$ 3,299,086

NOTE 11: DIRECT FINANCING LEASES (CONTINUED)

Component Unit - Direct Financing Leases (Continued)

Dauphin County Industrial Development Authority (Continued)

The net investment in direct financing lease consists of the following at September 30, 2009:

Total Minimum Lease Payments to be Received	$ 3,299,086
Less: Unearned Interest Income	(994,135)
	$ 2,304,951
Current Portion	$ 125,713
Noncurrent Portion	2,179,238
	$ 2,304,951

NOTE 12: CAPITAL LEASE OBLIGATIONS

Obligations under capital lease consists of a lease payable to the General Authority for the Human Services Building Fund that is accounted for as an Enterprise Fund bearing interest at rates from 1.00% to 3.875% and for the Chestnut Street Building that is accounted for in the Governmental Activities bearing interest rates from 1.00% to 3.40%, both of which were refunded in 2009. As a result of the refunding, the Human Service Building Fund recognized a loss of $124,319 that is being amortized on the interest method over the term of the lease. The balance of the deferred loss at December 31, 2009 is $122,320. Also as a result of refunding, the County recognized a loss of $68,278 that is being amortized on the interest method over the term of the lease. The balance of the deferred loss at December 31, 2009 is $66,748 and is included in deferred interest from refunding on the Statement of Activities.

The County also has four lease payables to the Industrial Development Authority for District Justice Offices that are accounted for in the Governmental Activities bearing interest rates from 3.46% to 4.89%. The County has also entered into capital lease agreements for computer equipment, office and other equipment, and a security system which are accounted for in the Governmental Activities. Also, the County has entered into capital lease agreements for computer equipment in the 911 EMA Fund that is accounted for as an Enterprise Fund.

In 2009, the County entered into eight new capital leases. These leases included two copier leases totaling $14,470, two IT equipment leases totaling $400,454 and three phone leases totaling $108,117, which are accounted for in the Governmental Activities, as well as a 911 server lease in the amount of $11,195, which is accounted for in the Enterprise Fund.

NOTE 12: CAPITAL LEASE OBLIGATIONS (CONTINUED)

The following is a schedule of future minimum lease payments under the capital lease agreements, together with the present value of the net minimum lease payments as of December 31, 2009:

Years Ending December 31	Governmental Activities	Human Services Building Enterprise Fund	911 EMA Fund
2010	$ 1,065,747	$ 731,965	$ 4,015
2011	829,011	498,226	4,015
2012	819,288	491,226	3,011
2013	651,753	494,226	-
2014	565,764	491,126	-
2015-2019	2,237,775	2,465,645	-
2020-2024	854,151	1,476,339	-
2025-2028	354,220	-	-
Total Minimum Lease Payments	7,377,709	6,648,753	11,041
Less: Amount Representing Interest	1,418,046	1,253,753	721
Total Present Value of Net Minimum Lease Payments	5,959,663	5,395,000	10,320
Less: Amounts Due within One Year	827,231	600,000	3,604
	$ 5,132,432	$ 4,795,000	$ 6,716

The assets associated with the capital leases are shown as Leasehold Assets within the Capital Asset Note (See Note 6).

NOTE 12: CAPITAL LEASE OBLIGATIONS (CONTINUED)

Component Unit- Capital Lease Obligation

Dauphin County General Authority

In 2009, Dauphin Highlands purchased golf carts under a long-term lease agreement that is classified as a capital lease. As of December 31, 2009, Dauphin Highlands includes these golf carts at a cost of $ 159,800, with accumulated depreciation of $13,317.

The future minimum payments under this capital lease and the present value of the minimum lease payments at December 31, 2009 are as follows:

Year Ended December 31,	Total
2010	$ 36,094
2011	36,094
2012	36,094
2013	36,094
Total Minimum lease payments	144,376
Less amount representing interest	(17,116)
Present value of future minimum lease payments	$ 127,260

NOTE 13: LINE OF CREDIT

Component Unit – Line of Credit

Case Management Unit

At June 30, 2009, CMU had a $600,000 line of credit with a bank secured by all accounts receivable which expires December 10, 2048. Interest on outstanding borrowing is due monthly at .5% above the bank's prime rate, which was 3.75% at June 30, 2009. There were $3,690,000 in borrowings on the line and $3,115,000 in repayments for the year ended June 30, 2009. The principle balance on the line as of June 30, 2009 was $ 575,000.

Dauphin County Industrial Development Authority

During 2008, the IDA entered into a $50,000 line of credit with PNC Bank, secured by gross revenues from the Trinity Harvest LLC project, which expires on September 1, 2013. Interest on outstanding borrowing is due monthly at the Lenders Prime Rate of 5% on September 30, 2009 less 2%. Interest paid on the line during 2009 was $944. The outstanding principle balance on the Line at September 30, 2009 was $49,767.

NOTE 14: RESERVED FUND BALANCES/NET ASSETS

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

Governmental Funds

General Fund

Workers Compensation — $ 295,516

This reserve represents cash and accrued interest that is held in trust for workers compensation (See Note 4 for further detail).

Prepaid Expenses — $1,999,659

This reserve represents various prepaid expenses including health insurance and a district justice office lease.

Accounts Receivable — $2,283,120

This reserve represents the amount due from the Harrisburg Authority and the City of Harrisburg for a debt service payment that was made on behalf of these entities.

Drug Act – Forfeited State — $81,269

This reserve represents amounts reserved for the Drug Act- Forfeited State Fund's fund balance deficit.

Human Service Building — $ 17,615

This reserve represents amounts reserved for the Human Service Building Fund unrestricted net asset deficit.

Special Revenue Funds

Program Purposes — $23,836,239

This reserve represents amounts reserved for the payment of specific program expenditures.

Capital Projects Fund — $ 25,496,409

This reserve represents the restriction of funds for capital projects.

Permanent Fund — $ 811,798

This reserve represents unexpended contributions that are to be used to fund future expenditures of the Fort Hunter Trust Fund.

Fiduciary Funds — $ 175,075,308

This reserve represents funds restricted to the retirement fund use for future payments of members' benefits.

COUNTY OF DAUPHIN, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

NOTE 15: RESERVED FUND BALANCES/NET ASSETS (CONTINUED)

Component Units-Reserved Fund Balance/Net Assets

Dauphin County Economic Development Corporation ("DCEDC")

Temporarily restricted net assets are available for the following as of December 31, 2009:

Tourism and regional promotion	$ 2,281,952
State of the County event	90,844
Team PA Calling Program	56,501
Community Development Block Grant	7,407
Community Development Block Grant – Section 108 Loan Guarantees	(2,659,840)
HOME Investment Partnerships Program	1,057
	$ (222,079)

NOTE 16: INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances consist of the following at December 31, 2009:

	Due From Other Funds	Due to Other Funds
Governmental Funds:		
General Fund	$ 7,232,235	$ 482,640
Special Revenue Funds		
Children and Youth Families Fund	122,626	6,879,496
State Grants Fund	19,979	5,467
Human Services Development Fund	2,111	-
MHMR Fund	42,002	-
Aging Fund	47,601	347,272
Drug and Alcohol Fund	17,104	-
Weatherization Fund	7,690	-
Domestic Relations Fund	100,859	-
Low Income Housing Fund	461	-
Drug Forfeited State Property Fund	1,284	-
Hotel Tax Fund	832	-
ARRA Fund	194	-
Total Special Revenue Funds	362,743	7,232,235
Capital Projects Fund	1,419,350	-
Total Governmental Funds	9,014,328	7,714,875
Proprietary Funds :		
Enterprise Funds:		
Solid Waste Fund	6,322	-
Emergency 911	113,575	1,419,350
Total Proprietary Funds	119,897	1,419,350
	$ 9,134,225	$ 9,134,225

Component Unit-Interfund Receivables and Payables

The County utilizes a pooled operating fund to enhance investment return, therefore, interfund receivables and payables are recorded to recognize amounts held by the General Fund in the pooled account on behalf of other funds. In addition, the General Fund has paid expenses on behalf of other funds, therefore, a corresponding interfund receivable and payable has been recorded.

	Due From Component	Due to Primary Government
Dauphin County Conservation District	$ 171,410	$ 171,410

COUNTY OF DAUPHIN, PENNSYLVANIA
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NOTE 17: INTERFUND OPERATING TRANSFERS

Interfund Transfers are executed as a result of the requirements for certain funds to fund a portion of the expenditures or expenses of other funds. Interfund operating transfers are as follows:

	Transfers from Other Funds	Transfers to Other Funds
Governmental Funds:		
General Fund	$ 8,926,690	$ 44,223,263
Special Revenue Funds		
Mental Health/Mental Retardation Fund	858,658	-
Children and Youth Families Fund	16,158,566	6,762,352
Domestic Relations	1,433,052	-
Weatherization Program Fund	76,074	-
State Grants Fund	47,621	208,392
Human Services Development Fund	57,690	102,274
Aging Fund	390,687	21,247
Drug and Alcohol Fund	207,871	21,650
Liquid Fuels Fund	4,154	-
Drug Forfeited Fed Property Fund	1,500	-
ARRA Fund	-	868
Gaming Fund	-	1,492,558
Fort Hunter Trust Fund	-	20,000
Total Special Revenue Funds	19,235,873	8,629,341
Capital Projects Fund	24,071,655	125,349
Total Governmental Funds	$ 52,234,218	$ 52,977,953
Proprietary Funds :		
Enterprise Funds:		
Health Choice Fund	-	106,121
Human Services Building Fund	781,188	-
Emergency 911	48,668	-
Fort Hunter Operating Fund	20,000	-
Total Proprietary Funds	849,856	106,121
	$ 53,084,074	$ 53,084,074

Component Unit - Interfund Operating Transfers

	Transfers from Component Units	Transfers to Primary Government
Dauphin County Conservation District	$ 637,361	$ 637,361

NOTE 18: PROPERTY TAXES

Real Estate Property Taxes

Real estate property taxes attach as an enforceable lien on property on January 1, based on the assessed value listed as of the prior December 31 for all real property located in the County. Assessed values are established by the County Assessment Board at approximately 100% of calculated market value. Taxes are billed on or about February 1, payable under the following terms: 2% discount, February 1 through March 31; face amount, April 1 through July 31, and 5% penalty June 1 through July 31, and a 10% penalty from August 1 through December 31. The County bills its own property taxes, which are collected by elected tax collectors. Real estate property taxes levied for 2009 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during 2009 and expected to be collected within the first sixty (60) days of 2010 are recognized as revenue in 2009. Net receivables estimated to be collectible subsequent to March 31 are reflected in deferred revenue. Prior years' levies are recorded using these same principles, and remaining receivables are annually reevaluated as to collectibility.

The rate of taxation in 2009 was 6.876 mills, for general purposes. In addition, a special tax of .35 mills was approved for the County Library System.

NOTE 19: SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The County incurred debt to finance the initial start-up of the Solid Waste Enterprise Fund that is backed by the full faith and credit of the County. Summary financial information is presented below.

	Solid Waste Enterprise Fund
CONDENSED STATEMENT OF NET ASSETS	
Assets:	
Current Assets	$ 1,119,980
Capital Assets	1,912,478
Total Assets	3,032,458
Liabilities:	
Current liabilities	49,804
Noncurrent liabilities	13,384
Total Liabilities	63,188
Net Assets:	
Invested in capital assets, net of related debt	1,912,478
Unrestricted	1,056,792
Total Net Assets	$ 2,969,270
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS	
Operating revenues	$ 901,257
Depreciation and amortization expense	(170,117)
Other operating expenses	(1,334,555)
Operating Income/(Loss)	(603,415)
Nonoperating revenues (expenses):	
Interest income	17,889
Grants	40,469
Change in net assets	(545,057)
Beginning net assets	3,514,327
Ending net assets	$ 2,969,270

COUNTY OF DAUPHIN, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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NOTE 19: SEGMENT INFORMATION FOR ENTERPRISE FUNDS (CONTINUED)

CONDENSED STATEMENT OF CASH FLOWS	
Net cash provided (used) by:	
Operating activities	$ (553,616)
Capital and related financing activities	12,568
Investing activities	17,889
Net increase/(decrease)	(523,159)
Beginning cash and cash equivalents	1,416,537
Ending cash and cash equivalents	$ 893,378

Component Units – Segment Information for Enterprise Funds

Dauphin County General Authority

The General Authority has issued revenue bonds to finance various activities. The nonmajor enterprise funds consist of the County Building Bond Fund, 100 Chestnut Street Fund, the Dauphin Highlands Golf Course Fund and the Pooled Financing Funds. However, investors in the revenue bonds rely solely on the revenue generated by the individual activities or the related guarantee, if applicable, for repayment. Summary financial information for the funds is presented on the following pages:

	County Building Bond Fund	100 Chestnut Street Fund	Dauphin Highlands Golf Course Fund	Pooled Financing Funds	Total Nonmajor Enterprise Funds
CONDENSED BALANCE SHEET					
ASSETS					
Current assets	$ 594,564	$ 407,320	$ 185,366	$ -	$ 1,187,250
Noncurrent investment in direct financing lease	4,795,000	2,460,000	-	-	7,255,000
Capital asset	-	-	6,070,425	-	6,070,425
Restricted assets	126,606	1,018,040	161,652	135,000	1,441,298
Other noncurrent assets	-	-	302,579	-	302,579
Total assets	$ 5,516,170	$ 3,885,360	$ 6,720,022	$ 135,000	$ 16,256,552
LIABILITIES					
Current liabilities	$ 665,978	$ 826,664	$ 287,405	$ 135,000	$ 1,915,047
Noncurrent liabilities	4,795,000	2,460,000	13,162,975	-	20,417,975
Total liabilities	5,460,978	3,286,664	13,450,380	135,000	22,333,022
NET ASSETS (DEFICITS)					
Invested in capital assets, net of related debt	-	-	(3,588,166)	-	(3,588,166)
Restricted	55,192	598,696	-	-	653,888
Unrestricted	-	-	(3,142,192)	-	(3,142,192)
Total net assets	55,192	598,696	(6,730,358)	-	(6,076,470)
Total liabilities and net assets (deficits)	$ 5,516,170	$ 3,885,360	$ 6,720,022	$ 135,000	$ 16,256,552

COUNTY OF DAUPHIN, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

NOTE 19: SEGMENT INFORMATION FOR ENTERPRISE FUNDS (CONTINUED)

Component Units – Segment Information for Enterprise Funds (Continued)

Dauphin County General Authority (Continued)

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS	County Building Bond Fund	100 Chestnut Street Fund	Dauphin Highlands Golf Course Fund	Pooled Financing Funds	Total Nonmajor Enterprise Funds
Operating revenue	$ 389,660	$ 360,464	$ 1,571,533	$ 1,970,883	$ 4,292,540
Operating expenses	(407,694)	(360,215)	(1,858,215)	(2,270,485)	(4,896,609)
Depreciation expense	-	-	(318,259)	-	(318,259)
Operating income (loss) before transfers	(18,034)	249	(604,941)	(299,602)	(922,328)
Transfers Out	-	-	-	(668,657)	(668,657)
Total Transfers	-	-	-	(668,657)	(668,657)
Change in Net Assets (Deficits)	(18,034)	249	(604,941)	(968,259)	(1,590,985)
Net assets (Deficits) Beginning of year	73,226	598,447	(6,125,417)	968,259	(4,485,485)
End of year	$ 55,192	$ 598,696	$ (6,730,358)	$ -	$ (6,076,470)

CONDENSED STATEMENT OF CASH FLOWS	County Building Bond Fund	100 Chestnut Street Fund	Dauphin Highlands Golf Course Fund	Pooled Financing Funds	Total Nonmajor Enterprise Funds
Net cash provided by (used in):					
Operating activities	$ 1,193,940	$ 229,353	$ 451,013	$ 126,986,073	$ 128,860,379
Investing activities	(2,102)	46,353	(2,755)	56,540,369	56,581,865
Capital and related financing	-	(114,044)	(694,017)	-	(808,061)
Noncapital financing activities	(1,191,838)	(160,000)	359,437	(183,526,442)	(184,518,843)
Net increase	-	1,662	113,678	-	115,340
Cash and cash equivalents –beginning	-	40,113	20,605	135,000	195,718
Cash and cash equivalents – ending	$ -	$ 41,775	$ 134,283	$ 135,000	$ 311,058
Noncash Capital Financing Activities:					
Proceeds from capital lease	$ -	$ -	$ 159,975	$ -	$ 159,975

NOTE 20: LEGAL COMPLIANCE

Net Asset Deficit

For the year ended December 31, 2009, the following funds had a deficit unrestricted fund balance / net asset balance:

Governmental Funds:	
Drug Act – Forfeited State Fund	$ 81,269
Enterprise Funds:	
Human Service Building Fund	$ 17,616

The above deficits resulted from additional expenses that will be paid through contributions by the General Fund. At December 31, 2009, the County has reserved a portion of the General Fund fund balance for these deficit amounts.

Component Unit – Net Asset Deficit

Dauphin County General Authority

The following funds of the General Authority had negative net assets as of December 31, 2009:

Fund	Amount
Dauphin Highlands Golf Course	$ 6,730,358
Riverfront Office Center	8,331,693
Pittsburgh Hyatt Hotel and Conference Center	19,668,507

Revenue, receipts, and property of each fund and the guarantee of debt, if applicable, are pledged as collateral on the bonds and are not cross collateralized.

NOTE 21: EMPLOYEES RETIREMENT PLAN

Plan Description

The Employees' Retirement Trust Fund Plan (the "Plan") is a contributory defined benefit single employer retirement plan covering substantially all full-time employees of the County and part-time employees exceeding 1,000 hours per year. The Plan is included in the financial statements of the County as a pension trust fund. The financial statements of the Retirement Trust Fund are prepared on the accrual basis of accounting. Plan members and employer contributions to the Plan are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

At December 31, 2009, the date of the latest valuation, employees covered by the Plan consisted of the following:

Retirees and Beneficiaries Receiving Benefits	917
Terminated Employees Entitled to Benefits but not yet Receiving Them	150
Active Plan Participants	1,613
Total Membership	2,680

NOTE 21: EMPLOYEES RETIREMENT PLAN

Plan Description (Continued)

Employees are required to contribute a portion of their salaries (5% of earnings in 2009) to the Plan and employees can elect to contribute up to 15% of their salaries. Per Act 96 of 1971, as amended, contribution requirements of the Plan members and the County may be amended by the General Assembly of the Commonwealth of Pennsylvania. Interest is credited each year in an amount allowed by the County Retirement Board to each member's account. Administrative costs of the Plan are financed through investment earnings.

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

Investments

All investments of the pension trust fund are reported at fair value. Investments that do not have an established market value are reported at estimated fair value.

Funding Status and Progress

As of December 31, 2009, the most recent actuarial valuation date, the plan was 74.7 percent funded. The actuarial accrued liability for benefits was $243.3 million, and the actuarial value of assets was $181.7 million, resulting in an unfunded actuarial accrued liability (UAAL) of $61.6 million. The actuarial value of assets as a percentage of the actuarial accrued liability was 74.7%. The covered payroll was $77.6 million, and the ratio of the UAAL to the covered payroll was 79.4%.

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

The aggregate actuarial cost method is used to determine the annual required contribution for the County. Because this method does not identify or separately amortize unfunded actuarial liabilities, information about the funded status is prepared using the entry age actuarial cost method and is intended to serve as a surrogate for the funded status of the Plan.

Actuarial Methods and Assumptions

The annual required contribution was determined based on the most recent annual actuarial valuation dated December 31, 2009. 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 4.50% per year, and (c) an inflation rate of 3.00%. The method used to determine the actuarial value of assets is a five year smoothed market. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period.

NOTE 21: EMPLOYEES RETIREMENT PLAN

Actuarial Methods and Assumptions (Continued)

Year Ended December 31,	Annual Required Contribution (ARC)	Interest on Net Pension Asset	ARC Adjustment	Pension Cost	County Contribution	Percentage of Annual Pension Cost Contributed	Change in Net Pension Asset	Net Pension Asset
2009	$ 7,732,226	$ (1,653)	$ (2,646)	$ 7,733,219	$ 7,732,226	99.99%	$ 993	$ (21,046)
2008	3,377,905	(1,729)	(2,745)	3,378,921	3,377,905	99.97%	1,016	(22,039)
2007	4,340,916	-	-	4,340,916	4,363,971	100%+	(23,055)	(23,055)

Legally Required Reserves

At December 31, 2009, the County has a balance of $52,990,271 in the Members' Annuity Reserve Account. This account is the total of the contributions deducted from the salaries of the active and terminated vested members of the retirement system and the IRC 414(h)(2) pickup contributions together with the interest additions as of December 31, 2009. Since those accumulations represent the present value as of December 31, 2009 of future benefits, the reserve balance and liability are equal and this reserve is fully funded.

The County has a balance of $45,512,169 in the County Annuity Reserve Account as of December 31, 2009. This balance and the amounts expected to be credited in the future, plus investment earnings thereon, represent the reserves set aside for the payment of the County's share of the retirement allowances. This is the account of which regular interest is credited to the member's annuity and retired members' reserve account, administrative expenses may be paid and the pension obligations of the County are funded.

When a County annuity is scheduled to commence for a particular member, sufficient monies are transferred from the County annuity reserve account to the retired members' reserve account to provide for such County annuities actually entered upon. Thus, this reserve is always fully funded.

The Retired Members' Reserve Account is the account out of which monthly retirement allowances including cost-of-living increases and death benefits are paid. The balance in this account was $75,554,139 as of December 31, 2009.

NOTE 22: POST-EMPLOYMENT BENEFIT PLAN

Plan Description. The County sponsors a post-employment benefits plan that covers health and life insurance benefits for eligible retirees. The County provides health and life insurance coverage for eligible retirees under the terms of agreements with the unions that represent them. Groups of retirees that are eligible for OPEB are: Shaffner, Court Related Teamster, Court AFSME, Probation Officers, Prison Guards, PSSU, CIT, and Captains and Lieutenants. The Plan does not issue a publicly available financial report.

Funding Policy. The contribution requirements of the County are established and may be amended through future union negotiations. The Plan does require contributions from some retirees. Retiree contributions depend upon the terms of the various union contracts. The County funds the Plan on a pay-as-you-go basis. For 2009, the County contributed $1,345,876 to the plan for current premiums.

NOTE 22: POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

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

	Governmental Activities
Annual required contribution	$ 1,436,918
Interest on net OPEB obligation	21,868
Adjustment to annual required contribution	(31,619)
Annual OPEB cost (expense)	1,427,167
Contributions made	(863,120)
Increase in net OPEB obligation	564,047
Net OPEB obligation – beginning of year, as previously stated	1,029,456
Actuary adjustment	(482,756)
Net OPEB obligation – beginning of year, as restated	546,700
Net OPEB obligation – end of year	$ 1,110,747

The County's annual OPEB cost, the percentage of annual OPEB cost contribution to the plan, and the net OPEB obligation for 2009 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2009	$ 1,427,167	60.50%	$ 1,110,747
12/31/2008	901,662	70.40%	546,700
12/31/2007	905,528	69.10%	279,653

NOTE 22: POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

Funded Status and Funding Progress. As of January 1, 2009 the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was $11,290,422 and there were no assets, resulting in an unfunded actuarial accrued liability (UAAL) of $11,290,422. The covered payroll (annual payroll of active employees covered by the plan) was $71,264,760, and the ratio of the UAAL to the covered payroll was 15.8%.

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

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

In the January 1, 2009, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.0% investment rate of return, which is the expected long-term investment yield on the investments that are expected to be used to finance the payments of benefits, a health care cost trend rate of 10% initially, reduced by decrements to an ultimate rate of 5%. The UAAL is being amortized using the level dollar method over a period of 30 years on an open basis.

Schedule of Funding Progress

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
1/1/2007	$ -	$ 6,868,259	$ 6,868,259	0.00%	$ 63,649,794	10.8%
1/1/2008	$ -	$ 7,304,005	$ 7,304,005	0.00%	$ 66,233,427	11.0%
1/1/2009	$ -	$11,290,422	$11,290,422	0.00%	$ 71,264,760	15.8%

NOTE 23: COMPENSATED ABSENCES

County policy applicable to vacation and sick pay for employees is as follows:

Vacation Pay

Time accrues at various rates based on length of service. Employees are encouraged to utilize earned vacation time by December 31 of each period; however, current practice allows for the carryover of 20 unused vacation days. Time carried over in this manner is considered vested.

Sick Pay

Employees earn 1¼ sick days for each month of service or 15 days per year. An employee may accumulate up to a maximum of 200 days. Time carried over in this manner is considered vested.

Applicable GASB pronouncements require accrual of sick and vacation pay that meet certain specific conditions. The County has determined that such conditions apply to vested vacation pay and accumulated sick pay of Governmental Funds and the Proprietary Fund. To the extent vacation and sick pay liabilities are expected to be incurred, they are accrued in the government-wide and proprietary fund financial statements.

NOTE 24: LEASES

Operating Leases

The County leases office space under several operating leases with expiration dates through 2029.

Future minimum lease payment requirements under the various leases are as follows:

2010	$ 1,205,999
2011	1,054,790
2012	961,784
2013	769,631
2014	71,806
2015 – 2019	282,180
2020 – 2024	214,030
2025 – 2029	103,458
Total minimum payments required	$ 4,663,678

Total rental expense for these leases during 2009 approximated $1,405,477.

NOTE 24: LEASES (CONTINUED)

Component Units – Leases

Case Management Unit

The Case Management Unit leased its principal office space. Rent expense totaled $601,101 for the fiscal year ended June 30, 2009.

The lease agreement is for a period of ten consecutive years with two additional five-year renewal periods. Monthly rent increases 2.75% at the beginning of each lease year.

CMU also has a lease on the Millersburg, Pennsylvania office. The lease agreement is for a period of twenty-five years. Rent for this lease is based on a set price per square foot per year. These payments range from $45,484 – 69,632 and are payable in four equal quarterly installments commencing on January 1, 2009.

Future minimum lease payments under the above leases are as follows:

Year ending June 30,	Amount
2010	$ 615,861
2011	632,678
2012	649,948
2013	667,703
2014	259,149
2015-2019	276,178
2020-2024	300,036
2025-2029	323,273
2030-2033	240,913
	$3,965,739

Dauphin County Economic Development Corporation

The DCEDC leases office space from the Dauphin County Industrial Development Authority under a year-to-year operating lease. Minimum rental payments at December 31, 2009, are as follows:

2010	$32,692
Total	$32,692

Rental expense totaled $25,500 for the year ended December 31, 2009.

NOTE 25: RELATED PARTY TRANSACTIONS

Component Units - Related Party Transactions

Dauphin County General Authority

The General Authority is a component unit of Dauphin County. The General Authority has entered into certain lease financing arrangements with the County. Lease payments from the County to the General Authority for 2009 were $672,833.

The County has been paying rent in excess of the lease requirement to the General Authority since 2000. The total amount of these overpayments is $518,743 at December 31, 2009 and is reported as deferred revenue on the balance sheet. The County has a claim on such overpayments until February 17, 2010, when an indemnity agreement was signed.

Dauphin County Industrial Development Authority

The County of Dauphin pays for all significant management and administrative costs required to operate the IDA on a day-to-day basis. The IDA's management and support staff are employees of the County and other significant operating expenses such as telephone service, office maintenance and insurance are paid for by the County. The amount of the County's support and the corresponding operating costs are not reported as revenue and expenses in the IDA's financial statements.

See Note 8 for additional information concerning long-term debt transactions with the County.

The IDA shares management, support staff and office space, and performs various administrative and program functions in conjunction with the Dauphin County Department of Community and Economic Development (DCDCED) which is an internal department of the County and the Dauphin County Economic Development Corporation (DCEDC), a non-profit corporation created by the County to partner in real estate development projects and to channel grant funding to communities and organizations in need of community and economic development assistance.

The IDA is not owned in part or in total by DCEDC or DCDCED, and has no ownership interest in either organization. The IDA and DCEDC are both governed by the same Board of Directors which is appointed by the Commissioners of Dauphin County.

Case Management Unit

The Dauphin County Mental Health/Mental Retardation Case Management Unit is a component unit of the County. The operating lease entered into in January 2009, described in Note 24, is held with the County and the lease payments are at market value.

NOTE 25: RELATED PARTY TRANSACTIONS (CONTINUED)

Dauphin County Economic Development Corporation

DCEDC is administered by the County of Dauphin ("County") through the Dauphin County Department of Community and Economic Development. DCEDC is not owned in part or in total by the County. However, the Commissioners of Dauphin County have the sole power to appoint members of the Corporation's Board of Directors.

The County pays for all significant management and administrative costs required to operate the Corporation on a day-to-day basis. DCEDC's management and support staff are employees of the County.

The County also provides significant operating revenue, primarily through Hotel Tax distributions passed-through to DCEDC. Revenue from the County was $1,939,637 in 2009, representing 39% of total revenue.

The DCEDC shares management, support staff and office space with the Dauphin County Department of Community and Economic Development and with the Dauphin County Industrial Development Authority. The DCEDC is not owned in part or in total by the IDA, has no interest ownership therein, and receives no revenue from the IDA. However, the IDA and DCEDC are governed by the same Board of Directors, which is appointed by the Commissioners of Dauphin County.

At December 31, 2009 due from related party was comprised of the following pass-through items:

2% Hotel Tax Distribution	$ 23,334
1% Hotel Tax Distribution	116,726
	$140,060

The amounts reported above are considered by management to be collectible and accordingly, no allowance for uncollectible receivables was considered necessary.

The IDA acts as property management for the Market Square Plaza Parking owned by DCEDC. In this capacity, the IDA collects parking rent fees and remits such fees to the DCEDC on a periodic basis. Parking fees for the year ended December 31, 2009 were $217,214.

NOTE 26: COMMITMENTS AND CONTINGENCIES

A. In the normal course of business, there are various claims and suits pending against the County and its elected officials. Management is of the opinion that these matters will not have a material adverse effect on the County's financial position at December 31, 2009.

B. In 2006, the County entered into a contract for the Emergency Management Act (EMA) Radio Project. The contract value approximated $34,750,000 of which $31,141,066 has been expended at December 31, 2009.

C. In 2009, the County entered into a contract for an Energy Conservation Project. The contract value approximated $11,000,000 of which $741,525 has been expended at December 31, 2009.

COUNTY OF DAUPHIN, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
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NOTE 26: COMMITMENTS AND CONTINGENCIES (CONTINUED)

D. In 2009, the County entered into a contract for a Night Court / Central Court Project. The contract value approximated $3,000,000 of which $105,476 has been expended at December 31, 2009.

E. In 2009, the County entered into a contract for a Female Work Release Center Project. The contract value approximated $4,000,000 of which $93,464 has been expended at December 31, 2009.

F. In 2009, the County entered into a contract for a Juvenile Court Project. The contract value approximated $3,000,000 of which $53,245 has been expended at December 31, 2009.

G. During 2009, the County made the initial payment on the Harrisburg Incinerator Debt after defaults by the Harrisburg Authority and the City of Harrisburg. The County is the second guarantor on a portion of the facility's debt. The County paid a total of $2,283,120 during 2009 as a result of these defaults. This balance is reflected as a receivable in the County's financial statements as is reserved in the General Fund fund balance (See Note14). Additional payments were made in 2010 (See Note 33).

Component Unit-Commitments and Contingencies

Dauphin County General Authority

Payments in Lieu of Taxes and Real Estate Taxes

The General Authority, as part of its construction of the Hyatt Hotel Project, committed to make payments in lieu of property taxes to the County of Allegheny in return for exempting the property from real estate taxes. This payment in lieu of taxes (PILOT) will be made from the respective funds if sufficient resources exist to make such payments are available, on an annual basis, from the respective funds revenues after meeting operating costs and debt service payments. The PILOTs for the Hyatt Hotel Project have been accrued for the years ended December 31, 2000, 2001, 2002, 2003, 2004, 2006, 2007, 2008 and 2009 in the amount of $460,000, $537,000, $614,000, $680,000, $767,000, $767,000, 767,040, $767,040, $767,000 and 767,000, respectively.

Project Viability

The continued operation of the Dauphin Highlands Golf Course is dependent on the Administrative Fund providing working capital to fund any deficits created by operations of this golf course. The Dauphin County General Authority's Administrative Fund has provided, and intends to continue to provide funds for working capital needs of the Dauphin Highlands Golf Course. The Administrative Fund provided $360,037 of working capital advances during 2009 to the Dauphin Highlands Golf Course. As of December 31, 2009, none had been repaid to the Administrative Fund.

NOTE 26: COMMITMENTS AND CONTINGENCIES (CONTINUED)

Component Unit-Commitments and Contingencies (Continued)

Dauphin County General Authority (Continued)

Project Viability (Continued)

The Dauphin Highland's rate covenant calculation required under applicable trust indentures pertaining to the Tax Exempt County Guaranteed Revenue Refunding Bonds, Series A of 2005, and the Taxable County Guaranteed Revenue Refunding Bonds, Series B of 2005, has not been met for the year ended December 31, 2009. If the Authority fails to generate sufficient revenues to pay debt service on the Series A of 2005 and the Series B of 2005, or ceases revenue generating operations, or if other monies set aside for such purposes are insufficient, Dauphin County will be required to pay principal and interest on such bonds when due pursuant to the County Bond Guaranty Agreement among the County, the Authority, and the trustee for the bonds. The Dauphin Highlands Golf Course has incurred substantial accumulated losses, which have resulted in cash flow difficulties. Throughout 2009, Dauphin Highlands has made a concerted effort to better market the property, in conjunction with substantial cost-cutting measures.

The Pittsburgh Hyatt Hotel and Conference Center project viability is dependent upon the facility maintaining sufficient operating cash flows to meet debt service payments. Operations of the facility commenced June 29, 2000, and the bond proceeds included a working capital reserve that approximated eighteen (18) months of working capital necessary for operations. In 2002, funds sufficient to meet the debt service payments were transferred from the Construction Fund. In 2003, the facility generated sufficient cash flows from operations to meet debt service requirements on the facility. However, in January 2004, an unscheduled withdrawal was made on the Bond Redemption Improvement Fund in order to satisfy the January 2004 interest payment. The operating revenues of the facility were sufficient to meet the July 2004 and January 2005 debt service payment. However, the Authority made unscheduled withdrawals from the Bond Reserve Fund in order to satisfy the July 2005, January 2006 and July 2006 debt service payments. Under the trust indenture, the Authority has within 12 months of such withdrawal to replenish the Bond Reserve Fund. At December 31, 2006, the Authority was in technical default because the Bond Reserve Fund had not been replenished as required by the trust indenture in the amount of approximately $750,000. On July 1, 2007 the Debt Service Reserve Fund has been fully funded in accordance with the terms of the Indenture. The operating revenues of the facility were sufficient to meet the January 2007, July 2007, and January 2008 debt service payments. On July 1, 2008, a total of $384,000 was transferred out of the Bond Redemption and Improvement Fund because it was believed that the facility had not generated sufficient cash flows from operations to meet the July 1, 2008 debt service requirements. However, there were sufficient cash flows to cover the July 1, 2008 debt service requirements prior to the transfer from the Bond Redemption and Improvement Fund. A total of $625,000 remained in the Bond Fund after the July 1, 2008 debt service payment was made. This amount remained in the Bond Fund and was used to service the debt payment made on January 2, 2009. On July 1, 2009, a total of $653,186 was transferred out of the Bond Redemption and Improvement Fund because it was believed that the facility had not generated sufficient cash flows from operations to meet the July 1, 2009 debt service requirements. However, there were sufficient cash flows to cover July 1, 2009 debt service requirements prior to the transfer from the Bond Redemption and Improvement Fund.

NOTE 26: COMMITMENTS AND CONTINGENCIES (CONTINUED)

Component Unit-Commitments and Contingencies (Continued)

Dauphin County General Authority (Continued)

Project Viability (Continued)

This amount remained in the Bond Fund and was used to service the debt payment made on January 2, 2010. The Revenue Fund is making monthly transfers of $54,432, which represents one-twelfth of the $653,186, in an effort to fully replenish the Bond Redemotion and Improvement Fund within one year. At December 31, 2009, $381,025 remained due to the Board Redemption and Improvement Fund. However, an additional $776,474 was transferred out of the Bond Redemption and Improvement Fund in order to meet the debt service requirement on January 4, 2010.

Cease and Desist Order

In April 2004, the Securities and Exchange Commission entered a cease and desist order against the General Authority alleging that the General Authority had omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading in connection with the offer, sale or purchase of a series of bonds. The General Authority has consented to the entry of the order imposing remedial sanctions under the Securities Act of 1933 to cease and desist or causing any violation or future violations of Section 17(a) of the Securities Act of 1933, which does not include any monetary fine or sanction.

NOTE 27: ADMINISTRATIVE FEES

Component Units – Administrative Fees

Dauphin County General Authority

Provisions of the financing documents of the bond issues require administrative fees to be paid to the General Authority. For the year ended December 31, 2009, these fees, as paid by each fund, are as follows:

Administrative Fund:	
County Building Bonds	$ 20,000
School Pools	13,517
Riverfront Office Center	265,596
Chestnut Street	31,992
Dauphin Highlands Golf Course	24,000
Pittsburgh Hyatt Hotel & Conference Center	37,584
Bond reissuance fees	166,940
Total Administrative Fees	$559,629

NOTE 28: HOTEL TAX DISTRIBUTIONS AND RELATED EXPENSES

The Hotel Tax revenues are derived from a hotel room excise tax imposed by the County of Dauphin. Ordinance No. 3-1999 enacted by the Commissioners imposed a 2% hotel room excise tax effective January 1, 2001. Ordinance No. 3-2002, which repealed and replaced Ordinance No. 3-1999, imposed a 3% hotel room excise tax effective April 1, 2002. Ordinance No. 1-2008, which repealed and replaced Ordinance No. 3-2002, imposed a five-percent hotel room excise tax effective March 1, 2008. The ordinances were enacted pursuant to 16 P.S. Section 1770.5, an act of the General Assembly of the Commonwealth of Pennsylvania, which permits the imposition of a 5% hotel tax, providing for the distribution of 50% of the revenues to the Tourist Promotion Agency and the separate distribution of the other 50% of the revenue to be distributed for the purposes of promoting tourism and regional development.

Of the original 2% hotel tax revenue, the County distributes 20% to the City of Harrisburg, 70% to the Derry Township Industrial Authority and 10% to DCEDC to be remitted, in full to the Hershey Harrisburg Region Vacations Bureau (the County's Tourist Promotion Agency) to be used solely for tourism and regional promotion purposes.

The next 1% hotel tax revenue may be distributed at the discretion of the County Commissioners, to be used solely for tourism and regional promotion purposes. DCEDC is the County's sole recipient and administrator of this 1% Hotel Tax revenue. These funds are required to be kept in an account separate from other funds received by DCEDC. DCEDC had transfers in from Dauphin County of $1,939,637 for the year ended December 31, 2009.

Of the remaining 2% hotel tax revenue, the County distributes 50.0% to the Hershey Harrisburg Region Vacations Bureau (the County's Tourist Promotion Agency) to be used solely for tourism and regional promotion purposes and 12.50% to the Hershey Harrisburg Region Vacations Bureau to be used for tourism and regional promotion within the City of Harrisburg. Derry Township Industrial Authority receives the remaining 37.5% for the purpose of the improvement, support, rehabilitation, revitalization or construction of one or more tourism-related facilities.

NOTE 29: AFFORDABLE HOUSING LOAN PROGRAMS

The Home Grant Program and Affordable Housing Program disburse funds in the form of deferred payment loans for low and moderate income households. The deferred payment loans are secured by a mortgage on the property. Repayment of the loan is deferred until the property is sold or until the original occupant moves out. The principal balance outstanding at December 31, 2009 for these loans totaled $3,383,292. These outstanding deferred loans have been recorded as receivables at December 31, 2009, and unearned revenues totaling $3,383,292 have been recorded to offset the deferred loans.

NOTE 30: LOANS RECEIVABLE

Component Units – Loans Receivable

Dauphin County Industrial Development Authority

On August 29, 2006 the IDA entered into a loan agreement with the Strawberry Square Development Corporation (SSDC) in the amount of $100,000 at a fixed interest rate of 5.0%. The agreement required the SSDC to make monthly principal and interest payments of $1,887 to the IDA for 60 consecutive months beginning on September 29, 2006. The amount outstanding on the loan as of September 30, 2009 is $43,015.

On April 1, 2007 the IDA entered into a loan agreement with Tuscano Pizza & Grill, Inc. in the amount of $100,000 at a fixed interest rate of 6.0%. The agreement required Tuscano Pizza & Grill, Inc. to make monthly principal and interest payments of $1,933 to the IDA for 60 consecutive months beginning on May 1, 2007. In February 2009 this loan agreement was amended, requiring Tuscano Pizza & Grill to make monthly principal and interest payments of $1,007 for 84 consecutive months beginning on March 1, 2009 on the remaining balance of $76,187. The new loan agreement carries a fixed interest rate of 3.0%. The amount outstanding on the loan as of September 30, 2009 is $70,533.

On December 19, 2008 the IDA entered into a new loan agreement with Andrew M. Hartwick (Trooper and Max's) in the amount of $20,000 at a fixed interest rate of 3.0%. The agreement required Andrew M. Hartwick to make monthly principal and interest payments of $360 to the Authority for 60 consecutive months beginning on February 1, 2009. The amount outstanding on the loan as of September 30, 2009 is $17,503.

In July 2008, the IDA entered in to a loan agreement with Trinity Harvest in the amount of $50,000 at a fixed interest rate of 3.0%. The agreement required Trinity Harvest to make monthly principal and interest payments of $898 to the IDA for 60 consecutive months beginning on October 1, 2008. The amount outstanding on the loan as of September 30, 2009 is $40,590.

On May 8, 2009 the IDA entered in to a loan agreement with 39 Ventures, LP (Arooga's) in the amount of $200,000 at a fixed interest rate of 4.5%. The agreement required 39 Ventures, LP to make monthly principal and interest payments of $3,729 to the IDA for 60 consecutive months beginning on June 1, 2009. The amount outstanding on the loan as of September 30, 2009 is $188,018.

During the fiscal year ended, September 30, 2008 Dauphin County transferred the collection and rights of seven loans receivable previously recorded as assets on the Dauphin County Financial statements to the Authority. The principle balance of the loans receivable at the time of transfer was $92,172. The principle balance outstanding for these loans as of September 30, 2009 was $68,787. These loans are fully reserved on the financial statements.

Loans Receivable at September 30, 2009 is as follows:

Displayed as:	
Current Portion	$ 81,580
Noncurrent Portion	278,079
	$ 359,659

NOTE 30: LOANS RECEIVABLE (CONTNUED)

Component Units – Loans Receivable (Continued)

Dauphin County Economic Development Corporation

In addition, the Section 108 Note Payable proceeds described in Note 8 were loaned to a developer to fund the revitalization of an office building complex. DCEDC entered into a mortgage agreement with the developer for repayment of the loan. As of December 31, 2009, the amount owed to the DCEDC is $2,315,056. As a result of the developer filing for bankruptcy, the balance has been determined to be uncollectible and has been fully reserved in DCEDC's financial statements.

NOTE 31: ECONOMIC DEPENDENCY

Component Units - Economic Dependency

Case Management Unit

Formal commitment for future funding by the Dauphin County MH/MR program is made on an annual basis. Reduction of, or loss of, this funding could have a significant effect on CMU's programs and activities.

Dauphin County Economic Development Corporation

Formal commitment for future funding by the Department of Housing and Urban Development is made on an annual basis. The DCEDC also receives a significant amount of operating revenue from Dauphin County, primarily through Hotel Tax distributions. Reduction of, or loss of, these funding sources could have a significant effect on the Corporation's programs and activities.

NOTE 32: LITIGATION

Component Unit – Litigation

Dauphin County General Authority

The General Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. Significant losses are covered by commercial insurance for all major programs. There were no significant reductions in insurance coverages in 2009. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The General Authority is involved in several lawsuits arising in the normal course of business, including a potential lawsuit for breach of contract. Management of the General Authority believes none of the litigation outstanding against the General Authority and none of the potential unasserted claims which may be asserted against the General Authority would materially affect the financial position of the General Authority.

NOTE 33: SUBSEQUENT EVENTS

A. In May, 2010 the County issued General Obligation Bonds Series B, C, and D of 2010. The Series B Bonds were issued in the amount of $5,550,000 for the purpose of refunding the County's outstanding General Obligation Bonds, Series A of 2004 and to pay the cost of issuing the Series B Bonds. The Series B Bonds shall mature no later than November 15, 2014. The Taxable Series C Bonds of 2010 were issued in the amount of $2,410,000 for the purpose of refunding the County's outstanding General Obligation Notes, Series B of 2004 and to pay the costs of issuing the Series C Bonds. The Series C Bonds shall mature no later than August 1, 2012. The Series D Bonds of 2010 were issued in the amount of $19,585,000 for the purpose of refunding the County's outstanding General Obligation Bonds, Series of 2008 and to pay the costs of issuing Series D Bonds. The Series D Bonds shall mature no later than November 15, 2023. The Series of 2010 Bonds will bear a maximum interest rate not to exceed 6% per annum.

B. In April 2010 the County terminated the 2008 Fixed-Payor Swap to allow for the refunding of the 2008 Bonds. The final cost of the Swap for the County was approximately $3.2 million.

C. In October 2010 the County entered into an agreement to close the secure detention portion of the Herbert A. Schaffener Youth Center.

D. In December 2010, the County settled on a $34.7 million Federally Taxable Bond Anticipation Note. The proceeds of this note were used to pay off the 2007 Working Capital Loan of the Harrisburg Incinerator as part of the County's guarantee on this borrowing. This action was required as a result of the default of the Harrisburg Authority and the City of Harrisburg on this payment. The note shall bear an interest rate equal to LIBOR, or, under certain circumstances, equal to LIBOR plus 25 basis points, but not exceeding the maximum rate.

In addition to this taxable bond anticipation note, during 2010, the County paid an additional $5,802,604 toward Harrisburg Incinerator debt after default by the Harrisburg Authority and the City of Harrisburg.

REQUIRED

SUPPLEMENTARY

INFORMATION

COUNTY OF DAUPHIN
SCHEDULES OF EMPLOYER CONTRIBUTIONS AND FUNDING PROGRESS FOR EMPLOYEES RETIREMENT PLAN

Schedule of Employer Contributions

Year Ended December 31	Annual Required Contribution	Percentage Contributed
2009	$ 7,732,226	100%
2008	$ 3,377,905	100%
2007	$ 4,340,916	100%+
2006	$ 6,683,297	100%
2005	$ 7,329,921	100%
2004	$ 6,782,318	100%

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

Valuation date	December 31, 2009
Actuarial cost method	Aggregate actuarial cost
Amortization method	Level percentage of projected payroll
Asset valuation method	Five-year smoothed market
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	4.50%
Includes inflation at:	3.00%
Cost-of-living adjustments	None

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2009	$ 181,680,257	$ 243,319,733	$ 61,639,476	74.7%	$ 77,592,072	79.4%
12/31/2008	$ 180,822,261	$ 224,855,097	$ 44,032,836	80.4%	$ 71,264,760	61.8%
12/31/2007	$ 201,142,949	$ 210,420,043	$ 9,277,094	95.6%	$ 66,233,427	14.0%

As the County adopted the provisions of GASB 50 related to the schedule of funding progress in 2007, only three years are presented in the above schedule.

The annual required contribution is calculated using the actuarial cost method. Information in this schedule is calculated using the entry age actuarial cost method as a surrogate for the funding progress of the plan.

COUNTY OF DAUPHIN
SCHEDULE OF FUNDING PROGRESS
FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2009	$ -	$ 11,290,422	$ 11,290,422	0%	$ 71,264,760	15.8%
1/1/2008	-	7,304,005	7,304,005	0%	66,233,427	11.0%
1/1/2007	-	6,868,259	6,868,259	0%	63,649,794	10.8%

The County adopted GASB 45 on a prospective basis in 2007; therefore only three years are presented in the above schedule.

COUNTY OF DAUPHIN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	$ 96,120,000	$ 96,120,000	$ 99,139,719	$ 3,019,719
Intergovernmental	8,467,800	8,858,068	10,187,754	1,329,686
Charges for Services	20,695,634	21,071,360	18,778,438	(2,292,922)
License and Permits	87,100	87,100	98,232	11,132
Court Costs and Fines	4,257,000	4,333,943	4,115,015	(218,928)
Interest and Rents	1,540,700	1,540,700	1,242,459	(298,241)
Miscellaneous Revenue	-	-	-	-
Total Revenues	131,168,234	132,011,171	133,561,617	1,550,446
Expenditures				
General Government	20,260,964	18,416,967	15,799,802	2,617,165
Judicial	46,426,997	48,086,078	45,469,364	2,616,714
Public Safety	38,824,082	40,116,208	38,735,028	1,381,180
Human Services	3,642,728	3,475,404	3,542,056	(66,652)
Culture and Recreation	1,842,744	2,211,743	2,086,115	125,628
Conservation and Development	3,239,890	3,239,442	3,084,522	154,920
Debt Service				
Principle	4,626,329	4,626,329	5,108,467	(482,138)
Interest	5,023,197	5,023,197	5,087,763	(64,566)
Total Expenditures	123,886,931	125,195,368	118,913,117	6,282,251
Excess of Revenues Over Expenditures	7,281,303	6,815,803	14,648,500	7,832,697
Other Financing Sources (Uses)				
Operating Transfer In	1,944,818	1,944,818	8,926,690	6,981,872
Operating Transfer (Out)	(16,685,610)	(16,720,110)	(44,223,263)	(27,503,153)
Transfer from Component Units	-	-	637,361	637,361
Gain (Loss) from Sale of Fixed Assets	4,000	4,000	-	(4,000)
Net Premium (Discount) on Bonds Issued	-	-	238,427	238,427
Rent Recoupment	-	-	(635,707)	(635,707)
Gain on Basis Swap	5,000	5,000	1,668,000	1,663,000
Loss on Swap Financing	(500,000)	-	-	-
Capital Lease Proceeds	-	-	523,041	523,041
Proceeds of General Obligation Debt	-	-	21,965,000	21,965,000
Total Other Financing Uses	(15,231,792)	(14,766,292)	(10,900,451)	3,865,841
Net Change in Fund Balances	(7,950,489)	(7,950,489)	3,748,049	11,698,538
Fund Balances - January 1	7,950,489	7,950,489	61,770,285	53,819,796
Fund Balances - December 31	$ -	$ -	$ 65,518,334	$ 65,518,334

OTHER SUPPLEMENTARY INFORMATION

COUNTY OF DAUPHIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2009

	Other Special Revenue Funds	Fort Hunter Permanent Fund	Total Other Governmental Funds
Assets			
Cash and Cash Equivalents	$ 8,634,791	$ -	$ 8,634,791
Investments	-	811,798	811,798
Receivables:			
Accounts	141,003	-	141,003
Deferred Loans	3,383,292	-	3,383,292
Due From Other Funds	178,136	-	178,136
Due From Other Governments	2,701,484	-	2,701,484
Other Assets	63,943	-	63,943
Total Assets	$ 15,102,649	$ 811,798	$ 15,914,447
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	$ 1,546,814	$ -	$ 1,546,814
Accrued Liabilities	110,643	-	110,643
Deferred Revenues	5,299,394	-	5,299,394
Due to Other Funds	347,272	-	347,272
Total Liabilities	7,304,123	-	7,304,123
Fund Balances			
Reserved for Program Purposes	7,798,526	-	7,798,526
Reserved for Permanent Fund	-	811,798	811,798
Total Fund Balances	7,798,526	811,798	8,610,324
Total Liabilities and Fund Balances	$ 15,102,649	$ 811,798	$ 15,914,447

COUNTY OF DAUPHIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Other Special Revenue Funds	Fort Hunter Permanent Fund	Total Other Governmental Funds
Revenues			
Hotel Taxes	$ 8,222,770	$ -	$ 8,222,770
Intergovernmental	16,891,771	-	16,891,771
Charges for Services	1,384,840	-	1,384,840
Court Costs and Fines and Fees	781,876	-	781,876
Interest and Rent	135,531	25,449	160,980
Appreciation in Fair Market Value of Investments	-	91,754	91,754
Miscellaneous Revenue	1,475,000	-	1,475,000
Total Revenues	28,891,788	117,203	29,008,991
Expenditures			
Current:			
Judicial	6,525,393	-	6,525,393
Public Safety	102,459	-	102,459
Public Works	1,524,277	-	1,524,277
Human Services	14,608,156	-	14,608,156
Conservation and Development	1,005,857	-	1,005,857
Culture and Recreation	7,779,261	-	7,779,261
Debt Service			
Principle	395,000	-	395,000
Interest	61,470	-	61,470
Total Expenditures	32,001,873	-	32,001,873
Excess of Revenues Over (Under) Expenditures	(3,110,085)	117,203	(2,992,882)
Other Financing Sources (Uses)			
Transfers In	2,171,028	-	2,171,028
Transfers Out	(146,039)	(20,000)	(166,039)
Total Other Financing Sources (Uses)	2,024,989	(20,000)	2,004,989
Net Change in Fund Balances	(1,085,096)	97,203	(987,893)
Fund Balances - Beginning of Year	8,883,622	714,595	9,598,217
Fund Balances - End of Year	$ 7,798,526	$ 811,798	$ 8,610,324

COUNTY OF DAUPHIN
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2009

	Liquid Fuels Fund	Domestic Relations Fund	Weatheri-zation Program	Hazard Material Emergency Response	Human Services Development Fund	Aging Fund	Drug and Alcohol Fund
Assets							
Cash and Cash Equivalents	$ 5,687,617	$ 172,551	$ 29,414	$ 102,965	$ 39,316	$ 37,657	$ 159,417
Receivables:							
Accounts	-	11,451	15,706	-	-	74,064	15,598
Deferred Loans	-	-	-	-	-	-	-
Due From Other Funds	-	100,859	7,690	-	2,111	47,601	17,104
Due From Other Governments	-	1,055,399	81,105	-	-	593,759	877,292
Other Assets	-	-	45,756	-	-	18,187	-
Total Assets	$ 5,687,617	$ 1,340,260	$ 179,671	$ 102,965	$ 41,427	$ 771,268	$ 1,069,411
Liabilities and Fund Balances							
Liabilities							
Accounts Payable	$ 11,663	$ 18,681	$ 34,390	$ 8,730	$ 38,415	$ 333,490	$ 404,387
Accrued Liabilities	-	48,932	5,442	-	-	42,905	10,025
Deferred Revenues	-	100,859	116,534	-	3,012	47,601	654,999
Due to Other Funds	-	-	-	-	-	347,272	-
Total Liabilities	11,663	168,472	156,366	8,730	41,427	771,268	1,069,411
Fund Balances (Deficit)							
Reserved for Program Purposes	5,675,954	1,171,788	23,305	94,235	-	-	-
Total Fund Balances (Deficit)	5,675,954	1,171,788	23,305	94,235	-	-	-
Total Liabilities and Fund Balances	$ 5,687,617	$ 1,340,260	$ 179,671	$ 102,965	$ 41,427	$ 771,268	$ 1,069,411

COUNTY OF DAUPHIN
COMBINED BALANCE SHEET (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2009

	Drug Act-Forfeited State Property	Drug Act-Forfeited Federal Property	Low Income Housing Grant	Hotel Tax Fund	ARRA Fund	Total
Assets						
Cash and Cash Equivalents	$ 21,785	$ 219,035	$ 672,269	$ 591,170	$ 901,595	$ 8,634,791
Receivables:						
Accounts	1,342	2,003	20,839	-	-	141,003
Deferred Loans	-	-	3,383,292	-	-	3,383,292
Due From Other Funds	1,284	-	461	832	194	178,136
Due From Other Governments	-	-	-	-	93,929	2,701,484
Other Assets	-	-	-	-	-	63,943
Total Assets	$ 24,411	$ 221,038	$ 4,076,861	$ 592,002	$ 995,718	$ 15,102,649
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	$ 104,876	$ -	$ -	$ 591,596	$ 586	$ 1,546,814
Accrued Liabilities	804	-	94	406	2,035	110,643
Deferred Revenues	-	-	3,383,292	-	993,097	5,299,394
Due to Other Funds	-	-	-	-	-	347,272
Total Liabilities	105,680	-	3,383,386	592,002	995,718	7,304,123
Fund Balances						
Reserved for Program Purposes	(81,269)	221,038	693,475	-	-	7,798,526
Total Fund Balances	(81,269)	221,038	693,475	-	-	7,798,526
Total Liabilities and Fund Balances	$ 24,411	$ 221,038	$ 4,076,861	$ 592,002	$ 995,718	$ 15,102,649

COUNTY OF DAUPHIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Liquid Fuels Fund	Domestic Relations Fund	Weatheri-zation Program	Hazard Material Emergency Response	Human Services Development Fund	Aging Fund
Revenues						
Hotel Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	722,671	4,191,359	710,869	39,110	613,588	6,398,135
Charges for Services	-	81,985	159,430	61,938	-	237,468
Court Costs and Fines and Fees	-	-	-	-	-	-
Interest and Rent	86,395	1,910	1,214	1,973	652	1,929
Miscellaneous Revenue	-	-	-	1,160	6,790	1,467,050
Total Revenues	809,066	4,275,254	871,513	104,181	621,030	8,104,582
Expenditures						
Current:						
Judicial	-	5,647,091	-	-	-	-
Public Safety	-	-	-	102,459	-	-
Public Works	1,524,277	-	-	-	-	-
Human Services	-	-	947,588	-	576,446	8,768,406
Conservation and Development	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Debt Service						
Principle	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Expenditures	1,524,277	5,647,091	947,588	102,459	576,446	8,768,406
Excess of Revenues Over (Under) Expenditures	(715,211)	(1,371,837)	(76,075)	1,722	44,584	(663,824)
Other Financing Sources (Uses)						
Transfers In	4,154	1,433,052	76,074	-	57,690	390,687
Transfers Out	-	-	-	-	(102,274)	(21,247)
Proceeds (Loss) from Asset Disposal	-	-	-	-	-	-
Total Other Financing Sources (Uses)	4,154	1,433,052	76,074	-	(44,584)	369,440
Net Change in Fund Balances	(711,057)	61,215	(1)	1,722	-	(294,384)
Fund Balances - Beginning of Year	6,387,011	1,110,573	23,306	92,513	-	294,384
Fund Balances - End of Year	$ 5,675,954	$ 1,171,788	23,305	$ 94,235	$ -	$ -

COUNTY OF DAUPHIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICIT) (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Drug and Alcohol Fund	Drug Act-Forfeited State Fund	Drug Act-Forfeited Federal Fund	Low Income Housing Grant	Hotel Tax Fund	ARRA Fund	Totals
Revenues							
Hotel Taxes	$ -	$ -	$ -	$ -	$ 8,222,770	$ -	$ 8,222,770
Intergovernmental	3,686,248	-	-	305,822	-	223,969	16,891,771
Charges for Services	408,043	-	-	435,976	-	-	1,384,840
Court Costs and Fines and Fees	-	491,944	289,932	-	-	-	781,876
Interest and Rent	12,558	1,125	3,639	11,175	12,961	-	135,531
Miscellaneous Revenue	-	-	-	-	-	-	1,475,000
Total Revenues	4,106,849	493,069	293,571	752,973	8,235,731	223,969	28,891,788
Expenditures							
Current:							
Judicial	-	574,338	230,879	-	-	73,085	6,525,393
Public Safety	-	-	-	-	-		102,459
Public Works	-	-	-	-	-		1,524,277
Human Services	4,293,070	-	-	-	-	22,646	14,608,156
Conservation and Development	-	-	-	878,487	-	127,370	1,005,857
Culture and Recreation	-	-	-	-	7,779,261		7,779,261
Debt Service							
Principle	-	-	-	-	395,000		395,000
Interest	-	-	-	-	61,470		61,470
Total Expenditures	4,293,070	574,338	230,879	878,487	8,235,731	223,101	32,001,873
Excess of revenues Over (Under) Expenditures	(186,221)	(81,269)	62,692	(125,514)	-	868	(3,110,085)
Other Financing Sources(Uses)							
Transfers In	207,871	-	1,500	-	-	-	2,171,028
Transfers Out	(21,650)	-	-	-	-	(868)	(146,039)
Proceeds (Loss) from Asset Disposal	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	186,221	-	1,500	-	-	(868)	2,024,989
Net Change in Fund Balances	-	(81,269)	64,192	(125,514)	-	-	(1,085,096)
Fund Balances - Beginning of Year	-	-	156,846	818,989	-	-	8,883,622
Fund Balances (Deficit) - End of Year	$ -	$ (81,269)	$ 221,038	$ 693,475	$ -	$ -	$ 7,798,526

COUNTY OF DAUPHIN
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2009

	Solid Waste Fund	Fort Hunter Operating Fund	Totals
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 893,378	$ 18,773	$ 912,151
Accounts Receivables	220,280	-	220,280
Due From Other Funds	6,322	-	6,322
Total current assets	1,119,980	18,773	1,138,753
Noncurrent Assets:			
Capital Assets, Not Being Depreciated	-	111,492	111,492
Capital Assets, Being Depreciated, (Net)	1,912,478	566,573	2,479,051
Total noncurrent assets	1,912,478	678,065	2,590,543
Total assets	$ 3,032,458	$ 696,838	$ 3,729,296
LIABILITIES			
Current liabilities:			
Accounts Payable	$ 45,652	$ -	$ 45,652
Accrued Liabilities	4,152	-	4,152
Total current liabilities	49,804	-	49,804
Noncurrent liabilities:			
Accrued Compensated Absences	13,384	-	13,384
Total noncurrent liabilities	13,384	-	13,384
Total liabilities	63,188	-	63,188
NET ASSETS			
Invested in Capital Assets Net of Related Debt	1,912,478	678,065	2,590,543
Unrestricted	1,056,792	18,773	1,075,565
Total net assets	$ 2,969,270	$ 696,838	$ 3,666,108

COUNTY OF DAUPHIN
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Solid Waste Fund	Fort Hunter Operating Fund	Totals
Operating Revenues			
Charges for Services	$ 901,257	$ 46,161	$ 947,418
Total Operating Revenues	901,257	46,161	947,418
Operating Expenses			
Personnel Services	344,979	-	344,979
Contracted Services	699,620	-	699,620
Supplies and Materials	26,560	-	26,560
Repairs and Maintenance	94,944	-	94,944
Utilities	12,539	11,586	24,125
Other Services and Charges	155,913	17,498	173,411
Depreciation and Amortization	170,117	59,944	230,061
Total Operating Expenses	1,504,672	89,028	1,593,700
Operating Loss	(603,415)	(42,867)	(646,282)
Nonoperating Revenues (Expenses)			
Interest Income	17,889	435	18,324
Grants	40,469	70,000	110,469
Total Nonoperating Revenues	58,358	70,435	128,793
Income (Loss) Before Operating Transfers In (Out)	(545,057)	27,568	(517,489)
Transfers In	-	20,000	20,000
Total Transfers In	-	20,000	20,000
Changes in Net Assets	(545,057)	47,568	(497,489)
Total Net Assets - Beginning of Year	3,514,327	649,270	4,163,597
Total Net Assets - End of Year	$ 2,969,270	$ 696,838	$ 3,666,108

COUNTY OF DAUPHIN
STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Solid Waste Fund	Fort Hunter Operating Fund	Totals
Cash Flows From Operating Activities			
Receipts from Recycling Services	$ 805,111	$ -	$ 805,111
Receipts from Emergency Communications Services	-	-	-
Receipts from Recreational Activities	-	46,161	46,161
Payments to Employees	(351,337)	-	(351,337)
Payments to Suppliers	(1,001,068)	(29,084)	(1,030,152)
Internal Activity - Payments to other funds	(6,322)	-	(6,322)
Net Cash Provided by (Used In) Operating Activities	(553,616)	17,077	(536,539)
Cash Flow From Noncapital Financing Activities			
Operating Transfers In (Out)	-	20,000	20,000
Operating Grants Received	-	70,000	70,000
Net Cash Provided by Noncapital Financing Activities	-	90,000	90,000
Cash Flows from Capital and Related Financing Activities			
Interest Paid	-	-	-
Grants	40,469	-	40,469
Purchase of Capital Assets	(27,901)	(208,848)	(236,749)
Gain/Loss on Disposal of Capital Assets	-	-	-
Principal Payments on Capital Lease	-	-	-
Principal Payments on Bonds	-	-	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	12,568	(208,848)	(196,280)
Cash Flows from Investing Activities			
Interest Income	17,889	435	18,324
Net Cash Provided by Investing Activities	17,889	435	18,324
Net Decrease in Cash and Cash Equivalents	(523,159)	(101,336)	(624,495)
Cash and Cash Equivalents, Beginning of Year	1,416,537	120,109	1,536,646
Cash and Cash Equivalents, End of Year	$ 893,378	$ 18,773	$ 912,151

COUNTY OF DAUPHIN
STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Solid Waste Fund	Fort Hunter Operating Fund	Totals
Reconciliation of Operating loss to net cash provided (used) by operating activities			
Operating Loss	$ (603,415)	$ (42,867)	$ (646,282)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used In) Operating Activities			
Depreciation and Amortization Expense	170,117	59,944	230,061
Change in assets and liabilities			
Accounts Receivable	(96,146)	-	(96,146)
Other Assets	853	-	853
Accounts Payable	(12,345)	-	(12,345)
Accrued Expenses	(7,536)	-	(7,536)
Accrued Vacation and Sick Pay	1,178	-	1,178
Estimated Workers' Compensation Claims	-	-	-
Due To/Due From Other Funds	(6,322)	-	(6,322)
Net Cash Provided by (Used In) Operating Activities	$ (553,616)	$ 17,077	$ (536,539)

COUNTY OF DAUPHIN, PENNSYLVANIA
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
DECEMBER 31, 2009

	Tax Claim Agency Fund	Sheriff Agency Fund	Probation and Parole Agency Fund	Treasurer Agency Fund	Prothonotary Agency Fund	Recorder of Deeds Agency Fund	Clerk of Courts Agency Fund	Prison Agency Fund	Domestic Relations Agency Fund	Register of Wills Agency Fund	Fines and Costs Agency Fund	Payroll Advance Fund	Children and Youth Agency Fund	Flexible Spending Account	Totals
Assets															
Cash and Cash Equivalents	$ 2,885,101	$ 565,773	$ 483,547	$ 7,683	$ 129,368	$ 733,012	$ 1,092,249	$ 2,085,459	$ 34,689	$ 47,026	$ 1,162	14,617	$ 70,629	$ 25,888	$ 8,178,203
Total Assets	$ 2,885,101	$ 565,773	$ 483,547	$ 7,683	$ 129,368	$ 733,012	$ 1,092,249	$ 2,085,459	$ 34,689	$ 47,026	$ 1,162	$ 14,617	$ 70,629	$ 25,888	$ 8,178,203
Liabilities															
Accounts Payable	$ 655,751	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 655,751
Funds Held in Escrow	2,229,350	565,773	483,547	-	129,368	-	-	2,085,459	34,689	-	1,162	14,617	70,629	25,888	5,640,482
Due To Other Governments	-	-	-	7,683	-	733,012	1,092,249	-	-	47,026	-	-	-	-	1,879,970
Total Liabilities	$ 2,885,101	$ 565,773	$ 483,547	$ 7,683	$ 129,368	$ 733,012	$ 1,092,249	$ 2,085,459	$ 34,689	$ 47,026	$ 1,162	$ 14,617	$ 70,629	$ 25,888	$ 8,178,203

COUNTY OF DAUPHIN
SCHEDULE OF DEPARTMENTAL EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance Positive (Negative)
General Government				
Commissioners - Governing Body				
Personal Services	$ 2,695,678	$ 1,689,393	$ 1,195,181	$ 494,212
Supplies and Services	2,030,930	1,823,779	1,742,632	81,147
Capital Outlay	-	-	-	-
	4,726,608	3,513,172	2,937,813	575,359
Finance				
Personal Services	296,058	303,628	299,380	4,248
Supplies and Services	64,363	67,101	79,325	(12,224)
Capital Outlay	-	-	-	-
	360,421	370,729	378,705	(7,976)
Risk Management				
Personal Services	154,897	156,066	178,742	(22,676)
Supplies and Services	3,970	3,805	3,851	(46)
	158,867	159,871	182,593	(22,722)
Purchasing				
Personal Services	374,954	384,026	362,842	21,184
Supplies and Services	521,591	522,856	521,934	922
Capital Outlay	-	-	-	-
	896,545	906,882	884,776	22,106
Voter's Registration				
Personal Services	429,982	446,214	427,027	19,187
Supplies and Services	597,850	684,641	682,283	2,358
Capital Outlay	-	-	64,750	(64,750)
	1,027,832	1,130,855	1,174,060	(43,205)
Tax Assessment				
Personal Services	1,446,741	1,456,249	1,398,377	57,872
Supplies and Services	1,539,263	1,639,017	1,480,433	158,584
Capital Outlay	125,000	48,034	-	48,034
	3,111,004	3,143,300	2,878,810	264,490
Treasurer				
Personal Services	290,428	294,359	286,597	7,762
Supplies and Services	16,856	17,218	14,417	2,801
Capital Outlay	-	-	-	-
	307,284	311,577	301,014	10,563
Tax Collectors				
Personal Services	215,300	215,300	189,915	25,385
Supplies and Services	46,900	49,753	47,168	2,585
Capital Outlay	39,000	39,000	-	39,000
	301,200	304,053	237,083	66,970

COUNTY OF DAUPHIN
SCHEDULE OF DEPARTMENTAL EXPENDITURES (CONTINUED)
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance Positive
	Original	Final	Amounts	(Negative)
General Government (Continued)				
Personnel				
Personal Services	734,220	750,611	1,330,332	(579,721)
Supplies and Services	244,368	754,130	51,612	702,518
Capital Outlay	-	-	-	-
	978,588	1,504,741	1,381,944	122,797
Controller				
Personal Services	893,631	909,999	884,731	25,268
Supplies and Services	212,154	211,081	211,406	(325)
Capital Outlay	-	-	-	-
	1,105,785	1,121,080	1,096,137	24,943
Solicitor				
Personal Services	424,697	431,893	418,797	13,096
Supplies and Services	117,198	116,786	90,699	26,087
Capital Outlay	-	-	-	-
	541,895	548,679	509,496	39,183
Public Defender				
Personal Services	2,569,670	2,599,512	2,555,822	43,690
Supplies and Services	621,447	690,169	725,789	(35,620)
Capital Outlay	-	-	-	-
	3,191,117	3,289,681	3,281,611	8,070
Recorder of Deeds				
Personal Services	633,620	633,130	551,422	81,708
Supplies and Services	407,515	694,612	732,164	(37,552)
Capital Outlay	-	199,000	-	199,000
	1,041,135	1,526,742	1,283,586	243,156
Facilities Management				
Personal Services	2,864,313	2,910,462	2,803,663	106,799
Supplies and Services	3,103,481	3,110,737	2,934,980	175,757
Capital Outlay	-	24,866	39,264	(14,398)
	5,967,794	6,046,065	5,777,907	268,158
Printing				
Personal Services	74,474	62,156	8,573	53,583
Supplies and Services	37,570	37,570	18,482	19,088
Capital Outlay	-	-	-	-
	112,044	99,726	27,055	72,671
Data Processing				
Personal Services	2,156,222	2,139,963	2,015,748	124,215
Supplies and Services	1,104,657	1,090,523	1,076,444	14,079
Capital Outlay	275,447	398,286	591,575	(193,289)
	3,536,326	3,628,772	3,683,767	(54,995)

COUNTY OF DAUPHIN
SCHEDULE OF DEPARTMENTAL EXPENDITURES (CONTINUED)
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance Positive
	Original	Final	Amounts	(Negative)
General Government (Continued)				
Veterans' Affairs				
Personal Services	86,051	87,240	85,757	1,483
Supplies and Services	165,868	130,892	104,802	26,090
Capital Outlay	-	-	-	-
	251,919	218,132	190,559	27,573
Gasoline Center				
Supplies and Services	244,600	244,600	294,569	(49,969)
Capital Outlay	-	-	-	-
	244,600	244,600	294,569	(49,969)
Pass-through Library Grant	1,700,000	1,700,000	1,700,000	-
Less: Indirect Cost Reimbursement	(9,300,000)	(11,351,690)	(12,401,683)	1,049,993
Total General Government	$ 20,260,964	$ 18,416,967	$ 15,799,802	$ 2,617,165

COUNTY OF DAUPHIN
SCHEDULE OF DEPARTMENTAL EXPENDITURES (CONTINUED)
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance Positive (Negative)
Judicial				
Courts				
Personal Services	$ 1,771,341	$ 1,792,592	$ 1,736,662	$ 55,930
Supplies and Services	2,559,447	2,840,761	2,861,618	(20,857)
Capital Outlay	-	13,000	13,094	(94)
	4,330,788	4,646,353	4,611,374	34,979
Court Reporters				
Personal Services	1,115,190	1,121,019	1,122,400	(1,381)
Supplies and Services	100,687	100,687	84,231	16,456
Capital Outlay	-	-	-	-
	1,215,877	1,221,706	1,206,631	15,075
Jury Commissioners				
Personal Services	-	-	-	-
Supplies and Services	-	-	-	-
	-	-	-	-
District Justices				
Personal Services	4,191,166	4,183,126	4,026,512	156,614
Supplies and Services	1,943,460	2,065,303	1,720,984	344,319
Capital Outlay	171,425	534,738	364,593	170,145
	6,306,051	6,783,167	6,112,089	671,078
Law Library				
Personal Services	178,990	182,062	177,335	4,727
Supplies and Services	418,129	466,803	442,890	23,913
Capital Outlay	-	-	-	-
	597,119	648,865	620,225	28,640
Night Court				
Personal Services	301,996	303,112	275,976	27,136
Supplies and Services	17,400	17,400	10,848	6,552
Capital Outlay	-	-	-	-
	319,396	320,512	286,824	33,688
Clerk of Courts				
Personal Services	1,456,260	1,474,620	1,375,336	99,284
Supplies and Services	311,838	346,915	317,175	29,740
Capital Outlay	-	-	-	-
	1,768,098	1,821,535	1,692,511	129,024

COUNTY OF DAUPHIN
SCHEDULE OF DEPARTMENTAL EXPENDITURES (CONTINUED)
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance Positive (Negative)
Judicial (Continued)				
Coroner				
Personal Services	452,885	457,760	446,392	11,368
Supplies and Services	460,187	488,704	505,514	(16,810)
Capital Outlay	20,000	20,000	-	20,000
	933,072	966,464	951,906	14,558
District Attorney				
Personal Services	3,397,360	3,430,519	3,191,034	239,485
Supplies and Services	1,339,054	1,390,540	1,338,963	51,577
Capital Outlay	-	-	-	-
	4,736,414	4,821,059	4,529,997	291,062
Criminal Investigation				
Personal Services	1,328,100	1,329,092	1,247,237	81,855
Supplies and Services	482,334	554,349	550,974	3,375
Capital Outlay	550	550	-	550
	1,810,984	1,883,991	1,798,211	85,780
Prothonotary				
Personal Services	901,488	910,899	856,269	54,630
Supplies and Services	253,180	312,321	321,010	(8,689)
Capital Outlay	35,000	30,000	-	30,000
	1,189,668	1,253,220	1,177,279	75,941
Registrar of Wills				
Personal Services	442,784	443,082	402,297	40,785
Supplies and Services	246,204	279,856	260,065	19,791
Capital Outlay	-	-	2,616	(2,616)
	688,988	722,938	664,978	57,960
Sheriff				
Personal Services	3,023,719	3,073,981	2,914,272	159,709
Supplies and Services	489,308	642,599	653,335	(10,736)
Capital Outlay	75,000	70,000	31,678	38,322
	3,588,027	3,786,580	3,599,285	187,295
Cost & Fines				
Personal Services	208,249	212,057	207,578	4,479
Supplies and Services	49,495	27,637	28,218	(581)
Capital Outlay	-	-	-	-
	257,744	239,694	235,796	3,898

COUNTY OF DAUPHIN
SCHEDULE OF DEPARTMENTAL EXPENDITURES (CONTINUED)
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance Positive (Negative)
Judicial (Continued)				
Adult Probation				
Personal Services	9,374,085	9,475,540	9,017,448	458,092
Supplies and Services	1,563,284	1,485,038	1,508,931	(23,893)
Capital Outlay	128,000	146,025	79,310	66,715
	11,065,369	11,106,603	10,605,689	500,914
Juvenile Probation				
Personal Services	5,505,000	5,577,502	5,456,256	121,246
Supplies and Services	1,138,686	1,230,216	920,487	309,729
Capital Outlay	46,500	31,500	19,048	12,452
	6,690,186	6,839,218	6,395,791	443,427
Victim Witness				
Personal Services	56,586	56,586	56,754	(168)
Supplies and Services	495,384	491,841	460,116	31,725
	551,970	548,427	516,870	31,557
Pretrial				
Personal Services	-	-	654	(654)
Supplies and Services	295,746	295,746	295,388	358
	295,746	295,746	296,042	(296)
RO County Records Improvement				
Supplies and Services	81,500	120,500	108,419	12,081
Capital Outlay	-	59,500	59,447	53
	81,500	180,000	167,866	12,134
Total Judicial	$ 46,426,997	$ 48,086,078	$ 45,469,364	$ 2,616,714

COUNTY OF DAUPHIN
SCHEDULE OF DEPARTMENTAL EXPENDITURES (CONTINUED)
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance Positive
	Original	Final	Amounts	(Negative)
Public Safety				
Prison				
Personal Services	$ 27,616,661	$ 27,689,896	$ 26,918,104	$ 771,792
Supplies and Services	10,176,634	11,186,843	10,659,189	527,654
Capital Outlay	27,000	27,000	9,197	17,803
	37,820,295	38,903,739	37,586,490	1,317,249
Emergency Services				
Personal Services	650,390	716,358	684,496	31,862
Supplies and Services	353,397	496,111	464,042	32,069
Capital Outlay	-	-	-	-
	1,003,787	1,212,469	1,148,538	63,931
Total Public Safety	$ 38,824,082	$ 40,116,208	$ 38,735,028	$ 1,381,180

COUNTY OF DAUPHIN
SCHEDULE OF DEPARTMENTAL EXPENDITURES (CONTINUED)
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance Positive
	Original	Final	Amounts	(Negative)
Human Services				
Personal Services	$ 1,081,351	$ 874,879	$ 648,823	$ 226,056
Supplies and Services	2,561,377	2,600,525	2,893,233	(292,708)
Capital Outlay	-	-	-	-
Total Human Services	$ 3,642,728	$ 3,475,404	$ 3,542,056	$ (66,652)
Culture and Recreation				
Parks				
Personal Services	$ 1,142,644	$ 1,160,179	$ 1,165,712	$ (5,533)
Supplies and Services	700,100	924,419	793,262	131,157
Capital Outlay	-	127,145	127,141	4
Total Culture and Recreation	$ 1,842,744	$ 2,211,743	$ 2,086,115	$ 125,628
Conservation and Development				
Cooperative Extension				
Personal Services	$ 227,755	$ 223,251	$ 210,676	$ 12,575
Supplies and Services	260,797	260,619	261,242	(623)
Capital Outlay	-	-	-	-
	488,552	483,870	471,918	11,952
Conservation Programs				
Personal Services	1,088,788	1,100,330	1,022,191	78,139
Supplies and Services	742,314	762,340	747,802	14,538
Capital Outlay	-	-	1,432	(1,432)
	1,831,102	1,862,670	1,771,425	91,245
Economic Development				
Personal Services	421,213	387,228	305,603	81,625
Supplies and Services	499,023	505,674	471,890	33,784
Capital Outlay	-	-	-	-
	920,236	892,902	777,493	115,409
Housing Redevelopment				
Supplies and Services	-	-	63,686	(63,686)
Total Conservation and Development	$ 3,239,890	$ 3,239,442	$ 3,084,522	$ 154,920

COUNTY OF DAUPHIN
SCHEDULE OF DEPARTMENTAL EXPENDITURES (CONTINUED)
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance Positive (Negative)
Debt Service				
Principal	$ 4,626,329	$ 4,626,329	$ 5,108,467	$ (482,138)
Interest	5,023,197	5,023,197	5,087,763	(64,566)
Total Debt Service	$ 9,649,526	$ 9,649,526	$ 10,196,230	$ (546,704)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance Positive (Negative)
Other Financing Uses				
Interfund Transfers to				
Domestic Relations Fund	$ 1,874,092	$ 1,874,092	$ 1,433,052	$ 441,040
MH/MR Fund	890,200	890,200	769,619	120,581
Office of Aging Fund	90,000	90,000	390,687	(300,687)
Drug and Alcohol Fund	207,871	207,871	207,871	-
Children, Youth, and Families Fund	10,250,000	10,250,000	15,992,618	(5,742,618)
State Grant Fund	25,000	25,000	47,621	(22,621)
Human Services Development Fund	20,000	20,000	57,690	(37,690)
Hazard Materials Emergency	-	-	-	-
Response Fund	10,000	10,000	-	10,000
Weatherization	30,000	30,000	76,074	(46,074)
Liquid Fuels	-	-	4,154	(4,154)
Federal Drug Act Forfeiture Fund	-	-	1,500	(1,500)
Revolving Loan Fund	160,000	160,000	-	160,000
911 - EMA Communications Fund	-	-	48,668	(48,668)
Capital Projects Fund	2,100,000	2,115,000	24,071,655	(21,956,655)
Human Service Building Fund	800,000	800,000	781,188	18,812
General Fund	228,447	247,947	340,866	(92,919)
Total Interfund Transfers	$ 16,685,610	$ 16,720,110	$ 44,223,263	$ (27,503,153)