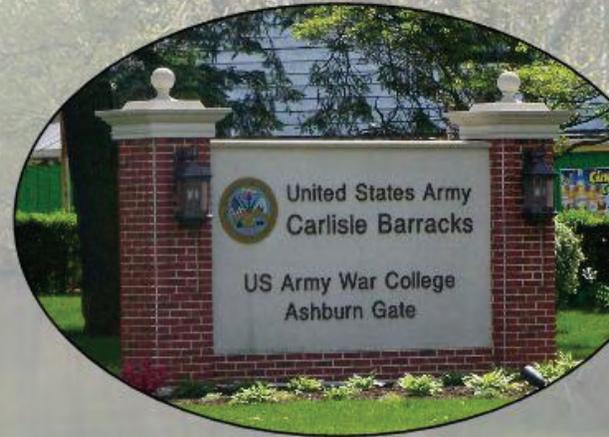


County of Cumberland Pennsylvania

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2009



Working

Living

Visiting



PREPARED BY THE OFFICE OF THE CONTROLLER
ALFRED L. WHITCOMB, CONTROLLER

www.ccpa.net



Alfred L. Whitcomb
Controller



COUNTY OF CUMBERLAND, PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2009

PREPARED BY THE OFFICE OF THE CONTROLLER
ALFRED L. WHITCOMB, CONTROLLER

COUNTY OF CUMBERLAND, PENNSYLVANIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2009

TABLE OF CONTENTS

<u>INTRODUCTORY SECTION</u>	<u>Page(s)</u>
Letter of Transmittal	1-7
Certificate of Achievement for Excellence in Financial Reporting	8
Organizational Chart	9
List of Elected Officials	10
Map of the County	11
<u>FINANCIAL SECTION</u>	
Report of Independent Auditors	13-14
Management’s Discussion and Analysis	15-28
<u>Basic Financial Statements</u>	
Government-wide Financial Statements	
Statement of Net Assets	30-31
Statement of Activities	32
Fund Financial Statements	
Balance Sheet – Governmental Funds	33
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	34
Statement of Revenues, Expenditures, and Changes In Fund Balances – Governmental Funds	35
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	36
Statement of Net Assets – Proprietary Funds	37
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	38
Statement of Cash Flows – Proprietary Funds	39-40
Statement of Fiduciary Net Assets – Fiduciary Funds	41
Statement of Changes in Fiduciary Net Assets – Pension Trust Fund	42
Notes to the Financial Statements	44-82

COUNTY OF CUMBERLAND, PENNSYLVANIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2009

TABLE OF CONTENTS

	<u>Page(s)</u>
<u>Required Supplementary Information</u>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - General Fund	85-86
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - Mental Health/Mental Retardation	87
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Children and Youth	88
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – HealthChoices-Cumberland County	89
Employees’ Retirement Plan and Other Postemployment Benefits Schedules of Funding Progress and Employees’ Retirement Plan Schedule of Employer’s Contributions	90-91
Notes to Required Supplementary Information	92-93
<u>Supplementary Information</u>	
Description of Nonmajor Governmental Funds	96-97
Combining Balance Sheet – Nonmajor Governmental Funds	98-100
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds	101-103
Nonmajor Governmental Fund Schedules of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual – Liquid Fuels Tax	105
Nonmajor Governmental Fund Schedules of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual – Domestic Relations Office	106
Nonmajor Governmental Fund Schedules of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual – Office of Aging	107
Nonmajor Governmental Fund Schedules of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual – Human Services Development	108
Nonmajor Governmental Fund Schedules of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual – Food and Shelter	109

COUNTY OF CUMBERLAND, PENNSYLVANIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2009

TABLE OF CONTENTS

	<u>Page(s)</u>
Nonmajor Governmental Fund Schedules of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual – Drug and Alcohol	110
Nonmajor Governmental Fund Schedules of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual – Central Booking	111
Nonmajor Governmental Fund Schedules of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual – Witness Assistance	112
Nonmajor Governmental Fund Schedules of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual – Witness Assistance – VOCA	113
Nonmajor Governmental Fund Schedules of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual – ARD/DUI Program	114
Nonmajor Governmental Fund Schedules of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual – Records Improvement	115
Nonmajor Governmental Fund Schedules of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual – Recycling and Waste	116
Nonmajor Governmental Fund Schedules of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual – Affordable Housing	117
Nonmajor Governmental Fund Schedules of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual – Exit 44 Study	118
Nonmajor Governmental Fund Schedules of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual – Hotel Tax	119
Nonmajor Governmental Fund Schedules of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual – Debt Service	120
Other Governmental Fund Schedules of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual – Capital Projects	121
Description of Other General Fund Programs	123
Other General Fund Schedules of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual – Auto Theft Prevention Authority	124
Other General Fund Schedules of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual – Insurance Fraud Prevention Authority	125

COUNTY OF CUMBERLAND, PENNSYLVANIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2009

TABLE OF CONTENTS

	<u>Page(s)</u>
Other General Fund Schedules of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual – Criminal Justice Planning	126
Other General Fund Schedules of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual – Offender Supervision	127
Other General Fund Schedules of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual – STOP Grant	128
Other General Fund Schedules of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual – Human Services Administration	129
Description of Nonmajor Enterprise Funds	131
Combining Statement of Net Assets – Nonmajor Enterprise Funds	132
Combining Statement of Revenues, Expenses and Changes in Net Assets – Nonmajor Enterprise Funds	133
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	134
Description of Internal Service Funds	135
Combining Statement of Net Assets – Internal Service Funds	136
Combining Statement of Revenues, Expenses and Changes in Net Assets – Internal Service Funds	137
Combining Statement of Cash Flows – Internal Service Funds	138
Description of Agency Funds	141
Combining Statement of Assets and Liabilities – Agency Funds	142-143
Combining Statement of Changes in Assets and Liabilities – Agency Funds	144-147

STATISTICAL SECTION

Description of Statistical Section	149
------------------------------------	-----

COUNTY OF CUMBERLAND, PENNSYLVANIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2009

TABLE OF CONTENTS

	<u>Page(s)</u>
Financial Trends	
Net Assets by Component	150-151
Changes in Net Assets	152-157
Fund Balances of Governmental Funds	158-159
Changes in Fund Balances of Governmental Funds	160-163
Revenue Capacity	
Assessed Value and Estimated Actual Value of Taxable Property	164
Direct and Overlapping Property Tax Rates	166-167
Principal Property Taxpayers	168
County Real Estate Tax Levies and Collections	169
Library Tax Levies and Collections	170
Debt Capacity	
Ratio of Outstanding Debt by Type	171
Ratios of General Bonded Debt Outstanding	172
Direct and Overlapping Governmental Activities Debt	173
Legal Debt Margin Information	174-175
Demographic and Economic Information	
Demographic and Economic Information	176
Principal Employers – Nine Years Ago and Current	177
Operating Information	
Full-Time Equivalent County Employees by Function/Program	178-179
Operating Indicators by Function	180-183
Capital Asset Statistics by Function	184-185

PHOTOGRAPHY CREDITS

Cover photographs: *Aerial background* photograph is the Conodoquinet Creek; *bottom left* photograph (Key Logistics Park, Newville), *top left* photograph (Emergency Service Day, Summerfair), *bottom right* photograph (Sports Emporium) and *top right* photograph (Carlisle Barracks, U.S. Army War College). All cover photographs are courtesy of Tina Pool.

Controller of Cumberland County

ONE COURTHOUSE SQUARE ♦ CARLISLE, PA 17013



717-240-6185 ♦ 697-0371, EXT 6185
532-7286, EXT 6185 ♦ FAX: 240-6572
E-MAIL: AWHITCOMB@CCPA.NET
WEB: WWW.CCPA.NET

ALFRED L. WHITCOMB
CONTROLLER

ROBERT J. DAGROSA, CPA
FIRST DEPUTY CONTROLLER

MICHAEL A. CLAPSADL, CPA
SECOND DEPUTY CONTROLLER

TINA L. POOL
ADMINISTRATIVE ASSISTANT

JAMES D. BOGAR
SOLICITOR

June 5, 2010

TO: THE COMMISSIONERS AND CITIZENS OF CUMBERLAND COUNTY

County Code requires the elected County Controller to prepare an annual financial report and audit of the County's books by June 30th. The Controller publishes a Comprehensive Annual Financial Report (CAFR) as part of satisfying this requirement. Cumberland County's CAFR is prepared in accordance with U.S. generally accepted accounting principles (GAAP). The CAFR's basic financial statements are audited by an independent firm of certified public accountants in cooperation with the Controller.

This report consists of County management's representations concerning the finances of Cumberland County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report.

To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal control should not outweigh its benefits, the County's internal control has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatements. As the Controller, I assert that, to the best of my knowledge and belief, this financial report is complete and reliable in all material respects.

Two "government-wide" financial statements are included in the County's CAFR: the Statement of Net Assets and the Statement of Activities. These financial statements are discussed more fully in Note 1 to the financial statements.

These government-wide financial statements help taxpayers:

- Assess the finances of the County in its entirety, including the year's operating results.
- Determine whether the County's overall financial position improved or deteriorated.
- Evaluate whether the County's current-year revenues were sufficient to pay for current-year services.

- See the County's cost of providing services to its citizenry.
- See how the County finances its programs – through user fees and other program revenues versus County tax revenues.
- Understand the extent to which the County has invested in capital assets, including bridges.
- Make better comparisons between governments.

The County's basic financial statements have been audited by Ernst & Young LLP in cooperation with the Controller. Ernst & Young LLP is a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the County for the year ended December 31, 2009, are free of material misstatement. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the basic financial statements of the County is part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Single Audit Report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). A letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE COUNTY

Introduction

Cumberland County is a fourth class county founded January 27, 1750. It is governed by an elected Board of Commissioners consisting of three members elected to four year terms. The Commissioners are the responsible managers and administrators of the County's fiscal affairs. The Controller supervises the County's fiscal affairs by keeping the books, auditing, settling and adjusting the accounts, and reporting the County's financial results.

Cumberland County government provides its residents with a wide variety of services in areas such as emergency telephone, prison, courts, probation, road and bridge maintenance, Claremont Nursing and Rehabilitation Center, and human services which include mental health and mental retardation, HealthChoices, children and youth, aging and many others.

The County is located in the south central part of the state, between two Appalachian Mountain Ranges. Generally, the County's boundaries follow definite physical features. It is bounded on the North by the Blue Mountain Range, on the East by the west bank of the Susquehanna River, on the South its southeastern boundary follows the Yellow Breeches Creek from the Susquehanna River to Williams Grove with the remainder of its southeastern and southern boundary following Mains Run, Gum Run, Middle Spring Creek and Laughlin Run.

There are eleven boroughs and twenty-two townships in the County. Harrisburg, the Capital of Pennsylvania, is located in the county adjacent to Cumberland County. The County has a land area of 555 square miles and an estimated 2009 population of 232,483. Sixteen percent of the land is vacant, which includes wooded areas

in mountainous areas and 43 percent is agricultural land. It is the 16th most populous county in the state and ranks 41st of 67 counties in size.

Cumberland County offers its residents and guests a rich history, quaint downtowns, exciting shopping opportunities, a thriving artistic community, lakes and streams for fishing and boating, beautiful state parks with new amenities and many miles of scenic hiking trails. The popular Carlisle Events car shows held throughout the year and the Army Heritage and Education Center, with its hands-on displays, large and unique collection of military artifacts and special events, attract more visitors to Cumberland County each year.

Cumberland County is the central hub of the region's many cultural, historical and entertainment attractions – Harrisburg, the state's capital; Washington, D.C., the nation's capital; Gettysburg with its Civil War Battlefield; Inner Harbor, Baltimore, Maryland; and nearby Hershey, with its well-known Hersheypark.

Component Units

The County adheres to Government Accounting Standards Board (GASB) Statement No. 14 criteria in determining which activities and entities to include in the County's financial statements based on their financial accountability and nature of relationship to the County.

The Cumberland Area Economic Development Corporation, a legally separate governmental not-for-profit, qualifies as a blended component unit and is reported as a special revenue fund of the County.

The Cumberland County Conservation District and the Industrial Development Authority qualify as discretely presented component units of the County.

The Cumberland County Library System and its member libraries are not reported as component units of the County using the above criteria.

Budget

By law, the County budget is required to be adopted by the County Commissioners not later than December 31st of the previous year. The proposed budget is required to be available for public inspection for at least twenty days prior to its adoption. The Commissioners may at any time, by resolution, make supplemental appropriations for any lawful purpose. Appropriations lapse at the close of the fiscal year to the extent not expended.

The County Commissioners must approve changes to overall appropriations at the fund level. Therefore, the legal level of budgetary responsibility is by fund.

Budgets are legally adopted for all County governmental funds, except for the Cumberland Area Economic Development Corporation, a legally separate governmental not-for-profit, and the Industrial Development Authority, a discretely presented component unit of the County.

Local Economy

Cumberland County's local economy is driven by its approximately 5,996 businesses that employ nearly 121,400 people. Cumberland County ended 2009 with a December unemployment rate of 7.3 percent, one of the lower rates in Pennsylvania. The statewide unemployment rate was 8.8 percent at the end of 2009.

The County's employment levels can be attributed to the presence of major employers in the insurance, healthcare, manufacturing, and transportation and warehousing industries. The County's five largest employers include the U.S. Government, Highmark Blue Shield, Giant Foods, Holy Spirit Hospital and Commonwealth of Pennsylvania.

Cumberland County incomes are in line with state averages with the county's per capita income at \$38,755 and Pennsylvania's at \$38,793. The County does feel the impact of the recession but is drawing upon its conservative fiscal management practices and accrued reserves to avoid major disruptions in core services.

Long-term Planning

The Cumberland County Commissioners maintain a strategic planning process to identify service priorities in tandem with an outcome-oriented financial management system. These management tools have helped to improve core services to County residents while maintaining one of the lowest tax rates in South Central Pennsylvania.

The 2008 County Strategy and Budget received the Government Finance Officers Association (GFOA) award for Distinguished Budget Presentation. The award reflects the County's adherence to an extensive array of budget planning and financial management principles that include:

- Ensuring that the County maintains a strong financial base to support essential services even in a changing environment;
- Directing financial resources toward achievement of the County's strategic plan;
- Maintaining sufficient liquidity to meet normal operating and contingent obligations;
- Maintaining and preserving infrastructure and capital assets;
- Implementing operating policies that minimize the cost of government and financial risks;
- Maximizing the level of public services while minimizing the level of debt and taxes.

These principles are integrated into the every day management and long-range planning of the County. The County uses several Policy Teams to pull key "players" into management groups to develop and implement process improvements to enhance services, manage the cost of operation and improve results for County residents. An example of this is the County's Criminal Justice Policy Team (now in its 20th year). The Criminal Justice Policy Team has devised an array of institutional and community corrections strategies to manage the population of the prison. As a direct result the County justice system saves over 15,000 prison bed days annually.

The County's continuing use of these operating principles is a major factor in Standard & Poor's AAA bond rating for the County, a rare distinction among Pennsylvania counties and a strong indicator that Cumberland County was prepared to enter 2009 in excellent financial shape. The County used these same principles to navigate through the current economic turmoil and remain in good shape at the year's end.

The County Strategy

Cumberland County uses a Balanced Scorecard Framework for strategic planning. The County Strategy reflects a Vision and Mission for County Government and a management centered on strategic directions. The Strategy also emphasizes four operational perspectives: *Serving the Customer / Running the*

Business / Managing Resources / Developing Employees. These perspectives provide a framework for planning and evaluating performance.

The County Commissioners have a Vision for Cumberland County as a locale where family-sustaining economic opportunity is promoted, the environment is respected, public safety is ensured, and quality of life is preserved for the future. In order for the County to attain this Vision, the County Mission is to strive to be the most livable community with the most efficient and effective public services in Pennsylvania. The County Commissioners' 2009 Strategic Directions are:

Smart Growth & the Environment: *Smart Growth promotes livable communities through a balance of economic development and appropriate comprehensive land use planning.*

Efficient Government: *Cumberland County strives to have the most efficient and effective County government public services in Pennsylvania.*

Safe & Healthy Communities: *Cumberland County works to ensure that our citizens' quality of life is maintained through the planning and implementation of public safety and criminal justice operations as well as human services.*

The County Strategy is designed to facilitate the achievement of the County's Vision and Mission at the Commissioners' level and to continue the scorecard process throughout the organization at the cross-functional and departmental levels.

Major Initiatives

The Commissioners' strategic planning efforts as outlined in the County Strategy have identified several major initiatives including:

- A Prison expansion and renovation project that will add capacity to the facility to meet the inmate housing needs of the county criminal justice system over the next fifteen years while providing a specially designed central processing center.
- The Prison expansion and renovation project required the relocation of the Public Safety and 911 Call Center. A new Public Safety facility is under construction to meet the 911 call center and emergency services needs of the County for the next twenty years.
- The 911 Infrastructure Project requires upgrading and relocating the existing public safety communications and 911 equipment and systems to accommodate the most recent developments in "next generation" 911.
- A cost management strategy is underway for the 2009 and 2010 budget years to achieve a \$5 million cost reduction. The County has reached \$4 million of the overall goal at the close of 2009. The Commissioners will continue to target cost reductions and improved efficiencies.
- Renovations are underway to add courtroom space to meet the needs of a sixth judge who will take the bench in 2012. A new courtroom and jury assembly areas are part of an overall plan to reallocate space within the main County courthouse.
- The County acquired a property (previously a car dealership and service center) at the end of 2009 to meet long-standing needs that include a bus storage area, a vehicle service garage, a voting equipment storage and service area, and space for Library administrative offices and material processing.

In addition to these major projects, the County is conducting a comprehensive review of current space utilization in buildings owned and leased by the County. The goal is to project space needs for each department in consideration of changing caseloads, resident needs, and the evolution of business processes such as on-line services and community-based service delivery models in key departments.

The comprehensive building use plan also includes provisions to accommodate the addition of a sixth judge in 2012. The creation of new chambers and court facilities for the judge will require significant realignment of space within the main courthouse structure and may require relocation of some offices to alternate space within other county properties.

Financial Policies and Practices

The Cumberland County Commissioners have formally adopted financial policies in the areas of financial planning, fund balance maintenance, budgeting and debt management. The Commissioners have also formally adopted a financial philosophies policy setting forth objectives intended to guide financial decisions.

The County Commissioners and the Retirement Board have both formally adopted investment policies governing County and Pension Trust Fund investments, respectively.

The County Commissioners have formally adopted purchasing policies encompassing legal compliance and encouraging competitive and economical procurement of goods and services.

The County has implemented other key fiscal practices such as well documented monthly financial close processes, monthly budget versus actual activity monitoring and a separate evaluation and approval process for both grants and capital spending.

Financial Reporting Awards

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Cumberland County for its comprehensive annual financial report for the fiscal year ended December 31, 2008. This was the twenty-first consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Award for Outstanding Achievement in Popular Annual Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Cumberland County for its popular annual financial report for the year ended December 31, 2008. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a governmental unit must publish a popular annual financial report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. Cumberland County has received a Popular Award for the last six consecutive years. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA to determine its eligibility for another award.

Acknowledgements

The preparation of this report would not have been possible without the efficient and dedicated services of the staff of the Controller's Office, the Finance Office and all department fiscal officers. Credit must also be given to the Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of Cumberland County's finances.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Alfred L. Whitcomb". The signature is fluid and cursive, with a prominent initial "A".

Alfred L. Whitcomb
Controller

Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Cumberland
Pennsylvania

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

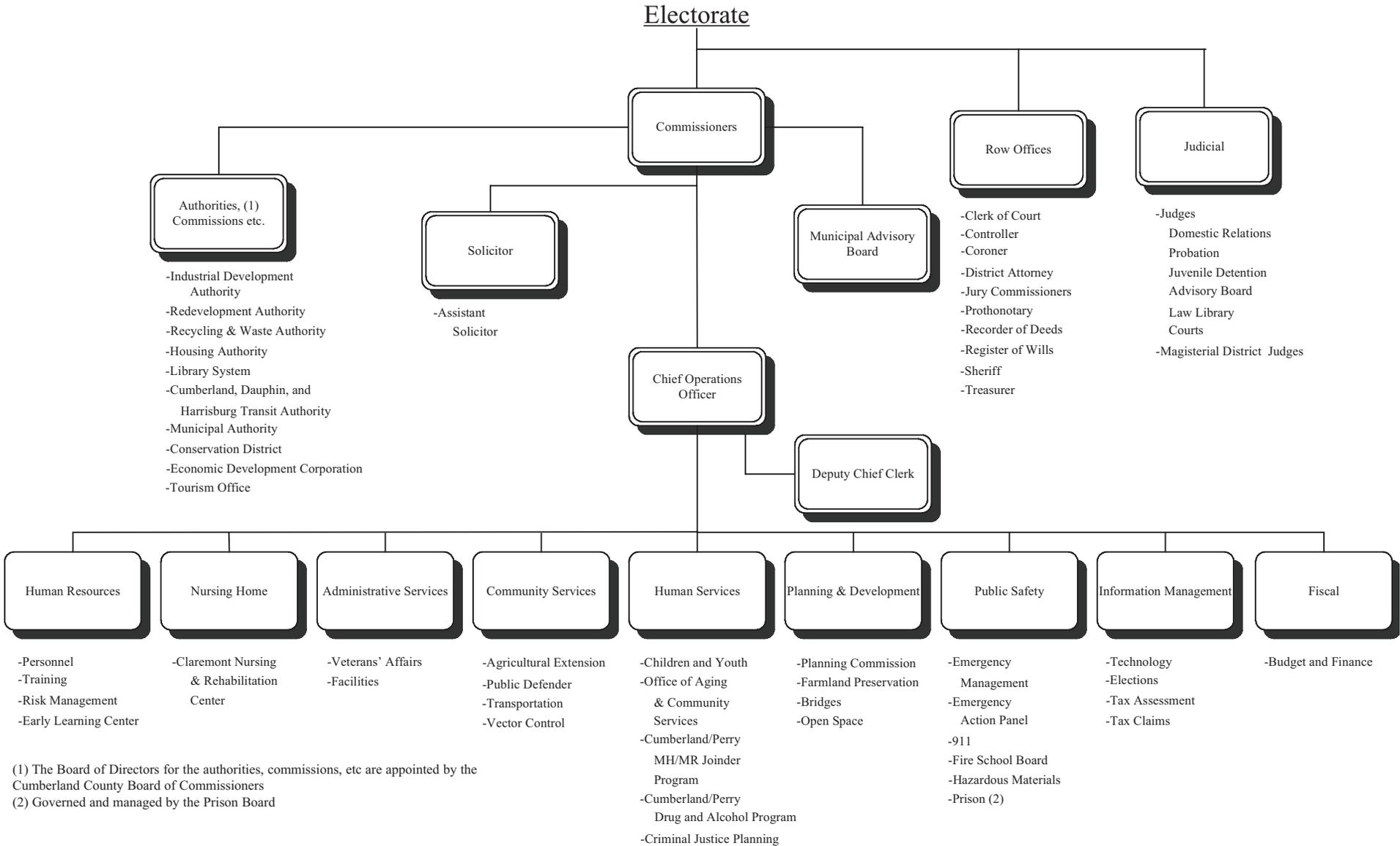
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

Cumberland County, Pennsylvania Organizational Chart



(1) The Board of Directors for the authorities, commissions, etc are appointed by the Cumberland County Board of Commissioners
 (2) Governed and managed by the Prison Board

COUNTY OF CUMBERLAND
LIST OF ELECTED OFFICIALS
AS OF DECEMBER 31, 2009

COMMISSIONERS

Gary Eichelberger, Chairperson
Richard L. Rovegno
Barbara Cross

PROTHONOTARY

Curtis R. Long

CLERK OF COURT

Dennis E. Lebo

JUDGES OF COURT

Honorable Edgar B. Bayley, President Judge
Honorable Kevin A. Hess
Honorable J. Wesley Oler
Honorable Edward E. Guido
Honorable M.L. "Skip" Ebert

TREASURER

John C. Gross, II

SHERIFF

R. Thomas Kline

CONTROLLER

Alfred L. Whitcomb

REGISTER OF WILLS

Glenda Farner-Strasbaugh

CORONER

Michael L. Norris

RECORDER OF DEEDS

Robert P. Ziegler

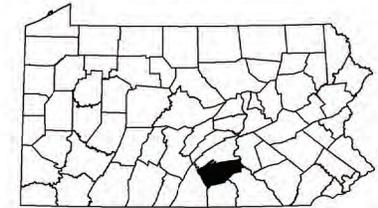
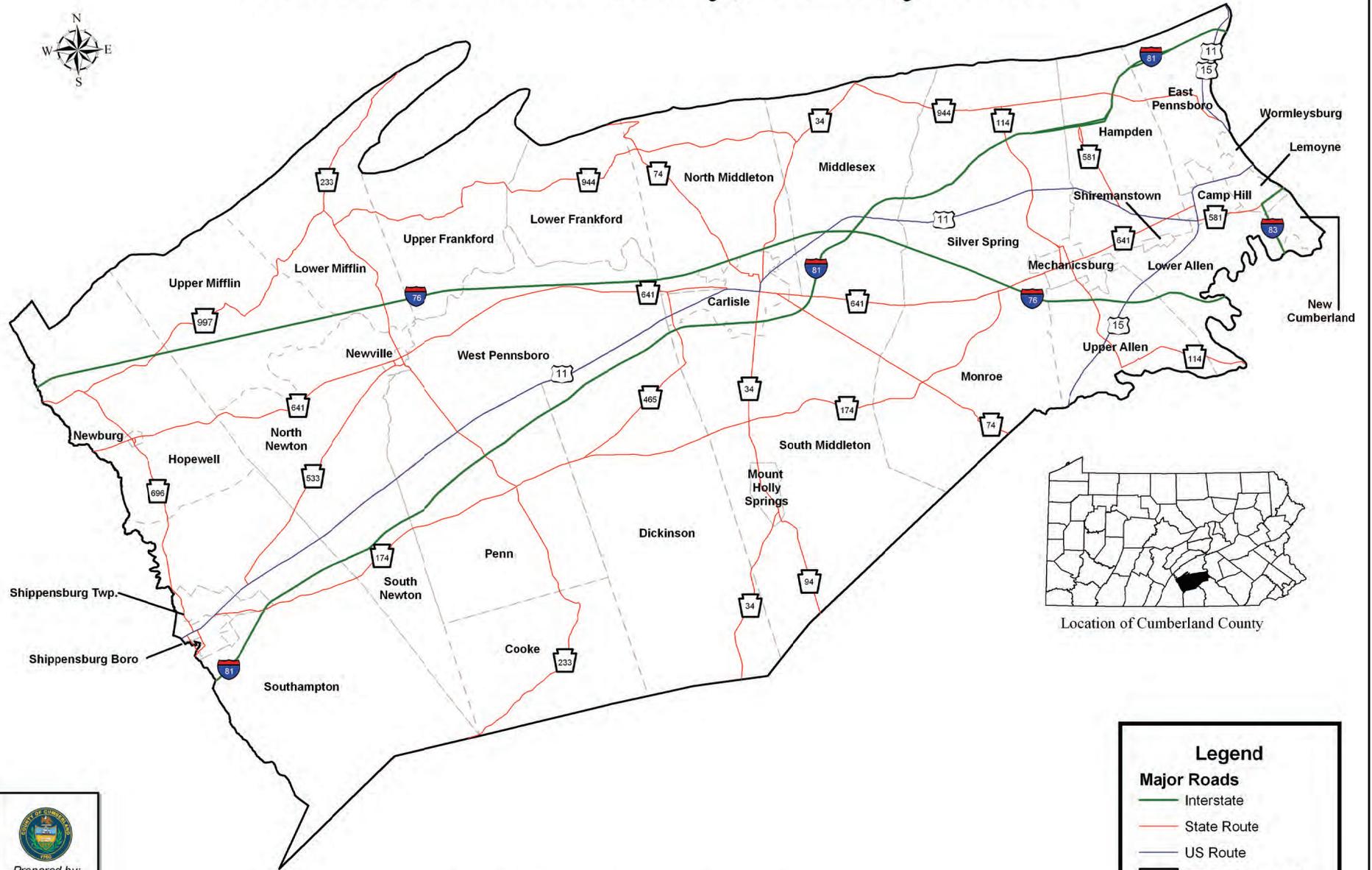
JURY COMMISSIONERS

Ralph G. Viehman, Jr.
Larry Babitts

DISTRICT ATTORNEY

David Freed

Cumberland County, Pennsylvania

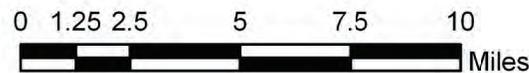


Location of Cumberland County

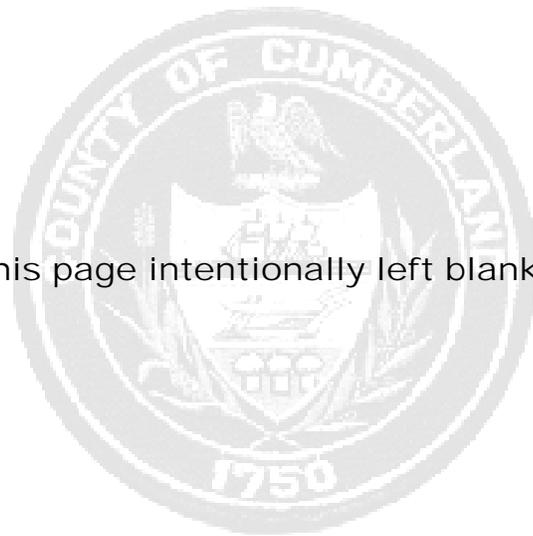
Legend

- Major Roads
 - Interstate
 - State Route
 - US Route
- County Boundaries
- Municipal Boundaries

Prepared by:
Cumberland
County GIS
September 2006



This page intentionally left blank



Report of Independent Auditors

County Commissioners
County of Cumberland

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Cumberland (the County), as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units and the Cumberland Area Economic Development Corporation, a blended component unit which represents less than 3% of the revenues/additions, net assets and total assets of the governmental activities and the aggregate remaining fund information. The financial statements of these component units were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for those component units, is based on the reports of the other auditors.

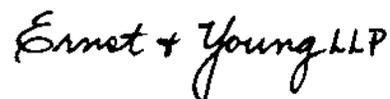
We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Cumberland County Industrial Development Authority and the Cumberland Area Economic Development Corporation were not audited in accordance with *Government Auditing Standards*. We were not engaged to perform an audit of the County's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of December 31, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with US generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 7, 2010 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

The management's discussion and analysis, budgetary comparison information, Employees' Retirement Plan and Other Postemployment Benefits Schedules of Funding Progress and the Employees' Retirement Plan Schedule of Employer's Contributions on pages 15 through 28 and 85 through 93 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads 'Ernst & Young LLP'.

June 7, 2010

As management of Cumberland County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the year ended December 31, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 through 7 of this report.

Financial Highlights

- The assets of Cumberland County exceeded its liabilities at the close of the most current fiscal year by \$66,229,906 (*net assets*). Of this amount, \$27,027,419 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$6,234,442.
- As of the close of the current fiscal year, Cumberland County's governmental funds reported combined ending fund balances of \$46,037,546, a decrease of \$3,986,042 in comparison to the prior year. Approximately 97 percent of the total amount (\$44,705,545) is *available for spending* at the County's discretion (*unreserved fund balance*).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$29,270,507. Of this balance approximately \$5,087,296 is designated for capital projects, farmland preservation, prison canteen, landfill closure, and future debt service arbitrage payments.
- Cumberland County's total general obligation debt decreased by \$505,368 due to scheduled principal payments. The decrease was offset by the issuance of the 2009 general obligation note for \$2,500,000. The 2009 note will finance the purchase and renovations of a building (Ritner Highway Building) that will house Transportation, Board of Elections, Library, and maintenance garage.
- The County refinanced the 2002 and 2004 general obligation bonds for a savings of \$464,466.
- The County's bond rating was confirmed AAA.
- The County began the planning, renovations, and moves associated with the addition of a sixth judge in 2012. In 2009, the portion of the project that was completed was the planning and acquisition of the Ritner Highway building, and renovations of a building on Claremont Road which will house the County's Community Services and Aging Department.
- The County continued its progress in performance management to ensure strong fiscal management and promote long-term planning.
- The County preserved 387 acres of premium farmland in 2009. The total preserved farmland is 13,867 acres.
- The County was approved for \$2.1 million in American Recovery and Reinvestment Act funds for energy projects. The planning phase was completed and the projects will begin in 2010.
- Phase I of the prison construction is near completion.
- Bids were awarded for the Public Safety building project and construction began.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future years (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, roads and bridge maintenance, recycling and waste management, human services, culture and recreation, conservation, community redevelopment and housing, economic development and assistance, the health reimbursement arrangement and interest expense. The business-type activities include the County nursing home, the Early Learning Center, emergency telephone, the hazardous materials fund, transportation and the workers' compensation fund.

The government-wide financial statements include not only the County itself (known as the *primary government*), but also its discretely presented component units, the Cumberland County Conservation District and the Cumberland County Industrial Development Authority, both of which are legally separate from the County. Financial information for these component units is reported separately from the financial information presented for the primary government itself. Refer to Note 1 for information on how to obtain separately issued financial statements for component units.

The government-wide financial statements can be found on pages 30 through 32 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of spendable resources of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances are reconciled to *governmental activities* on pages 34 and 36 of this report.

The County maintains twenty-one governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, mental health/mental retardation fund, children and youth fund, Cumberland County HealthChoices fund and the capital projects fund, which are considered to be major funds. Data from the other governmental funds is combined into a single, aggregated presentation entitled "other non-major funds". Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic governmental fund financial statements can be found on pages 33 and 35 of this report.

Proprietary funds. The County maintains two different types of proprietary funds. *Enterprise funds* report the same functions presented as *business-type activities* in the government-wide financial statements only in more detail. The County uses enterprise funds to account for its nursing home and emergency telephone operations. Data from the other enterprise funds are combined into a single, aggregated presentation entitled "other nonmajor funds". Individual fund data for each of these nonmajor enterprise funds is provided in the form of combining statements elsewhere in this report. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its workers' compensation fund and health reimbursement arrangement. The County's workers' compensation services principally benefit business-type functions and; therefore, are included within *business-type activities* in the government-wide financial statements. The County's health reimbursement arrangement principally benefits governmental functions and; therefore, is included within *governmental activities* in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 37 through 40 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the County's own programs. The County maintains two different types of fiduciary funds; a *pension trust fund*, to account for the County's employee retirement plan, and *agency funds*. The accounting used for the Pension Trust is much like that used for proprietary funds. Agency funds differ from other fiduciary funds as they have no measurement focus and, as such, only the assets held and the resulting liabilities are reported in agency funds.

The basic fiduciary fund financial statements can be found on pages 41 and 42 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 44 through 82 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* including budgetary comparison schedules for the general fund and major special revenue funds and information concerning the County's progress in funding its obligation to provide pension and other postemployment benefits to its employees. The County adopts annual appropriated budgets for its funds. Budgetary comparison schedules have been provided for the general fund and each major special revenue fund to demonstrate compliance with this budget. Required supplementary information can be found on pages 85 through 93 of this report.

Following the *required supplementary information* the County presents other supplementary information that is not required by the Governmental Accounting Standards Board. This information consists of combining schedules to provide detail not contained in the basic financial statements, and the budgetary comparison schedules for the remaining governmental funds to demonstrate compliance with the County's budget.

Government-wide Financial Analysis

Over time, net assets may serve as a useful indicator of the government's financial position. In the case of Cumberland County, assets exceeded liabilities by \$66,229,906 at the close of the most recent calendar year.

Cumberland County's Net Assets

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Assets:						
Other assets	\$ 61,960,098	68,456,278	15,264,439	16,124,976	77,224,537	84,581,254
Capital assets	49,591,417	37,810,994	18,579,534	19,479,012	68,170,951	57,290,006
Total assets	111,551,515	106,267,272	33,843,973	35,603,988	145,395,488	141,871,260
Liabilities:						
Long-term liabilities	40,905,002	39,697,023	22,562,370	24,213,614	63,467,372	63,910,637
Other liabilities	13,034,823	15,187,662	2,663,387	2,777,497	15,698,210	17,965,159
Total liabilities	53,939,825	54,884,685	25,225,757	26,991,111	79,165,582	81,875,796
Net Assets:						
Invested in capital assets, net of related debt	23,171,314	21,107,189	(403,424)	(1,301,131)	22,767,890	19,806,058
Restricted	16,434,597	26,125,693	-	-	16,434,597	26,125,693
Unrestricted	18,005,779	4,149,705	9,021,640	9,914,008	27,027,419	14,063,713
Total net assets	\$ 57,611,690	51,382,587	8,618,216	8,612,877	66,229,906	59,995,464

Thirty-five percent of Cumberland County's net assets reflect its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. Cumberland County uses these assets to provide services to citizens; consequently, these services are *not* available for future spending. Although Cumberland County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Twenty-five percent of the county's net assets are legally restricted (\$16,434,597). The remaining balance of *unrestricted net assets* (\$27,027,419) may be used to meet the government's ongoing obligations to citizens and creditors.

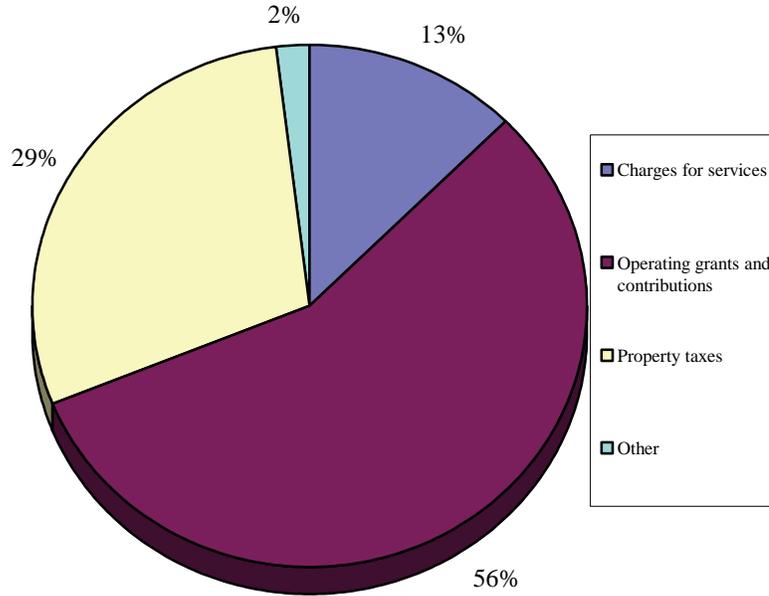
At the end of the current fiscal year, Cumberland County is able to report positive balance in all three categories of net assets for the government as a whole and for its separate governmental activities and business-type activities, with the exception of Emergency Telephone. As part of the 800 MHz project, Emergency Telephone purchased radio equipment for different Cumberland County municipalities and County departments. Therefore, the assets purchased with the bond proceeds are not on the balance sheet of Emergency Telephone, offsetting the liability and causing negative net assets. The same held true for the prior fiscal year.

Cumberland County's Change in Net Assets

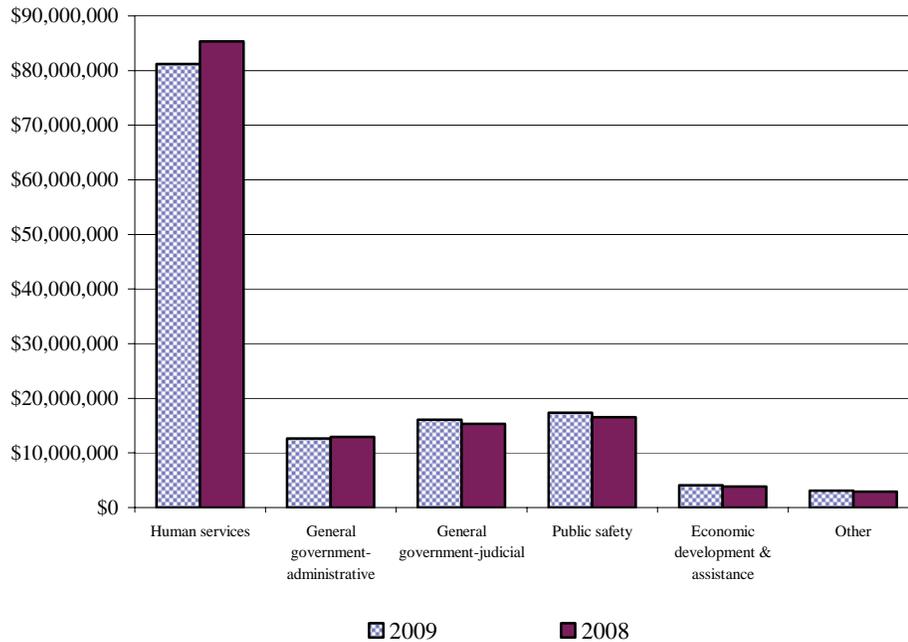
	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Revenues:						
Program revenues:						
Charges for services	\$ 17,884,046	13,613,966	26,943,559	26,030,966	44,827,605	39,644,932
Operating grants and contributions	80,028,135	88,150,175	3,698,129	4,211,357	83,726,264	92,361,532
Capital grants and contributions	22,749	169,564	436,550	203,426	459,299	372,990
General revenues:						
Property taxes	41,366,554	38,319,951	-	-	41,366,554	38,319,951
Other taxes	1,832,049	1,983,831	-	-	1,832,049	1,983,831
Unrestricted investment earnings	1,106,743	1,897,431	166,853	379,485	1,273,596	2,276,916
Total revenues	142,240,276	144,134,918	31,245,091	30,825,234	173,485,367	174,960,152
Expenses:						
General government-administrative	12,627,406	12,914,833	-	-	12,627,406	12,914,833
General government-judicial	16,100,981	15,300,757	-	-	16,100,981	15,300,757
Public safety	17,366,885	16,524,566	-	-	17,366,885	16,524,566
Roads and bridge maintenance	855,299	479,261	-	-	855,299	479,261
Recycling and waste management	514,416	449,387	-	-	514,416	449,387
Human services	81,179,590	85,317,235	-	-	81,179,590	85,317,235
Culture and recreation	227,443	106,326	-	-	227,443	106,326
Conservation	531,424	1,047,706	-	-	531,424	1,047,706
Community redevelopment and housing	218,714	217,028	-	-	218,714	217,028
Economic development and assistance	4,093,769	3,870,456	-	-	4,093,769	3,870,456
Interest on long-term debt	1,280,716	1,130,803	-	-	1,280,716	1,130,803
Indirect expenses	(531,008)	(494,329)	531,008	494,329	-	-
Claremont Nursing and Rehabilitation Center	-	-	23,833,449	22,463,389	23,833,449	22,463,389
Early Learning Center	-	-	483,456	516,737	483,456	516,737
Emergency telephone	-	-	5,329,529	5,277,951	5,329,529	5,277,951
Hazardous materials protection	-	-	247,389	258,893	247,389	258,893
Transportation services	-	-	2,360,459	2,305,882	2,360,459	2,305,882
Total expenses	134,465,635	136,864,029	32,785,290	31,317,181	167,250,925	168,181,210
Increase (decrease) in net assets before transfers	7,774,641	7,270,889	(1,540,199)	(491,947)	6,234,442	6,778,942
Transfers	(1,545,538)	(876,742)	1,545,538	876,742	-	-
Increase in net assets	6,229,103	6,394,147	5,339	384,795	6,234,442	6,778,942
Net assets, beginning	51,382,587	44,988,440	8,612,877	8,228,082	59,995,464	53,216,522
Net assets, ending	\$ 57,611,690	51,382,587	8,618,216	8,612,877	66,229,906	59,995,464

Governmental activities. The following charts graphically depict the sources of revenue and functional expenses of governmental activities for the fiscal year ended December 31, 2009:

Revenues by Source - Governmental Activities



Expense Comparison by Activity - Governmental Activities

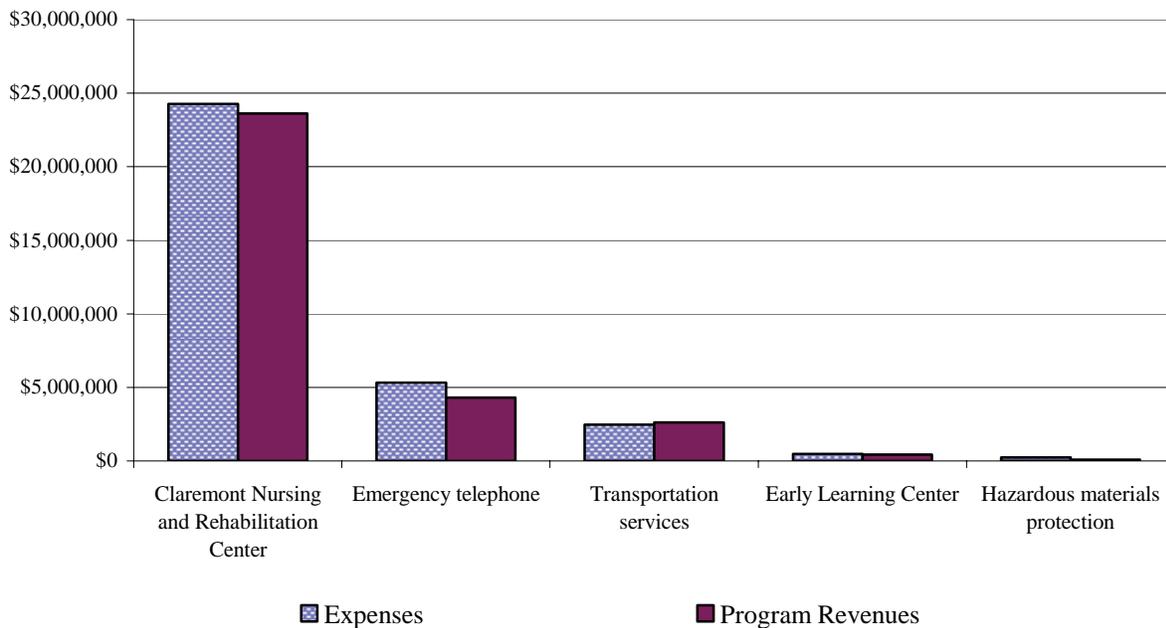


Governmental activities increased Cumberland County's net assets by \$6,229,103. A significant contributing factor in this net asset increase is the County's cost savings initiatives which cut approximately \$4 million of budgeted costs in 2009. The primary changes in revenues and expenses are:

- Property tax revenue increased by \$3,046,603. This growth is due to a 5% tax increase, new construction, and renovations of existing property.
- Charges for services increased \$4,270,080. A reclassification of Attendant Care and Direct Provider Waiver from grant revenue into charges for services accounts for the majority of this increase.
- Unrestricted investment earnings decreased \$790,688. Interest rates declined and were substantially lower in 2009. The County continued to meet its benchmark targets.
- Operating Grants and Contributions decreased \$7,916,973 mainly due to the following three programs:
 - MH/MR grant revenue decreased \$8,628,395 because the state began paying vendors directly for MH/MR waiver services as of July 1, 2009.
 - Attendant Care and Direct Provider Waiver programs in Community Services and Aging were reclassified into charges for services decreasing grant revenue by \$3,729,796.
 - Health Choices increased \$4,158,615 due to capitation rates and increased member days.
- Human Services expenses decreased \$4,137,645 mainly due to the changes in MH/MR & Healthchoices as explained above in operating grants.
- Conservation expenses decreased \$516,282 mainly due to completion of the open space and farmland preservation projects that were funded with bond proceeds.
- Transfers increased \$668,796 mainly due to an increase in emergency telephone subsidy. The increase in subsidy is due to decreasing revenues in emergency telephone. Emergency telephone was reimbursed for prior year salary expenses during the 2008 grant year which temporarily increased grant revenue and decreased subsidy in 2008.

Business-type activities. The following chart graphically depicts the sources of revenue and functional expenses of business-type activities for the fiscal year ended December 31, 2009:

Expenses and Program Revenues - Business-type Activities



Business-type activities. Business-type activities increased Cumberland County’s net assets by \$5,339. The primary changes in revenues and expenses are:

- Operating grants and contributions decreased \$513,228 mainly due to a decrease in wireless grant revenues. Emergency telephone was reimbursed for prior year salary expenses during the 2008 grant year which temporarily increased grant revenue and decreased subsidy.
- Capital grants and contributions increased \$233,124 because transportation purchased five buses in 2009 as opposed to two buses in 2008.
- Unrestricted investment earnings decreased \$212,632 due to market conditions and low interest rates during 2009.
- Claremont Nursing and Rehabilitation Center’s expenses increased \$1,370,060 or 6.1%. The majority of the increase is related to salary and benefit increases. Therapy expense increased due to a greater caseload and food supplies increased because nutritional drinks, such as Ensure, were used more frequently.
- Transfers increased \$668,796 mainly due to an increase in emergency telephone subsidy. The increase in subsidy is due to decreasing revenues in emergency telephone. Emergency telephone was reimbursed for prior year salary expenses during the 2008 grant year which temporarily increased grant revenue and decreased subsidy in 2008.

Financial Analysis of the County’s Funds

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

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

As of the end of the year, Cumberland County's governmental funds reported combined ending fund balances of \$46,037,546 and a decrease of \$3,986,042 in comparison to the prior year. Approximately 97 percent of the total amount (\$44,705,545) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed to:

- offender supervision (\$593,735)
- criminal investigation (\$307,845)
- Row office automation (\$184,528)
- Register of Wills Act 34 (\$66,225)
- prepaid items (\$143,936)
- criminal justice planning (\$3,723)
- Coroner-Act 122 (\$32,009)

The general fund is the chief operating fund of Cumberland County. At the end of the year, unreserved fund balance of the general fund was \$29,270,507 while total fund balance was \$30,602,508. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to fund expenditures. Unreserved fund balance represents 67 percent of total general fund expenditures, while total fund balance represents 70 percent of general fund expenditures.

The fund balance of Cumberland County's general fund increased by \$5,744,022 during the current year. Key factors in this growth are as follows:

- Property tax revenue increased by \$2,913,984 due to a 5% tax increase, new construction and renovations of existing property.
- Interest revenue decreased \$738,517 due to substantially lower interest rates in 2009.
- Cost savings initiatives cut approximately \$4 million from budgeted costs. These cost savings allowed the County to limit total expenses to prior year levels thereby, contributing to the increase in fund balance. These savings were accomplished voluntarily by departments in many areas such as cutting overtime hours, not filling vacancies immediately, and cutting back on conference attendance. Other savings were realized as a result of debt refinancing, postponing the cost of living increase a few months and cutting major categories of operating expense below 2008 levels.
- Several projects were postponed until 2010 due to project delays.

The fund balance of Cumberland County's capital funds decreased by \$9,168,919 due to the Phase I prison renovations.

Proprietary funds. Cumberland County's proprietary funds provide the same type of information found in the business-type activities of the government-wide financials statements, but in greater detail.

The County's emergency telephone fund has negative net assets of \$119,348 at December 31, 2009. This deficit will be alleviated as the general fund provides subsidies to the emergency telephone fund to make debt service payments that financed the purchase of new 800 MHz radios for other County municipalities and other County offices. To the extent that the emergency telephone fund is unable to generate sufficient cash to fund

future debt service payments and fully cover operating costs, additional transfers-in will be provided by the County's general fund.

Workers' compensation is presented as an internal service fund in the proprietary fund statements and as a business-type activity in the government-wide statements. The County's health reimbursement arrangement is presented as an internal service fund in the proprietary fund statements and as a governmental activity in the government-wide statements. Other aspects of the County's proprietary funds have already been addressed in the discussion of Cumberland County's business-type activities.

General Fund Budgetary Highlights

Under Pennsylvania law, the Board of Commissioners has the authority and responsibility for managing the County budget. In this role, the Commissioners must assess the changing needs of the community and make periodic changes in the budget to meet these needs.

For accounting purposes, the level of budgetary control is maintained at the fund level. The County Finance Office, under the authority of the Commissioners, exercises day-to-day responsibility for assuring that departments operate within the confines of approved budgets according to County fiscal policies.

The Commissioners formally approve all budget revisions that change the bottom line of a fund during bi-weekly Commissioner's hearings. The County Finance Office approves all other budget revisions except adjustments transferring budget amounts from one operating line item to another within a department (these are approved by the Department Head). The most common budget adjustments are budget transfers from one operating line item to another within a department. Other budget adjustments include transferring amounts from contingency, capital, and salary and benefit budget lines.

The funds and classifications in the CAFR are presented differently from the funds and classifications in the budget document. The explanations below are based on the CAFR presentation. For example, stop grant is a separate fund in the budget document; however, stop grant in the CAFR is part of the general fund.

The general fund budgeted revenues (including other financing sources) increased \$21,789 for 2009. The following shows the adjustment:

DCED Shared Municipal Services Grant	\$21,789
--------------------------------------	----------

Actual general fund revenues (including other financing sources) received were \$160,488 over the amended budget. Grants are over budget due to the Redevelopment Authority receiving two pass-through grants with American Reinvestment & Recovery Act (ARRA) monies. County charges are under budget mainly due to prison housing and room and board fees. Housing is under due to Phase 1 of the prison project and room and board is under due to the economy and decrease in available jobs for work release inmates. Interest is under budget due to the low interest rates in 2009. Contributions and other is over budget due to the donation of a farm to the farmland preservation program.

The general fund budgeted expenditures (including other financing uses) increased \$21,789 for 2009. The following shows the adjustment:

DCED Shared Municipal Services Grant	\$ 21,789
--------------------------------------	-----------

Actual general fund expenditures (including other financing uses) were under the final budget by \$8,107,052. The major items under budget were:

Subsidies (included in transfers-out)	\$3,696,306
Pooled reserves	\$1,039,474
IMTO	\$ 482,733
County buildings	\$ 359,723

There are several reasons for the under-budget situation. Subsidies were under budget because emergency telephone received wireless grant revenue which covered additional salary, benefit and telephone expense. The 4.9 GHz project which was budgeted for in 2009 was not started until 2010. Domestic Relations earned additional incentive money. The Pooled reserves budget was not fully utilized because the funds were not needed for contingent events. IMTO was under budget due to the Wireless WAN and IT Security Assessment projects that were not completed in 2009. County buildings incurred lower than expected utility costs and several maintenance projects came in under budget. Cost savings measures were taken during the year throughout the County and most departments came in under budget and accounted for approximately \$2,620,000 of the under budget situation. Some examples of the cost savings are bond refinancing, overtime hours and operational expenses reduced below 2008 levels.

Capital Asset and Debt Administration

Capital Assets. Cumberland County’s investment in capital assets for its governmental and business-type activities as of December 31, 2009, amounted to \$68,170,951 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements other than buildings, machinery and equipment, bridges, construction in progress and agricultural easements. The total increase in Cumberland County’s investment in capital assets for the current year was nineteen percent (a 32 percent increase for governmental activities and a five percent decrease for business-type activities).

Cumberland County's Capital Assets
(net of depreciation)

	Governmental activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 2,503,264	2,265,470	-	-	2,503,264	2,265,470
Buildings and systems	14,751,609	13,462,112	13,396,567	14,278,141	28,148,176	27,740,253
Improvements other than buildings	21,831	19,298	331,001	271,234	352,832	290,532
Machinery and equipment	6,211,457	6,585,987	3,339,525	3,748,205	9,550,982	10,334,192
Bridges	3,901,775	4,045,385	-	-	3,901,775	4,045,385
Construction in progress	14,749,308	4,472,812	1,512,441	1,181,432	16,261,749	5,654,244
Agricultural easements	7,452,173	6,959,930	-	-	7,452,173	6,959,930
Total	\$ 49,591,417	37,810,994	18,579,534	19,479,012	68,170,951	57,290,006

Major capital asset events during the current fiscal year included the following:

- The design and construction of the prison expansion, which will eventually increase capacity of the facility by 40 percent or 160 additional beds, increased construction in progress by \$9,786,658.
- The purchase of land and building to house Transportation for \$2,056,455.
- The County received a forty-acre agricultural easement donation with an estimated value of \$307,243.

- The design and construction of a new public emergency operations center increased construction in progress \$212,205

Additional information on Cumberland County’s capital assets can be found in Note 5 on pages 66 through 68 of this report.

Debt Administration. At the end of the current fiscal year, Cumberland County had net outstanding bonds of \$36,190,442. The County’s net general obligation notes total \$21,307,004. This debt is backed by the full faith and credit of the government. Cumberland County does not have any special assessment debt or revenue bonds.

The County’s net outstanding general obligation bonds and notes at December 31, 2009 and 2008 were:

	Governmental Activities		Business-type activities		Total	
	2009	2008	2009	2008	2009	2008
General Obligation Bonds	\$32,706,902	33,821,936	3,483,540	4,117,777	36,190,442	37,939,713
General Obligation Notes	4,427,332	2,052,806	16,879,671	18,010,295	21,307,004	20,063,101
Total	\$37,134,234	35,874,742	20,363,212	22,128,072	57,497,446	58,002,814

Cumberland County’s bonded debt decreased by \$505,368.

In 2009, the County issued general obligation bonds – series 2009 to retire the 2002 and 2004 bond issues. The refunding created a decrease in debt service payments of \$464,466 and an economic gain of \$461,476.

In 2009, the County issued a \$2,500,000 general obligation note – series 2009. The note will be used for the purchase and renovation of real estate. The 2009 note created an annual increase in debt service payments of \$174,769.

Principal payments (excluding refundings) paid in 2009 were \$3,265,000.

Cumberland County’s rating was confirmed “AAA” from Standard and Poor’s for general obligation debt.

The current debt limitation for Cumberland County is \$431,705,684 which is significantly in excess of Cumberland County’s outstanding general obligation debt.

In 2010, Cumberland County is planning on issuing general obligation bonds for Phase II of the prison expansion project.

Additional information on Cumberland County’s long-term debt can be found in Note 7 on pages 71 through 73 of this report.

Unexpended contractual commitments for the County’s prison expansion and new public emergency operations center total \$14,725,265 at December 31, 2009.

Economic Factors and Next Year’s Budget

Economic Conditions in 2009

Cumberland County felt the economic impacts of the national economic downturn. However, the County’s local economy has fared better than national and state averages because of its diversity. Cumberland County’s December unemployment rate was 7.3 percent while the statewide and national rates were 8.8

percent and 9.3 percent, respectively. Neighboring counties also have unemployment rates significantly below the statewide and national average. County residents also benefit from an array of employment opportunities based in the private sector as well as local, state, and federal governments.

Cumberland County continues to enjoy a diverse tax base with little concentration in any one taxpayer. The top ten taxpayers represent 2.98 percent of assessed values as of December 31, 2009.

The County was not immune to the problems facing the nation, state, and local area throughout the course of 2009. Because of the County's strong long-term planning initiatives and strong financial position, the County was able to weather the storms of the economy and the state budget crisis without severely cutting services or priority missions in 2009.

During the 2009 budget process, the Commissioners directed the Finance Office and Senior Management Team to work with every County department and elected office to identify additional options to reduce costs across the full spectrum of County operations. The goal of these efforts was to generate a cost management initiative that targets funds toward priority services while achieving at least \$5,000,000 in cost reduction over the course of the 2009 and 2010 budget. During 2009, the County achieved about \$4,000,000 in cost savings. Although the County had large increases in retirement contribution, debt service and other expenses, the County was able to cut expenditures to 2008 levels. The County entered 2010 with a strong fund balance as a direct result of the cost savings initiative.

The state made history this year by not passing a budget until October. The County continued to provide services without allocation awards from the state for more than three months. This impacted not only the County, but also our clients and providers. Because of diligent planning efforts of the human service agencies, the County was able to provide priority services with minimal impact to consumers and vendors.

The County is seeing a decrease in permits, which is an indicator that the growth of the assessment base will slow in the future. The County has used the slower growth rate in financial forecasting and the 2010 budget. Interest rates also plummeted in 2009. The County's earnings on investments were low. However, the low interest rates gave the County the opportunity to refinance two bonds and save about \$500,000.

Highlights of the County's initiatives in the 2010 budget include:

- Construction of a new public safety building.
- Energy efficiency and energy conservation projects funded through the American Recovery and Reinvestment Act.
- Farmland preservation.
- Increased County retirement contributions based on market conditions.
- Building renovations to prepare for a sixth judge in 2012.
- Continued performance management process.

The economy continues to affect several key areas of the budget. The Commissioners are continuing their cost management initiative into 2010 and are requesting that departments shave \$2 million from the 2010 year's budget.

The County is committed to an ongoing search for innovative ways to lower overall costs to the taxpayer and will continue to look for ways to lower the County's expenses. An array of projects have been placed on hold or cancelled altogether due to the economic downturn, and a multitude of other items are being reviewed for cost savings initiatives. The County is not deferring any capital or maintenance that is required to keep the County facilities up to par.

The General Fund ended 2009 with an unreserved/undesignated fund balance of \$24 million. At the end of 2010, the County is estimating an unreserved/undesignated fund balance of about \$22.1 million.

Requests for Information

This financial report is designed to provide a general overview of the County's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Cumberland County Controller, One Courthouse Square, Room 207, Carlisle, PA 17013.

Basic Financial Statements

STATEMENT OF NET ASSETS

December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Conservation District	Industrial Development Authority
ASSETS					
Cash and cash equivalents	\$ 35,017,866	9,350,059	44,367,925	187,112	221,776
Investments	3,842,450	1,400,000	5,242,450	—	—
Receivables (net of allowance):					
Taxes	2,110,328	—	2,110,328	—	—
Due from other governments	7,375,251	256,673	7,631,924	134,018	—
Accounts receivable	833,319	2,923,231	3,756,550	—	234
Court costs and fines receivable	1,084,620	—	1,084,620	—	—
Notes receivable	—	—	—	—	258,358
Due from component units	78,661	—	78,661	—	—
Internal balances	641,918	(641,918)	—	—	—
Prepaid items	206,087	173,378	379,465	—	—
Deferred charges	359,363	272,488	631,851	—	—
Restricted assets:					
Cash and cash equivalents	10,371,742	1,530,528	11,902,270	—	—
Capital assets, not being depreciated:					
Land	2,503,264	—	2,503,264	—	—
Construction in progress	14,749,308	1,512,441	16,261,749	—	—
Agricultural easements	7,452,173	—	7,452,173	—	—
Capital assets, net of accumulated depreciation:					
Buildings and systems	14,751,609	13,396,567	28,148,176	—	—
Improvements other than buildings	21,831	331,001	352,832	—	—
Machinery and equipment	6,211,457	3,339,525	9,550,982	42,110	—
Bridges	3,901,775	—	3,901,775	—	—
Other assets	38,493	—	38,493	—	—
Total assets	<u>111,551,515</u>	<u>33,843,973</u>	<u>145,395,488</u>	<u>363,240</u>	<u>480,368</u>

(Continued)

STATEMENT OF NET ASSETS

December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

LIABILITIES

Accounts payable and other current liabilities	6,609,394	700,029	7,309,423	27,942	56,090
Accrued payroll	1,472,358	742,525	2,214,883	15,501	—
Due to primary government	—	—	—	78,661	—
Due to other governments	932,504	—	932,504	—	—
Accrued interest payable	214,014	131,200	345,214	—	—
Unearned revenues	3,483,436	666,870	4,150,306	8,487	—
Funds held as fiduciary	323,117	422,763	745,880	—	—
Noncurrent liabilities:					
Due in less than one year:					
Capital lease payable	16,252	—	16,252	—	—
General obligation bonds payable	1,545,450	839,550	2,385,000	—	—
General obligation notes payable	216,852	1,185,622	1,402,474	—	—
Sick and vacation accrual	289,717	79,629	369,346	3,214	—
Workers' compensation claims payable	—	300,925	300,925	—	—
Due in more than one year:					
Capital lease payable	722	—	722	—	—
General obligation bonds payable	31,161,452	2,643,990	33,805,442	—	—
General obligation notes payable	4,210,480	15,694,050	19,904,530	—	—
Sick and vacation accrual	3,220,616	805,521	4,026,137	47,837	—
Net OPEB obligation	243,461	118,643	362,104	2,903	—
Workers' compensation claims payable	—	894,440	894,440	—	—
Total liabilities	<u>53,939,825</u>	<u>25,225,757</u>	<u>79,165,582</u>	<u>184,545</u>	<u>56,090</u>

NET ASSETS

Invested in capital assets, net of related debt	23,171,314	(403,424)	22,767,890	42,110	—
Restricted net assets for:					
Capital projects	8,572,924	—	8,572,924	—	—
Conservation	1,817,210	—	1,817,210	—	—
Community redevelopment and housing	56,077	—	56,077	—	—
Economic development	1,387,705	—	1,387,705	—	—
Human services	2,009,678	—	2,009,678	—	—
Judicial services	32,585	—	32,585	—	—
Public safety	973,546	—	973,546	—	—
Records improvement	930,469	—	930,469	—	—
Roads and bridges	654,403	—	654,403	—	—
Unrestricted	18,005,779	9,021,640	27,027,419	136,585	424,278
Total net assets	\$ <u>57,611,690</u>	<u>8,618,216</u>	<u>66,229,906</u>	<u>178,695</u>	<u>424,278</u>

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

STATEMENT OF ACTIVITIES

For the year ended December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Assets				
	Expenses	Indirect Expense	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
						Governmental Activities	Business-type Activities	Total	Conservation District	Industrial Development Authority
Primary government:										
Governmental activities:										
General government - administrative	\$ 12,627,406	(1,521,072)	4,325,427	110,861	—	(6,670,046)	—	(6,670,046)	—	—
General government - judicial	16,100,981	66,511	3,895,465	2,650,047	—	(9,621,980)	—	(9,621,980)	—	—
Public safety	17,366,885	—	2,951,887	1,235,751	22,749	(13,156,498)	—	(13,156,498)	—	—
Roads and bridge maintenance	855,299	19,825	—	529,854	—	(345,270)	—	(345,270)	—	—
Recycling and waste management	514,416	34,733	114,998	160,115	—	(274,036)	—	(274,036)	—	—
Human services:										
Mental health/mental retardation	27,708,562	238,655	256,252	26,936,260	—	(754,705)	—	(754,705)	—	—
HealthChoices-Cumberland County	27,042,052	—	—	27,040,563	—	(1,489)	—	(1,489)	—	—
Children and youth	12,839,074	213,632	434,455	10,658,021	—	(1,960,230)	—	(1,960,230)	—	—
Food and shelter	4,726,775	117,047	4,297,472	689,254	—	142,904	—	142,904	—	—
Office of aging	4,889,623	192,250	778,780	3,934,097	—	(368,996)	—	(368,996)	—	—
Other	3,973,504	107,411	448,305	2,953,656	—	(678,954)	—	(678,954)	—	—
Culture and recreation	227,443	—	11,052	163,881	—	(52,510)	—	(52,510)	—	—
Conservation	531,424	—	35,915	430,053	—	(65,456)	—	(65,456)	—	—
Community redevelopment and housing	218,714	—	235,154	—	—	16,440	—	16,440	—	—
Economic development and assistance	4,093,769	—	98,884	2,535,722	—	(1,459,163)	—	(1,459,163)	—	—
Interest on long-term debt	1,280,716	—	—	—	—	(1,280,716)	—	(1,280,716)	—	—
Total governmental activities	134,996,643	(531,008)	17,884,046	80,028,135	22,749	(36,530,705)	—	(36,530,705)	—	—
Business-type activities:										
County nursing home	23,833,449	434,021	23,592,054	22,612	—	—	(652,804)	(652,804)	—	—
Early Learning Center	483,456	—	406,814	32,355	—	—	(44,287)	(44,287)	—	—
Emergency telephone	5,329,529	—	1,835,550	2,470,344	—	—	(1,023,635)	(1,023,635)	—	—
Hazardous materials protection	247,389	—	58,096	33,361	3,427	—	(152,505)	(152,505)	—	—
Transportation services	2,360,459	96,987	1,051,045	1,139,457	433,123	—	166,179	166,179	—	—
Total business-type activities	32,254,282	531,008	26,943,559	3,698,129	436,550	—	(1,707,052)	(1,707,052)	—	—
Total primary government	\$ 167,250,925	—	44,827,605	83,726,264	459,299	(36,530,705)	(1,707,052)	(38,237,757)	—	—
Component units:										
Conservation District	\$ 747,238	—	98,778	546,140	—	—	—	—	(102,320)	—
Industrial Development Authority	145,150	—	129,031	—	—	—	—	—	—	(16,119)
Total component units	\$ 892,388	—	227,809	546,140	—	—	—	—	(102,320)	(16,119)
General revenues:										
Real estate taxes	—	—	—	—	—	41,366,554	—	41,366,554	—	—
Per capita taxes	—	—	—	—	—	639,342	—	639,342	—	—
Hotel taxes	—	—	—	—	—	1,192,707	—	1,192,707	—	—
Unrestricted investment earnings	—	—	—	—	—	1,106,743	166,853	1,273,596	2,465	9,513
Transfers	—	—	—	—	—	(1,545,538)	1,545,538	—	—	—
Total general revenues and transfers	—	—	—	—	—	42,759,808	1,712,391	44,472,199	2,465	9,513
Change in net assets	—	—	—	—	—	6,229,103	5,339	6,234,442	(99,855)	(6,606)
Net assets, beginning of year, as restated (Note 1R)	—	—	—	—	—	51,382,587	8,612,877	59,995,464	278,550	430,884
Net assets, end of year	\$ —	—	—	—	—	\$ 57,611,690	8,618,216	66,229,906	178,695	424,278

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

BALANCE SHEET

Governmental Funds

December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	General Fund	Mental Health/ Mental Retardation	Children and Youth	HealthChoices- Cumberland County	Capital Projects	Other Nonmajor Funds	Total
Assets							
Cash and cash equivalents	\$ 26,845,109	5,575,679	300	119,482	100,000	2,377,297	35,017,867
Investments	393,979	—	—	—	—	3,448,471	3,842,450
Receivables (net of allowance):							
Taxes	2,050,878	—	—	—	—	59,450	2,110,328
Due from other governments	422,049	482,447	4,577,151	—	—	1,893,604	7,375,251
Accounts receivable	168,397	—	—	—	—	664,922	833,319
Court costs and fines receivable	99,090	—	—	—	—	—	99,090
Due from other funds	4,891,735	—	—	—	—	1,504,853	6,396,588
Due from component units	80,132	—	—	—	—	—	80,132
Prepaid items	143,936	6,332	—	—	—	55,818	206,086
Restricted cash	—	—	—	—	10,371,742	—	10,371,742
Other assets	38,623	—	—	—	—	—	38,623
Total assets	\$ 35,133,928	6,064,458	4,577,451	119,482	10,471,742	10,004,415	66,371,476
Liabilities and fund balances							
Liabilities:							
Accounts payable	\$ 593,422	2,954,621	837,944	2,812	1,395,657	722,147	6,506,603
Accrued liabilities and withholdings	1,039,282	93,289	109,135	—	3,694	226,959	1,472,359
Due to other funds	—	322,590	3,559,944	33,920	502,627	1,861,516	6,280,597
Due to other governments	824,539	—	—	—	—	—	824,539
Deferred taxes	1,442,278	—	—	—	—	—	1,442,278
Deferred revenue	318,732	2,693,958	70,428	82,750	—	318,569	3,484,437
Funds held as fiduciary	313,167	—	—	—	—	9,950	323,117
Total liabilities	4,531,420	6,064,458	4,577,451	119,482	1,901,978	3,139,141	20,333,930
Fund balances:							
Reserved for:							
Prepaid items	143,936	—	—	—	—	—	143,936
Row office automation	184,528	—	—	—	—	—	184,528
Register of Wills-Act 34	66,225	—	—	—	—	—	66,225
Coroner-Act 122	32,009	—	—	—	—	—	32,009
Offender supervision	593,735	—	—	—	—	—	593,735
Criminal investigation	307,845	—	—	—	—	—	307,845
Criminal justice planning	3,723	—	—	—	—	—	3,723
Unreserved:							
Designated:							
Future capital projects	3,500,000	—	—	—	—	—	3,500,000
Future debt service arbitrage payments	225,000	—	—	—	—	—	225,000
Prison canteen	105,017	—	—	—	—	—	105,017
Farmland preservation	698,791	—	—	—	—	—	698,791
Landfill closure	558,488	—	—	—	—	—	558,488
Undesignated, reported in:							
General fund	24,183,211	—	—	—	—	—	24,183,211
Special revenue funds	—	—	—	—	—	6,865,274	6,865,274
Capital project fund	—	—	—	—	8,569,764	—	8,569,764
Total fund balances	30,602,508	—	—	—	8,569,764	6,865,274	46,037,546
Total liabilities and fund balances	\$ 35,133,928	6,064,458	4,577,451	119,482	10,471,742	10,004,415	66,371,476

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

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

December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

Total fund balances-governmental funds	\$	46,037,546
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.		49,591,417
Certain receivables are not available to pay for current period expenditures and, therefore, are deferred in the funds.		2,320,841
Other non-current assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. This balance constitutes deferred bond issue costs.		482,046
Internal service funds used by management to charge the costs of the self insurance to individual funds:		
Workers' compensation		270,956
Health reimbursement arrangement		164,297
Liabilities based on the hotel sales taxes receivable are due to the Army Heritage Foundation when received. However, the funds are not available in the current period and therefore, are not reported as liabilities in the fund.		(13,714)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Long term liabilities consist of:		
Bonds payable		(32,831,603)
Notes payable		(4,425,315)
Sick and vacation payable		(3,510,332)
Capital lease payable		(16,974)
Other postemployment benefit obligations		(243,461)
Interest accrued on long-term liabilities is not due and payable in the current period and, therefore is not reported in the funds.		(214,014)
Net assets of governmental activities	\$	<u><u>57,611,690</u></u>

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

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES**

Governmental Funds

For the year ended December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	General Fund	Mental Health/ Mental Retardation	Children and Youth	HealthChoices- Cumberland County	Capital Projects	Other Nonmajor Funds	Total
Revenues:							
Taxes	\$ 41,823,731	—	—	—	—	1,192,707	43,016,438
Licenses and permits	115,886	—	—	—	—	—	115,886
Grants	4,404,915	26,929,157	10,656,764	27,040,563	100,000	10,438,653	79,570,052
County charges	8,254,150	143,723	434,455	—	—	6,644,786	15,477,114
Court costs, fines and forfeitures	1,558,060	—	—	—	—	412,099	1,970,159
Interest	375,427	115,658	—	1,490	508,239	105,927	1,106,741
Payment in lieu of taxes	141,168	—	—	—	—	—	141,168
Contributions and other	485,170	119,631	1,257	—	—	64,481	670,539
Total revenues	<u>57,158,507</u>	<u>27,308,169</u>	<u>11,092,476</u>	<u>27,042,053</u>	<u>608,239</u>	<u>18,858,653</u>	<u>142,068,097</u>
Expenditures:							
Current:							
General government – administrative	9,329,024	—	—	—	—	141,762	9,470,786
General government – judicial	13,021,877	—	—	—	—	3,836,384	16,858,261
Public safety	15,525,396	—	—	—	—	—	15,525,396
Public works and enterprises	—	—	—	—	—	1,167,927	1,167,927
Human services	705,617	27,883,589	12,975,471	27,042,053	211,299	13,594,447	82,412,476
Culture and recreation	219,811	—	—	—	—	23,836	243,647
Conservation and development	489,593	—	—	—	—	35,707	525,300
Economic development and assistance	2,675,244	—	—	—	—	1,297,021	3,972,265
Debt service:							
Principal retirement	—	—	—	—	—	1,423,447	1,423,447
Debt interest	7,500	—	—	—	—	1,242,682	1,250,182
Debt issuance cost	—	—	—	—	—	145,207	145,207
Capital outlay	1,618,947	27,684	16,463	—	12,055,319	311,076	14,029,489
Payments to other governments	99,551	—	—	—	—	190,126	289,677
Total expenditures	<u>43,692,560</u>	<u>27,911,273</u>	<u>12,991,934</u>	<u>27,042,053</u>	<u>12,266,618</u>	<u>23,409,622</u>	<u>147,314,060</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,465,947</u>	<u>(603,104)</u>	<u>(1,899,458)</u>	<u>—</u>	<u>(11,658,379)</u>	<u>(4,550,969)</u>	<u>(5,245,963)</u>
Other financing sources (uses):							
Transfers in	544,422	642,770	2,057,555	—	—	5,604,587	8,849,334
Transfers out	(8,431,949)	(39,666)	(158,097)	—	(10,540)	(1,754,500)	(10,394,752)
Note issued	—	—	—	—	2,500,000	—	2,500,000
Refunding bond issued	—	—	—	—	—	7,156,482	7,156,482
Payment to refund bonds	—	—	—	—	—	(7,108,829)	(7,108,829)
Bond discount	—	—	—	—	—	92,084	92,084
Insurance recovery	165,602	—	—	—	—	—	165,602
Total other financing sources (uses)	<u>(7,721,925)</u>	<u>603,104</u>	<u>1,899,458</u>	<u>—</u>	<u>2,489,460</u>	<u>3,989,824</u>	<u>1,259,921</u>
Net change in fund balances	5,744,022	—	—	—	(9,168,919)	(561,145)	(3,986,042)
Fund balances, beginning of year	24,858,486	—	—	—	17,738,683	7,426,419	50,023,588
Fund balances, end of year	<u>\$ 30,602,508</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>8,569,764</u>	<u>6,865,274</u>	<u>46,037,546</u>

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

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**

For the year ended December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

Net change in fund balances-total governmental funds	\$ (3,986,042)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. In the current period these amounts are:</p>	
Expenditures for capital assets	14,108,808
Depreciation expense	(2,174,625)
Retirement and sale of equipment	(153,760)
Deferred revenues that do not provide current financial resources (real estate tax, per capita taxes and hotel tax) and revenues which are not recognized as available (court costs and fines) in the governmental funds but are earned in the statement of activities.	13,303
The issuance of long-term debt (e.g., bonds, leases, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.	(1,253,518)
Governmental funds report the effect of issuance costs, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	24,626
Other postemployment benefits and arbitrage payable are reflected on the statement of activities but are not considered a current expenditure for the fund statements.	(59,265)
Expenditures based on future pension obligations are reported as a net pension asset reducing activity expenses.	(442,761)
Compensated absence expense reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds.	89,165
Governmental funds do not recognize interest on long term debt until legally due, while the statement of net assets accrues for interest payable.	20,742
Expenditures based on the hotel sales taxes receivable are due to the Army Heritage Foundation when received. However, the funds are not available in the current period and therefore, are not reported as expenditures in the economic development fund.	(13,714)
Internal service funds are used by management to charge the cost of self-insurance claims to individual funds:	
Workers' compensation	(108,153)
Health reimbursement arrangement	164,297
Change in net assets of governmental activities	<u>\$ 6,229,103</u>

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

**STATEMENT OF NET ASSETS
Proprietary Funds**

December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Business-type Activities				
	Enterprise Funds				Internal Service Funds
	County Nursing Home	Emergency Telephone	Other Non-major Funds	Totals	
Assets					
Current assets:					
Cash and cash equivalents	\$ 3,865,710	3,333,755	200	7,199,665	2,150,394
Investments	1,400,000	—	—	1,400,000	—
Restricted cash:					
Patient funds	422,763	—	—	422,763	—
Bond proceeds	—	1,107,765	—	1,107,765	—
Due from other funds	—	—	73,634	73,634	374,997
Accounts receivable (net of allowance):					
Patient accounts receivable	2,718,302	—	—	2,718,302	—
Customer accounts receivable	—	180,626	24,189	204,815	115
Due from other governments	—	31,847	224,825	256,672	—
Prepaid items	26,145	66,491	1,000	93,636	79,742
Total current assets	<u>8,432,920</u>	<u>4,720,484</u>	<u>323,848</u>	<u>13,477,252</u>	<u>2,605,248</u>
Noncurrent assets:					
Deferred charges	163,532	108,956	—	272,488	—
Capital assets, net of depreciation	11,964,776	5,338,492	1,276,266	18,579,534	—
Total noncurrent assets	<u>12,128,308</u>	<u>5,447,448</u>	<u>1,276,266</u>	<u>18,852,022</u>	<u>—</u>
Total assets	<u>20,561,228</u>	<u>10,167,932</u>	<u>1,600,114</u>	<u>32,329,274</u>	<u>2,605,248</u>
Liabilities					
Current liabilities:					
Accounts payable	629,771	29,579	40,273	699,623	89,488
Accrued liabilities and withholdings					
Accrued payroll	587,604	111,668	43,253	742,525	—
Accrued interest	72,477	58,723	—	131,200	—
Due to other funds	323,270	195,219	46,133	564,622	—
Unearned revenue	—	647,633	19,237	666,870	—
Funds held as fiduciary	422,763	—	—	422,763	—
General obligation bonds payable	380,366	459,184	—	839,550	—
General obligation notes payable	703,608	482,014	—	1,185,622	—
Sick and vacation accrual	59,648	13,642	6,339	79,629	—
Workers' compensation claims payable	—	—	—	—	300,925
Total current liabilities	<u>3,179,507</u>	<u>1,997,662</u>	<u>155,235</u>	<u>5,332,404</u>	<u>390,413</u>
Noncurrent liabilities:					
Due in more than one year:					
General obligation bonds payable	1,180,514	1,463,476	—	2,643,990	—
General obligation notes payable	9,107,099	6,586,950	—	15,694,049	—
Workers' compensation claims payable	—	—	—	—	894,440
Net OPEB obligation	96,690	13,949	8,004	118,643	—
Sick and vacation accrual	519,828	225,243	60,450	805,521	—
Total noncurrent liabilities	<u>10,904,131</u>	<u>8,289,618</u>	<u>68,454</u>	<u>19,262,203</u>	<u>894,440</u>
Total liabilities	<u>14,083,638</u>	<u>10,287,280</u>	<u>223,689</u>	<u>24,594,607</u>	<u>1,284,853</u>
Net assets					
Invested in capital assets, net of related debt	756,721	(2,436,411)	1,276,266	(403,424)	—
Unrestricted	5,720,869	2,317,063	100,159	8,138,091	1,320,395
Total net assets (deficiency)	<u>\$ 6,477,590</u>	<u>(119,348)</u>	<u>1,376,425</u>	<u>7,734,667</u>	<u>1,320,395</u>

Amounts reported for business-type activities in the statement of net assets are different because:

Internal service fund used by management to charge the cost of workers' compensation claims to individual funds. The net assets of the internal service fund are included in business-type activities in the statement of net assets.	1,320,395
Adjustment to reflect the consolidation of workers' compensation activity related to governmental and component unit activities.	(271,841)
Adjustment to reflect the consolidation of health reimbursement arrangement activity related to the business-type activities.	(165,005)
Net assets of business-type activities	<u>\$ 8,618,216</u>

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

Proprietary Funds

For the year ended December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Business-type Activities				
	Enterprise Funds				Internal Service Funds
	County Nursing Home	Emergency Telephone	Other Non-major Funds	Totals	
Operating revenues:					
Charges for sales and services:					
County charges	\$ 23,546,363	1,835,550	1,517,902	26,899,815	1,175,327
Rentals and other revenues	69,193	—	—	69,193	—
Total operating revenues	<u>23,615,556</u>	<u>1,835,550</u>	<u>1,517,902</u>	<u>26,969,008</u>	<u>1,175,327</u>
Operating expenses:					
Patient/client services	19,014,652	4,135,991	2,824,391	25,975,034	1,119,859
Depreciation	982,028	739,686	359,576	2,081,290	—
Administrative	3,799,325	84,744	—	3,884,069	—
Total operating expenses	<u>23,796,005</u>	<u>4,960,421</u>	<u>3,183,967</u>	<u>31,940,393</u>	<u>1,119,859</u>
Operating income (loss)	<u>(180,449)</u>	<u>(3,124,871)</u>	<u>(1,666,065)</u>	<u>(4,971,385)</u>	<u>55,468</u>
Nonoperating revenues (expenses):					
Grants	—	2,470,344	1,203,226	3,673,570	—
Interest income	69,399	94,706	—	164,105	2,749
Interest expense	(467,676)	(376,866)	—	(844,542)	—
Total net nonoperating revenues (expenses)	<u>(398,277)</u>	<u>2,188,184</u>	<u>1,203,226</u>	<u>2,993,133</u>	<u>2,749</u>
Income (loss) before transfers and capital contributions	<u>(578,726)</u>	<u>(936,687)</u>	<u>(462,839)</u>	<u>(1,978,252)</u>	<u>58,217</u>
Capital contributions	—	—	436,550	436,550	—
Transfers in	—	1,425,846	155,504	1,581,350	—
Transfers out	—	—	(35,932)	(35,932)	—
Change in net assets	<u>(578,726)</u>	<u>489,159</u>	<u>93,283</u>	<u>3,716</u>	<u>58,217</u>
Total net assets (deficiency), beginning of year	<u>7,056,316</u>	<u>(608,507)</u>	<u>1,283,142</u>		<u>1,262,178</u>
Total net assets (deficiency), end of year	<u>\$ 6,477,590</u>	<u>(119,348)</u>	<u>1,376,425</u>		<u>1,320,395</u>

Amounts reported for business-type activities in the statement of activities are different because:

An internal service fund is used by management to charge the cost of workers' compensation claims to individual funds. The net revenues of certain activities of the internal service fund are reported within business-type activities.	(227,704)
Adjustment to reflect the consolidation of workers' compensation activity related to governmental and component unit activities.	108,412
Adjustment to reflect the consolidation of health reimbursement arrangement activity related to the business-type activities.	<u>120,915</u>
Change in net assets of business-type activities	<u>\$ 5,339</u>

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

STATEMENT OF CASH FLOWS

Proprietary Funds

For the year ended December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Business-type Activities				
	Enterprise Funds				Internal Service Funds
	County Nursing Home	Emergency Telephone	Other Non- major Funds	Totals	
Cash flows from operating activities:					
Cash received on surcharges	\$ —	1,829,641	—	1,829,641	—
Cash received on county charges	24,920,902	—	1,577,815	26,498,717	1,271,214
Payments to vendors	(5,332,289)	(1,221,004)	(1,413,134)	(7,966,427)	(721,711)
Payments to employees	(17,145,475)	(2,835,286)	(1,380,061)	(21,360,822)	(312,777)
Net cash provided by (used in) operating activities	<u>2,443,138</u>	<u>(2,226,649)</u>	<u>(1,215,380)</u>	<u>(998,891)</u>	<u>236,726</u>
Cash flows from noncapital financing activities:					
Subsidy from federal/state grants	—	2,931,462	1,207,007	4,138,469	—
Transfers to other funds	—	—	(84,025)	(84,025)	—
Transfers from other funds	—	353,979	79,068	433,047	—
Net cash provided by noncapital financing activities	<u>—</u>	<u>3,285,441</u>	<u>1,202,050</u>	<u>4,487,491</u>	<u>—</u>
Cash flows from capital and related financing activities:					
Subsidy from federal/state grants	—	—	458,371	458,371	—
Purchase of capital assets	(398,749)	(438,126)	(445,041)	(1,281,916)	—
Proceeds from the issuance of bonds	1,872,401	966,117	—	2,838,518	—
Principal paid on capital debt	(2,839,146)	(1,834,503)	—	(4,673,649)	—
Interest paid on capital debt	(431,204)	(357,458)	—	(788,662)	—
Net cash provided by (used in) capital and related financing activities	<u>(1,796,698)</u>	<u>(1,663,970)</u>	<u>13,330</u>	<u>(3,447,338)</u>	<u>—</u>
Cash flows from investing activities:					
Proceeds from the sale and maturity of investments	3,000,000	—	—	3,000,000	—
Purchase of investments	(1,400,000)	—	—	(1,400,000)	—
Investment income received	66,001	94,413	—	160,414	4,833
Net cash provided by investing activities	<u>1,666,001</u>	<u>94,413</u>	<u>—</u>	<u>1,760,414</u>	<u>4,833</u>
Net increase (decrease) in cash and cash equivalents	2,312,441	(510,765)	—	1,801,676	241,559
Cash and cash equivalents, January 1	1,976,032	4,952,285	200	6,928,517	1,908,835
Cash and cash equivalents, December 31	<u>\$ 4,288,473</u>	<u>4,441,520</u>	<u>200</u>	<u>8,730,193</u>	<u>2,150,394</u>

(Continued)

STATEMENT OF CASH FLOWS

Proprietary Funds

For the year ended December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Business-type Activities				
	Enterprise Funds				Internal Service Funds
	County Nursing Home	Emergency Telephone	Other Non- major Funds	Totals	
(Continued)					
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (180,449)	(3,124,871)	(1,666,065)	(4,971,385)	55,468
Adjustments to reconcile operating income (loss) to net cash used by operating activities:					
Depreciation expense	982,028	739,686	359,576	2,081,290	—
Gain on disposal of capital assets	(121)	—	—	(121)	—
Changes in assets and liabilities in:					
Patient accounts receivable	1,267,238	—	—	1,267,238	—
Due from other governments	—	—	—	—	—
Customer accounts receivable	—	(10,985)	(19,348)	(30,333)	—
Due from other funds	—	—	—	—	95,886
Prepaid items	(3,903)	(3,919)	364	(7,458)	—
Net pension asset	158,087	28,772	12,264	199,123	—
Deferred charges	(127)	5,102	—	4,975	—
Accounts payable	(114,721)	(63,512)	4,597	(173,636)	88,749
Accrued liabilities and withholdings	173,902	52,296	14,699	240,897	—
Due to other funds	(52,000)	143,697	74,346	166,043	—
Funds held as fiduciary	161,512	—	—	161,512	—
Net OPEB obligation	51,692	7,085	4,187	62,964	—
Long term debt-claims payable	—	—	—	—	(3,377)
Total adjustments	2,623,587	898,222	450,685	3,972,494	181,258
Net cash provided by (used in) operating activities	\$ 2,443,138	(2,226,649)	(1,215,380)	(998,891)	236,726

There were no material non-cash financing and investing transactions.

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

STATEMENT OF FIDUCIARY NET ASSETS

Fiduciary Funds

December 31, 2009

COUNTY OF CUMERLAND, PENNSYLVANIA

	Pension Trust – Employees’ Retirement	Agency Funds
	<hr/>	<hr/>
Assets		
Cash and cash equivalents	\$ 5,105,085	2,840,203
Investments, at fair value		
U.S. Government securities	26,307,867	—
Corporate bonds	14,528,189	—
Corporate stocks	50,555,220	—
Mutual funds	17,566,553	—
Total investments	<hr/> 108,957,829	<hr/> —
Accrued interest and dividends receivable	532,036	—
Total assets	<hr/> 114,594,950	<hr/> 2,840,203
Liabilities		
Due to other governments	—	926,950
Escrow and other liabilities	29,680	1,913,253
Total liabilities	<hr/> 29,680	<hr/> 2,840,203
Net assets		
Net assets held in trust for pension benefits	\$ 114,565,270	—

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

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

Pension Trust Fund

For the year ended December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

Additions:

Contributions:

Employer	\$ 3,680,622
Plan members	2,652,072
Total contributions	<u>6,332,694</u>

Investment income:

Net appreciation in fair value of investments	16,223,759
Interest	1,609,059
Dividends	1,486,348
Total investment income	<u>19,319,166</u>
Less investment expense	319,590
Net investment earnings	<u>18,999,576</u>
Total additions	<u>25,332,270</u>

Deductions:

Benefits	4,585,034
Refunds of contributions	330,193
Administrative expenses	108,910
Total deductions	<u>5,024,137</u>
Change in net assets	20,308,133

Net assets:

Beginning of year	<u>94,257,137</u>
End of year	<u>\$ 114,565,270</u>

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

Notes to the Financial Statements

1. Summary of Significant Accounting Policies

The County's significant accounting policies are described below.

A. The Reporting Entity

The County of Cumberland is located in south central Pennsylvania, to the immediate west of the City of Harrisburg, the Capital of the Commonwealth. It is a County of the fourth class founded January 27, 1750, and operates under an elected three-member Board of Commissioners. The County provides various governmental services including health and welfare and community enrichment programs to its 232,483 residents.

The accompanying financial statements present the primary government and its component units, entities for which the primary government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see below for description) to emphasize that it is legally separate from the primary government.

Consistent with the guidance contained in Statement No. 14 of the Governmental Accounting Standards Board (GASB), *The Financial Reporting Entity*, the criteria used by the County to evaluate the possible inclusion of related entities (Authorities, Boards, Councils, and so forth) within its reporting entity, are financial accountability and the nature and significance of the relationship.

Based on the foregoing criteria, the reporting entity has been defined to include all the component units for which the County is financially accountable or for which there is a significant relationship.

(1) Component Units

Three legally separate organizations, discussed below, are treated as component units of the County due to the County's authority to appoint board members.

Blended Component Unit

The Cumberland Area Economic Development Corporation (CAEDC) is a governmental not-for-profit that, despite being legally separate, is reported as a blended component unit (a non-major special revenue fund) of the County. The CAEDC is reported as blended with the County because CAEDC's governing body is substantively the same as that of the County. Separate financial statements may be obtained from the Cumberland Area Economic Development Corporation, 401 East Louthier Street, Suite 209, Carlisle, PA 17013.

Discretely Presented Component Units

The financial reporting of discretely presented component units entails separate columns on the government-wide financial statements. The separate columns emphasize that these component units are legally separate from the County. The component units presented in this way are:

Cumberland County Conservation District

The District was formed by the County Commissioners in 1952, pursuant to the Conservation District Law of the Commonwealth to manage the conservation of natural resources in the County. The seven-member board

is made up of one County Commissioner and six members appointed by the Commissioners from a list of nominees received from organizations approved by the Commonwealth.

The Commonwealth Law gives the County 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 County receives reimbursement from the Commonwealth for a percentage of the direct salaries of the District employees and is reimbursed for certain other costs. The Law also gives the Commissioners the ability to unilaterally disband the District if they believe a substantial portion of land owners desire such action. The District publishes a separate audit report, which may be obtained at the District's office, 310 Allen Road, Suite 301, Carlisle, PA 17013-9101.

Cumberland County Industrial Development Authority (IDA)

The IDA was established under the Industrial and Commercial Development Authority Law of the Commonwealth to provide a means for developers within the County to obtain funds through the issuance of tax-exempt industrial development obligations. All of the bond issues must be approved by the County Commissioners, but the County has no ongoing liability for these bond issues. The IDA is administered by a seven-member board, all of whom are appointed by the Commissioners.

The activities of the IDA are conducted within the geographic boundaries of the County primarily for the benefit of County residents through the creation of employment opportunities. Revenues are primarily from application and servicing fees received from developers seeking to issue tax-exempt obligations. The IDA publishes a separate audit report, which may be obtained at the Cumberland County Commissioners' Office, One Courthouse Square, Room 200, Carlisle, PA 17013.

(2) Related Organizations

The County Commissioners are also responsible for appointing members to the boards of several organizations. The County's accountability does not extend beyond making board appointments. These organizations are not included in the County's financial statements. These organizations include:

Cumberland County Housing Authority (Housing Authority)

The Housing Authority was established pursuant to the Housing Authorities Law to promote the availability of safe, quality dwellings at affordable rents to families of low income. The Housing Authority is administered by a five-member board, all of whom are appointed by the County Commissioners.

The Housing Authority oversees low-rent, subsidized housing projects within the County. The Authority manages the acquisition of federal and state funds for the construction of or improvements to low-income, landlord-owned properties and reviews programs with the landlord to ensure compliance with various rules and regulations.

Cumberland County Redevelopment Authority (Redevelopment Authority)

The Redevelopment Authority was established in 1958 pursuant to the Urban Redevelopment Act of 1945 and is authorized to issue revenue bonds in order to undertake programs for voluntary repair, rehabilitation, and conservation of residential housing. The Authority is administered by a five-member board, all of whom are appointed by the County Commissioners.

The Redevelopment Authority provides consumer services and acts as a development partner with government and not-for-profit agencies. In addition to housing rehabilitation, the Redevelopment Authority carries out public facility improvements and a blighted property elimination program within the County.

Cumberland County Library System

The Cumberland County Library System was formed pursuant to the Library Code and its seven board members are appointed by the County Commissioners to serve a two-year period. Although the County collects a special voter-approved tax, it cannot affect the Library System's taxing authority or require re-authorization.

The Library Board is an autonomous county-wide organization that oversees the Library System, which consists of eight libraries. The Board decides how funds are disbursed to the various libraries based on user demand and inventory needs with no oversight from the County Commissioners.

Other Organizations

The County Commissioners also appoint members to the boards of several other organizations. These organizations are:

- Affordable Housing Trust Fund Board
- Aging and Community Services Advisory Board
- Agricultural Land Preservation Board
- Army Heritage Education Center Foundation Board
- Assessment Appeals Board
- Auxiliary Assessment Appeals Board
- Blighted Property Reinvestment Board
- Capital Area Behavioral Health Collaborative Board
- Capital Resource Conservation and Development Area Council
- Central Cumberland County Task Force on Regional Development
- Children Services Citizen Advisory Committee
- Commission for Women
- Cooperative Extension Board
- Drug & Alcohol Commission Community Advisory Board
- Economic Development Corporation Board
- Harrisburg Area Transportation Study Coordinating Committee
- Harrisburg Area Transportation Study Technical Committee
- LeTort Regional Authority
- Library System Foundation Board
- Local Emergency Planning Committee
- Mental Health/Mental Retardation Advisory Board
- Municipal Authority
- Planning Commission
- Recycling and Waste Authority
- South Central PA Workforce Investment Board
- Susquehanna Area Regional Airport Authority Board
- Tri-County Attendant Care Advisory Committee
- Tri-County Regional Planning Commission

(3) Joint Ventures

The County is a participant in a joint venture for the Cumberland-Dauphin-Harrisburg Transit Authority (CAT).

CAT was organized April 18, 1973, by the City of Harrisburg and the Counties of Cumberland and Dauphin under the laws of the Commonwealth of Pennsylvania, in compliance with the Pennsylvania Municipality Authorities Act, for the purpose of providing public transportation within the Counties of Cumberland and Dauphin, including the City of Harrisburg. CAT is governed by a seven-member board appointed by the sponsoring municipalities. The Cumberland County Commissioners appoint two members.

The County has no interest in the equity of CAT and as a result CAT is not recorded in the County’s financial statements.

Selected disclosures from CAT’s 2009 audited financial statements are:

	<u>Fiscal year ended June 30, 2009</u>
Operating revenues	\$ 6,610,787
Operating expenses	20,250,367
Loss from operations	(13,639,580)
Total nonoperating revenues (expenses)	11,216,918
Capital grant funding	1,980,391
Net assets	25,443,062
Unrestricted deficit	(481,617)

CAT has a revolving loan with a bank with a maximum available amount of \$1,100,000, reducing to \$870,000 during the term of the loan at 70% of the bank’s prime rate of interest, of which \$1,099,997 was outstanding at June 30, 2009. The note matures on December 31, 2011 and has minimum balance requirements for 30 days each year from \$ -0- to \$650,000, and is secured by payments made to the Authority from the Counties of Cumberland and Dauphin and the City of Harrisburg under the terms of the Mass Transit Services and Funding Agreement dated November 3, 2003. All assignable operating grant revenues from the Commonwealth of Pennsylvania, secure the note.

CAT has a \$750,000 line of credit with a bank at the bank’s prime rate plus 150 basis points as of June 30, 2009, of which \$750,000 was outstanding at June 30, 2009. The line of credit is secured by a security interest in the pending grant receipts from the Commonwealth of Pennsylvania.

CAT has a \$300,000 line of credit with a bank at a rate of 4.875% as of June 30, 2009, of which \$300,000 was outstanding at June 30, 2009. The line of credit is secured by a security interest in the pending grant receipts from the Commonwealth of Pennsylvania.

Per the aforementioned Agreement, the County's annual subsidy payment is \$233,512. Additionally, the County pays \$11,320 per year to CAT for transportation services for Shippensburg Borough, and \$8,000 for transportation services between Shippensburg and Newville. The County also paid \$16,450 for the Shared Ride program in 2009. In total, the County paid CAT \$269,282 in 2009.

CAT issues publicly available financial statements that may be obtained by contacting the Assistant Executive Director – Administration at Capital Area Transit, 901 North Cameron Street, P.O. Box 1571, Harrisburg, PA 17105.

(4) Prison Board

The Prison Board is composed of the President Judge of the Court of Common Pleas or a judge designated by him, the District Attorney, the Sheriff, the Controller and the Commissioners pursuant to PA Statute Title 61, Penal and Correction Institutions.

The Prison Board is responsible for the safe-keeping, discipline and oversight of prisoners, and the governance and management of the County prison.

B. Basis of presentation

The basic financial statements of the County have been prepared in accordance with accounting principles generally accepted in the United States of America applicable to governments. The Governmental Accounting Standards Board (GASB) establishes accounting and financial reporting requirements for governments.

The County's financial statements are compliant with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments*. Among other things, GASB Statement No. 34 requires presentation of both government-wide and fund financial statements.

C. 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 the overall County. The statement of net assets reports what the County owns and owes. The statement of activities reports, by program category, the amount of expenses not covered by program revenues. Program expenses not covered by program revenues are instead financed with County taxes and other general revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or program are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or program. *Indirect expenses* are allocated to all governmental and business-type activities in accordance with the County's indirect cost allocation plan. However, indirect expenses are recorded and reported only in those activities with cost reimbursement grant funding. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. County real estate taxes and other revenues that do not relate to a specific program are reported as *general revenue*.

The government-wide statements do not include the fiduciary activities of the primary government. *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.

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 (general fund, mental health/mental retardation, children and youth, HealthChoices-Cumberland County and capital projects) and major individual enterprise funds (County nursing home and emergency telephone) are reported as separate columns in the fund financial statements.

D. Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and pension trust fund financial statements. Agency funds are reported using the *accrual basis of accounting* and have no measurement focus.

The government-wide financial statements report revenues when earned and expenses when the liability is incurred regardless of the timing of related cash flows. County taxes are reported as revenue in the year for which they are levied. Grants and similar revenues are deemed earned when all eligibility requirements imposed by the provider have been met. Disbursement of grant funds in payment of program costs is typically an eligibility criterion. Any excess of grant receipts at year end is recorded as deferred revenue. Any excess of grant expenditures at year end is recorded as accounts receivable or due from other governments.

The County applies to the government-wide and enterprise fund financial statements those applicable Governmental Accounting Standards Board (GASB) pronouncements and only those Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*.

Governmental fund financial statements report revenues as soon as they are both measurable and available. Revenues, including grants, are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Real estate and per capita taxes due for the current year are considered available and are, therefore, recognized as revenues if collected during the year or during the first sixty days of the subsequent year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences are recorded only when payment is due.

Grants, real estate taxes and per capita taxes associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Other revenues are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *mental health/mental retardation (MH/MR) fund* accounts for the administration of a wide range of services to persons with mental disabilities.

The *children and youth fund* accounts for monies received from various federal, state, and local sources to provide support services to underprivileged juveniles.

The *HealthChoices-Cumberland County fund* accounts for the County's participation in Pennsylvania's innovative mandatory managed care program for Medical Assistance consumers. The program is designed to improve access to and quality of care for Medical Assistance consumers throughout Pennsylvania.

The *capital projects fund* is used to account for the financial resources used for the acquisition and capital construction of major capital projects and facilities (other than those financed by proprietary funds).

The County reports the following major proprietary funds:

The *County nursing home* accounts for the activities of the County's Claremont Nursing and Rehabilitation Center. The County's nursing home provides care to individuals in the community with medical/nursing needs who require residential nursing home care.

The *emergency telephone fund* accounts for the operation of the County's emergency 911 communication center.

Additionally, the County reports the following fund types:

Internal service funds, a proprietary fund type, are used to account for the County's self-insured risk management activities related to liabilities incurred as a result of workplace injuries and to account for the County's funding of its employee health reimbursement arrangement (HRA).

A *debt service fund*, a type of governmental fund, accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Fiduciary funds, consisting of the County's pension trust and agency funds, are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, or other governments. The pension trust fund accounts for the retirement contributions of the County and its employees. The agency funds account for cash collected by elected row officers (Clerk of Court, District Attorney, Prothonotary, Recorder of Deeds, Register of Wills, Sheriff, and Treasurer) and other County offices and is subsequently disbursed to individuals, private organizations and other governments for whom it was collected.

E. Interfund Eliminations

The effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are balances between the governmental activities and the business-type activities. Elimination of these charges would distort the costs and program revenues reported for the various functions concerned. Direct expenses are those that are clearly identified with a specific functional activity. Expenses reported for functional activities do not include allocated indirect expenses. Indirect expenses are reported in a separate column to differentiate them from direct expenses and revenues.

F. Program Revenues

Amounts reported as program revenues include charges for services, operating grants and contributions, and capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. General revenues include all taxes.

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

G. Net Patient Service Revenue

Net patient service revenue is reported as the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments due to audits in subsequent years.

H. Operating and Nonoperating Revenues

Proprietary funds distinguish operating revenues and expenses from nonoperating items.

Operating revenues consist principally of billings for medical care, pharmaceuticals and room and board at the County nursing home. Operating revenues consist of tuition in the Early Learning Center; taxes charged to phone customers in the emergency telephone fund; and fees assessed to material handlers in hazardous materials.

Operating expenses consist of the costs of goods and services, administrative expenses and depreciation on capital assets.

All other revenues and expenses not meeting the above criteria are reported as nonoperating revenues and expenses.

I. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, money market funds and other short-term investments with maturities of three months or less from the date of acquisition.

The County has written investment policies governing both its pension fund investments and its investments in other funds. These policies are discussed in Note 2.

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

J. Prepaids

The County uses the consumption approach for recording prepaid services. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

K. Restricted Assets and Related Liabilities

Certain cash and investments in governmental activities are maintained in separate bank accounts and are classified as restricted assets on the balance sheet because their use is restricted for a purpose narrower than the purpose of the fund itself by either legislation, bond covenants, or agreements with the provider of the funds.

Restricted cash and investments in governmental activities consist of general obligation bond and note proceeds designated for specific projects. Specific projects consist of construction of the prison expansion, a sixth courtroom, and a new Public Safety building as well as renovations of a building to house the County's Transportation Department, Board of Elections and maintenance garage, and renovations of another building to house the County's Community Services and Aging Departments.

Restricted investments in business-type activities consist of resident money held in a fiduciary capacity at the County's nursing home and bond proceeds in emergency telephone.

L. Capital Assets

Capital assets, which include land, improvements other than buildings, buildings and systems, machinery and equipment, bridges (infrastructure), construction in progress and agricultural easements, are recorded in the applicable governmental and business-type activities columns in the government-wide statement of net assets. Capital assets are defined by the County as assets with a value greater than the range of \$500 to \$1,000, depending on the type of asset or departmental reporting requirements, and an initial useful life greater than one year. This capitalization policy is applied to individual capital assets rather than to groups/sets of capital assets (e.g. chairs, desks, etc.). Such assets are valued at historical cost or estimated historical cost, if historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated.

The County has capitalized the cost of its infrastructure assets, regardless of when constructed or improved.

Maintenance, repairs, and equipment less than the capitalization threshold, are charged to operations when incurred. Costs that materially change capacities or extend useful lives are capitalized.

Upon sale or retirement, the cost and related accumulated depreciation, if applicable, are eliminated from the respective government-wide and proprietary accounts and any resulting gain or loss is reflected in those accounts.

Major outlays for capital assets are capitalized when incurred. Construction in progress costs are capitalized as projects are constructed. Depreciation begins when the project is placed into service.

Buildings and systems, improvements other than buildings, machinery and equipment, and bridges are depreciated using the straight-line method at half year conventions over the following estimated useful lives:

Description	Useful Life	Capital Threshold
Land	Not depreciated	\$ 1,000
Buildings and systems	5-50	1,000
Improvements other than buildings	10-45	1,000
Machinery and equipment	5-20	1,000
Computer, audio and video equipment	5-7	500
Bridges	50	1,000
Agricultural easements	Not depreciated	1,000

M. Compensated Absences

Accumulated unpaid vacation, sick, paid time off, compensatory time and holiday pay liability is determined according to the following personnel policies of the County:

- Upon termination, all unused vacation time and paid time off up to a maximum of 30 days, will be paid with the final check.
- Upon termination, employees will be paid for one half of their total unused sick time up to a maximum of 45 days. Two types of sick leave exist within the County:
 - Accrued prior to August 1, 1997 and carried forward from year to year,
 - Five days earned each year and which is not permitted to be carried into the next year.
- Employees are limited to carrying 32 hours of compensatory time. Any excess is paid out at their regular rate.
- For those departments required to provide 24-hour coverage on holidays, employees will be paid a supplemental day’s wages for all accumulated holidays worked.

N. Long-term Obligations

In the government-wide and proprietary 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 and note discounts and premiums, as well as issuance costs and deferred amounts on refundings, are deferred and amortized on the straight-line basis, which approximates the effective interest methods over the bond and note terms. Bonds and notes payable are reported net of applicable deferred amounts on refundings, discounts and premiums.

In the governmental fund financial statements bond discounts or premiums, bond issuance costs and refunding gain/losses are recognized during the current period. The face amount of the debt issued is reported as other financing sources. Discounts/premiums on debt issuances are reported as other financing uses/sources. Issuance costs are reported as debt service expenditures.

O. Risk Management, Including Self-Insurance

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; and errors and omissions for which it carries commercial insurance. Insurance settlements have not exceeded insurance coverage for the past ten years.

The County establishes claims liabilities for its workers' compensation self-insurance activities. The liability is based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and estimates of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the claims involved. Estimated amounts of subrogation and reinsurance that are recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit because reliance is placed on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to operations in the periods in which they are made.

The County has established a trust account with a local bank to fund its workers' compensation liabilities and has accounted for this in an internal service fund.

The County self-insures the high-deductible for employees opting to enroll and contribute towards the employee buy-up health plan option. The County accounts for this in an internal service fund.

P. Fund Balance Reserves and Designations***(1) Fund Balance Reserves***

Reserved governmental fund balances represent those portions of fund equity not appropriable for expenditure or that are legally segregated for a specific future use. Reserves have been established as follows:

Reserve for prepaid items

The County under certain contracts, expends monies in advance of receiving the goods or services. Because the expense has not been recorded, a reserve must be established for the prepaid account balance.

Reserve for Row Office automation

- ***Clerk of Court automation***

Monies collected, per statute, on behalf of the Clerk of Court automation fund are reserved solely for the purpose of automation and continued automation updates of the Clerk of Court office.

- ***Prothonotary automation***

Monies collected, per statute, on behalf of the Prothonotary automation fund are reserved solely for the purpose of automation and continued automation updates of the Prothonotary office.

- ***Register of Wills automation***

Monies collected, per statute, on behalf of the Register of Wills and Clerk of Orphans' Court automation fund are reserved solely for the purpose of automation and continued automation updates of the Register of Wills and Clerk of Orphans' Court office.

Reserve for Register of Wills – Act 34

Filing fees collected, per statute, are reserved for adoption counseling by individuals who cannot afford to pay for it.

Reserve for Coroner – Act 122

Monies collected, per statute, are reserved to be used for training and equipment for the Coroner's Office.

Reserve for offenders' supervision

The County receives administrative fees from probationers within the County. The funds are reserved for probation expenditures.

Reserve for criminal investigation

The County receives monies from grants, restitution and contributions which are to be used for criminal investigation expenditures.

Reserve for criminal justice planning

The County receives monies from grants, restitution and contributions which are used to provide integral planning assistance in matters of criminal justice administrations and systematic improvements.

(2) Fund Balance Designations

Designated governmental fund balances represent the County's managerial plans for future use of financial resources. Designations have been established as follows:

Future capital projects

This designation was established to fund future capital projects in the County.

Future debt service arbitrage payments

This designation has been established to cover future payments to the Internal Revenue Service for interest earned in excess of interest paid on tax-exempt bonds.

Prison canteen

Monies representing commissions earned from the operation of the prison canteen are designated for prisoner welfare expenditures.

Farmland preservation

The County has set aside cash and investments to provide required matching contributions to a state program that allows farmers to sell their rights to develop agriculture land. The program is designed to reduce the development of County farmland.

Landfill closure

This designation was established to cover costs for remedial measures and emergency actions that are necessary to prevent or abate adverse effects upon the environment after closure of the landfill.

Q. Retirement and Other Post-Employment Benefits

The County funds accrued pension costs on its contributory defined benefit pension plan covering substantially all employees. Prior service costs have been fully amortized. Additionally, by permitting retired employees the ability to participate in the employee health plan at the same premium rate as active employees, albeit 100% paid for by the retirees, the County is providing an implicit rate subsidy to its retirees. These benefits are financed on a pay-as-you-go basis. The County provides no other post-employment benefits to County employees.

R. Reclassifications and Restatement

Prior year balances have been reclassified to conform to management’s current year classification scheme for consistency purposes, such as in the Agency Fund statements. Management believes the effect of these reclassifications to be immaterial to financial statement users.

The County’s Industrial Development Authority, a discretely presented component unit, has restated its net assets balance at January 1, 2009 to reflect a total reimbursement of all Summerdale Development project expenses. Previously only 50% of the costs were recorded as a reimbursement. In addition, administrative fees and legal expense reimbursements were not previously recognized when earned. A summary of the restatement is as follows:

Net assets at December 31, 2008, as previously reported	\$ 408,736
Plus: increase in accounts receivable	<u>22,148</u>
Net assets at January 1, 2009, as restated	<u>\$ 430,884</u>

The effect of the restatement on the change in net assets for the year ended December 31, 2008 was an increase of \$16,170.

S. New Accounting Pronouncements

In June 2007, the GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. Due to questions arising after the implementation of GASB 34, this Statement provides further guidance on whether and when intangible assets, including easements, should be considered capital assets for financial reporting purposes. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009 with the provisions generally required to be applied retroactively. The County is currently evaluating what effect, if any, adoption of GASB 51 will have on the County’s net assets and activities.

In November 2007, the GASB issued Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*. This Statement requires endowments to report their land and other real estate held as investments at fair value instead of historical cost as currently reported. The changes in fair value will then be reported as investment income annually, rather than just in the year the investment is sold. GASB 52 is effective for periods beginning after June 15, 2008. Although the County does not currently maintain an endowment, the County will implement this Statement, when applicable.

In June 2008, the GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. GASB 53 is effective for periods beginning after June 15, 2009. The County did not hold any derivatives as of December 31, 2009. If any derivatives are entered into in the future, GASB 53 will be appropriately applied.

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. GASB 54 is effective for periods beginning after June 15, 2010. The County is required to implement this Statement in 2011, however, the County expects to early implement this Statement in 2010.

In March 2009, the GASB issued Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This Statement incorporates the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the GASB's authoritative literature. GASB 55 was effective upon issuance. The County has implemented this standard in the current year.

In March 2009, the GASB issued Statement No. 56, *Codification of the Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance presented in the AICPA's Statements on Auditing Standards. This Statement addresses three issues not included in the authoritative literature that establishes *accounting* principles—related party transactions, going concern considerations, and subsequent events. GASB 56 was effective upon issuance. The County has implemented this standard in the current year.

In December 2009, the GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The objective of this Statement is to address issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer OPEB plans. GASB 57 is effective for periods beginning after June 15, 2011. The County does not act as an agent employer or agent multiple-employer and therefore does not meet the criteria for this Statement.

In December 2009, the GASB issued Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. The objective of this Statement is to provide accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. GASB 58 is effective for reporting periods beginning after June 15, 2009. The County has not filed, nor intend to file in the foreseeable future, for bankruptcy protection and therefore does not meet the criteria for this Statement.

2. Deposits and Investments

The County reports deposits and investments in accordance with Governmental Accounting Standard Board Statement (GASB) No. 40 *Deposit and Investment Risk Disclosures*. This Statement requires enhanced disclosure of the risks of loss that the County's deposits and investments are subject to. Specifically, this Statement requires the following disclosures regarding the County's pension and non-pension deposits and investments:

- Policies
- Risks
 - Custodial credit risk
 - Interest rate risk
 - Credit risk
 - Concentration of credit risk
 - Foreign currency risk

A. Policies

(1) Policies – non-pension investments - Deposits and investments for the primary government and its discretely presented components units are governed by Pennsylvania law (County Code, Section 1706).

Except for the County's pension trust fund (discussed below), the Commonwealth restricts the County's investments to the following:

- U.S. Treasury bills
- Obligations of the U.S. Government or its agencies or instrumentalities
- Insured or collateralized time deposits with financial institutions
- Shares of an investment company registered under the Investment Company Act of 1940, provided its investments are of the aforementioned types
- Insured or collateralized certificates of deposit from financial institutions

In 2003, the Commissioners adopted an investment policy, with revisions on September 28, 2006, governing its non-pension cash and investments. This policy is consistent with the restrictions cited above and provides the following further restrictions on the County's investments:

- Limits investments in commercial paper to 25 percent of County available funds,
- Prohibits the placement of more than 35 percent of aggregate cash and investments in any one financial institution,
- Restricts repurchase agreements to those invested in U.S. Government obligations and those of its agents and instrumentalities that are U.S. Government backed and requires a 102 percent margin for underlying collateral,
- Requires that the purchase of securities be executed on a delivery versus payment basis through an independent third party and that securities be held by the custodian as evidenced by safekeeping receipts.

(2) Policies – pension investments – The County Retirement Board, which according to law consists of the three Commissioners, Controller and Treasurer, manages the investments of the pension trust fund in a fiduciary capacity.

In 2003, the Retirement Board adopted an investment policy (“Pension Policy”), revised in June 2009, that governs the investments of the County’s pension trust fund. The Pension Policy establishes a target return of 7.5% for the pension trust fund and an objective of meeting or exceeding the pension plan’s assumed actuarial rate of return. The Pension Policy also establishes an objective of meeting or exceeding the annualized investment performance of the pension plan’s weighted asset-class benchmark indices.

The Pension Policy provides that initial investments and subsequent market value of investments held in the common stock of any one corporation may not exceed five percent and eight percent, respectively, of the equity portion of any portfolio.

The County’s written Pension Policy contains the following components:

- To manage custodial credit risk, the Pension Policy requires that custodians and deposit administrators exercise fund safekeeping and securities settlement procedures by custodian participation in one or more appropriate securities depositories (e.g. Depository Trust Company, New York) and, as necessary, correspondent participation in other major depositories (e.g., the Federal Reserve System).
- In order to limit foreign currency exposure, hedging is permitted to protect against currency fluctuations for equity securities denominated in foreign currencies.
- To limit exposure to emerging markets and the associated risks, investments in emerging market equity securities are limited to 15 percent of the international equity portfolio at market value.
- Credit risk is managed by requiring that any single fixed income security be rated investment grade by two of the three major rating agencies. Commercial paper holdings shall be A1 or P1 or Prime.
- To limit concentration of credit risk, holdings of fixed income securities of any one issuer cannot exceed five percent of the total market value of the fixed income portfolio. Debt securities issued by the U.S. Treasury and Federal agencies are not subject to this restriction.
- Interest rate risk is managed by both limiting duration to within 25 percent of a fixed income portfolio benchmark and limiting holdings of fixed income securities that are subject to significant fluctuations in fair value due to changes in interest rates. Holdings of zero coupon bonds (limited to U.S. Treasury securities) are capped at 20 percent of the fixed income portfolio. Range accrual notes, interest only and principal only securities are limited, as a group, to 20 percent of the fixed income portfolio.
- In regard to investments in mutual funds, the Pension Policy recognizes that, given the nature of mutual funds, the diversification limitations regarding both concentrations in individual securities and other objectives and specific requirements may at times be exceeded.

The Pension Policy prohibits the purchase and holding of the following securities:

- buying or short selling securities on margin and/or the use of any other form of leverage, including the lending of securities unless approved in writing in advance by the Board,
- privately placed or otherwise unregistered securities except fixed income securities, issued under SEC Rule 144(a), which are demonstrably marketable and otherwise within guidelines,

- investments in commodities or in any commodity contract, forward or futures trading activities, and all forms of portfolio hedging, excepting the use of stock options and/or currency hedges,
- fixed income investments may not include deep discount or zero coupon (except U.S. Treasury) securities, tax exempt, derivative or synthetic securities such as collateralized debt obligation, credit default swaps, interest rate swaps and any total return swaps.
- the purchase of speculative or “naked” currency contracts undertaken without a demonstrable exposed investment position to be hedged in a specific currency,
- fixed income securities rated below investment grade by two of the three large rating agencies.

B. Risks

(1) Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of a bank failure, the County will not be able to recover its deposits or will not be able to recover collateral securities.

Custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty to an investment transaction, the County will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

The Federal Deposit Insurance Corporation (FDIC) insures, per individual government custodian, bank demand deposits to \$250,000 and time and savings deposits to \$250,000 at December 31, 2009. Several banks holding County deposits participate in the FDIC’s Transaction Account Guarantee Program in which the non-interest bearing depository accounts and interest bearing (those paying up to 0.5% interest) bank accounts are fully guaranteed by the FDIC.

Act 72 in the Commonwealth requires banks to hold collateral at least equal to the amount of public deposits held which exceed FDIC coverage limits in order to secure the deposits of public funds.

Custodial credit risk – non-pension deposits – As of December 31, 2009, \$44,227,025 of the County’s bank balance of \$58,564,322 was exposed to custodial credit risk as follows:

Uninsured and collateral held by the bank but not in the County’s name	\$ 2,150,394
Uninsured and collateral held by pledging bank’s trust department or agent but not in the County’s name	<u>42,076,631</u>
Total	<u>\$ 44,227,025</u>

As of December 31, 2009, \$299,523 of Cumberland Area Economic Development Corporation’s (CAEDC) total bank balances of \$1,257,611 were uninsured and exposed to custodial credit risk as follows:

Uninsured and collateralized by assets maintained in conformity with Act 72: \$ 299,523

Custodial credit risk – fiduciary fund deposits – As of December 31, 2009, \$688,798 of the County’s bank balance of its fiduciary funds of \$4,173,117 was exposed to custodial credit risk as follows:

Uninsured and collateral held by pledging bank’s trust department or agent but not in the County’s name: \$ 688,798

The County is invested in a repurchase account with a bank balance of \$612,563 that is uninsured. This repurchase account is fully collateralized by, but not invested in, a U.S. government security that is held by the bank’s agent and not in the County’s name.

Custodial credit risk – Cumberland County Conservation District deposits – The Cumberland County Conservation District is subject to the County’s aforementioned investment policy. As of December 31, 2009, the District’s deposit balances were covered by the FDIC.

Custodial credit risk – Cumberland County Industrial Development Authority deposits – As of December 31, 2009, the Authority’s deposit balances were covered by the FDIC.

Custodial credit risk – non-pension investments – The County is exposed to custodial credit risk at December 31, 2009, through a \$393,979 U.S. Treasury inflation adjusted bond that matures in 2022 which is held by a third party and not registered in the County’s name. This security is held in the County’s general fund. The County’s investment policy does not require that securities held by third parties be registered in the County’s name.

Custodial credit risk – pension investments – The investments in the County’s pension trust fund are exposed to custodial credit risk. The investments are held by the custodian in the custodian’s name and not the name of the County and are recorded by the custodian only in book entry form in the name of the County.

(2) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

Interest rate risk – non-pension investments – As of December 31, 2009, the County had the following maturities of debt securities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturities (in Years)</u>	
		<u>Less Than 1</u>	<u>More Than 10</u>
<u>Debt securities</u>			
Money market funds	\$ 2,150,394	2,150,394	—
U.S. Treasury TIPS	393,979	—	393,979
Total debt securities	\$ 2,544,373	2,150,394	393,979

Of the non-pension investments above, \$2,150,394 of short-term, liquid investments are classified as cash and cash equivalents on the County’s statement of net assets of the primary government.

Of the non-pension investments above, \$393,979 is classified as investments on the statement of net assets of the primary government. Savings accounts and time deposits at financial institutions constitute the remaining \$4,848,471 of the total \$5,242,450 of investments reported on the statement of net assets of the primary government.

The County held \$393,979 of U.S. Treasury inflation-adjusted bonds (TIPS) at December 31, 2009. These bonds pay a fixed rate of interest over their term. The bond principal, however, is adjusted for changes in the consumer price index. At maturity, the bond pays the higher of the inflation-adjusted principal or the original principal amount; thereby protecting the holder from adverse changes in the inflation rate.

Interest rate risk – pension investments – As of December 31, 2009, the County’s pension trust fund had the following investments:

Pension Trust Fund Investments

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Debt securities					
U.S. Treasury inflation protected securities	\$ 6,905,300	—	6,905,300	—	—
U.S. government securities	15,045,571	—	5,372,009	5,821,521	3,852,041
U.S. agency securities	4,356,993	—	384,240	2,384,766	1,587,987
Money market funds	5,105,085	5,105,085	—	—	—
Corporate bonds and notes	14,528,192	598,092	5,707,240	7,034,417	1,188,443
Total debt securities	45,941,141	5,703,177	18,368,789	15,240,704	6,628,471
		12%	40%	33%	15%
Other investments					
Equity mutual fund-international	8,138,966				
Equity mutual fund-global	9,278,907				
Equity mutual fund-U.S.	148,680				
Equity securities-U.S.	50,555,220				
Total investments	\$ 114,062,914				

The total pension trust fund investments of \$114,062,914, above, includes \$5,105,085 of short-term, liquid investments that are classified as cash and cash equivalents on the pension trust fund Employees’ Retirement Statement of Fiduciary Net Assets.

U.S. agency securities with a fair value of \$3,783,601 are mortgage-backed.

Debt securities with interest rates that are fixed for longer periods are likely to be subject to more variability in their fair values as a result of future changes in interest rates.

The terms of the following debt securities may cause their fair value to be highly sensitive to interest rate changes. The type, fair value and terms of these debt securities at December 31, 2009 follow:

Pension Fund Debt Securities Highly Sensitive to Interest Rate Changes

<u>Debt Security</u>	<u>Amount</u>	<u>Interest Terms</u>
U.S. government	\$ 755,378	8.45% as long as the 30 year swap rate less the 10 year swap rate is greater than zero. Semi-annual calls with periodic reset dates.
U.S. government	397,320	3 month LIBOR plus 130 basis points, as long as 3 month LIBOR is 7% or less. Quarterly calls with periodic reset dates.
U.S. government	715,363	3 month LIBOR plus 120 basis points, as long as 3 month LIBOR is 8% or less. Quarterly calls with periodic reset dates.
U.S. agency	822,779	7% as long as 6 month LIBOR is 7% or less. Quarterly calls with periodic reset dates.
Corporate	389,200	3 month LIBOR plus 100 basis points to February 2012, thereafter 3 month LIBOR plus 100 basis points as long as 3 month LIBOR plus 100 basis points is 7% or less. Quarterly calls with periodic reset dates.
Corporate	273,386	3 month LIBOR plus 10 basis points.
Corporate	222,295	3 month LIBOR plus 17 basis points.
Corporate	<u>179,118</u>	85% of 10 year constant maturity treasury index (CMT) with a minimum of 3.5% and a maximum of 9.5%. Periodic reset dates.
	<u>\$ 3,754,839</u>	

In addition to the highly interest rate sensitive debt securities identified above, the pension trust fund holds the following amount of debt securities, at December 31, 2009, that are highly sensitive to interest rate changes due to their risk of being called by the issuer or pre-paid by underlying mortgage holders: \$9,482,857 of U.S. government securities, \$3,341,514 of U.S. agency debt securities and \$1,834,003 of corporate debt securities.

The pension trust fund holds \$3,832,082 of zero-coupon U.S. government debt securities and \$573,392 of zero-coupon U.S. agency debt securities, which are highly sensitive to interest rate changes.

(3) Credit Risk

Credit risk is the risk that an issuer of debt securities or other counterparty to an investment will not fulfill its obligations.

Credit risk – non-pension investments - The County’s credit risk on its non-pension investments at December 31, 2009 is as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>S & P Rating</u>
		<u>AAA</u>
<u>Debt securities</u>		
Money market funds	\$ 2,150,394	2,150,394
U.S. Treasury TIPS	393,979	393,979
Total debt securities	<u>\$ 2,544,373</u>	<u>2,544,373</u>

Credit risk – pension investments -- Exposure to credit risk in the County pension trust fund at December 31, 2009 is as follows:

<u>Debt Securities</u>	<u>Fair Value</u>	<u>Credit Quality Ratings*</u>			
		<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BBB</u>
U.S. Treasury inflation protected securities	\$ 6,905,300	6,905,300	—	—	—
U.S. government securities	15,045,571	15,045,571	—	—	—
U.S. agency	4,356,993	4,356,993	—	—	—
Money market funds	5,105,085	5,105,085	—	—	—
Corporate bonds and notes	14,528,192	1,450,332	1,678,356	10,583,897	815,607
Total	<u>\$ 45,941,141</u>	<u>32,863,281</u>	<u>1,678,356</u>	<u>10,583,897</u>	<u>815,607</u>
		71%	4%	23%	2%

* Expressed as Standard & Poor's quality ratings equivalents.

U.S. government securities consist of U.S. Treasury, GNMA, Fannie Mae and Freddie Mac debt securities.

On September 7, 2008, the Federal Housing Finance Agency (FHFA) placed Fannie Mae (the Federal National Mortgage Association) and Freddie Mac (the Federal Home Loan Mortgage Corporation) in conservatorship. The U.S. Treasury has put in place a set of financing agreements to ensure that these government-sponsored enterprises continue to meet their obligations to holders of bonds that they have issued or guaranteed. As a result, the County’s investments in Fannie Mae and Freddie Mac debt are reported herein as equivalent to U.S. government securities.

(4) Concentration of Credit Risk

Concentration of credit risk is the risk of loss that is attributed to the magnitude of the County’s investment in the debt securities of a single issuer.

The County does not hold more than five percent of its investments as of December 31, 2009 in any one issuer, other than investments issued or explicitly guaranteed by the U.S. government.

(5) Foreign Currency Risk

Foreign currency risk – pension investments – Foreign currency risk is the risk that the fair value of such securities will be adversely affected by changes in exchange rates. The pension trust fund is exposed to foreign currency risk through an \$8,138,966 investment at fair value in an international equity mutual fund as of December 31, 2009. The equity fund's objective is to invest at least 80 percent of its net assets in equity securities of companies located in at least three countries other than the U.S.

3. Real Estate Taxes

Real estate taxes attach as an enforceable lien on property as of January 1 and are levied on March 1. The County bills these taxes which are collected by elected tax collectors. Taxes paid through April 30 are given a two percent discount. Amounts paid after June 30 are assessed a 10 percent penalty. The County collects delinquent real estate taxes on behalf of itself and other taxing authorities.

The County is permitted by the County Code of the Commonwealth of Pennsylvania to levy real estate taxes up to 25 mills on every dollar of adjusted valuation for general County purposes exclusive of the requirements for the payment of interest and principal on bonded debt. For 2009, County real estate taxes were levied at the rate of 2.399 mills for general County purposes. An additional levy was approved by the electorate for the County library system at 0.180 mills. This tax is accounted for as an agency transaction and the revenues are not recognized by the County.

4. Receivables

Amounts due from other governments are primarily grants receivable from the Commonwealth of Pennsylvania as of December 31, 2009, which are expected to be collected within one year.

The County nursing home has \$2,718,302 in net patient accounts receivable as of December 31, 2009, which is primarily a Medical Assistance reimbursement receivable from the Commonwealth of Pennsylvania. The cost reimbursements receivable is subject to audit and final determination by the Department of Public Welfare. The County nursing home recorded an allowance for doubtful accounts of \$168,822 against the patient accounts receivable. Of the County nursing home's patient accounts receivable, \$182,661 is expected to be collected beyond one year.

Taxes receivable is reduced by an allowance for uncollectible accounts of \$568,391 for 2009 which is determined by a review of account status. Of the County's delinquent taxes receivable, \$300,000 is expected to be collected beyond one year.

Court costs and fines receivable are collectible balances on the day they are imposed through the County's court system. The County collects these balances through the Clerk of Court and the probation offices. Court costs and fines receivable as of December 31, 2009 is \$6,893,004. Of that balance, the County has recognized an allowance for doubtful accounts of \$5,808,384. Of the County's court costs and fines receivable, \$429,734 is expected to be collected beyond one year.

5. Capital Assets

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

	Beginning Balance	Additions	Sales and Other Dispositions *	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 2,265,470	237,794	—	2,503,264
Construction in progress	4,472,812	10,356,965	(80,469)	14,749,308
Agricultural easements	6,959,930	492,243	—	7,452,173
Total capital assets, not being depreciated	<u>13,698,212</u>	<u>11,087,002</u>	<u>(80,469)</u>	<u>24,704,745</u>
Capital assets, being depreciated:				
Buildings and systems	37,979,405	2,076,653	(757,982)	39,298,076
Improvements other than buildings	75,247	4,859	—	80,106
Machinery and equipment	13,923,425	940,294	(804,028)	14,059,691
Bridges	9,719,549	—	(5,500)	9,714,049
Total capital assets being depreciated	<u>61,697,626</u>	<u>3,021,806</u>	<u>(1,567,510)</u>	<u>63,151,922</u>
Less accumulated depreciation for:				
Buildings and systems	(24,517,293)	(766,639)	737,465	(24,546,467)
Improvements other than buildings	(55,949)	(2,326)	—	(58,275)
Machinery and equipment	(7,337,438)	(1,267,495)	756,699	(7,848,234)
Bridges	(5,674,164)	(138,165)	55	(5,812,274)
Total accumulated depreciation	<u>(37,584,844)</u>	<u>(2,174,625)</u>	<u>1,494,219</u>	<u>(38,265,250)</u>
Total capital assets, being depreciated, net	<u>24,112,782</u>	<u>847,181</u>	<u>(73,291)</u>	<u>24,886,672</u>
Governmental activities capital assets, net	<u>\$ 37,810,994</u>	<u>11,934,183</u>	<u>(153,760)</u>	<u>49,591,417</u>

* The balance of sales and other dispositions includes disposals, transfers and asset classification changes.

(continued)

5. Capital Assets (continued)

	Beginning Balance	Additions	Sales and Other Dispositions	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 1,181,432	362,612	(31,603)	1,512,441
Total capital assets, not being depreciated	1,181,432	362,612	(31,603)	1,512,441
Capital assets, being depreciated:				
Buildings and systems	27,237,822	128,341	—	27,366,163
Improvements other than buildings	575,995	95,468	—	671,463
Machinery and equipment	13,526,955	626,872	(48,319)	14,105,508
Total capital assets being depreciated	41,340,772	850,681	(48,319)	42,143,134
Less accumulated depreciation for:				
Buildings and systems	(12,959,681)	(1,009,915)	—	(13,969,596)
Improvements other than buildings	(304,761)	(35,701)	—	(340,462)
Machinery and equipment	(9,778,750)	(1,035,673)	48,440	(10,765,983)
Total accumulated depreciation	(23,043,192)	(2,081,289)	48,440	(25,076,041)
Total capital assets, being depreciated, net	18,297,580	(1,230,608)	121	17,067,093
Business-type activities capital assets, net	\$ 19,479,012	(867,996)	(31,482)	18,579,534
Component units:				
Capital assets, being depreciated:				
Machinery and equipment	\$ 191,475	—	(1,006)	190,469
Total capital assets being depreciated	191,475	—	(1,006)	190,469
Less accumulated depreciation for:				
Machinery and equipment	(136,279)	(13,086)	1,006	(148,359)
Total accumulated depreciation	(136,279)	(13,086)	1,006	(148,359)
Total capital assets, being depreciated, net	55,196	(13,086)	—	42,110
Component unit capital assets, net	\$ 55,196	(13,086)	—	42,110

5. Capital Assets (continued)

Depreciation expense was charged to the functions/programs of the County in 2009 as follows:

Governmental activities:

General government - administrative	\$	1,315,070
General government - judicial		163,286
Public safety		343,190
Roads and bridge maintenance		138,111
Recycling and waste management		72,018
Human services:		
Mental health/mental retardation		23,510
Children and youth		44,927
Food and shelter		8,691
Office of aging		17,314
Other		29,768
Conservation		4,041
Economic development and assistance		14,699
Total depreciation expense - governmental activities	\$	<u><u>2,174,625</u></u>

Business-type activities:

Emergency telephone	\$	739,685
Hazardous materials protection		90,934
Transportation services		253,477
County nursing home		982,028
Early learning center		15,165
Total depreciation expense - business-type activities	\$	<u><u>2,081,289</u></u>

6. Interfund and Transfer Accounts

The composition of interfund balances at December 31, 2009 follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Governmental funds:		
General fund	\$ 4,891,735	—
Mental health/mental retardation	—	322,590
Children and youth	—	3,559,944
HealthChoices-Cumberland County	—	33,920
Capital projects	—	502,627
Other non-major funds	1,504,853	1,861,516
Total	<u>6,396,588</u>	<u>6,280,597</u>
Enterprise funds:		
County nursing home	—	323,270
Emergency telephone	—	195,219
Other non-major funds	73,634	46,133
Total	<u>73,634</u>	<u>564,622</u>
Internal service:		
Health reimbursement arrangement	<u>374,997</u>	<u>—</u>
Total primary government	<u><u>\$ 6,845,219</u></u>	<u><u>6,845,219</u></u>

Interfund payable balances for the governmental and proprietary funds are the result of normal business processes at the County where the general fund pays outstanding bills, invoices and payroll on their behalf. The general fund is reimbursed biweekly, or as funds become available.

Transfers from the general fund are used, in part, to help finance various grant programs in other funds. Additionally, transfers are used to subsidize operations such as the Early Learning Center, emergency telephone and hazardous materials programs. Transfers are also used to move unrestricted funds from the general fund to pay debt service.

The composition of interfund transfers for the year ended December 31, 2009 follow:

	Transfers In	Transfers Out
	<u> </u>	<u> </u>
Governmental funds:		
General fund	\$ 544,422	8,431,949
Mental health/mental retardation	642,770	39,666
Children and youth	2,057,555	158,097
Capital projects	—	10,540
Other non-major funds	5,604,587	1,754,500
Total	<u>8,849,334</u>	<u>10,394,752</u>
Enterprise funds:		
Emergency telephone	1,425,846	—
Other non-major funds	155,504	35,932
Total	<u>1,581,350</u>	<u>35,932</u>
Total primary government	<u>\$ 10,430,684</u>	<u>10,430,684</u>

Due to a difference in the basis of accounting for the treatment capital assets, there is a difference of \$120 in interfund transfers between the government-wide and fund financial statements.

7. Long-term Debt

The following is a summary of the changes in the County’s long-term liabilities for the year ended December 31, 2009:

<u>Liability</u>	Balance January 1, 2009	Additions	Reductions	Balance December 31, 2009	Due Within One Year
Governmental activities:					
Bonds and notes payable:					
Bonds	\$ 33,931,267	7,156,481	8,256,146	32,831,602	1,545,450
Notes	2,050,520	2,500,000	125,205	4,425,315	216,852
Deferred amount on refundings	(33,272)	(150,902)	(44,590)	(139,584)	-
Premium (discount) on bonds and notes	(73,773)	92,084	1,410	16,901	-
Total bonds and notes payable	<u>35,874,742</u>	<u>9,597,663</u>	<u>8,338,171</u>	<u>37,134,234</u>	<u>1,762,302</u>
Arbitrage Payable	63,442	-	63,442	-	-
Sick and vacation	3,599,498	3,322,727	3,411,892	3,510,333	289,717
Other Postemployment Benefit Obligations	120,754	177,112	54,405	243,461	-
Capital leases	38,587	-	21,613	16,974	16,252
Governmental activities long- term liabilities	<u>\$ 39,697,023</u>	<u>13,097,502</u>	<u>11,889,523</u>	<u>40,905,002</u>	<u>2,068,271</u>
Business-type activities:					
Bonds and notes payable:					
Bonds	\$ 4,188,733	2,838,519	3,523,854	3,503,398	839,550
Notes	18,239,480	-	1,149,795	17,089,685	1,185,622
Deferred amount on refundings	(304,287)	(90,392)	(104,623)	(290,056)	-
Premium (discount) on notes	4,146	68,498	12,459	60,185	-
Total bonds and notes payable	<u>22,128,072</u>	<u>2,816,625</u>	<u>4,581,485</u>	<u>20,363,212</u>	<u>2,025,172</u>
Sick and vacation	831,121	1,212,649	1,158,620	885,150	79,629
Other Postemployment Benefit Obligations	55,679	90,880	27,916	118,643	-
Workers' compensation	1,198,742	200,662	204,039	1,195,365	300,925
Business-type activities long-term liabilities	<u>\$ 24,213,614</u>	<u>4,320,816</u>	<u>5,972,060</u>	<u>22,562,370</u>	<u>2,405,726</u>
Component unit:					
Sick and vacation	\$ 51,289	37,603	37,841	51,051	3,214
Other Post Employment Benefit Obligations	1,615	1,859	571	2,903	-
Component unit Long-term liabilities	<u>\$ 52,904</u>	<u>39,462</u>	<u>38,412</u>	<u>53,954</u>	<u>3,214</u>

For the governmental activities, bonds and notes are exclusively liquidated by the general fund transferring amounts to the debt service fund for principal and interest payments. Sick and vacation liabilities and capital lease obligations are liquidated by the individual funds to which the related expenditures are charged. Sick and vacation liabilities and capital lease obligations reported in the County’s governmental activities are primarily funded by the County’s general fund.

NOTES TO FINANCIAL STATEMENTS**DECEMBER 31, 2009**

The government issues general obligation bonds and notes to provide funds primarily for the acquisition and construction of major capital facilities. General obligation bonds and notes have been issued for both governmental and business-type activities.

The County is subject to federal arbitrage laws governing the use of proceeds of tax exempt debt.

All bonds and notes outstanding at December 31, 2009 are general obligation debt supported by the full faith and credit of the County and are summarized as follows:

	Interest Rate	Final Maturity	Original Issue	Governmental Activities	Business- type Activities
G.O. note – 2003 issue	5.857%	2022	\$ 715,000	715,000	—
G.O. notes – 2005 issue	2.6% - 5%	2021	15,650,000	1,210,315	10,954,685
G.O. bond – 2006 issue	3.7% - 4.3%	2019	9,900,000	9,655,000	—
G.O. notes – 2007 issue	3.6% - 4.1%	2020	6,610,000	—	6,135,000
G.O. bond – 2008 issue	2% - 4.4%	2028	18,500,000	16,716,211	1,123,789
G.O. bonds – 2009 issue	1.5% - 3%	2019	9,995,000	6,460,391	2,379,609
G.O. note – 2009 issue	3.50%*	2029	2,500,000	2,500,000	—
Long-term debt at December 31, 2009				37,256,917	20,593,083
Deferred amount on refundings				(139,584)	(290,056)
Net premium on debt				16,901	60,185
Net long-term debt at December 31, 2009				<u>\$ 37,134,234</u>	<u>20,363,212</u>

* The interest rate is fixed at the rate of 3.50% per year until December 31, 2019. After that, the interest rate shall be 80% of the Wall Street Journal Prime Rate, not to exceed 12%.

In 2003, the County entered into a \$715,000 long-term installment purchase of an agricultural easement. Total principal has been accounted for in the general fund.

Of the outstanding balance of the 2005 note issue at December 31, 2009, \$4,928,569 of the principal has been accounted for in the County nursing home fund, \$6,026,116 has been accounted for in the emergency telephone fund, and \$1,210,315 has been accounted for in the general fund.

Of the outstanding balance of the 2006 bond issue at December 31, 2009, \$9,655,000 of the principal has been accounted for in the general fund.

Of the outstanding balance at December 31, 2009 of the 2007 note issue, \$5,007,387 has been accounted for in the County nursing home fund and \$1,127,613 has been accounted for in the emergency telephone fund.

Of the outstanding balance at December 31, 2009 of the 2008 bond issue, \$1,123,789 has been accounted for in the emergency telephone fund and \$16,716,211 has been accounted for in the capital projects fund.

NOTES TO FINANCIAL STATEMENTS**DECEMBER 31, 2009**

In 2009, the County issued general obligation bonds, series 2009 to retire the 2002 and 2004 bond issues. The 2002 bond refunding resulted in a \$187,550 reduction in payments and an economic gain of \$186,752. The 2004 bond refunding resulted in a \$276,916 reduction in payments and an economic gain of \$274,724. The combined savings of the refunding is a reduction in payments of \$464,466 and an economic gain of \$461,476. Of the outstanding balance at December 31, 2009 of the 2009 bond issue, \$810,682 has been accounted for in the emergency telephone fund, \$1,568,927 has been accounted for in the County nursing home, and \$6,460,391 has been accounted for in the general fund.

In 2009, the County issued a general obligation note, series 2009 in the amount of \$2,500,000 for the purchase and renovations of real estate. Of the outstanding balance at December 31, 2009 of the 2009 note issue, \$2,500,000 has been accounted for in the general fund.

The County's December 31, 2009 net nonelectoral debt limit and combined net nonelectoral debt and net lease rental debt limit are \$431,705,684 and \$593,647,989, respectively.

The annual debt service requirements for the next five years and thereafter, in five-year increments, on long-term debt outstanding as of December 31, 2009, including interest payments, are as follows:

		Governmental Activities		Business- type Activities	
		Principal	Interest	Principal	Interest
2010	\$	1,762,302	1,365,476	2,025,172	756,067
2011		1,796,733	1,315,168	2,098,895	689,843
2012		1,861,152	1,259,983	2,177,514	611,390
2013		1,930,535	1,199,750	2,241,741	528,296
2014		2,920,204	1,117,383	1,395,580	462,745
2015-2019		14,751,749	3,906,961	7,804,181	1,422,901
2020-2024		6,490,397	1,974,733	2,850,000	109,158
2025-2029		5,743,845	528,726	—	—
Total	\$	37,256,917	12,668,180	20,593,083	4,580,400

8. Deficit Net Assets

The County's emergency telephone fund has negative net assets of \$119,348 as of December 31, 2009. This deficit will be alleviated as the general fund provides subsidies to the emergency telephone fund to make debt service payments that financed the purchase of new 800 MHz radios for other County municipalities and other County offices. To the extent that the emergency telephone fund is unable to generate sufficient cash to fund future debt service payments and fully cover operating costs, additional transfers-in will be provided by the County's general fund.

9. Leases**A. Operating**

The County leases office equipment for various County offices and building space for certain County and magisterial district judge offices. The County's office equipment lease terms range from three to five years.

The County’s building leases contain scheduled rents payable. Building leases have expiration dates extending through 2020. Total expenses for such leases were \$659,212 for the year ended December 31, 2009.

The following is a schedule of future minimum lease payments for operating leases with initial or remaining terms in excess of one year as of December 31, 2009:

<u>Year Ending December 31</u>	<u>Lease Payments</u>
2010	\$ 536,017
2011	457,562
2012	351,309
2013	340,959
2014	333,437
2015-2019	1,029,359
2020-2024	68,407
Total	<u>\$ 3,117,050</u>

B. Capital Lease Obligation

The County is required to make lease payments for capital assets acquired in prior years which consist of vehicles, photocopiers, computer and security equipment. Annual interest rates ranged from 0.89 percent to 10.47 percent on the County’s capital leases in effect for the year ended December 31, 2009.

The assets acquired through current capital leases are as follows:

	<u>Governmental Activities</u>
Asset:	
Machinery and equipment	\$ 96,304
Less: Accumulated depreciation	<u>(53,903)</u>
Machinery and equipment, net	<u>\$ 42,401</u>

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

	<u>Governmental Activities</u>
2010	\$ 16,592
2011	<u>725</u>
Total minimum lease payments	17,317
Less amount representing interest	<u>(343)</u>
Present value of net minimum lease payments	<u>\$ 16,974</u>

C. Building space leased to third party

As part of the County’s acquisition of the 310 Allen Road, Carlisle property on September 29, 2006, the County agreed to lease to the seller 10,000 square feet of an outbuilding for temporary document storage. The lease provides for annual rent of \$45,000 through June 30, 2010. The cost and accumulated depreciation of the leased space as of December 31, 2009 was \$254,760 and \$17,833, respectively.

10. Other Postemployment Benefits (OPEB)

In 2008, the County began reporting other post-employment benefits in accordance with Governmental Accounting Standard Board Statement No. 45 (GASB No. 45). GASB No. 45 requires recognition in governmental financial statements of other postemployment benefits as part of the compensation package of active employees for services rendered. The cost and obligation for other postemployment benefits are required to be measured by an actuarial valuation.

Plan Description

Cumberland County sponsors and administers a postemployment benefits plan entitled Cumberland County Retiree Medical Plan. It is a single-employer plan that covers health insurance benefits where County retirees and their beneficiaries may continue to participate in the County’s health coverage. The County’s health coverage is provided through an insurance company.

To be eligible to receive the benefits of the health insurance plan, a retiree must be receiving annuity payments from the Cumberland County Retirement Plan. The County Commissioners established the Plan and may amend the Plan at any time. The County is under no statutory or contractual obligation to provide this postemployment benefit.

Retirees opting to participate are asked to pay a premium amount that is less than the County’s actual cost to provide health care coverage to retirees. The premium amount retirees pay is a blended rate for covering both active and retired Plan members. The fact that the blended rate that retirees pay is less than the cost of covering retired members and their beneficiaries results in what is known as an “implicit rate subsidy” by the County, which gives rise to the benefit.

Membership of the Plan consisted of the following at January 1, 2009:

	<u>Membership</u>
Retirees and beneficiaries receiving benefits	41
Active employees	<u>1,048</u>
Total membership	<u><u>1,089</u></u>

Because the Plan relates solely of the County’s decision to provide other postemployment benefits through the payment of the implied subsidy by extending medical benefits to retirees at the above mentioned blended rate, no stand-alone financial report for the plan is available. The Plan is not included in the financial report of another entity.

Funding Policy

The County funds Plan liabilities on a “pay-as-you-go” basis, and has not established an OPEB trust fund to accumulate assets to fund Plan obligations. The County has no statutory or contractual obligation to fund the Plan and only does so at the County’s discretion. The County funds the implicit rate subsidy through the payment of health insurance premiums.

Annual OPEB Cost and Net OPEB Obligation

The County’s annual OPEB cost (expense) is calculated based on the actuarially determined annual required contribution (ARC) of the employer. The ARC represents a funding level that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over 30 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:

	2009
Employer normal cost	\$ 147,856
Amortization of unfunded actuarial accrued liability	124,914
Annual required contribution	272,770
Interest on the net OPEB obligation	8,012
Adjustment to the ARC	(10,930)
Annual OPEB cost	269,852
Contributions made	(82,893)
Increase in net OPEB obligation	186,959
Net OPEB obligation, beginning of year	178,048
Net OPEB obligation, end of year	\$ 365,007

The percentage of OPEB cost contributed for 2008 and 2009 is as follows.

Year ended	Annual OPEB cost	Percentage of annual OPEB cost contributed	Net OPEB obligation
12/31/2008	\$254,850	30.14%	\$178,048
12/31/2009	\$269,852	30.72%	\$365,007

Funding Status and Funding Progress

The County’s actuarial accrued liability (AAL) for other postemployment benefits as of January 1, 2009, is \$2,034,841. There are no Plan assets as of that date, thus, the entire amount is unfunded. There is no plan to fund the outstanding AAL.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2009	-	\$2,034,841	\$2,034,841	-	\$44,752,526	4.55%

Actuarial Methods and Assumptions

Among the actuarial methods and assumptions used in the actuarial valuation are: (a) the projected unit credit cost method, (b) amortization of the unfunded actuarial accrued liability over 30 years, (c) a 4.5 percent discount rate based on an assumed 3 percent general inflation rate (this is assumed to be the long-term expected rate of return on non-Plan assets), (d) a health care inflation rate that begins at 10 percent in 2008 trending to 5 percent by 2015, (e) the amortization method for the most recent actuarial valuation is the level dollar method with an open period.

Actuarial evaluations on an ongoing basis involve estimates of the reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Projections of benefits are based on the types of benefits provided under the substantive plan at the time of each valuation and on the pattern of sharing of benefit costs between the employer and plan members to that point in time.

Actuarial calculations reflect a long-term perspective, and consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in accrued liabilities.

The required schedule of funding progress in the required supplementary information (RSI) immediately following the notes to the financial statements, is to present multi-year trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. However, because the County maintains no Plan assets, information relative to Plan asset disclosures is not applicable. Additionally, because 2008 was the year of implementation of GASB No. 45, the OPEB disclosure standards are implemented prospectively; therefore, the RSI does not reflect similar information for three consecutive years.

11. Cumberland County Retirement Plan

A. Plan Description

Cumberland County’s Employees’ Retirement Trust Fund (the Plan) is a single-employer defined benefit pension plan covered by the County Pension Law Act 96 of 1971 of the General Assembly of the

Commonwealth of Pennsylvania, as amended. The Plan is reported as a pension trust fund in the accompanying basic financial statements and does not issue a stand-alone report.

As of December 31, 2009, employee membership data related to the pension plan was as follows:

Retirees and beneficiaries receiving benefits	443
Terminated plan members entitled to but not yet receiving benefits	97
Active plan members	<u>1,154</u>
Total	<u>1,694</u>

All full-time employees are required to participate in the Plan. The pension plan provides pension benefits for normal retirement at age 60 (or 55 with 20 years of service) based on a formula including final average salary and years of credited service, in addition to the member's accumulated contribution to the Plan. The County share of the annual benefit is from one percent to 1.429 percent (depending on the date the employee entered into the plan) of the average of the employee's three highest annual salaries times the years of service. Early retirement is available upon 20 years of service or after eight years if involuntary termination. Members become vested after five years of service. County employees who terminate and choose to remain vested after five years of credited service will receive a deferred annuity commencing at retirement age. The Plan also provides for death and disability benefits. Cost-of-living adjustments for pensioners are provided at the discretion of the Retirement Board and must be reviewed once every three years.

B. Summary of Significant Accounting Policies

Financial information of the County plan is presented on the accrual basis of accounting. Plan member contributions are recognized in the period on which the contributions are due. Employer contributions to the plan are recognized when due as required by the Act. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Investments of the plan are reported at fair value. Securities traded on national exchanges are valued at the last reported sales price.

C. Funding Policy and Contributions

As a condition of participation, employees are required to contribute five percent of their salary as stipulated in the County Pension Law. Employees may elect to contribute up to 15 percent of their salary. Interest is credited to the employee's account each year at the annual rate of 5.5 percent as voted upon by the County Retirement Board.

In 2009, the County incurred \$4,327,851 of actuarially determined annual pension cost.

In 2009, the County's Pension Trust – Employees' Retirement Fund recognized \$3,680,622 of employer contributions, consisting of the actuarially determined employer contribution offset by an additional \$647,229 employer contribution accrued in the previous year which was in excess of the 2008 actuarially determined annual pension cost.

For 2009, the County's annual pension cost of \$4,327,851 was equal to the County's required and actual contribution. The required contribution was determined as part of the January 1, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.5 percent investment rate of return (net of administrative expenses), (b) projected salary increases due to inflation of three percent and (c) projected salary increases due to seniority/merit increases of 4.5 percent. The actuarial

value of assets was determined using techniques that smooth the effects of short-term volatility in the fair value of investments over a five-year period. The County’s unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2009, was 25 years.

Administrative costs, including investment, custodial trustee, and actuarial services are charged to the Plan and funded from investments earnings.

Three year trend information for the Cumberland County Retirement Plan is as follows:

<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/07	\$3,018,632	100%	–
12/31/08	2,656,503	100%	–
12/31/09	4,327,851	100%	–

The schedule of funding progress for the Cumberland County Retirement Fund as of the most recent actuarial valuation date is as follows:

(1) <u>Actuarial Valuation Date</u>	(2) <u>Actuarial Value of Assets</u>	(3) <u>Actuarial Accrued Liability-Entry Age</u>	(4) <u>Unfunded Actuarial Accrued Liability</u>	(5) <u>Funded Ratio (2/3)</u>	(6) <u>Covered Payroll</u>	<u>Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll (4/6)</u>
1/1/10	\$116,285,726	\$ 144,290,263	\$ 28,004,537	80.6%	\$ 49,902,927	56.1%

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial liabilities for benefits.

D. Historical Trend Information

Historical trend information for the Plan is presented as required supplementary information on page 90 and 91 of this report.

12. Litigation

The County is involved in several lawsuits arising in the normal course of business. It is the County solicitor’s opinion that the aggregate amount of potential claims not covered by insurance resulting from actions against the County would not materially affect the financial position of the County at December 31, 2009.

13. Commitments and Contingencies

Commitments

The County has significant contractual commitments related to its prison expansion. At December 31, 2009 the County’s commitments are as follows:

<u>Project</u>	<u>Expended Through December 31, 2009</u>	<u>Remaining Commitment</u>
Prison Expansion - Phase I	\$ 12,759,562	2,132,881
New Public Emergency Operations Center	837,966	12,592,384

The County’s prison expansion and new public emergency operations center have been financed with bond proceeds through December 31, 2009.

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

14. Self-Insurance

Workers’ Compensation

The County has established a workers’ compensation fund (an internal service fund) to account for and finance its uninsured risks of loss due to employee claims. Under this program, the workers’ compensation fund provides coverage for up to a maximum of \$400,000 for each individual worker’s compensation occurrence. The County purchases commercial insurance for claims in excess of coverage provided by the fund. Settled claims have not exceeded this commercial coverage in the last three years.

All County employees are covered by the workers’ compensation fund. Elected officials, excluding the coroner, are not covered by workers’ compensation. The County funds the program by making payments to the workers’ compensation fund from various County departments/funds based upon estimates of the amounts needed to pay prior and current year claims. Liabilities include an estimated amount for claims that have been incurred but not reported (IBNR). Liabilities for claims do not include non-incremental claims adjustment expenses. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs, and other economic and social factors.

Changes in the fund’s claims liability (net of excess insurance) for the years ended December 31, 2009 and December 31, 2008, were:

	<u>Beginning of Year Liability</u>	<u>Provision for Claims</u>		<u>Claim Payments</u>		<u>End of Year Liability</u>
		<u>Current Year</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Prior Years</u>	
2009	\$ 1,198,742	465,883	(265,221)	70,016	134,023	1,195,365
2008	\$ 1,505,345	564,903	(595,186)	94,686	181,634	1,198,742

Health Reimbursement Arrangement

Beginning January 1, 2009 the County instituted a health reimbursement arrangement in conjunction with the adoption of a high deductible health insurance plan. Under the health reimbursement arrangement, the County pays eligible health insurance claims covering up to the \$3,000 deductible for individual employees opting to enroll and contribute towards the employee buy-up health plan option. The County estimates claim liabilities at year-end based on its history of incurred but not reported claims submitted after year-end. Claims may be submitted no more than 90 days after year-end. Claim adjustment expenses are not incurred.

	<u>Beginning of Year Liability</u>	<u>Provision for Claims</u>		<u>Claim Payments</u>		<u>End of Year Liability</u>
		<u>Current Year</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Prior Years</u>	
2009	\$ -	783,681	-	694,603	-	89,078

15. Non-Recourse Debt

A. Cumberland County Municipal Authority (MA)

The MA was formed in 1987 pursuant to the Municipal Authorities Act and issues tax-exempt revenue bonds to provide financing to private-sector entities for the acquisition and construction of facilities deemed to be in the public interest. All the bond issues must be approved by the County Commissioners, but the County has no ongoing liability for these bonds nor guarantees the bonds.

The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The MA has no on-going obligation for the bonds and does not include the debt in its financial statements.

As of December 31, 2009, there were 22 series of revenue bonds outstanding. The aggregate principal amount payable could not be determined; however, their original issue amounts totaled \$534,370,800.

B. Cumberland County Industrial Development Authority (IDA)

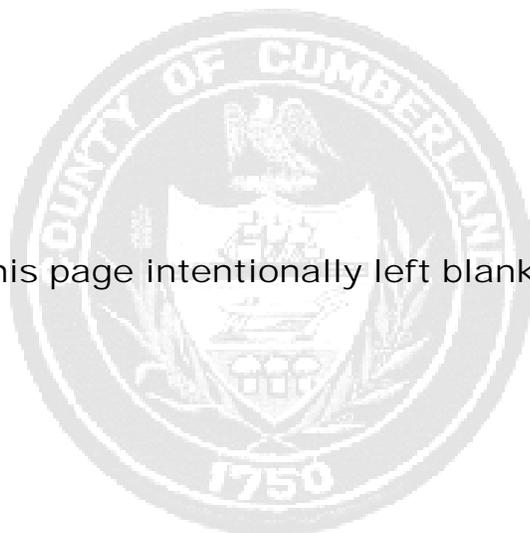
The IDA has entered into installment sales agreements (Agreements) with various parties (Buyers), whereby the IDA agrees to sell to the Buyers certain premises, equipment, and other projects. The purchase price is payable in specified monthly installments over varying periods.

To finance the costs of the projects and related expenses, the IDA has borrowed from lending institutions (Banks), and has executed and delivered to the banks its promissory notes. In connection with such borrowings, the IDA has entered into loan agreements with the Buyers and, as security for payment of principal and interest on the notes, has, with the Buyers' consent, assigned and transferred to the Banks all of its rights, title, and interest in and installments receivable under the Agreements, together with certain other receipts and revenues available to it under the Agreements.

The IDA, as a result of the assignments, has no on-going obligation for the debt and does not include the debt or related installment sales agreements in the financial statements of its operating fund. As of December 31, 2009, the projects had \$48,489,137 in outstanding principal balances.

The IDA is reported as a discretely presented component unit of the County.

This page intentionally left blank



Required Supplementary Information

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)**

General Fund

For the year ended December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
Revenues:				
Taxes:				
Real estate taxes	\$ 41,087,673	41,087,673	41,163,213	75,540
Per capita taxes	665,417	665,417	660,518	(4,899)
Library taxes	3,082,507	3,082,507	3,101,926	19,419
Licenses and permits	104,762	104,762	115,886	11,124
Grants	3,583,143	3,604,932	3,874,765	269,833
County charges	11,874,262	11,874,262	11,593,965	(280,297)
Court costs, fines, and forfeits	630,000	630,000	701,401	71,401
Interest	998,800	998,800	374,515	(624,285)
Contributions and other	96,250	96,250	485,168	388,918
Payment in lieu of taxes	111,500	111,500	141,170	29,670
Total revenues	62,234,314	62,256,103	62,212,527	(43,576)
Expenditures:				
Current:				
General government – administrative:				
Commissioners	701,621	689,233	659,069	30,164
Solicitors	335,673	338,354	328,778	9,576
Elections	931,944	933,393	818,213	115,180
Controller	1,010,539	985,494	968,469	17,025
Finance office	740,444	730,301	704,242	26,059
Tax claims	215,646	234,889	224,186	10,703
Treasurer	282,086	273,884	269,493	4,391
Tax collectors administration	473,292	444,674	389,514	55,160
Personnel	453,390	453,473	360,474	92,999
Tax assessment	1,653,469	1,557,627	1,411,746	145,881
Recorder of Deeds	524,076	482,378	437,245	45,133
Administrative services	109,167	141,789	79,646	62,143
Information management and technology office	2,025,494	2,278,622	1,795,889	482,733
Enterprise resource management office	604,069	614,377	559,930	54,447
Insurance	327,349	355,836	355,779	57
Human services fiscal operations	146,288	145,775	145,798	(23)
County buildings	1,947,747	2,145,608	1,785,885	359,723
Planning	702,921	707,302	659,181	48,121
Pooled reserves-program innovation, improvements and contingencies	1,000,000	489,902	—	489,902
Pooled reserves-contingencies	1,000,000	549,572	—	549,572
Debt retirement	9,067	16,667	13,855	2,812
Pennsylvania history and museum grant	—	1,168	4,086	(2,918)
Homestead	26,243	48,078	46,044	2,034
DCNR Grant	15,000	15,000	5,000	10,000
Uniform Parcel Identifier	89,624	92,637	85,320	7,317
Program subsidy	106,800	106,800	109,792	(2,992)
Total general government – administrative	15,431,949	14,832,833	12,217,634	2,615,199
General government – judicial:				
Building security	462,127	417,998	387,384	30,614
Courts	2,574,551	2,659,359	2,583,498	75,861
Court appointed advocate	139,689	143,960	136,741	7,219
District judges	2,814,996	2,765,375	2,635,865	129,510
Law library	207,366	223,983	222,359	1,624
Clerk of Court	694,526	692,796	638,054	54,742
Coroner	711,788	744,763	651,741	93,022
Court administrator	16,853	15,966	—	15,966

(Continued)

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)**

General Fund

For the year ended December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
Expenditures (continued):				
Current (continued):				
General government - judicial (continued):				
Public defender	\$ 1,043,640	1,029,372	979,755	49,617
District Attorney	1,854,949	1,941,074	1,839,525	101,549
Prothonotary	502,946	501,721	481,205	20,516
Register of Wills	470,126	444,320	402,554	41,766
Sheriff	2,397,589	2,384,715	2,363,620	21,095
Total general government – judicial	<u>13,891,146</u>	<u>13,965,402</u>	<u>13,322,301</u>	<u>643,101</u>
Public safety:				
DA crime investigation	393,418	370,073	358,213	11,860
DA justice services	262,245	244,082	209,450	34,632
DA forensic lab	—	59,289	59,289	—
Prison	9,023,419	9,034,621	8,826,197	208,424
Probation and parole	4,771,921	4,803,872	4,597,052	206,820
Emergency management & communications	378,160	406,852	365,936	40,916
Vector control	389,512	393,369	362,430	30,939
Fire training	24,397	26,399	18,235	8,164
Public safety	310,635	289,226	257,340	31,886
Total public safety	<u>15,553,707</u>	<u>15,627,783</u>	<u>15,054,142</u>	<u>573,641</u>
Human services	224,892	225,396	189,607	35,789
Culture and recreation	3,942,656	4,110,100	4,079,275	30,825
Conservation and development	1,124,600	1,119,075	1,014,149	104,926
Economic development	2,506,304	2,816,454	2,742,482	73,972
Total expenditures	<u>52,675,254</u>	<u>52,697,043</u>	<u>48,619,590</u>	<u>4,077,453</u>
Excess of revenues over expenditures	<u>9,559,060</u>	<u>9,559,060</u>	<u>13,592,937</u>	<u>4,033,877</u>
Other financing sources (uses):				
Transfers in	231,350	231,350	269,812	38,462
Transfers out	(12,361,749)	(12,361,749)	(8,332,150)	4,029,599
Insurance recovery	—	—	165,602	165,602
Total other financing sources (uses)	<u>(12,130,399)</u>	<u>(12,130,399)</u>	<u>(7,896,736)</u>	<u>4,233,663</u>
Net change in fund balance	<u>(2,571,339)</u>	<u>(2,571,339)</u>	<u>5,696,201</u>	<u>8,267,540</u>
Fund balance, beginning of year	<u>17,454,604</u>	<u>17,454,604</u>	<u>24,001,004</u>	<u>6,546,400</u>
Fund balance, end of year	<u>\$ 14,883,265</u>	<u>14,883,265</u>	<u>29,697,205</u>	<u>14,813,940</u>

The notes to required supplementary information are an integral part of this schedule.

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL**

Mental Health/Mental Retardation

For the fiscal year ended June 30, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
Revenues:				
Grants	\$ 35,048,535	36,799,885	35,930,946	(868,939)
County charges	—	222,921	222,424	(497)
Interest	200,000	200,000	241,710	41,710
Contributions and other	120,439	120,439	121,183	744
Total revenues	35,368,974	37,343,245	36,516,263	(826,982)
Expenditures:				
Current:				
Human services	35,897,642	37,908,530	37,084,994	823,536
Capital outlay	17,000	26,534	23,088	3,446
Total expenditures	35,914,642	37,935,064	37,108,082	826,982
Deficiency of revenues under expenditures	(545,668)	(591,819)	(591,819)	—
Other financing sources (uses):				
Transfers in	571,473	631,485	631,485	—
Transfers out	(25,805)	(39,666)	(39,666)	—
Total other financing sources (uses)	545,668	591,819	591,819	—
Net change in fund balance	—	—	—	—
Fund balance, beginning of year	—	—	—	—
Fund balance, end of year	\$ —	—	—	—

The notes to required supplementary information are an integral part of this schedule.

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL**

Children and Youth

For the fiscal year ended June 30, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
Revenues:				
Grants	\$ 11,412,297	11,412,297	10,668,597	(743,700)
County charges	464,891	464,891	440,771	(24,120)
Contributions and others	—	—	863	863
Total revenues	11,877,188	11,877,188	11,110,231	(766,957)
Expenditures:				
Current:				
Human services	14,383,993	14,323,981	13,264,124	1,059,857
Capital outlay	20,500	20,500	17,410	3,090
Total expenditures	14,404,493	14,344,481	13,281,534	1,062,947
Deficiency of revenues under expenditures	(2,527,305)	(2,467,293)	(2,171,303)	295,990
Other financing sources (uses):				
Transfers in	2,602,495	2,602,495	2,306,505	(295,990)
Transfers out	(75,190)	(135,202)	(135,202)	—
Total other financing sources (uses)	2,527,305	2,467,293	2,171,303	(295,990)
Net change in fund balance	—	—	—	—
Fund balance, beginning of year	—	—	—	—
Fund balance, end of year	\$ —	—	—	—

The notes to required supplementary information are an integral part of this schedule.

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL**

HealthChoices-Cumberland County

For the fiscal year ended June 30, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
Revenues:				
Grants	\$ 21,575,524	25,299,806	25,291,114	(8,692)
Interest	15,390	7,053	6,569	(484)
Total revenues	<u>21,590,914</u>	<u>25,306,859</u>	<u>25,297,683</u>	<u>(9,176)</u>
Expenditures:				
Current:				
Human services	21,590,914	25,306,859	25,297,683	9,176
Total expenditures	<u>21,590,914</u>	<u>25,306,859</u>	<u>25,297,683</u>	<u>9,176</u>
Excess of revenues over expenditures	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Other financing uses:				
Transfers out	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total other financing uses	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balance	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance, beginning of year	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance, end of year	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>

The notes to required supplementary information are an integral part of this schedule.

REQUIRED SUPPLEMENTARY INFORMATION
EMPLOYEES' RETIREMENT AND OTHER POSTEMPLOYMENT
BENEFITS PLANS
COUNTY OF CUMBERLAND, PENNSYLVANIA

December 31, 2009

Retirement Plan Schedule of Funding Progress

(1) Actuarial Valuation Date	(2) Actuarial Value of Assets	(3) Actuarial Accrued Liability- Entry Age	(4) Unfunded Actuarial Accrued Liability	(5) Funded Ratio (2/3)	(6) Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll (4/6)
1/1/05	\$84,105,420	\$95,733,266	\$11,627,846	87.9%	\$40,117,850	29.0%
1/1/06	91,003,246	103,853,132	12,849,886	87.6%	39,731,561	32.3%
1/1/07	98,379,217	113,652,216	15,272,999	86.6%	43,083,443	35.4%
1/1/08	114,308,129	124,585,352	10,277,223	91.8%	45,483,821	22.6%
1/1/09	110,828,272	134,504,045	23,675,773	82.4%	48,315,850	49.0%
1/1/10	116,285,726	144,290,263	28,004,537	80.6%	49,902,927	56.1%

Retirement Plan Schedule of Employer's Contributions

Year Ended December 31	Annual Required Contribution	County Contribution	Percentage Contributed
2004	\$ 2,084,919	\$ 2,084,919	100%
2005	2,421,626	2,421,626	100%
2006	2,611,643	2,611,643	100%
2007	3,018,632	3,018,632	100%
2008	2,656,503	2,656,503	100%
2009	4,327,851	4,327,851	100%

The information presented in the above schedule was determined as part of the actuarial valuations of the Retirement Plan at the dates indicated.

In 2009, the County incurred \$4,327,851 of actuarially determined annual pension cost.

In 2009, the County's Pension Trust – Employees' Retirement Fund recognized \$3,680,622 of employer contributions, consisting of the actuarially determined employer contribution offset by an additional \$647,229 employer contribution accrued in the previous year which was in excess of the 2008 actuarially determined annual pension cost.

REQUIRED SUPPLEMENTARY INFORMATION
EMPLOYEES' RETIREMENT AND OTHER POSTEMPLOYMENT
BENEFITS PLANS
COUNTY OF CUMBERLAND, PENNSYLVANIA

December 31, 2009

(Continued)

Other Postemployment Benefits Plan
Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
1/1/2008	-	\$ 2,061,392	\$ 2,061,392	-	\$ 44,752,526	4.60%
1/1/2009	-	2,034,841	2,034,841	-	44,752,526	4.55%

Because 2008 was the year of transition for GASB Statement No. 45, the requirements of GASB Statement No. 45 have been implemented prospectively; therefore, the above illustration does not reflect similar information for three consecutive years.

1. Budgetary Information

Formal budgetary accounting is employed as a management control in the County’s governmental funds. Annual operating budgets are adopted each year through the passage of an annual budget ordinance.

With the exception of the general fund, all funds perform their budgeting according to generally accepted accounting principles (GAAP).

The general fund presentation in the basic financial statements is made up of several consolidated funds; whereas, in the legally adopted budget, these funds are budgeted separately. Therefore, these funds are added to the general fund on a budgetary basis in order to reconcile to the general fund presentation in the basic financial statements. The schedule of revenues, expenditures and changes in fund balances – budget and actual schedules for the other general fund programs are presented in Supplementary Information.

The legally adopted budget does not include the Cumberland Area Economic Development Corporation (a blended component unit), Cumberland County Industrial Development Authority (a component unit) and certain District Attorney Programs. Additionally, the County budgets for indirect costs and library taxes as revenue and expenditures, but they are not reported as such under GAAP. Accordingly, the applicable columns of the general fund schedule of revenues, expenditures and changes in fund balances – budget and actual (budget basis) exclude amounts relating to the unbudgeted amounts and include amounts related to indirect costs.

Funds contained in the legally adopted budget are presented on either a calendar year ended December 31, 2009, or on a fiscal year ended June 30, 2009. The year ended is indicated on each statement.

A reconciliation of the net change in fund balance from a budget basis to a GAAP basis for budgeted and unbudgeted activity and for fund structure differences for the year ended December 31, 2009, follows:

	<u>General Fund</u>
Budgetary basis- net change in fund balance	\$ 5,696,201
Adjustments:	
To adjust revenues, expenditures and other financing sources/uses:	
Net fund unbudgeted revenues, expenditures and other financing sources/uses:	50,704
Fund balance effect from funds included in GAAP statements:	
Criminal justice and intermediate punishment	1,503
Offender supervision fund	<u>(4,386)</u>
GAAP basis - net change in fund balance	<u>\$ 5,744,022</u>

The County of Cumberland follows these procedures in establishing the budget data presented in the budgetary comparison schedules:

1. During the months of February and March for fiscal budgets, and July and August for calendar funds, each department reviews current and prior year financial information to develop budget projections for the upcoming fiscal year. These projections often are developed in consultation with the County Finance Office. The results are submitted by each department in a standard format to the County Finance Office as a preliminary budget proposal.
2. The County Finance Office reviews all submissions and consults with departments as needed to substantiate the basis for requests and to refine the budget projections. The County Finance Office makes necessary adjustments to department submissions and compiles the data for presentation to the Board of County Commissioners, which occurs during a public hearing process.
3. The County Finance Office and the Chief Clerk develop a revenue projection and financing strategy in support of the proposed budget. A preliminary budget including revenue and expenditure projections is submitted to the County Commissioners for consideration.
4. The final budget is presented to the County Commissioners and after proper public notice is placed on display for a period of 20 days in accordance with the County Code. The County Commissioners adopt the budget after the necessary inspection period by enacting a formal budget resolution. The resulting budget is published in written form.
5. The County Commissioners may at any time, by resolution, make supplemental appropriations for any lawful purpose from any funds on hand. These funds include amounts estimated to be received within the fiscal year and not otherwise appropriated as well as the proceeds of any borrowing authorized by law. The County Commissioners may authorize the transfer of all or part of any unencumbered balances. The County Commissioners must approve changes to overall appropriations at the fund level. Therefore, the legal level of budgetary responsibility is by fund.

During the year, there was a general fund supplemental appropriation enacted in the amount of \$21,789. The schedule of revenues, expenditures and changes in fund balances – budget and actual (budget basis) reflects this.

Actual expenditures and operating transfers out may not legally exceed “budget” appropriations at the individual fund level.

Encumbered and unencumbered appropriations lapse at the close of the fiscal year to the extent that they have not been expended.

Supplementary Information

Nonmajor Governmental Fund Combining Statements

NONMAJOR GOVERNMENTAL FUNDS

DESCRIPTION OF FUNDS

Special Revenue Funds

Governmental fund type used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditure for specified purposes.

- Liquid fuels tax – Used to account for state aid revenues used for building and improving roads and bridges.
- Domestic relations office – Used to account for expenditures and reimbursement revenue related to the operation of the County’s child support enforcement program, which is funded with federal, state and County funds.
- Human service-related special revenue funds are used to account for revenue received from various federal, state and local sources. These funds, which are restricted for the provision of specified social services to eligible residents, are as follows:
 - Office of aging fund
 - Human services development fund
 - Food and shelter fund
 - Drug and alcohol fund
- The courts and justice-related special revenue funds are used to account for revenue received from various federal and state sources and fines and costs collected from the general public. These funds, which are restricted to providing specified judicial services, are as follows:
 - Central booking fund
 - Witness assistance fund
 - Accelerated rehabilitative disposition/driving under the influence program fund
- Records improvement fund – Used to account for revenues received from improvement fees collected on Recorder of Deeds transactions to fund record improvement projects within the County.
- Recycling and waste fund – Used to account for grants to fund the operation of the County recycling and waste plan.
- Affordable housing fund – Used to account for revenues received from fees charged for recording deeds and mortgages to finance affordable housing efforts in the County.
- Exit 44 study fund – Used to account for proceeds from an infrastructure bank loan to fund preliminary engineering and environmental work to initiate a new interchange for a local interstate highway.
- Hotel tax fund – Used to account for revenues received from the hotel occupancy tax to fund countywide tourism.
- Cumberland Area Economic Development Corporation (CAEDC) - CAEDC’s mission is to preserve, facilitate, promote and foster economic development within Cumberland County and the surrounding

NONMAJOR GOVERNMENTAL FUNDS
DESCRIPTION OF FUNDS

region. CAEDC is a governmental not-for-profit entity that, despite being legally separate, is reported as a blended component unit (a non-major, special revenue fund), due to the fact that CAEDC's governing body is substantively the same as that of the County.

Debt Service Fund

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

COMBINING BALANCE SHEET
Nonmajor Governmental Funds

December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Special Revenue						
	Liquid Fuels Tax	Domestic Relations Office	Office of Aging	Human Services Development	Food and Shelter	Drug and Alcohol	Central Booking
Assets							
Cash and cash equivalents	\$ 196,852	147,892	81,682	—	—	17,287	—
Investments	350,000	—	446,000	—	—	—	—
Receivables:							
Taxes	—	—	—	—	—	—	—
Due from other governments	118,575	501,471	681,450	—	335,194	70,276	—
Accounts receivable	1,174	—	15,754	—	574,426	49,949	—
Due from other funds	858	—	—	47,887	632,652	644,436	40,232
Prepaid items	—	—	—	—	—	—	148
Total assets	<u>\$ 667,459</u>	<u>649,363</u>	<u>1,224,886</u>	<u>47,887</u>	<u>1,542,272</u>	<u>781,948</u>	<u>40,380</u>
Liabilities and fund balances							
Liabilities:							
Accounts payable	\$ 13,055	1,513	132,509	6,730	320,273	163,325	14,842
Accrued liabilities and withholdings	—	72,264	55,761	4,244	17,360	33,565	25,538
Due to other funds	—	565,636	612,048	—	—	—	—
Deferred revenue	—	—	53,792	36,913	87,517	118,297	—
Funds held as fiduciary	—	9,950	—	—	—	—	—
Total liabilities	<u>13,055</u>	<u>649,363</u>	<u>854,110</u>	<u>47,887</u>	<u>425,150</u>	<u>315,187</u>	<u>40,380</u>
Fund balances:							
Unreserved, undesignated	654,404	—	370,776	—	1,117,122	466,761	—
Total fund balances	<u>654,404</u>	<u>—</u>	<u>370,776</u>	<u>—</u>	<u>1,117,122</u>	<u>466,761</u>	<u>—</u>
Total liabilities and fund balances	<u>\$ 667,459</u>	<u>649,363</u>	<u>1,224,886</u>	<u>47,887</u>	<u>1,542,272</u>	<u>781,948</u>	<u>40,380</u>

(Continued)

COMBINING BALANCE SHEET
Nonmajor Governmental Funds

December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Special Revenue						
	Witness Assistance	ARD/DUI Program	Records Improvement	Recycling and Waste	Affordable Housing	Exit 44 Study	Hotel Tax
(Continued)							
Assets							
Cash and cash equivalents	\$ —	—	246,305	8,179	83,022	—	562,460
Investments	—	—	700,000	1,800,000	—	—	—
Receivables:							
Taxes	—	—	—	—	—	—	59,450
Due from other governments	19,608	—	—	32,067	—	19,219	—
Accounts receivable	23,619	—	—	—	—	—	—
Due from other funds	9,459	1,850	—	—	—	—	—
Prepaid items	6,206	—	8,318	—	—	—	—
Total assets	<u>\$ 58,892</u>	<u>1,850</u>	<u>954,623</u>	<u>1,840,246</u>	<u>83,022</u>	<u>19,219</u>	<u>621,910</u>
Liabilities and fund balances							
Liabilities:							
Accounts payable	\$ 814	1,850	—	183	14,960	4,104	—
Accrued liabilities and withholdings	10,723	—	1,165	6,339	—	—	—
Due to other funds	—	—	23,025	11,797	11,985	15,115	621,910
Deferred revenue	—	—	—	—	—	—	—
Funds held as fiduciary	—	—	—	—	—	—	—
Total liabilities	<u>11,537</u>	<u>1,850</u>	<u>24,190</u>	<u>18,319</u>	<u>26,945</u>	<u>19,219</u>	<u>621,910</u>
Fund balances:							
Unreserved, undesignated	47,355	—	930,433	1,821,927	56,077	—	—
Total fund balances	<u>47,355</u>	<u>—</u>	<u>930,433</u>	<u>1,821,927</u>	<u>56,077</u>	<u>—</u>	<u>—</u>
Total liabilities and fund balances	<u>\$ 58,892</u>	<u>1,850</u>	<u>954,623</u>	<u>1,840,246</u>	<u>83,022</u>	<u>19,219</u>	<u>621,910</u>

(Continued)

COMBINING BALANCE SHEET
Nonmajor Governmental Funds

December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<u>Special Revenue</u>		<u>Debt Service</u>	<u>Total</u>
	<u>CAEDC</u>	<u>Total</u>		<u>Nonmajor Governmental Funds</u>
(Continued)				
Assets				
Cash and cash equivalents	\$ 1,033,618	2,377,297	—	2,377,297
Investments	152,471	3,448,471	—	3,448,471
Receivables:				
Taxes	—	59,450	—	59,450
Due from other governments	115,744	1,893,604	—	1,893,604
Accounts receivable	—	664,922	—	664,922
Due from other funds	127,479	1,504,853	—	1,504,853
Prepaid items	41,146	55,818	—	55,818
Total assets	<u>\$ 1,470,458</u>	<u>10,004,415</u>	<u>—</u>	<u>10,004,415</u>
Liabilities and fund balances				
Liabilities:				
Accounts payable	\$ 47,989	722,147	—	722,147
Accrued liabilities and withholdings	—	226,959	—	226,959
Due to other funds	—	1,861,516	—	1,861,516
Deferred revenue	22,050	318,569	—	318,569
Funds held as fiduciary	—	9,950	—	9,950
Total liabilities	<u>70,039</u>	<u>3,139,141</u>	<u>—</u>	<u>3,139,141</u>
Fund balances:				
Unreserved, undesignated	<u>1,400,419</u>	<u>6,865,274</u>	<u>—</u>	<u>6,865,274</u>
Total fund balances	<u>1,400,419</u>	<u>6,865,274</u>	<u>—</u>	<u>6,865,274</u>
Total liabilities and fund balances	<u>\$ 1,470,458</u>	<u>10,004,415</u>	<u>—</u>	<u>10,004,415</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES**

Nonmajor Governmental Funds

For the year ended December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Special Revenue						
	Liquid Fuels Tax	Domestic Relations Office	Office of Aging	Human Services Development	Food and Shelter	Drug and Alcohol	Central Booking
Revenues:							
Taxes	\$ —	—	—	—	—	—	—
Grants	494,147	2,138,680	3,897,394	310,388	686,254	2,233,285	—
County charges	6,731	31,419	778,780	—	4,297,472	275,925	121,150
Court costs, fines and forfeitures	—	14,079	—	—	—	154,996	243,024
Interest	14,624	1,673	9,756	787	837	—	—
Contributions and other	—	—	36,702	—	3,000	21,597	—
Total revenues	<u>515,502</u>	<u>2,185,851</u>	<u>4,722,632</u>	<u>311,175</u>	<u>4,987,563</u>	<u>2,685,803</u>	<u>364,174</u>
Expenditures:							
Current:							
General government – administrative	—	—	—	—	—	—	—
General government – judicial	—	2,865,154	—	—	—	—	820,531
Public works and enterprises	692,784	—	—	—	—	—	—
Human services	—	—	5,047,609	274,963	4,821,488	3,043,704	—
Culture and recreation	—	—	—	—	—	—	—
Conservation and development	—	—	—	—	—	—	—
Economic development and assistance	—	—	—	—	—	—	—
Debt service:							
Principal retirement	—	—	—	—	—	—	—
Debt interest	—	—	—	—	—	—	—
Bond issuance costs	—	—	—	—	—	—	—
Capital outlay	—	2,750	—	—	149,666	6,321	15,173
Payments to other governments	15,253	—	—	—	—	—	—
Total expenditures	<u>708,037</u>	<u>2,867,904</u>	<u>5,047,609</u>	<u>274,963</u>	<u>4,971,154</u>	<u>3,050,025</u>	<u>835,704</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(192,535)</u>	<u>(682,053)</u>	<u>(324,977)</u>	<u>36,212</u>	<u>16,409</u>	<u>(364,222)</u>	<u>(471,530)</u>
Other financing sources (uses):							
Transfers in	—	461,361	271,152	6,250	—	378,515	471,530
Transfers out	—	(14,078)	—	(42,462)	(231,690)	—	—
Refunding bonds issued	—	—	—	—	—	—	—
Payment to refund bonds	—	—	—	—	—	—	—
Bond discount	—	—	—	—	—	—	—
Total other financing sources (uses)	<u>—</u>	<u>447,283</u>	<u>271,152</u>	<u>(36,212)</u>	<u>(231,690)</u>	<u>378,515</u>	<u>471,530</u>
Net changes in fund balance	<u>(192,535)</u>	<u>(234,770)</u>	<u>(53,825)</u>	<u>—</u>	<u>(215,281)</u>	<u>14,293</u>	<u>—</u>
Fund balances, beginning of year	846,939	234,770	424,600	—	1,332,402	452,468	—
Fund balances, end of year	<u>\$ 654,404</u>	<u>—</u>	<u>370,775</u>	<u>—</u>	<u>1,117,121</u>	<u>466,761</u>	<u>—</u>

(Continued)

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES**

Nonmajor Governmental Funds

For the year ended December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Special Revenue							
	Witness Assistance	ARD/DUI Program	Records Improvement	Recycling		Affordable Housing	Exit 44 Study	Hotel Tax
				and Waste	Waste			
(Continued)								
Revenues:								
Taxes	\$ —	—	—	—	—	—	—	1,192,707
Grants	253,466	—	—	160,115	—	35,707	—	—
County charges	28,202	444,834	212,426	114,998	235,154	—	—	—
Court costs, fines and forfeitures	—	—	—	—	—	—	—	—
Interest	—	—	14,873	34,661	397	—	—	8,931
Contributions and other	3,182	—	—	—	—	—	—	—
Total revenues	<u>284,850</u>	<u>444,834</u>	<u>227,299</u>	<u>309,774</u>	<u>235,551</u>	<u>35,707</u>	<u>—</u>	<u>1,201,638</u>
Expenditures:								
Current:								
General government – administrative	—	—	97,921	—	43,841	—	—	—
General government – judicial	—	150,699	—	—	—	—	—	—
Public works and enterprises	—	—	—	475,143	—	—	—	—
Human services	406,683	—	—	—	—	—	—	—
Culture and recreation	—	—	—	—	—	—	—	23,836
Conservation and development	—	—	—	—	—	35,707	—	—
Economic development and assistance	—	—	—	—	—	—	—	—
Debt service:								
Principal retirement	—	—	—	—	—	—	—	—
Debt interest	—	—	—	—	—	—	—	—
Bond issuance costs	—	—	—	—	—	—	—	—
Capital outlay	1,419	5,667	110,782	14,698	—	—	—	—
Payments to other governments	—	—	—	—	174,873	—	—	—
Total expenditures	<u>408,102</u>	<u>156,366</u>	<u>208,703</u>	<u>489,841</u>	<u>218,714</u>	<u>35,707</u>	<u>—</u>	<u>23,836</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(123,252)</u>	<u>288,468</u>	<u>18,596</u>	<u>(180,067)</u>	<u>16,837</u>	<u>—</u>	<u>—</u>	<u>1,177,802</u>
Other financing sources (uses):								
Transfers in	121,601	—	—	—	—	—	—	—
Transfers out	—	(288,468)	—	—	—	—	—	(1,177,802)
Refunding bond issued	—	—	—	—	—	—	—	—
Payment to refund bonds	—	—	—	—	—	—	—	—
Bond discount	—	—	—	—	—	—	—	—
Total other financing sources (uses)	<u>121,601</u>	<u>(288,468)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(1,177,802)</u>
Net changes in fund balance	<u>(1,651)</u>	<u>—</u>	<u>18,596</u>	<u>(180,067)</u>	<u>16,837</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balances, beginning of year	49,007	—	911,837	2,001,995	39,241	—	—	—
Fund balances, end of year	<u>\$ 47,356</u>	<u>—</u>	<u>930,433</u>	<u>1,821,928</u>	<u>56,078</u>	<u>—</u>	<u>—</u>	<u>—</u>

(Continued)

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Nonmajor Governmental Funds

For the year ended December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Special Revenue			Total Nonmajor Governmental Funds
(Continued)	CAEDC	Total	Debt Service	Funds
Revenues:				
Taxes	\$ —	1,192,707	—	1,192,707
Grants	229,217	10,438,653	—	10,438,653
County charges	97,695	6,644,786	—	6,644,786
Court costs, fines and forfeitures	—	412,099	—	412,099
Interest	14,012	100,551	5,376	105,927
Contributions and other	—	64,481	—	64,481
Total revenues	340,924	18,853,277	5,376	18,858,653
Expenditures:				
Current:				
General government – administrative	—	141,762	—	141,762
General government – judicial	—	3,836,384	—	3,836,384
Public works and enterprises	—	1,167,927	—	1,167,927
Human services	—	13,594,447	—	13,594,447
Culture and recreation	—	23,836	—	23,836
Conservation and development	—	35,707	—	35,707
Economic development and assistance	1,297,021	1,297,021	—	1,297,021
Debt service:				
Principal retirement	—	—	1,423,447	1,423,447
Debt interest	—	—	1,242,682	1,242,682
Bond issuance costs	—	—	145,207	145,207
Capital outlay	4,600	311,076	—	311,076
Payments to other governments	—	190,126	—	190,126
Total expenditures	1,301,621	20,598,286	2,811,336	23,409,622
Excess (deficiency) of revenues over (under) expenditures	(960,697)	(1,745,009)	(2,805,960)	(4,550,969)
Other financing sources (uses):				
Transfers in	1,227,955	2,938,364	2,666,223	5,604,587
Transfers out	—	(1,754,500)	—	(1,754,500)
Refunding bond issued	—	—	7,156,482	7,156,482
Payment to refund bonds	—	—	(7,108,829)	(7,108,829)
Bond discount	—	—	92,084	92,084
Total other financing sources (uses)	1,227,955	1,183,864	2,805,960	3,989,824
Net changes in fund balance	267,258	(561,145)	—	(561,145)
Fund balances, beginning of year	1,133,160	7,426,419	—	7,426,419
Fund balances, end of year	\$ 1,400,418	6,865,274	—	6,865,274

**Nonmajor and Other Governmental Fund Budgetary
Schedules**

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Liquid Fuels Tax

For the year ended December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
Revenues:				
Grants:				
Liquid fuels tax	\$ 1,046,000	1,046,000	494,147	(551,853)
County charges	—	—	6,731	6,731
Interest	11,000	11,000	14,624	3,624
Total revenues	<u>1,057,000</u>	<u>1,057,000</u>	<u>515,502</u>	<u>(541,498)</u>
Expenditures:				
Current:				
Public works and enterprises	278,775	687,529	692,784	(5,255)
Capital outlay	700,000	499,615	—	499,615
Payments to other governments	82,500	70,130	15,253	54,877
Total expenditures	<u>1,061,275</u>	<u>1,257,274</u>	<u>708,037</u>	<u>549,237</u>
Deficiency of revenues under expenditures	(4,275)	(200,274)	(192,535)	7,739
Fund balance, beginning of year	<u>814,568</u>	<u>814,568</u>	<u>846,939</u>	<u>32,371</u>
Fund balance, end of year	<u>\$ 810,293</u>	<u>614,294</u>	<u>654,404</u>	<u>40,110</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Domestic Relations Office

For the year ended December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
Revenues:				
Grants	\$ 2,048,000	2,048,000	2,138,680	90,680
County charges	36,155	36,155	31,419	(4,736)
Court costs, fines, and forfeitures	14,100	14,100	14,079	(21)
Interest	3,800	3,800	1,673	(2,127)
Total revenues	<u>2,102,055</u>	<u>2,102,055</u>	<u>2,185,851</u>	<u>83,796</u>
Expenditures:				
Current:				
General government – judicial	2,948,840	2,952,735	2,865,154	87,581
Capital outlay	<u>6,695</u>	<u>2,800</u>	<u>2,750</u>	<u>50</u>
Total expenditures	<u>2,955,535</u>	<u>2,955,535</u>	<u>2,867,904</u>	<u>87,631</u>
Deficiency of revenues under expenditures	<u>(853,480)</u>	<u>(853,480)</u>	<u>(682,053)</u>	<u>171,427</u>
Other financing sources (uses):				
Transfers in	867,558	867,558	461,361	(406,197)
Transfers out	<u>(14,078)</u>	<u>(14,078)</u>	<u>(14,078)</u>	<u>—</u>
Total other financing sources (uses)	<u>853,480</u>	<u>853,480</u>	<u>447,283</u>	<u>(406,197)</u>
Net change in fund balance	—	—	(234,770)	(234,770)
Fund balance, beginning of year	<u>—</u>	<u>—</u>	<u>234,770</u>	<u>234,770</u>
Fund balance, end of year	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Office of Aging

For the fiscal year ended June 30, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
Revenues:				
Grants	\$ 4,011,730	4,826,411	4,216,084	(610,327)
County charges	99,500	116,000	421,129	305,129
Interest	15,500	20,000	20,082	82
Contributions and other	27,000	37,300	39,184	1,884
Total revenues	<u>4,153,730</u>	<u>4,999,711</u>	<u>4,696,479</u>	<u>(303,232)</u>
Expenditures:				
Current:				
Human services	4,549,008	5,354,011	5,009,531	344,480
Capital outlay	20,000	8,000	6,600	1,400
Total expenditures	<u>4,569,008</u>	<u>5,362,011</u>	<u>5,016,131</u>	<u>345,880</u>
Deficiency of revenues under expenditures	<u>(415,278)</u>	<u>(362,300)</u>	<u>(319,652)</u>	<u>42,648</u>
Other financing sources:				
Transfers in	<u>210,082</u>	<u>260,930</u>	<u>271,152</u>	<u>10,222</u>
Total other financing sources	<u>210,082</u>	<u>260,930</u>	<u>271,152</u>	<u>10,222</u>
Net change in fund balance	(205,196)	(101,370)	(48,500)	52,870
Fund balance, beginning of year	<u>481,550</u>	<u>481,550</u>	<u>558,785</u>	<u>77,235</u>
Fund balance, end of year	<u>\$ 276,354</u>	<u>380,180</u>	<u>510,285</u>	<u>130,105</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Human Services Development

For the fiscal year ended June 30, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
Revenues:				
Grants	\$ 335,087	336,515	336,515	—
Interest	1,000	1,000	787	(213)
Total revenues	336,087	337,515	337,302	(213)
Expenditures:				
Current:				
Human services	311,899	293,031	292,840	191
Total expenditures	311,899	293,031	292,840	191
Excess of revenues over expenditures	24,188	44,484	44,462	(22)
Other financing sources (uses):				
Transfers in	3,894	—	—	—
Transfers out	(28,082)	(44,484)	(44,462)	22
Total other financing sources (uses):	(24,188)	(44,484)	(44,462)	22
Net change in fund balance	—	—	—	—
Fund balance, beginning of year	—	—	—	—
Fund balance, end of year	\$ —	—	—	—

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Food and Shelter

For the fiscal year ended June 30, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
Revenues:				
Grants	\$ 4,615,130	4,611,456	2,506,470	(2,104,986)
County charges	631,363	631,363	2,377,331	1,745,968
Interest	1,250	1,250	837	(413)
Contributions and other	4,000	4,000	3,000	(1,000)
Total revenues	<u>5,251,743</u>	<u>5,248,069</u>	<u>4,887,638</u>	<u>(360,431)</u>
Expenditures:				
Current:				
Human services	<u>5,130,241</u>	<u>5,142,310</u>	<u>4,660,290</u>	<u>482,020</u>
Total expenditures	<u>5,130,241</u>	<u>5,142,310</u>	<u>4,660,290</u>	<u>482,020</u>
Excess of revenues over expenditures	<u>121,502</u>	<u>105,759</u>	<u>227,348</u>	<u>121,589</u>
Other financing uses:				
Transfers out	<u>(191,894)</u>	<u>(231,690)</u>	<u>(231,690)</u>	<u>—</u>
Total other financing uses	<u>(191,894)</u>	<u>(231,690)</u>	<u>(231,690)</u>	<u>—</u>
Net change in fund balance	(70,392)	(125,931)	(4,342)	121,589
Fund balance, beginning of year	<u>1,225,230</u>	<u>1,225,230</u>	<u>1,228,358</u>	<u>3,128</u>
Fund balance, end of year	<u>\$ 1,154,838</u>	<u>1,099,299</u>	<u>1,224,016</u>	<u>124,717</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Drug and Alcohol

For the fiscal year ended June 30, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
Revenues:				
Grants	\$ 2,030,713	2,378,834	2,378,835	1
County charges	176,138	225,285	237,699	12,414
Court costs, fines and forfeitures	113,000	129,728	141,363	11,635
Contributions and other	12,611	20,465	20,938	473
Total revenues	<u>2,332,462</u>	<u>2,754,312</u>	<u>2,778,835</u>	<u>24,523</u>
Expenditures:				
Current:				
Human services	2,725,854	3,323,781	3,152,695	171,086
Capital outlay	6,000	7,454	7,454	—
Total expenditures	<u>2,731,854</u>	<u>3,331,235</u>	<u>3,160,149</u>	<u>171,086</u>
Deficiency of revenues under expenditures	<u>(399,392)</u>	<u>(576,923)</u>	<u>(381,314)</u>	<u>195,609</u>
Other financing sources:				
Transfers in	<u>338,939</u>	<u>379,529</u>	<u>372,339</u>	<u>(7,190)</u>
Total other financing sources	<u>338,939</u>	<u>379,529</u>	<u>372,339</u>	<u>(7,190)</u>
Net change in fund balance	(60,453)	(197,394)	(8,975)	188,419
Fund balance, beginning of year	<u>409,198</u>	<u>409,198</u>	<u>409,197</u>	<u>(1)</u>
Fund balance, end of year	<u>\$ 348,745</u>	<u>211,804</u>	<u>400,222</u>	<u>188,418</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Central Booking

For the year ended December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
Revenues:				
County charges	\$ 105,350	105,350	121,150	15,800
Court costs, fines and forfeitures	210,200	210,200	243,024	32,824
Total revenues	<u>315,550</u>	<u>315,550</u>	<u>364,174</u>	<u>48,624</u>
Expenditures:				
Current:				
General government – judicial	926,171	898,790	820,531	78,259
Capital outlay	5,800	33,181	15,173	18,008
Total expenditures	<u>931,971</u>	<u>931,971</u>	<u>835,704</u>	<u>96,267</u>
Deficiency of revenues under expenditures	<u>(616,421)</u>	<u>(616,421)</u>	<u>(471,530)</u>	<u>144,891</u>
Other financing sources:				
Transfers in	<u>616,421</u>	<u>616,421</u>	<u>471,530</u>	<u>(144,891)</u>
Total other financing sources	<u>616,421</u>	<u>616,421</u>	<u>471,530</u>	<u>(144,891)</u>
Net change in fund balance	—	—	—	—
Fund balance, beginning of year	—	—	—	—
Fund balance, end of year	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Witness Assistance

For the year ended December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
Revenues:				
Grants	\$ 172,285	172,285	172,286	1
County charges	28,550	28,550	28,202	(348)
Contributions and other	6,000	6,000	3,182	(2,818)
Total revenues	<u>206,835</u>	<u>206,835</u>	<u>203,670</u>	<u>(3,165)</u>
Expenditures:				
Current:				
Human services	288,975	287,262	272,039	15,223
Capital outlay	—	1,713	1,419	294
Total expenditures	<u>288,975</u>	<u>288,975</u>	<u>273,458</u>	<u>15,517</u>
Deficiency of revenues under expenditures	<u>(82,140)</u>	<u>(82,140)</u>	<u>(69,788)</u>	<u>12,352</u>
Other financing sources:				
Transfers in	<u>81,725</u>	<u>81,725</u>	<u>68,137</u>	<u>(13,588)</u>
Total other financing sources	<u>81,725</u>	<u>81,725</u>	<u>68,137</u>	<u>(13,588)</u>
Net change in fund balance	(415)	(415)	(1,651)	(1,236)
Fund balance, beginning of year	<u>41,590</u>	<u>41,590</u>	<u>49,007</u>	<u>7,417</u>
Fund balance, end of year	<u>\$ 41,175</u>	<u>41,175</u>	<u>47,356</u>	<u>6,181</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Witness Assistance - VOCA

For the fiscal year ended June 30, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
Revenues:				
Grants	\$ 82,075	82,075	82,075	—
Total revenues	82,075	82,075	82,075	—
Expenditures:				
Current:				
Human services	145,470	149,732	149,732	—
Total expenditures	145,470	149,732	149,732	—
Deficiency of revenues under expenditures	(63,395)	(67,657)	(67,657)	—
Other financing sources:				
Transfers in	63,395	67,657	67,657	—
Total other financing sources	63,395	67,657	67,657	—
Net change in fund balance	—	—	—	—
Fund balance, beginning of year	—	—	—	—
Fund balance, end of year	\$ —	—	—	—

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

ARD/DUI Program

For the year ended December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
Revenues:				
County charges	\$ 444,000	448,000	444,834	(3,166)
Total revenues	444,000	448,000	444,834	(3,166)
Expenditures:				
Current:				
General government – judicial	163,300	153,426	150,699	2,727
Capital outlay	—	5,669	5,667	2
Total expenditures	163,300	159,095	156,366	2,729
Excess of revenues over expenditures	280,700	288,905	288,468	(437)
Other financing uses:				
Transfers out	(280,700)	(288,905)	(288,468)	437
Total other financing uses	(280,700)	(288,905)	(288,468)	437
Net change in fund balance	—	—	—	—
Fund balance, beginning of year	—	—	—	—
Fund balance, end of year	\$ —	—	—	—

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Records Improvement

For the year ended December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
Revenues:				
County charges	\$ 218,000	218,000	212,426	(5,574)
Interest	23,500	23,500	14,873	(8,627)
Total revenues	<u>241,500</u>	<u>241,500</u>	<u>227,299</u>	<u>(14,201)</u>
Expenditures:				
Current:				
General government – administrative	232,600	206,130	97,921	108,209
Capital outlay	—	116,470	110,782	5,688
Total expenditures	<u>232,600</u>	<u>322,600</u>	<u>208,703</u>	<u>113,897</u>
Excess (deficiency) of revenues over (under) expenditures	8,900	(81,100)	18,596	99,696
Fund balance, beginning of year	<u>918,350</u>	<u>918,350</u>	<u>911,837</u>	<u>(6,513)</u>
Fund balance, end of year	<u>\$ 927,250</u>	<u>837,250</u>	<u>930,433</u>	<u>93,183</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Recycling and Waste

For the year ended December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
Revenues:				
Grants	\$ 88,698	88,698	160,115	71,417
County charges	80,950	80,950	114,998	34,048
Interest	80,500	80,500	34,661	(45,839)
Contributions and other	500	500	—	(500)
Total revenues	<u>250,648</u>	<u>250,648</u>	<u>309,774</u>	<u>59,126</u>
Expenditures:				
Current:				
Public works and enterprises	622,108	629,668	475,143	154,525
Capital outlay	23,137	15,577	14,698	879
Total expenditures	<u>645,245</u>	<u>645,245</u>	<u>489,841</u>	<u>155,404</u>
Deficiency of revenues under expenditures	(394,597)	(394,597)	(180,067)	214,530
Fund balance, beginning of year	<u>1,877,054</u>	<u>1,877,054</u>	<u>2,001,995</u>	<u>124,941</u>
Fund balance, end of year	<u>\$ 1,482,457</u>	<u>1,482,457</u>	<u>1,821,928</u>	<u>339,471</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Affordable Housing

For the year ended December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
Revenues:				
County charges	\$ 236,000	236,000	235,154	(846)
Interest	200	200	397	197
Total revenues	<u>236,200</u>	<u>236,200</u>	<u>235,551</u>	<u>(649)</u>
Expenditures:				
Current:				
General government - administrative	35,310	43,960	43,841	119
Payments to other governments	<u>200,100</u>	<u>191,450</u>	<u>174,873</u>	<u>16,577</u>
Total expenditures	<u>235,410</u>	<u>235,410</u>	<u>218,714</u>	<u>16,696</u>
Excess of revenues over expenditures	790	790	16,837	16,047
Fund balance, beginning of year	<u>28,377</u>	<u>28,377</u>	<u>39,241</u>	<u>10,864</u>
Fund balance, end of year	<u><u>\$ 29,167</u></u>	<u><u>29,167</u></u>	<u><u>56,078</u></u>	<u><u>26,911</u></u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Exit 44 Study

For the year ended December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
Revenues:				
Grants	\$ 80,000	80,000	35,707	(44,293)
Total revenues	80,000	80,000	35,707	(44,293)
Expenditures:				
Current:				
Conservation and development	80,000	80,000	35,707	44,293
Total expenditures	80,000	80,000	35,707	44,293
Excess of revenues over expenditures	—	—	—	—
Fund balance, beginning of year	—	—	—	—
Fund balance, end of year	\$ —	—	—	—

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Hotel Tax

For the year ended December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
Revenues:				
Taxes	\$ 1,100,000	1,400,000	1,192,707	(207,293)
Interest	16,000	16,000	8,931	(7,069)
Total revenues	<u>1,116,000</u>	<u>1,416,000</u>	<u>1,201,638</u>	<u>(214,362)</u>
Expenditures:				
Current:				
Culture and recreation	22,000	27,500	23,836	3,664
Total expenditures	<u>22,000</u>	<u>27,500</u>	<u>23,836</u>	<u>3,664</u>
Excess of revenues over expenditures	<u>1,094,000</u>	<u>1,388,500</u>	<u>1,177,802</u>	<u>(210,698)</u>
Other financing uses:				
Transfers out	<u>(1,094,000)</u>	<u>(1,388,500)</u>	<u>(1,177,802)</u>	<u>210,698</u>
Total other financing uses	<u>(1,094,000)</u>	<u>(1,388,500)</u>	<u>(1,177,802)</u>	<u>210,698</u>
Net change in fund balance	—	—	—	—
Fund balance, beginning of year	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance, end of year	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Debt Service

For the year ended December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
Revenues:				
Interest	\$ —	5,380	5,376	(4)
Total revenues	—	5,380	5,376	(4)
Expenditures:				
Debt service:				
Principal retirement	1,584,584	1,584,584	1,423,447	161,137
Debt interest	1,400,026	1,400,026	1,242,682	157,344
Bond issuance costs	—	154,700	145,207	9,493
Total expenditures	2,984,610	3,139,310	2,811,336	327,974
Deficiency of revenues under expenditures	(2,984,610)	(3,133,930)	(2,805,960)	327,970
Other financing sources (uses):				
Transfers in	2,984,610	3,004,610	2,666,223	(338,387)
Refunding bond issued	—	7,238,820	7,156,482	(82,338)
Payment to refund bonds	—	(7,109,500)	(7,108,829)	671
Bond discount	—	—	92,084	92,084
Total other financing sources (uses)	2,984,610	3,133,930	2,805,960	(327,970)
Net change in fund balance	—	—	—	—
Fund balance, beginning of year	—	—	—	—
Fund balance, end of year	\$ —	—	—	—

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Capital Projects

For the year ended December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
Revenues:				
Grants	\$ —	100,000	100,000	—
Interest	—	535,494	508,239	(27,255)
Total revenues	—	635,494	608,239	(27,255)
Expenditures:				
Current:				
General government-administrative	113,453	219,032	211,299	7,733
Capital outlay	18,385,000	19,297,759	12,055,319	7,242,440
Total expenditures	18,498,453	19,516,791	12,266,618	7,250,173
Deficiency of revenues under expenditures	(18,498,453)	(18,881,297)	(11,658,379)	7,222,918
Other financing sources (uses):				
Transfer out	—	(20,000)	(10,540)	9,460
Proceeds from bonds issued	—	2,500,000	2,500,000	—
Total other financing sources (uses)	—	2,480,000	2,489,460	9,460
Net change in fund balance	(18,498,453)	(16,401,297)	(9,168,919)	7,232,378
Fund balance, beginning of year	18,735,799	18,735,799	17,738,683	(997,116)
Fund balance, end of year	\$ 237,346	2,334,502	8,569,764	6,235,262

Other General Fund Budgetary Schedules

OTHER GENERAL FUND BUDGETARY SCHEDULES
DESCRIPTION OF FUNDS

Other General Fund Programs

The general fund presented in the basic financial statements is made up of several consolidated funds. The following programs are not included in the general fund schedule of revenues, expenditures and changes in fund balances – budget and actual. This section presents their budgetary schedules.

- Auto theft prevention authority – To conduct criminal investigations into all allegations of auto theft and related offenses such as car-jacking, vehicle vandalism and theft from vehicles, either through direct referrals or in cooperation with other law enforcement agencies.
- Insurance fraud prevention authority – To conduct criminal investigations into all allegations of insurance fraud and other related theft offenses, either through direct referrals or in cooperation with other law enforcement agencies.
- Criminal justice planning – To assist key decision makers with the development of a managed response to the issue of prison overcrowding.
- Offender supervision – To subsidize the operations of adult probation by providing additional monies for probation officers’ salaries, safety equipment, and office supplies.
- STOP grant – To provide a coordinated approach using a detective, a victim advocate, and trial staff to combat the pervasive problem of violence against women with a concentration on the enforcement of protection from abuse orders.
- Human services administration – To coordinate client care among the various County human service agencies.

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Auto Theft Prevention Authority

For the fiscal year ended June 30, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
Revenues:				
Interest	\$ —	100	2	(98)
Total revenues	—	100	2	(98)
Expenditures:				
Current:				
Public safety	—	—	—	—
Total expenditures	—	—	—	—
Excess of revenues over expenditures	—	100	2	(98)
Other financing uses:				
Transfers out	—	(100)	(2)	98
Total other financing uses	—	(100)	(2)	98
Net change in fund balance	—	—	—	—
Fund balance, beginning of year	—	—	—	—
Fund balance, end of year	\$ —	—	—	—

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Insurance Fraud Prevention Authority

For the fiscal year ended June 30, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
Revenues:				
Grants	\$ 199,051	199,051	87,956	(111,095)
Interest	200	200	301	101
Total revenues	199,251	199,251	88,257	(110,994)
Expenditures:				
Current:				
Public safety	195,251	194,453	83,459	110,994
Total expenditures	195,251	194,453	83,459	110,994
Excess of revenues under expenditures	4,000	4,798	4,798	—
Other financing uses:				
Transfers out	(4,000)	(4,798)	(4,798)	—
Total other financing uses	(4,000)	(4,798)	(4,798)	—
Net change in fund balance	—	—	—	—
Fund balance, beginning of year	—	—	—	—
Fund balance, end of year	\$ —	—	—	—

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Criminal Justice Planning

For the fiscal year ended June 30, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
Revenues:				
Grants	\$ 368,987	446,264	416,811	(29,453)
County charges	3,165	3,165	3,229	64
Total revenues	<u>372,152</u>	<u>449,429</u>	<u>420,040</u>	<u>(29,389)</u>
Expenditures:				
Current:				
Human services	432,204	508,179	477,179	31,000
Capital outlay	—	3,302	3,302	—
Total expenditures	<u>432,204</u>	<u>511,481</u>	<u>480,481</u>	<u>31,000</u>
Deficiency of revenues under expenditures	<u>(60,052)</u>	<u>(62,052)</u>	<u>(60,441)</u>	<u>1,611</u>
Other financing sources:				
Transfers in	<u>60,052</u>	<u>60,802</u>	<u>59,872</u>	<u>(930)</u>
Total other financing sources	<u>60,052</u>	<u>60,802</u>	<u>59,872</u>	<u>(930)</u>
Net change in fund balance	—	(1,250)	(569)	681
Fund balance, beginning of year	<u>2,737</u>	<u>2,737</u>	<u>2,737</u>	<u>—</u>
Fund balance, end of year	<u>\$ 2,737</u>	<u>1,487</u>	<u>2,168</u>	<u>681</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Offender Supervision

For the fiscal year ended June 30, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
Revenues:				
County charges	\$ 550	550	263	(287)
Court costs, fines, and forfeitures	480,180	495,180	536,196	41,016
Total revenues	480,730	495,730	536,459	40,729
Expenditures:				
Current:				
Public safety	396,055	420,728	382,933	37,795
Capital outlay	20,000	46,525	36,488	10,037
Total expenditures	416,055	467,253	419,421	47,832
Excess of revenues over expenditures	64,675	28,477	117,038	88,561
Other financing uses:				
Transfers out	(75,000)	(75,000)	(75,000)	—
Total other financing uses	(75,000)	(75,000)	(75,000)	—
Net change in fund balance	(10,325)	(46,523)	42,038	88,561
Fund balance, beginning of year	666,775	666,775	666,777	2
Fund balance, end of year	\$ 656,450	620,252	708,815	88,563

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

STOP Grant

For the fiscal year ended June 30, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
Revenues:				
Grants	\$ 79,648	79,648	79,648	—
Interest	—	—	27	27
Total revenues	79,648	79,648	79,675	27
Expenditures:				
Current:				
Public safety	236,748	236,748	218,748	18,000
Total expenditures	236,748	236,748	218,748	18,000
Deficiency of revenues under expenditures	(157,100)	(157,100)	(139,073)	18,027
Other financing sources:				
Transfers in	157,100	157,100	139,073	(18,027)
Total other financing sources	157,100	157,100	139,073	(18,027)
Net change in fund balance	—	—	—	—
Fund balance, beginning of year	—	—	—	—
Fund balance, end of year	\$ —	—	—	—

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

Human Services Administration

For the fiscal year ended June 30, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
Revenues:				
Grants	\$ —	—	2,084	2,084
Total revenues	—	—	2,084	2,084
Expenditures:				
Current:				
Human services	56,035	56,035	48,569	7,466
Total expenditures	56,035	56,035	48,569	7,466
Deficiency of revenues under expenditures	(56,035)	(56,035)	(46,485)	9,550
Other financing sources:				
Transfers in	56,035	56,035	46,485	(9,550)
Total other financing sources	56,035	56,035	46,485	(9,550)
Net change in fund balance	—	—	—	—
Fund balance, beginning of year	—	—	—	—
Fund balance, end of year	\$ —	—	—	—

Nonmajor Enterprise Fund Combining Statements

NONMAJOR ENTERPRISE FUNDS
DESCRIPTION OF FUNDS

Enterprise Funds

Funds used to report on activity for which a fee is charged to external users for goods and services.

- Transportation fund – Used to account for the cost of transportation services provided to County residents and clients of various County agencies. This fund receives user fees and grants and is reimbursed by County agencies for the services provided.
- Early Learning Center fund – Used to account for the cost of operating an employee day care center at the County’s nursing home. The center is financed by tuition and County subsidy.
- Hazardous materials fund – Used to account for the cost of monitoring the storage of hazardous materials in the County and the operation of response teams. This fund is financed by grants and fees charged to those responsible for hazardous materials.

COMBINING STATEMENT OF NET ASSETS

Nonmajor Enterprise Funds

December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<u>Transportation</u>	<u>Early Learning Center</u>	<u>Hazardous Materials</u>	<u>Totals</u>
Assets				
Current assets:				
Cash and cash equivalents	\$ 200	—	—	200
Due from other funds	—	3,966	69,668	73,634
Customer accounts receivable	14,125	10,064	—	24,189
Due from other governments	224,825	—	—	224,825
Prepaid	—	—	1,000	1,000
Total current assets	<u>239,150</u>	<u>14,030</u>	<u>70,668</u>	<u>323,848</u>
Noncurrent assets:				
Capital assets, net of depreciation	841,319	218,779	216,168	1,276,266
Total noncurrent assets	<u>841,319</u>	<u>218,779</u>	<u>216,168</u>	<u>1,276,266</u>
Total assets	<u>1,080,469</u>	<u>232,809</u>	<u>286,836</u>	<u>1,600,114</u>
Liabilities				
Current liabilities:				
Accounts payable	25,529	14,030	714	40,273
Accrued payroll	41,098	—	2,155	43,253
Due to other funds	46,133	—	—	46,133
Unearned revenue	—	—	19,237	19,237
Sick and vacation accrual	5,700	—	639	6,339
Total current liabilities	<u>118,460</u>	<u>14,030</u>	<u>22,745</u>	<u>155,235</u>
Noncurrent liabilities:				
Due in more than one year:				
Net OPEB obligation	7,696	—	308	8,004
Sick and vacation accrual	49,799	—	10,651	60,450
Total noncurrent liabilities	<u>57,495</u>	<u>—</u>	<u>10,959</u>	<u>68,454</u>
Total liabilities	<u>175,955</u>	<u>14,030</u>	<u>33,704</u>	<u>223,689</u>
Net assets				
Invested in capital assets, net				
of related debt	841,319	218,779	216,168	1,276,266
Unrestricted	63,195	—	36,964	100,159
Total net assets	<u>\$ 904,514</u>	<u>218,779</u>	<u>253,132</u>	<u>1,376,425</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
AND CHANGES IN NET ASSETS**

Nonmajor Enterprise Funds

F or the year ended December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<u>Transportation</u>	<u>Early Learning Center</u>	<u>Hazardous Materials</u>	<u>Totals</u>
Operating revenues:				
Charges for sales and services:				
County charges	\$ 1,052,992	406,814	58,096	1,517,902
Total operating revenues	<u>1,052,992</u>	<u>406,814</u>	<u>58,096</u>	<u>1,517,902</u>
Operating expenses:				
Patient/client services	2,199,678	468,291	156,422	2,824,391
Depreciation	253,477	15,165	90,934	359,576
Total operating expenses	<u>2,453,155</u>	<u>483,456</u>	<u>247,356</u>	<u>3,183,967</u>
Operating loss	<u>(1,400,163)</u>	<u>(76,642)</u>	<u>(189,260)</u>	<u>(1,666,065)</u>
Nonoperating revenues:				
Grants	1,137,510	32,355	33,361	1,203,226
Total nonoperating revenues	<u>1,137,510</u>	<u>32,355</u>	<u>33,361</u>	<u>1,203,226</u>
Loss before transfers and capital contributions	(262,653)	(44,287)	(155,899)	(462,839)
Capital contribution	433,123	—	3,427	436,550
Transfers in	36,144	29,122	90,238	155,504
Transfers out	(35,932)	—	—	(35,932)
Change in net assets	170,682	(15,165)	(62,234)	93,283
Total net assets - beginning	<u>733,832</u>	<u>233,944</u>	<u>315,366</u>	<u>1,283,142</u>
Total net assets - ending	<u>\$ 904,514</u>	<u>218,779</u>	<u>253,132</u>	<u>1,376,425</u>

COMBINING STATEMENT OF CASH FLOWS

Nonmajor Enterprise Funds

For the year ended December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<u>Transportation</u>	<u>Early Learning Center</u>	<u>Hazardous Materials</u>	<u>Totals</u>
Cash flows from operating activities:				
Cash received on county charges	\$ 1,118,128	401,591	58,096	1,577,815
Payments to vendors	(861,376)	(460,593)	(91,165)	(1,413,134)
Payments to employees	(1,314,622)	—	(65,439)	(1,380,061)
Net cash used in operating activities	<u>(1,057,870)</u>	<u>(59,002)</u>	<u>(98,508)</u>	<u>(1,215,380)</u>
Cash flows from noncapital financing activities:				
Subsidy from federal/state grants	1,117,001	31,147	58,859	1,207,007
Transfers to other funds	(84,025)	—	—	(84,025)
Transfers from other funds	—	27,855	51,213	79,068
Net cash provided by noncapital financing activities	<u>1,032,976</u>	<u>59,002</u>	<u>110,072</u>	<u>1,202,050</u>
Cash flows from capital and related financing activities:				
Subsidy from federal/state grants	454,944	—	3,427	458,371
Purchase of capital assets	(430,050)	—	(14,991)	(445,041)
Net cash (used in) provided by capital and related financing activities	<u>24,894</u>	<u>—</u>	<u>(11,564)</u>	<u>13,330</u>
Net increase (decrease) in cash and cash equivalents	—	—	—	—
Cash and cash equivalents, January 1	200	—	—	200
Cash and cash equivalents, December 31	<u>\$ 200</u>	<u>—</u>	<u>—</u>	<u>200</u>
Reconciliation of operating loss to net cash used in operating activities:				
Operating loss	\$ (1,400,163)	(76,642)	(189,260)	(1,666,065)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation expense	253,477	15,165	90,934	359,576
Changes in assets and liabilities in:				
Customer accounts receivable	(14,125)	(5,223)	—	(19,348)
Prepaid	1,364	—	(1,000)	364
Net pension asset	11,578	—	686	12,264
Accounts payable	(7,598)	12,614	(419)	4,597
Accrued liabilities and withholdings	14,309	—	390	14,699
Due to other funds	79,262	(4,916)	—	74,346
Net OPEB Obligation	4,026	—	161	4,187
Total adjustments	<u>342,293</u>	<u>17,640</u>	<u>90,752</u>	<u>450,685</u>
Net cash used in operating activities	<u>\$ (1,057,870)</u>	<u>(59,002)</u>	<u>(98,508)</u>	<u>(1,215,380)</u>

There were no material non-cash financing and investing transactions.

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

INTERNAL SERVICE FUNDS
DESCRIPTION OF FUNDS

Internal Service Funds

Funds used to report activity that provides goods and services to other funds and departments of the primary government and one of its component units, Conservation District, on a cost reimbursement basis.

- Workers' compensation – Used to account for the County's self-insured risk management activities related to liabilities incurred as a result of workplace injuries.
- Health reimbursement arrangement (HRA) – Used to account for the health insurance claims that fall under the deductible threshold of the County's high deductible health insurance plan.

COMBINING STATEMENT OF NET ASSETS
Internal Service Funds

December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<u>Workers'</u> <u>Compensation</u>	<u>Health</u> <u>Reimbursement</u> <u>Arrangement</u>	<u>Totals</u>
Assets			
Current assets:			
Cash and cash equivalents	\$ 2,150,394	—	2,150,394
Due from other funds	—	374,997	374,997
Customer accounts receivable	115	—	115
Prepaid items	79,742	—	79,742
Total current assets	<u>2,230,251</u>	<u>374,997</u>	<u>2,605,248</u>
Total assets	<u>2,230,251</u>	<u>374,997</u>	<u>2,605,248</u>
Liabilities			
Current liabilities:			
Accounts payable	410	89,078	89,488
Workers' compensation claims payable	300,925	—	300,925
Total current liabilities	<u>301,335</u>	<u>89,078</u>	<u>390,413</u>
Noncurrent liabilities:			
Due in more than one year:			
Workers' compensation claims payable	894,440	—	894,440
Total noncurrent liabilities	<u>894,440</u>	<u>—</u>	<u>894,440</u>
Total liabilities	<u>1,195,775</u>	<u>89,078</u>	<u>1,284,853</u>
Net assets			
Unrestricted	1,034,476	285,919	1,320,395
Total net assets	<u>\$ 1,034,476</u>	<u>285,919</u>	<u>1,320,395</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS**

Internal Service Funds

For the year ended December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<u>Workers'</u> <u>Compensation</u>	<u>Health</u> <u>Reimbursement</u> <u>Arrangement</u>	<u>Totals</u>
Operating revenues:			
Charges for sales and services:			
County charges	\$ 78,619	1,096,708	1,175,327
Total operating revenues	<u>78,619</u>	<u>1,096,708</u>	<u>1,175,327</u>
Operating expenses:			
Patient/client services	<u>309,070</u>	<u>810,789</u>	<u>1,119,859</u>
Total operating expenses	<u>309,070</u>	<u>810,789</u>	<u>1,119,859</u>
Operating income (loss)	(230,451)	285,919	55,468
Nonoperating revenues:			
Interest income	<u>2,749</u>	—	<u>2,749</u>
Total net nonoperating revenues	<u>2,749</u>	—	<u>2,749</u>
Change in net assets	(227,702)	285,919	58,217
Total net assets beginning of year	<u>1,262,178</u>	—	<u>1,262,178</u>
Total net assets end of year	<u>\$ 1,034,476</u>	<u>285,919</u>	<u>1,320,395</u>

STATEMENT OF CASH FLOWS**Internal Service Funds***For the year ended December 31, 2009*

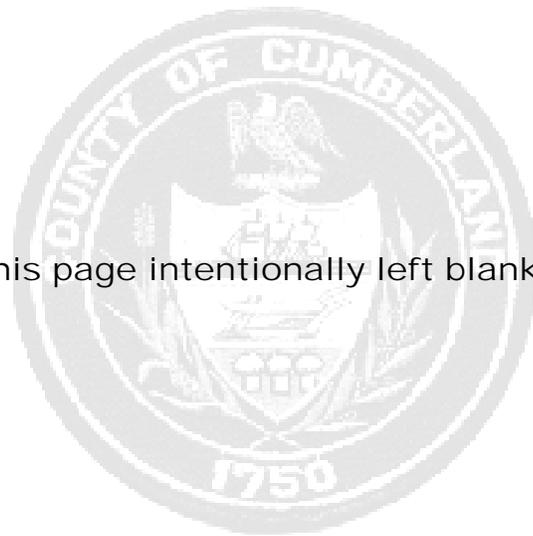
COUNTY OF CUMBERLAND, PENNSYLVANIA

	Workers'	Health	
	Compensation	Reimbursement	Totals
	<u> </u>	<u> </u>	<u> </u>
Cash flows from operating activities:			
Cash received on county charges	\$ 549,503	721,711	1,271,214
Payments to vendors	—	(721,711)	(721,711)
Payments to employees	(312,777)	—	(312,777)
Net cash provided by operating activities	<u>236,726</u>	<u>—</u>	<u>236,726</u>
Cash flows from investing activities:			
Investment income received	4,833	—	4,833
Net cash provided by investing activities	<u>4,833</u>	<u>—</u>	<u>4,833</u>
Net increase in cash and cash equivalents	241,559	—	241,559
Cash and cash equivalents, January 1	1,908,835	—	1,908,835
Cash and cash equivalents, December 31	<u>\$ 2,150,394</u>	<u>—</u>	<u>2,150,394</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (230,451)	285,919	55,468
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Changes in assets and liabilities in:			
Due from other funds	470,883	(374,997)	95,886
Accounts payable	(329)	89,078	88,749
Long term debt-claims payable	(3,377)	—	(3,377)
Total adjustments	<u>467,177</u>	<u>(285,919)</u>	<u>181,258</u>
Net cash provided by operating activities	<u>\$ 236,726</u>	<u>—</u>	<u>236,726</u>

There were no material non-cash financing and investing transactions.

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

This page intentionally left blank



Agency Fund Combining Statements

AGENCY FUNDS
DESCRIPTION OF FUNDS

Agency Funds

Funds used to report resources held by the primary government in a purely custodial capacity.

- Prison work release and inmate accounts funds – Used to account for work release earnings and disbursements and the personal funds held by individuals incarcerated at the County prison.
- Perry County HealthChoices – Used to account for Perry County’s participation in Pennsylvania’s mandatory managed care program for Medical Assistance consumers. The program funds are collected by the Cumberland/Perry Mental Health and Mental Retardation Office
- Agency funds – Used to account for the fees, fines, taxes, grants, and other monies collected by elected row officers that are subsequently disbursed to the County, other governments or other not-for-profit entities or citizens for whom they were collected. These funds are as follows:
 - Clerk of Court
 - Prothonotary
 - Recorder of Deeds
 - Treasurer
 - Register of Wills
 - Sheriff
 - District Attorney
- Flexible spending account – Used to account for funds set aside pre-tax by employees in the County’s flexible spending plan to pay eligible day care costs of dependent children or parents.
- Human services guardianship accounts - Used to account for monies of human services clients for which the County has been appointed by the courts or otherwise agrees to act in a fiduciary capacity in the administration of client monies.

COMBINING STATEMENT OF ASSETS AND LIABILITIES

All Agency Funds

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Prison Work Release	Prison Inmate Accounts	Perry County Health- Choices	Clerk of Court	Prothonotary
Assets					
Cash and cash equivalents	\$ 10,053	40,960	18,323	441,236	448,978
Total assets	\$ 10,053	40,960	18,323	441,236	448,978
Liabilities					
Due to other governments	\$ —	—	—	104,149	7,842
Escrow and other liabilities	10,053	40,960	18,323	337,087	441,136
Total liabilities	\$ 10,053	40,960	18,323	441,236	448,978

December 31, 2009

Recorder of Deeds	Treasurer	Register of Wills	Sheriff	District Attorney	Flexible Spending Account	Human Services Guardianship Accounts	Total
698,507	4,128	70,666	713,884	107,198	10,443	275,827	2,840,203
698,507	4,128	70,666	713,884	107,198	10,443	275,827	2,840,203
698,507	4,128	70,666	24,738	16,920	—	—	926,950
—	—	—	689,146	90,278	10,443	275,827	1,913,253
698,507	4,128	70,666	713,884	107,198	10,443	275,827	2,840,203

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

All Agency Funds

For the year ended December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Balance, January 1, 2009 (Note 1R)	Additions	Deletions	Balance, December 31, 2009
Prison Work Release				
Assets				
Cash and cash equivalents	\$ 6,749	455,259	451,955	10,053
Liabilities				
Escrow	\$ 6,749	455,259	451,955	10,053
Total liabilities	\$ 6,749	455,259	451,955	10,053
Prison Inmate Accounts				
Assets				
Cash and cash equivalents	\$ 34,471	762,020	755,531	40,960
Liabilities				
Escrow	\$ 34,471	762,020	755,531	40,960
Total liabilities	\$ 34,471	762,020	755,531	40,960
Perry County HealthChoices				
Assets				
Cash and cash equivalents	\$ 13,776	95,115	90,568	18,323
Liabilities				
Escrow and other liabilities	\$ 13,776	95,115	90,568	18,323
Total liabilities	\$ 13,776	95,115	90,568	18,323

(Continued)

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
All Agency Funds *For the year ended December 31, 2009*

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Balance, January 1, 2009 (Note 1R)	Additions	Deletions	Balance, December 31, 2009
(Continued)				
Clerk of Court				
Assets				
Cash and cash equivalents	\$ 348,507	2,102,533	2,009,804	441,236
Liabilities				
Due to other governments	\$ 100,232	1,109,218	1,105,301	104,149
Escrow	248,275	993,315	904,503	337,087
Total liabilities	\$ 348,507	2,102,533	2,009,804	441,236
Prothonotary				
Assets				
Cash and cash equivalents	\$ 716,407	1,082,582	1,350,011	448,978
Liabilities				
Due to other governments	\$ 4,504	57,722	54,384	7,842
Escrow	711,903	1,024,860	1,295,627	441,136
Total liabilities	\$ 716,407	1,082,582	1,350,011	448,978
Recorder of Deeds				
Assets				
Cash and cash equivalents	\$ 575,452	16,725,971	16,602,916	698,507
Liabilities				
Due to other governments	\$ 575,452	16,725,971	16,602,916	698,507
Total liabilities	\$ 575,452	16,725,971	16,602,916	698,507

(Continued)

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
All Agency Funds *For the year ended December 31, 2009*

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<u>Balance, January 1, 2009 (Note 1R)</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, December 31, 2009</u>
(Continued)				
Treasurer				
Assets				
Cash and cash equivalents	\$ 4,740	166,689	167,301	4,128
Liabilities				
Due to other governments	\$ 4,740	166,689	167,301	4,128
Total liabilities	\$ 4,740	166,689	167,301	4,128
Register of Wills				
Assets				
Cash and cash equivalents	\$ 39,046	14,375,378	14,343,758	70,666
Liabilities				
Due to other governments	\$ 39,046	14,375,378	14,343,758	70,666
Total liabilities	\$ 39,046	14,375,378	14,343,758	70,666
Sheriff				
Assets				
Cash and cash equivalents	\$ 476,132	2,917,531	2,679,779	713,884
Liabilities				
Due to other governments	\$ 27,729	108,993	111,984	24,738
Escrow	448,403	2,808,538	2,567,795	689,146
Total liabilities	\$ 476,132	2,917,531	2,679,779	713,884

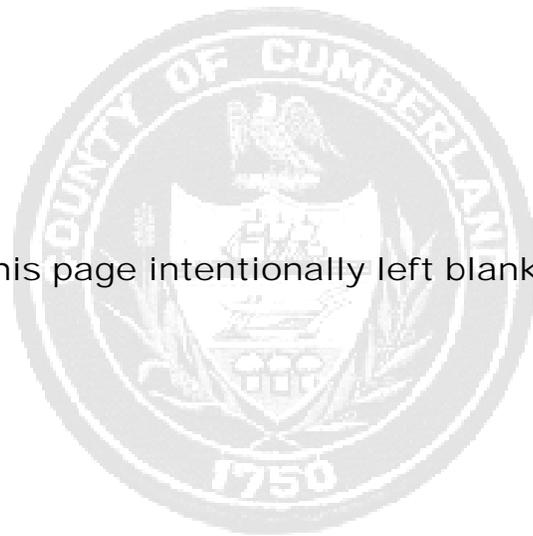
(Continued)

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
All Agency Funds *For the year ended December 31, 2009*

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<u>Balance, January 1, 2009 (Note 1R)</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, December 31, 2009</u>
(Continued)				
District Attorney				
Assets				
Cash and cash equivalents	\$ 105,128	144,633	142,563	107,198
Liabilities				
Due to other governments	\$ 4,298	15,916	3,294	16,920
Escrow	100,830	128,717	139,269	90,278
Total liabilities	\$ 105,128	144,633	142,563	107,198
Flexible Spending Account				
Assets				
Cash and cash equivalents	\$ —	78,907	68,464	10,443
Liabilities				
Escrow	\$ —	78,907	68,464	10,443
Total liabilities	\$ —	78,907	68,464	10,443
Human Services Guardianship Accounts				
Assets				
Cash and cash equivalents	\$ 178,497	586,098	488,768	275,827
Liabilities				
Escrow	\$ 178,497	586,098	488,768	275,827
Total liabilities	\$ 178,497	586,098	488,768	275,827
Total All Agency Funds				
Assets				
Cash and cash equivalents	\$ 2,498,905	39,492,716	39,151,418	2,840,203
Liabilities				
Due to other governments	\$ 756,001	32,559,887	32,388,938	926,950
Escrow and other liabilities	1,742,904	6,932,829	6,762,480	1,913,253
Total liabilities	\$ 2,498,905	39,492,716	39,151,418	2,840,203

This page intentionally left blank



This section presents trend, contextual and detail information to help users evaluate the financial information presented in the preceding sections. This information is presented in five categories:

- Financial Trends

Financial trends information is intended to help readers understand and assess how the County's financial position has changed over time.

- Revenue Capacity

Revenue capacity information is intended to assist readers in understanding and assessing the factors affecting the County's ability to generate its own revenues – principally real estate taxes.

- Debt Capacity

Debt capacity information is intended to assist readers in understanding and assessing the County's current debt burden and its ability to issue additional debt.

- Demographic and Economic Information

Demographic and economic information is intended to help readers understand the socio-economic environment in which the County operates.

- Operating Information

Operating information is intended to provide readers with information for evaluating the County's financial statement information as it relates to the services the County provides and activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. Where available, ten years of data has been included. Government-wide financial statement information is available beginning with 2002.

FINANCIAL TRENDS
Net Assets by Component

COUNTY OF CUMBERLAND, PENNSYLVANIA
(accrual basis of accounting)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Governmental activities				
Invested in capital assets, net of related debt	\$ 32,027,212	32,283,858	29,749,495	16,289,475
Restricted	-	-	-	8,747,231
Unrestricted	<u>8,416,288</u>	<u>11,877,472</u>	<u>19,864,718</u>	<u>9,977,088</u>
Total governmental activities net assets	<u>\$ 40,443,500</u>	<u>44,161,330</u>	<u>49,614,213</u>	<u>35,013,794</u>
Business-type activities				
Invested in capital assets, net of related debt	\$ 4,650,717	3,199,579	1,310,858	(857,994)
Restricted	-	-	-	-
Unrestricted	<u>1,490,925</u>	<u>1,622,191</u>	<u>3,087,151</u>	<u>5,326,223</u>
Total business-type activities net assets	<u>\$ 6,141,642</u>	<u>4,821,770</u>	<u>4,398,009</u>	<u>4,468,229</u>
Primary government				
Invested in capital assets, net of related debt	\$ 36,677,929	35,483,437	31,060,353	15,431,481
Restricted	-	-	-	8,747,231
Unrestricted	<u>9,907,213</u>	<u>13,499,663</u>	<u>22,951,869</u>	<u>15,303,311</u>
Total primary government net assets	<u>\$ 46,585,142</u>	<u>48,983,100</u>	<u>54,012,222</u>	<u>39,482,023</u>

Note:

(1) Less than ten years of data is presented due to lack of access to data for early years.

Last Eight Years as of December 31, 2009

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
17,291,386	18,992,768	21,107,189	23,171,314
15,555,829	12,011,798	26,125,693	16,434,597
<u>5,547,482</u>	<u>13,983,874</u>	<u>4,149,705</u>	<u>18,005,779</u>
<u><u>38,394,697</u></u>	<u><u>44,988,440</u></u>	<u><u>51,382,587</u></u>	<u><u>57,611,690</u></u>

(1,304,478)	(1,495,109)	(1,301,131)	(403,424)
-	-	-	-
<u>7,920,167</u>	<u>9,723,191</u>	<u>9,914,008</u>	<u>9,021,640</u>
<u><u>6,615,689</u></u>	<u><u>8,228,082</u></u>	<u><u>8,612,877</u></u>	<u><u>8,618,216</u></u>

15,986,908	17,497,659	19,806,058	22,767,890
15,555,829	12,011,798	26,125,693	16,434,597
<u>13,467,649</u>	<u>23,707,065</u>	<u>14,063,713</u>	<u>27,027,419</u>
<u><u>45,010,386</u></u>	<u><u>53,216,522</u></u>	<u><u>59,995,464</u></u>	<u><u>66,229,906</u></u>

FINANCIAL TRENDS

Changes in Net Assets

COUNTY OF CUMBERLAND, PENNSYLVANIA

(accrual basis of accounting)

	2002	2003	2004	2005
Expenses				
Governmental activities:				
General government - administrative	\$ 21,533,972	22,376,100	22,570,583	23,843,051
General government - judicial (1)	-	-	-	-
Public safety	11,972,094	13,287,128	13,630,646	14,342,433
Roads and bridge maintenance	838,729	861,335	651,093	1,125,543
Recycling and waste management	531,554	541,293	561,480	568,828
Human services:				
Mental health/mental retardation	21,209,170	21,543,888	26,475,793	27,253,708
HealthChoices - Cumberland County	7,690,358	11,631,837	13,223,377	18,079,337
Children and youth	8,605,295	9,369,124	9,259,081	10,821,115
Food and shelter	3,123,230	2,978,327	3,408,828	3,995,395
Office of aging	2,786,538	2,928,172	3,068,634	3,391,598
Other	3,522,739	3,297,693	4,040,060	3,968,892
Culture and recreation	1,134,192	535,145	90,075	87,920
Conservation	340,797	541,665	381,570	418,545
Community redevelopment and housing	339,405	400,693	387,356	266,693
Economic development and assistance	806,439	913,960	2,244,217	2,380,343
Interest on long-term debt	395,355	354,504	482,719	470,589
Indirect expenses	(254,372)	(309,825)	(334,128)	(363,597)
Total governmental activities expenses	<u>84,575,495</u>	<u>91,251,039</u>	<u>100,141,384</u>	<u>110,650,393</u>
Business-type activities:				
County nursing home	17,569,470	18,386,131	19,494,048	20,509,268
Early Learning Center	131,227	294,183	359,885	407,655
Emergency telephone	3,616,184	4,275,821	4,221,403	6,342,878
Hazardous materials protection	129,263	112,576	135,713	177,854
Transportation services	1,262,223	1,530,755	1,647,303	1,722,524
Indirect expenses	254,372	309,825	334,128	363,597
Total business-type activities expenses	<u>22,962,739</u>	<u>24,909,291</u>	<u>26,192,480</u>	<u>29,523,776</u>
Total primary government expenses	<u>\$ 107,538,234</u>	<u>116,160,330</u>	<u>126,333,864</u>	<u>140,174,169</u>
Program revenues				
Governmental activities:				
Charges for services				
General government - administrative	\$ 7,316,911	6,703,034	6,126,041	6,715,978
General government - judicial (1)	-	-	-	-
Public safety	1,652,602	1,846,768	2,242,796	2,595,561
Roads and bridge maintenance	-	-	8,580	4,597
Recycling and waste management	555,070	568,435	667,116	91,690
Human services	899,545	786,998	1,207,541	1,232,531
Culture and recreation	-	-	11,935	9,466
Conservation	10	61,481	33,595	14,233
Community redevelopment and housing	321,140	400,325	320,335	305,800
Economic development and assistance	300	400	5,218	2,826
Operating grants and contributions				
General government - administrative	2,932,384	2,783,458	2,494,905	2,369,485
General government - judicial	-	-	438,072	336,127
Public safety	2,435,514	2,126,353	1,879,190	1,765,008
Roads and bridge maintenance	494,381	1,256,450	746,501	1,107,146

FINANCIAL TRENDS

Changes in Net Assets

COUNTY OF CUMBERLAND, PENNSYLVANIA

(accrual basis of accounting)

	2002	2003	2004	2005
Program revenues (continued)				
Recycling and waste management	\$ 202,801	437,668	99,131	127,997
Human services:				
Mental health/mental retardation	20,725,284	21,230,866	25,981,948	26,481,739
HealthChoices - Cumberland County	7,690,358	11,631,837	13,220,841	18,069,073
Children and youth	7,083,415	7,751,800	7,648,535	8,907,164
Food and shelter	3,207,127	3,030,019	3,132,715	3,870,511
Office of aging	2,642,857	2,894,113	2,874,807	3,185,237
Other	3,019,171	2,894,200	3,609,467	3,538,699
Culture and recreation	547,972	(6,199)	-	-
Conservation	26,811	78,631	46,439	27,421
Community redevelopment and housing	2,414	1,551	-	-
Economic development and assistance	76,355	75,829	951,372	1,400,894
Capital grants and contributions				
General government - administrative	30,104	21,979	64,728	40,927
General government - judicial	-	-	-	-
Public safety	58,603	11,000	9,263	14,197
Roads and bridge maintenance	-	-	-	-
Recycling and waste management	-	-	54,180	-
Conservation	603,720	249,592	1,726,193	-
Total governmental activities program revenues	<u>62,524,849</u>	<u>66,836,588</u>	<u>75,601,444</u>	<u>82,214,307</u>
Business-type activities:				
Charges for services				
County nursing home	16,479,444	18,528,173	20,934,388	22,182,781
Early Learning Center	41,869	186,471	279,112	321,779
Emergency telephone	2,242,009	2,190,387	2,098,908	2,016,473
Hazardous materials protection	24,504	24,425	43,733	49,880
Transportation services	40,313	42,856	866,164	825,904
Operating grants and contributions				
County nursing home	589,450	62,554	4,086	12,449
Early Learning Center	-	13,021	6,312	7,975
Emergency telephone	-	-	-	53,540
Hazardous materials protection	24,478	42,739	18,705	21,553
Transportation services	1,302,892	1,333,209	641,052	711,810
Capital grants and contributions				
Early Learning Center	-	-	-	5,630
Emergency telephone	491,906	221,898	-	-
Hazardous materials protection	-	-	-	361,514
Transportation services	390,638	288,923	2,471	385,840
Total business-type activities program revenues	<u>21,627,503</u>	<u>22,934,656</u>	<u>24,894,931</u>	<u>26,957,128</u>
Total primary government program revenues	<u>\$ 84,152,352</u>	<u>89,771,244</u>	<u>100,496,375</u>	<u>109,171,435</u>
Net expense:				
Governmental activities	\$ (22,050,646)	(24,414,451)	(24,539,940)	(28,436,086)
Business-type activities	(1,335,236)	(1,974,635)	(1,297,549)	(2,566,648)
Total primary government net expense	<u>\$ (23,385,882)</u>	<u>(26,389,086)</u>	<u>(25,837,489)</u>	<u>(31,002,734)</u>

FINANCIAL TRENDS

Changes in Net Assets

COUNTY OF CUMBERLAND, PENNSYLVANIA

(accrual basis of accounting)

	2002	2003	2004	2005
(continued)				
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes:				
Real estate taxes	\$ 26,314,783	27,012,527	28,798,851	30,954,255
Per capita taxes	646,206	657,253	674,458	660,792
Hotel taxes	804,363	833,060	844,569	923,487
Grants and contributions not restricted to specific programs	29,078	10,609	-	-
Unrestricted investment earnings	236,838	213,170	481,053	1,183,081
Transfers	(1,038,945)	(594,338)	(806,108)	(2,414,420)
Total governmental activities	<u>26,992,323</u>	<u>28,132,281</u>	<u>29,992,823</u>	<u>31,307,195</u>
Business-type activities:				
Grants and contributions not restricted to specific programs	7,653	4,933	-	-
Unrestricted investment earnings	216,271	55,492	67,680	222,448
Transfers	1,038,945	594,338	806,108	2,414,420
Total business-type activities	<u>1,262,869</u>	<u>654,763</u>	<u>873,788</u>	<u>2,636,868</u>
Total primary government	<u>\$ 28,255,192</u>	<u>28,787,044</u>	<u>30,866,611</u>	<u>33,944,063</u>
Changes in Net Assets				
Governmental activities	\$ 4,941,677	3,717,830	5,452,883	2,871,109
Business-type activities	(72,367)	(1,319,872)	(423,761)	70,220
Total primary government	<u>\$ 4,869,310</u>	<u>2,397,958</u>	<u>5,029,122</u>	<u>2,941,329</u>

Notes:

- (1) Beginning in 2006, general government expenses were broken into two categories to provide better detail to the statement of activities. The new categories are called general government-administrative and general governmental-judicial.
- (2) Less than ten years of data is presented due to lack of access to data for early years.

Last Eight Years as of December 31, 2009

2006	2007	2008	2009
11,265,601	12,084,842	12,914,833	12,627,406
14,431,904	14,884,695	15,300,757	16,100,981
15,368,282	16,554,754	16,524,566	17,366,885
1,472,466	952,524	479,261	855,299
567,813	535,267	449,387	514,416
32,343,624	33,099,088	35,708,717	27,708,562
22,678,241	21,728,030	22,892,241	27,042,052
12,015,385	12,559,788	13,327,513	12,839,074
4,379,791	4,298,143	4,554,398	4,726,775
4,485,342	4,176,758	4,585,368	4,889,623
3,879,024	4,196,473	4,248,998	3,973,504
45,273	81,430	106,326	227,443
711,848	882,688	1,047,706	531,424
379,553	245,888	217,028	218,714
4,437,310	3,026,549	3,870,456	4,093,769
661,412	846,026	1,130,803	1,280,716
(393,955)	(432,428)	(494,329)	(531,008)
<u>128,728,914</u>	<u>129,720,515</u>	<u>136,864,029</u>	<u>134,465,635</u>
21,604,381	21,715,212	22,463,389	23,833,449
456,022	487,679	516,737	483,456
4,817,157	5,163,736	5,277,951	5,329,529
223,403	278,299	258,893	247,389
1,889,158	2,122,585	2,305,882	2,360,459
393,955	432,428	494,329	531,008
<u>29,384,076</u>	<u>30,199,939</u>	<u>31,317,181</u>	<u>32,785,290</u>
<u>158,112,990</u>	<u>159,920,454</u>	<u>168,181,210</u>	<u>167,250,925</u>
3,687,016	4,034,692	3,861,945	4,325,427
2,108,136	3,760,691	4,182,989	3,895,465
2,512,689	2,697,819	3,155,752	2,951,887
6,680	53,110	29,729	-
1,037,382	266,099	128,166	114,998
2,230,349	1,417,763	1,811,103	6,215,264
12,426	10,537	10,942	11,052
61,522	139,365	59,533	35,915
294,109	265,108	227,398	235,154
63,418	198,360	146,409	98,884
1,090,729	76,132	245,575	110,861
2,413,569	2,531,381	2,497,334	2,650,047
1,738,660	1,327,598	1,243,092	1,235,751
1,469,833	2,392,227	951,691	529,854

Last Eight Years as of December 31, 2009

2006	2007	2008	2009
93,749	57,033	470,419	160,115
31,325,889	32,062,709	34,853,233	26,936,260
22,660,910	21,707,823	22,881,948	27,040,563
9,688,684	10,225,414	10,642,965	10,658,021
3,840,332	4,149,274	4,486,184	689,254
3,851,537	4,033,513	4,336,567	3,934,097
3,296,947	3,414,422	3,104,052	2,953,656
-	-	45,119	163,881
57,060	77,726	165,986	430,053
-	-	-	-
3,000,109	1,606,690	2,226,010	2,535,722
-	-	-	-
-	54,953	6,832	-
16,527	12,465	65,745	22,749
2,581	272,199	96,987	-
-	-	-	-
149,604	64,901	-	-
<u>96,710,447</u>	<u>96,910,004</u>	<u>101,933,705</u>	<u>97,934,930</u>
21,414,687	22,729,768	22,536,429	23,592,054
369,206	400,963	399,429	406,814
1,971,210	2,062,474	1,944,338	1,835,550
50,901	49,690	50,708	58,096
841,716	1,002,810	1,100,062	1,051,045
7,410	7,732	10,718	22,612
13,020	22,493	34,016	32,355
1,799,540	1,395,121	3,002,387	2,470,344
27,834	28,349	30,112	33,361
845,171	955,443	1,134,124	1,139,457
-	14,975	1,283	-
-	-	-	-
-	895	3,505	3,427
76,263	249,923	198,638	433,123
<u>27,416,958</u>	<u>28,920,636</u>	<u>30,445,749</u>	<u>31,078,238</u>
<u>124,127,405</u>	<u>125,830,640</u>	<u>132,379,454</u>	<u>129,013,168</u>
(32,018,467)	(32,810,511)	(34,930,324)	(36,530,705)
<u>(1,967,118)</u>	<u>(1,279,303)</u>	<u>(871,432)</u>	<u>(1,707,052)</u>
<u>(33,985,585)</u>	<u>(34,089,814)</u>	<u>(35,801,756)</u>	<u>(38,237,757)</u>

Last Eight Years as of December 31, 2009

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
35,211,322	37,534,225	38,319,951	41,366,554
610,226	729,222	638,640	639,342
950,036	1,057,801	1,345,191	1,192,707
-	-	-	-
2,403,031	2,642,631	1,897,431	1,106,743
<u>(3,770,245)</u>	<u>(2,559,625)</u>	<u>(876,742)</u>	<u>(1,545,538)</u>
<u>35,404,370</u>	<u>39,404,254</u>	<u>41,324,471</u>	<u>42,759,808</u>
-	-	-	-
344,333	332,071	379,485	166,853
<u>3,770,245</u>	<u>2,559,625</u>	<u>876,742</u>	<u>1,545,538</u>
<u>4,114,578</u>	<u>2,891,696</u>	<u>1,256,227</u>	<u>1,712,391</u>
<u>39,518,948</u>	<u>42,295,950</u>	<u>42,580,698</u>	<u>44,472,199</u>
3,385,903	6,593,743	6,394,147	6,229,103
<u>2,147,460</u>	<u>1,612,393</u>	<u>384,795</u>	<u>5,339</u>
<u>5,533,363</u>	<u>8,206,136</u>	<u>6,778,942</u>	<u>6,234,442</u>

FINANCIAL TRENDS
Fund Balances of Governmental Funds

COUNTY OF CUMBERLAND, PENNSYLVANIA
(modified accrual basis of accounting)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
General fund				
Reserved	\$ 1,161,155	964,346	3,777,740	3,902,719
Unreserved	<u>5,677,516</u>	<u>8,699,315</u>	<u>12,062,306</u>	<u>13,871,446</u>
Total general fund	<u>\$ 6,838,671</u>	<u>9,663,661</u>	<u>15,840,046</u>	<u>17,774,165</u>
All other governmental funds				
Reserved	\$ -	-	-	-
Unreserved, reported in:				
Special revenue funds	4,749,080	6,330,164	5,861,350	6,458,575
Capital projects fund	2,808,539	481,527	560,210	496,303
Debt service fund	<u>4,365</u>	<u>637</u>	<u>631</u>	<u>-</u>
Total all other governmental funds	<u>\$ 7,561,984</u>	<u>6,812,328</u>	<u>6,422,191</u>	<u>6,954,878</u>

Note:

(1) Less than ten years of data is presented due to lack of access to data for early years.

Last Eight Years as of December 31, 2009

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
3,862,538	1,592,623	2,092,339	1,332,001
<u>16,231,782</u>	<u>20,679,184</u>	<u>22,766,147</u>	<u>29,270,507</u>
<u>20,094,320</u>	<u>22,271,807</u>	<u>24,858,486</u>	<u>30,602,508</u>
-	-	-	-
7,611,520	6,994,029	7,426,419	6,865,274
4,848,593	4,042,418	17,738,683	8,569,764
2,323	-	-	-
<u>12,462,436</u>	<u>11,036,447</u>	<u>25,165,102</u>	<u>15,435,038</u>

FINANCIAL TRENDS

Changes in Fund Balances of Governmental Funds

COUNTY OF CUMBERLAND, PENNSYLVANIA

(modified accrual basis of accounting)

	2002	2003	2004	2005
Revenues:				
Taxes	\$ 27,751,850	28,612,909	30,170,342	32,611,992
Licenses and permits	110,231	91,648	103,297	102,300
Grants	50,547,728	55,838,634	64,758,123	70,627,628
County charges	7,271,844	8,127,915	9,290,235	9,055,568
Court, costs, fines and forfeitures	1,349,774	1,378,298	1,080,181	1,325,488
Interest	659,163	544,154	481,053	1,183,081
Payment in lieu of taxes	-	-	-	-
Contributions and other	1,576,693	1,487,794	407,466	822,642
Total revenues	<u>89,267,283</u>	<u>96,081,352</u>	<u>106,290,697</u>	<u>115,728,699</u>
Expenditures:				
Current:				
General government - administrative	7,050,710	7,691,366	8,094,990	8,491,678
General government - judicial	13,779,644	14,872,711	13,517,419	14,084,783
Public safety	8,975,357	9,852,449	11,476,018	12,576,249
Public works and enterprises	1,200,707	872,618	913,625	827,474
Human services:				
Mental health/mental retardation	21,191,843	21,727,526	26,638,694	27,372,787
Children and youth	8,728,330	9,558,371	9,374,020	10,918,122
HealthChoices - Cumberland County	7,690,358	11,631,837	13,223,377	18,079,337
Food and shelter	3,200,219	3,069,346	3,397,619	3,969,006
Office of aging	2,871,856	3,104,919	3,141,073	3,499,844
Drug and alcohol	2,643,934	2,660,145	3,064,262	3,173,267
General fund	1,372,029	862,989	640,136	568,944
Witness assistance	718,034	498,073	434,286	356,673
Human services development	256,329	166,718	360,165	253,609
Capital projects	-	-	-	-
Other	-	-	-	-
Culture and recreation	2,225,385	1,642,857	931,061	142,459
Conservation and development	2,017,662	3,072,916	601,109	1,154,439
Economic development and assistance	-	-	1,314,077	2,244,756
Other	19,215	11,148	-	-
Debt service:				
Principal retirement	2,578,298	853,718	1,805,980	1,092,112
Debt interest	350,903	349,205	463,500	470,229
Debt issuance costs	72,252	-	128,612	21,653
Capital Outlay	340,760	1,627,768	3,731,920	2,938,157
Payments to other governments	-	-	496,264	358,666
Total expenditures	<u>87,283,825</u>	<u>94,126,680</u>	<u>103,748,207</u>	<u>112,594,244</u>
Excess of revenues over expenditures	<u>1,983,458</u>	<u>1,954,672</u>	<u>2,542,490</u>	<u>3,134,455</u>
Other financing sources (uses):				
Transfers in	6,939,687	5,532,246	6,880,060	6,949,292
Transfers out	(7,978,632)	(6,126,583)	(7,686,168)	(9,363,713)
Debt issued	4,740,799	715,000	7,824,917	1,698,615
Payment to refund bonds	(2,367,358)	-	(3,775,051)	-

Changes in Fund Balances of Governmental Funds

COUNTY OF CUMBERLAND, PENNSYLVANIA

(modified accrual basis of accounting)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Bond premium (discount)	-	-	-	3,227
(Continued)				
Other financing sources (uses):				
Sale of assets	\$ -	-	-	-
Insurance recovery	-	-	-	-
Capital leases	25,435	-	-	44,930
Total other financing sources (uses)	<u>1,359,931</u>	<u>120,663</u>	<u>3,243,758</u>	<u>(667,649)</u>
Net change in fund balances	<u>\$ 3,343,389</u>	<u>2,075,335</u>	<u>5,786,248</u>	<u>2,466,806</u>
Debt service as a percentage of noncapital expenditures	3.45%	1.30	2.40	1.44

Note:

(1) Less than ten years of data is presented due to lack of access to data for early years.

Last Eight Years as of December 31, 2009

2006	2007	2008	2009
36,496,600	39,174,148	40,270,517	43,016,438
109,045	104,440	101,762	115,886
84,474,545	83,870,461	88,045,118	79,570,052
10,587,280	10,569,865	11,086,953	15,477,114
1,369,036	1,724,379	1,851,223	1,970,159
2,403,030	2,642,631	1,897,431	1,106,741
83,160	143,355	116,614	141,168
1,155,695	308,366	331,004	670,539
<u>136,678,391</u>	<u>138,537,645</u>	<u>143,700,622</u>	<u>142,068,097</u>
8,841,723	9,536,444	10,071,676	9,470,786
15,050,890	15,652,556	16,251,512	16,858,261
13,733,295	15,032,388	15,165,158	15,525,396
827,067	934,188	680,216	1,167,927
32,499,919	33,248,461	35,964,303	27,883,589
12,147,306	12,710,692	13,525,507	12,975,471
22,678,241	21,728,030	22,892,242	27,042,053
4,392,767	4,389,777	4,644,898	4,821,488
4,587,396	4,264,224	4,755,060	5,047,609
3,058,490	3,230,289	3,286,072	3,043,704
573,640	721,015	740,773	705,617
375,099	392,197	403,120	406,683
301,727	267,292	291,959	274,963
-	-	-	211,299
-	-	21,000	-
63,177	102,070	136,569	243,647
1,580,505	1,064,321	726,504	525,300
4,330,084	2,900,074	3,711,259	3,972,265
-	-	-	-
1,433,738	1,468,327	1,615,330	1,423,447
479,186	957,841	967,808	1,250,182
137,369	-	119,291	145,207
7,200,628	6,122,633	6,574,648	14,029,489
713,158	588,243	715,601	289,677
<u>135,005,405</u>	<u>135,311,062</u>	<u>143,260,506</u>	<u>147,314,060</u>
<u>1,672,986</u>	<u>3,226,583</u>	<u>440,116</u>	<u>(5,245,963)</u>
7,861,282	9,290,911	10,006,158	8,849,334
(11,599,563)	(11,850,346)	(10,876,498)	(10,394,752)
9,900,000	-	17,121,750	9,656,482
-	-	-	(7,108,829)

Last Eight Years as of December 31, 2009

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
(52,511)	-	(34,507)	92,084
-	-	300	-
-	-	33,680	165,602
<u>50,519</u>	<u>84,350</u>	<u>24,335</u>	<u>-</u>
<u>6,159,727</u>	<u>(2,475,085)</u>	<u>16,275,218</u>	<u>1,259,921</u>
<u>7,832,713</u>	<u>751,498</u>	<u>16,715,334</u>	<u>(3,986,042)</u>
1.60	1.88	1.98	2.11

REVENUE CAPACITY

Assessed Value and Estimated Actual Value of Taxable Property

Last Eight Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

Fiscal Year		Residential Property	Commercial Property	Agricultural	Recreation	Total Taxable Assessed Value	Utility & Tax Exempt Property	Total Direct Tax Rate (3)	Estimated Actual Taxable Value (4)	Assessed Value as a Percentage of Actual Value (5)
2002	(1)	\$ 8,891,668,140	\$ 3,720,380,780	\$ 599,934,690	\$ 28,280,880	\$ 13,240,264,490	\$ 1,675,775,320	2.149	\$ 1,342,826,131	98.6 %
2003	(1)	9,141,838,220	3,726,763,850	596,577,690	27,998,970	13,493,178,730	1,783,006,990	2.149	14,143,793,218	95.4
2004	(1)	9,412,693,650	3,803,587,230	600,635,420	27,910,060	13,844,826,360	1,793,680,360	2.352	15,315,073,407	90.4
2005	(2)	10,487,126,920	4,332,597,620	668,547,100	29,008,730	15,517,280,370	2,015,198,460	2.186	15,517,280,370	100.0
2006	(2)	10,801,168,820	4,440,201,950	673,647,300	30,065,890	15,945,083,960	2,349,724,010	2.377	18,160,687,882	87.8
2007	(2)	11,129,659,300	4,574,598,980	700,313,470	29,406,010	16,433,977,760	2,374,030,750	2.465	20,041,436,292	82.0
2008	(2)	11,441,197,970	4,669,758,070	715,304,350	28,548,970	16,854,809,360	2,453,087,320	2.465	21,254,488,474	79.3
2009	(2)	11,704,349,810	4,788,918,720	725,187,210	28,470,540	17,246,926,280	2,961,390,860	2.579	21,803,852,313	79.1

Notes:

- (1) Properties valued at 2000 reassessment base year
- (2) Properties valued at 2004 reassessment base year
- (3) Direct Tax Rate:

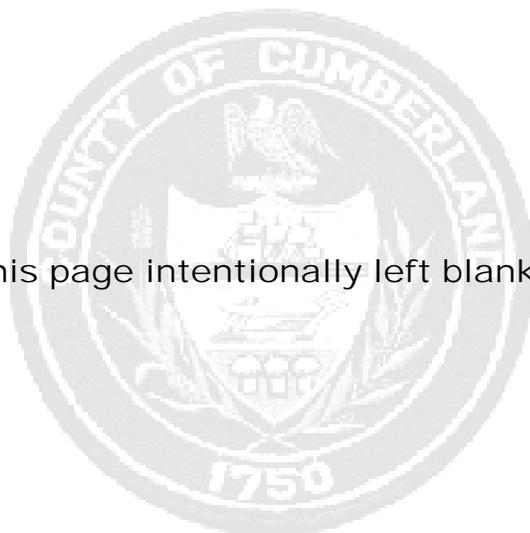
	County	Library	Total
2002	2.046	0.103	2.149
2003	2.046	0.103	2.149
2004	2.149	0.203	2.352
2005	2.006	0.18	2.186
2006	2.197	0.18	2.377
2007	2.285	0.18	2.465
2008	2.285	0.18	2.465
2009	2.399	0.18	2.579

* Millage adjustment due to 5% cap for reassessment

- (4) Estimated actual value is calculated by dividing taxable assessed value by the State Tax Equalization Board's common level ratios
- (5) Rates are based on the State Tax Equalization Board's common level ratio
- (6) Less than ten years of data is presented due to lack of access to data for early years

Source: County Board of Assessment

This page intentionally left blank



**REVENUE CAPACITY
Direct and Overlapping Property Tax Rates**

Last Eight Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<u>Year Taxes Are Payable</u>							
	2002	2003	2004	2005	2006	2007	2008	2009
County Direct Rates								
General	2.046	2.046	2.149	2.006	2.197	2.285	2.285	2.399
Library	0.103	0.103	0.203	0.18	0.18	0.18	0.18	0.18
School Districts								
Big Spring	10.0	11.3	12.217	12.375	13.365	14.194	14.72	15.455
Camp Hill	11.13	11.92	12.76	12.03	12.77	13.39	14.22	14.8
Carlisle Area	10.86	11.95	12.7	12.0	12.58	13.1	13.8	14.33
Cumberland Valley	8.89	9.188	10.202	9.554	9.554	9.554	9.721	9.964
East Pennsboro	11.58	12.08	12.82	11.78	11.78	12.25	12.899	12.899
Mechanicsburg	12.05	12.05	13.41	12.83	12.83	13.26	13.73	14.29
Shippensburg Area	9.96	10.55	12.05	11.33	12.4	12.75	13.08	13.21
South Middleton	10.60	11.10	11.9	11.15	11.15	11.38	11.38	11.38
West Shore Area	10.1	10.1	10.2	9.6	9.9	10.2	10.5	10.6
Municipalities								
Camp Hill	2.124	2.124	2.124	1.881	1.881	3.88	3.881	3.881
Carlisle	2.66	2.95	3.1	2.81	2.81	2.81	2.81	3.08
Cooke	1.0	1.0	1.0	0.968	1.5	1.5	1.5	1.5
Dickinson	0.03	0.03	0.03	0.02857	0.02857	0.02857	0.02857	**0.22
East Pennsboro	0.888	0.888	0.888	0.79	0.79	1.09	1.09	1.19
Hampden	0.2	0.2	0.2	0.18	0.18	0.18	0.18	0.18
Hopewell	-	-	-	-	-	-	-	-
Lemoyne	1.33	1.33	1.99	1.99	1.99	1.99	1.99	2.5
Lower Allen	1.50	1.50	2.0	1.9	1.9	2.0	2.0	2.5
Lower Frankford	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18
Lower Mifflin	-	-	-	-	-	-	-	-
Mechanicsburg	1.45	1.45	2.45	2.23	2.23	2.23	3.0	3.0
Middlesex	0.59	0.99	0.99	0.87	0.87	0.87	0.87	0.87
Monroe	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Mt. Holly Springs	2.03	2.03	2.03	1.67	1.83	1.83	1.8	1.944
Newburg	0.125	0.125	0.125	0.121*	0.121	0.121	1.0	1.0
New Cumberland	1.5	2.5	3.0	2.6	2.6	2.6	2.6	2.6
Newville	1.6657	1.6657	1.6657	1.6657	1.6657	1.6657	1.6657	1.6657
North Middleton	0.981	0.981	0.981	0.889	0.889	0.889	0.889	0.889
North Newton	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14
Penn	0.065	0.065	0.065	0.061	0.061	0.061	0.061	0.061

(Continued)

REVENUE CAPACITY

Direct and Overlapping Property Tax Rates*Last Eight Years***COUNTY OF CUMBERLAND, PENNSYLVANIA**

	<u>Year Taxes Are Payable</u>							
	2002	2003	2004	2005	2006	2007	2008	2009
Municipalities (continued)								
Shippensburg Borough	2.29	3.11	3.11	2.85	2.85	2.85	2.85	2.85
Shippensburg Twp.	1.0	1.0	1.0	0.95	0.95	0.95	0.95	0.95
Shiremanstown	1.75	1.75	1.75	1.68	1.75	2.0	2.0	2.2
Silver Spring	0.656	0.656	0.656	0.584	0.584	0.584	1.034	1.034
Southampton	0.10	0.10	0.10	0.10	0.10	0.10	-	-
South Middleton	0.07116	-	-	-	0.16	**0.22	**0.22	**0.22
South Newton	0.129	0.129	0.129	0.129	0.129	0.129	0.129	0.129
Upper Allen	0.244	0.244	0.244	0.23	1.25	1.25	1.25	1.25
Upper Frankford	0.21128	0.21128	0.21128	0.21128	0.21128	0.21128	0.21128	0.21128
Upper Mifflin	0.1557	-	-	-	-	-	-	-
West Pennsboro	0.225	0.225	0.225	0.2135	0.2135	0.2135	0.2135	0.2135
Wormleysburg	1.639	1.639	2.328	1.986	2.586	2.586	2.678	3.678

Notes:

- (1) * Mill rate decreased in 2005 for Newburg due to 5% revenue cap from 2004 reassessment.
- (2) ** South Middleton and Dickinson rate is a fire tax
- (3) Less than ten years of data is presented due to lack of access to data for early years

Source: County Board of Assessment

**REVENUE CAPACITY
Principal Property Taxpayers**

2000 and 2009 Tax Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

	2000			2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value(1)	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value (2)
<u>Taxpayer</u>						
Prologis NA3 PA LP				\$ 98,365,000	1	0.56 %
Carlisle HMA Inc.				65,328,360	2	0.37
Allen Distribution	\$ 2,665,660	4	0.33 %	61,095,180	3	0.35
LIT Industrial LP				58,038,000	4	0.33
Highmark Blue Shield	3,873,960	1	0.48	56,987,300	5	0.32
Keystone Operating Partners LP				38,883,740	6	0.22
Carlisle Partners Bldg C LLC				37,440,000	7	0.21
Cedar - Camp Hill LLC				36,600,000	8	0.21
DDRTC Carlisle Commons LLC				36,196,760	9	0.21
PR CC Limited Partnership				35,480,130	10	0.20
Cumberland County Industrial Development Authority	2,364,230	6	0.29			
Crown America Corporation	3,227,720	2	0.40			
Connecticut General Life Insurance Company	2,629,120	5	0.33			
Dauphin Distribution Center	2,820,380	3	0.35			
Pennsylvania Hospital Insurance Company (PHICO)	2,048,290	8	0.25			
Garden Drive L.P.	2,336,140	7	0.29			
First Commerical Development Company	1,972,430	10	0.25			
Lancaster Development Company	1,976,530	9	0.25			
Totals	\$ 25,914,460		3.22 %	\$ 524,414,470		2.98 %

Notes:

(1) Percentage based on total County taxable assessed valuation for 2000:

\$803,941,980

(2) Percentage based on total County taxable assessed valuation for 2009:

\$17,596,518,690

Source: County Board of Assessment

REVENUE CAPACITY
County Real Estate Tax Levies and Collections

Last Ten Year

COUNTY OF CUMBERLAND, PENNSYLVANIA

Year Ended December 31	Total Tax Levy for Year (1) (4)	Subsequent Adjustments to Tax Levy for Year	Collected within the Year of the Levy		Collections in Subsequent Years (3)	Total Collections to Date	
			Amount (2)	Percentage of Levy		Amount	Percentage of Levy
2000	\$ 20,803,548	\$ 79,487	\$ 20,158,765	96.90 %	\$ 724,261	\$ 20,883,026	100.00%
2001	22,506,536	129,404	21,661,814	96.25	973,976	22,635,790	100.00
2002	26,309,738	89,557	25,445,830	96.72	953,270	26,399,100	100.00
2003	26,873,618	114,307	26,197,392	97.49	790,329	26,987,721	100.00
2004	28,785,495	83,103	28,040,734	97.41	827,483	28,868,217	100.00
2005	31,038,004	91,867	30,237,147	97.42	891,429	31,128,576	100.00
2006	35,006,702	121,878	34,043,952	97.25	1,082,451	35,126,403	99.99
2007	37,433,426	129,240	36,337,073	97.07	1,209,929	37,547,002	99.96
2008	38,340,545	141,245	37,051,611	96.64	1,008,069	38,059,680	98.90
2009	41,143,956	N/A	39,842,692	96.84	N/A	39,842,692	96.84

Notes:

- (1) Includes additions to duplicates and penalties
- (2) Includes discounts, penalties, rebates and adjustments
- (3) Includes penalties and adjustments
- (4) The library tax approved by the electorate is not included in this schedule

Source: County Board of Assessment and Collections

REVENUE CAPACITY
County Library Tax Levies and Collections

Last Ten Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

Year Ended December 31	Total Tax Levy for Year (1)	Subsequent Adjustments to Tax Levy for Year	Collected within the Year of the Levy		Collections in Subsequent Years (3)	Total Collections to Date	
			Amount (2)	Percentage of Levy		Amount	Percentage of Levy
2000	\$ 1,200,576	\$ 4,577	\$ 1,163,348	96.90 %	\$ 41,805	\$ 1,205,153	100.00%
2001	1,303,100	7,823	1,254,188	96.25	56,727	1,310,915	100.00
2002	1,324,512	4,616	1,281,025	96.72	48,093	1,329,118	100.00
2003	1,352,904	5,940	1,318,864	97.48	39,970	1,358,834	100.00
2004	2,719,168	7,303	2,648,830	97.41	77,595	2,726,425	100.00
2005	2,785,074	9,680	2,714,995	97.48	79,639	2,794,634	100.00
2006	2,868,081	10,129	2,789,226	97.25	88,804	2,878,030	99.99
2007	2,948,801	11,004	2,863,235	97.10	95,318	2,958,553	99.96
2008	3,020,262	11,135	2,918,610	96.63	78,934	2,997,544	98.88
2009	3,087,088	N/A	2,989,454	96.83	N/A	2,989,454	96.83

Notes:

- (1) Includes additions to duplicates and penalties
- (2) Includes discounts, penalties, rebates and adjustments
- (3) Includes penalties and adjustments

Source: County Board of Assessment and Collections

DEBT CAPACITY
Ratio of Outstanding Debt by Type

Last Ten Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

Fiscal Year	Governmental Activities			Business-type Activities			Total Primary Government	Percentage of Total Personal Income	Per Capita
	General Obligation Bonds	General Obligation Notes	Capital Leases	General Obligation Bonds	General Obligation Notes	Capital Leases			
2000	\$ 11,924,905	-	165,511	16,291,004	-	-	28,381,420	0.43	% \$ 132.83
2001	10,485,160	-	220,692	25,129,357	-	-	35,835,209	0.52	166.53
2002	9,584,968	962,886	113,581	24,889,162	-	50,285	35,600,882	0.50	163.69
2003	8,872,954	1,615,000	34,763	24,617,452	-	41,026	35,181,195	0.48	160.40
2004	12,061,985	715,000	12,747	23,884,119	-	30,999	36,704,850	0.47	166.10
2005	10,986,001	2,413,615	41,549	10,503,999	13,691,385	20,139	37,656,688	0.47	168.85
2006	19,593,108	2,296,756	68,082	10,106,892	13,038,244	8,378	45,111,460	0.54	199.50
2007	18,273,838	2,175,725	40,055	3,221,162	18,974,275	-	42,685,055	0.48	187.41
2008	33,931,267	2,050,520	38,587	4,188,733	18,239,480	-	58,448,587	*	253.76
2009	32,831,602	4,425,315	16,974	3,503,398	17,089,685	-	57,866,974	*	248.91

Note:

* Personal income information is not yet available

DEBT CAPACITY
Ratios of General Bonded Debt Outstanding

Last Ten Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>General Obligation Notes</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Net General Bonded Debt</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
2000	\$ 28,215,909	-	10,347	28,205,562	0.22 %	\$ 132.00
2001	35,614,517	-	91,368	35,523,149	0.28	165.08
2002	34,474,130	962,886	7,716	35,429,300	0.26	162.90
2003	33,490,406	1,615,000	9	35,105,397	0.25	160.05
2004	35,946,104	715,000	-	36,661,104	0.24	165.91
2005	21,490,000	16,105,000	-	37,595,000	0.24	168.57
2006	29,700,000	15,335,000	2,323	45,032,677	0.25	199.16
2007	21,495,000	21,150,000	-	42,645,000	0.21	187.23
2008	38,120,000	20,290,000	-	58,410,000	0.27	253.59
2009	36,335,000	21,515,000	-	57,850,000	0.27	248.84

DEBT CAPACITY
Direct and Overlapping Governmental Activities Debt

December 31, 2009

COUNTY OF CUMBERLAND, PENNSYLVANIA

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
School Districts:			
Big Spring	\$ 37,277,475	100%	\$ 37,277,475
Camp Hill	17,750,000	100	17,750,000
Carlisle Area	73,648,359	100	73,648,359
Cumberland Valley	110,685,000	100	110,685,000
East Pennsboro	32,338,665	100	32,338,665
Mechanicsburg	58,260,000	100	58,260,000
*Shippensburg Area	37,025,000	61	* 22,585,250
South Middleton	26,275,000	100	26,275,000
*West Shore Area	6,952,832	55	* 3,824,058
Total school districts			382,643,807
Municipalities:			
Camp Hill Borough	1,800,000	100	1,800,000
Carlisle Borough	32,736,960	100	32,736,960
East Pennsboro Township	602,035	100	602,035
Hampden Township	44,275,280	100	44,275,280
Lemoyne Borough	528,000	100	528,000
Lower Allen Township	12,130,000	100	12,130,000
Mechanicsburg Borough	166,007	100	166,007
Middlesex Township	2,701,516	100	2,701,516
Monroe Township	1,314,460	100	1,314,460
Mount Holly Springs Borough	51,979	100	51,979
Newville Borough	50,000	100	50,000
New Cumberland Borough	3,042,327	100	3,042,327
Newville Borough	18,976	100	18,976
North Middleton Township	1,335,000	100	1,335,000
Shippensburg Township	816,640	100	816,640
Silver Spring Township	8,330,000	100	8,330,000
South Middleton Township	1,594,222	100	1,594,222
Upper Allen Township	4,446,681	100	4,446,681
Upper Frankford Township	34,760	100	34,760
Wormleysburg Borough	200,000	100	200,000
Total municipalities			116,174,843
Subtotal overlapping debt			498,818,650
Total direct debt - County			37,134,234
Total direct and overlapping debt			\$ 535,952,884

Source: Confirmation with school districts and municipalities

Notes:

* Shippensburg and West Shore area school districts partially reside in Franklin and York Counties, respectively. The percentage of overlapping debt is estimated using taxable square miles. Applicable percentages were estimated by dividing the portion the taxable square miles within the Counties boundaries for each school district by the total taxable square miles for the school district.

DEBT CAPACITY
Legal Debt Margin Information

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Debt limit	\$ 188,126,412	196,716,441	240,493,110	290,182,953
Total net-debt applicable to limit	<u>28,215,909</u>	<u>35,614,517</u>	<u>35,437,015</u>	<u>35,250,000</u>
Net nonelectoral debt limit	<u>\$ 159,910,503</u>	<u>161,101,924</u>	<u>205,056,095</u>	<u>254,932,953</u>
Total net debt applicable to the limit as a percentage of debt limit	15.00 %	18.10	14.74	12.15

Last Ten Years

2004	2005	2006	2007	2008	2009
348,158,757	379,373,394	420,628,703	453,522,334	481,210,536	489,555,684
40,106,964	40,238,452	45,035,000	42,645,000	58,410,000	57,850,000
<u>308,051,793</u>	<u>339,134,942</u>	<u>375,593,703</u>	<u>410,877,334</u>	<u>422,800,536</u>	<u>431,705,684</u>
11.52	10.61	10.71	9.40	12.14	11.82

Legal Debt Margin Calculation for year ending 2009

Borrowing base revenue:	
2007	\$ 159,729,148
2008	165,321,472
2009	<u>164,505,064</u>
Total revenue (1)	<u>\$ 489,555,684</u>

Debt Limit for General Obligation Debt

Average borrowing base revenues	\$ 163,185,228
Debt limit percentage	<u>300%</u>
Debt limit	489,555,684
Total amount of debt applicable to debt limit	<u>57,850,000</u>
Legal debt margin	<u>\$ 431,705,684</u>

Debt Limit for General Obligation Debt and Lease Rental Debt

Average borrowing base revenues	\$ 163,185,228
Debt limit percentage	<u>400%</u>
Debt limit	652,740,912
Total amount of debt applicable to debt limit	<u>59,092,923</u>
Legal debt margin	<u>\$ 593,647,989</u>

Note:

- (1) Total revenue and other financing sources less debt proceeds, transfers and grants for specific projects and interest on sinking fund.

Source: Annual Reports of Cumberland County Controller

DEMOGRAPHIC AND ECONOMIC INFORMATION

Demographic and Economic Information

Last Ten Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

<u>Year</u>	<u>Population</u>	<u>Total Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Median Household Income</u>	<u>School Enrollment</u>	<u>Annual Average Unemployment Rate (1)</u>
2000	213,674	6,652,270	31,090	47,556	33,138	3.2%
2001	215,187	6,842,800	31,804	47,353	33,088	3.8
2002	217,490	7,146,777	32,862	48,096	33,504	4.2
2003	219,336	7,396,006	33,697	49,077	33,100	4.2
2004	220,974	7,785,388	35,206	50,733	33,183	3.9
2005	223,017	7,989,744 (B)	35,903 (B)	55,429 (A)	33,689	3.7
2006	226,117	8,380,912 (B)	37,168 (B)	56,426 (A)	34,308	3.3
2007	227,762 (A)	8,805,167 (B)	38,755 (B)	58,268 (A)	34,720	3.2
2008	230,329 (A)	*	*	60,285 (A)	34,726	4.3
2009	232,483 (A)	*	*	*	35,352	6.7

Notes: * information not yet available

(1) Annual, not seasonally adjusted, unemployment data

- Sources:
- Pennsylvania Department of Labor & Industry, Labor Market Information, Center for Workforce Information & Analysis
 - Pennsylvania Department of Education
 - (A) U.S. Census Bureau, American Factfinder
 - (B) Bureau of Economic Analysis, U.S. Department of Commerce

DEMOGRAPHIC AND ECONOMIC INFORMATION

Principal Employers - Nine Years Ago and Current

2000 and 2009 Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

Employer	2000			2009		
	Employees	Rank	Percentage of Total County Employment (3)	Employees	Rank	Percentage of Total County Employment (3)
U.S. Government - Naval Inventory						
Control Point and Carlisle Barracks	6,918 (1)	1	7%	5,892 (1)	1	5 %
Highmark Blue Shield	4,364	2	5	3,793	2	3
Giant Foods	2,296	3	2	3,201	3	3
Holy Spirit Hospital	1,900	6	2	2,682	4	2
Commonwealth of Pennsylvania	1,777 (2)	7	2	1,915 (2)	5	2
Cumberland County Government	-	-	-	1,317	6	1
Wal-Mart	-	-	-	1,300	7	1
Cumberland Valley School District	-	-	-	1,194	8	1
West Shore School District	-	-	-	1,191	9	1
HP Enterprise Services	-	-	-	1,100	10	1
Fry Communications	1,567	8	2	-	-	-
Electronic Data Systems Corp.	1,950	5	2	-	-	-
JFC Temps Inc.	2,122	4	3	-	-	-
Roadway	1,400	9	-	-	-	-
Excel Logistics	1,300	10	1	-	-	-
Total	25,594		26%	23,585		20 %

Notes:

- (1) Includes SPCC, DDRE and other Agencies at that location.
- (2) Excluding Pennsylvania State University, SEPTA, Department of Higher Education
- (3) Percentages based on Cumberland County labor force total furnished by the Pennsylvania Department of Labor and Industry

Source: An initial listing of the top employers was furnished by the Pennsylvania Department of Labor and Industry. Cumberland County profiled Employers were contacted or other sources were used to gather totals of employees which were employed within Cumberland County.

OPERATING INFORMATION

Full-Time Equivalent County Employees by Function/Program

COUNTY OF CUMBERLAND, PENNSYLVANIA

Functions/Programs	2002	2003	2004	2005
Primary Government:				
Governmental Activities:				
General Government-Administrative:				
Commissioners	8	8	9	8
Solicitors	3	3	4	3
Elections	5	6	6	5
Controller	16	17	16	16
Finance	8	9	8	10
Tax Claims	4	3	3	2
Treasurer	5	5	5	5
Tax collector administration	18	18	18	18
Human resources	6	5	6	5
Tax assessment	24	24	26	21
Recorder of deeds	10	10	10	9
Administrative services	1	1	1	3
Information management and technology	10	11	11	11
Enterprise resource management	2	5	5	3
Geographic information systems	2	2	2	2
Human service fiscal operations	2	3	3	2
Grant administration	2	2	2	2
County buildings	13	15	16	14
Planning	1	2	4	1
Domestic Relations	37	39	39	39
General Government-Judicial				
Building security	10	9	9	9
Courts	34	34	35	32
District judges	37	36	36	36
Clerk of court	11	11	12	12
Coroner	5	5	5	5
Public defender	13	13	13	12
District attorney (2)	32	32	32	26
District attorney-central processing (1)	18	20	19	-
Prothonotary	8	8	9	9
Register of wills	7	7	8	7
Sheriff	37	37	36	34
Public safety				
District attorney-criminal investigation (2)	-	-	-	6
District attorney-forensic lab	1	1	1	2
Victim witness services	10	10	9	8
Prison (1)	94	93	90	95
Adult probation	28	28	27	28
Juvenile probation	26	27	26	26
Emergency management & communications	9	9	9	8
Vector control	3	3	3	3
Recycling and waste	3	3	3	3
Human services:				
Mental health/mental retardation	42	47	46	47
Children and youth	52	51	56	55
Office of aging	32	30	27	29
Community services	8	8	9	10
Drug and alcohol	17	17	17	15
Veteran's affairs	2	2	2	2
Culture and recreation	12	13	14	13
Conservation and development	7	7	7	8
Business-type Activities:				
County nursing home	320	311	301	280
Emergency telephone	45	42	43	45
Hazardous materials protection	1	1	1	1
Transportation services	24	24	25	23
Total Primary Government	1125	1127	1124	1068
Component Unit:				
Conservation district	8	8	8	8

Source: County payroll records

Method: Fulltime employee - 1; part time/temporary employee – part time/temporary hours worked/equivalent full time base hours;

Tax Collectors - .5 employee; Tipstaff - .3 employee

(1) At the end of 2005, the Central Processing division was placed in the County Prison.

(2) Criminal Investigation Unit reported separately beginning in 2005.

Last Eight Years

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
8	7	8	8
3	3	3	3
5	7	6	7
16	16	16	16
10	10	10	10
2	2	2	2
5	5	4	4
18	17	17	17
5	4	5	7
22	20	22	23
9	8	8	7
5	4	3	2
14	15	17	17
3	3	3	3
2	2	3	2
2	2	2	2
2	3	3	3
15	16	16	15
2	2	5	4
37	38	39	39
9	9	8	7
35	34	40	39
35	38	37	39
11	12	11	12
5	6	5	4
13	15	13	13
24	25	23	25
-	-	-	-
9	9	8	8
6	7	6	6
34	33	35	34
5	4	4	4
2	2	2	2
8	9	9	9
99	100	101	106
33	34	32	36
26	25	27	27
8	9	7	7
3	3	3	3
3	3	3	3
47	47	49	50
57	57	59	58
25	29	30	32
9	9	11	11
17	18	19	18
2	2	2	2
15	15	15	15
9	9	7	7
287	292	303	295
45	45	45	44
1	1	1	1
25	28	26	25
1092	1113	1133	1133
8	8	9	8

OPERATING INFORMATION
Operating Indicators by Function

Last Eight Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

	2002	2003	2004	2005	2006	2007	2008	2009
Governmental-type:								
General Government-administrative								
<i>Fiscal affairs</i>								
Property transfers recorded	7,207	7,749	7,764	7,643	7,385	6,625	5,864	5,592
Subdivision plans filed	294	285	258	248	273	275	206	192
<i>Administration</i>								
General election information								
Registered voters	129,607	132,508	144,727	134,349	137,564	139,288	252,349	147,650
Votes cast	67,600	42,885	106,687	44,506	50,284	39,620	114,499	34,432
Percent of votes cast	52%	32%	74%	33%	37%	28%	45%	23%
General Government-judicial								
<i>Court services:</i>								
Criminal cases filed	2,775	2,778	3,088	3,169	3,360	3,377	3,370	3,478
Summary appeals	N/A	N/A	221	249	207	281	256	272
Juvenile delinquency	N/A	N/A	N/A	N/A	N/A	N/A	153	179
Juvenile dependency	N/A	N/A	N/A	N/A	N/A	N/A	120	168
Marriage license applications	1,102	1,223	1,171	1,232	1,163	1,173	1,139	1,203
Estates and wills probated	1,101	992	1,083	1,034	1,056	1,096	1,202	1,112
Orphans' court cases filed	82	86	115	93	110	78	87	105
Adoption cases	N/A	N/A	N/A	139	143	126	134	119
<i>Court administration:</i>								
Guilty pleas (and sentenced)	1,528	1,480	1,246	N/A	N/A	N/A	N/A	N/A
Nonjury criminal trials	54	40	43	75	67	76	37	106
Criminal jury trials	59	50	44	35	53	41	56	N/A
ARD disposition in lieu of trial	682	662	369	920	N/A	N/A	N/A	N/A
Criminal appointment of counsel	241	270	327	374	419	406	368	411
Hearings by domestic relations conference officers	3,338	3,787	3,459	3,227	2,754	3,202	3,315	N/A
Civil cases settled before trial	30	67	66	35	25	23	25	20
Civil cases tried by jury	24	18	18	11	10	9	19	12
Civil cases tried without jury	37	32	36	19	17	12	6	18
<i>Sheriff:</i>								
Prisoner transports	N/A	N/A	3,716	3,632	3,635	3,994	3,647	3,671

(Continued)

OPERATING INFORMATION
Operating Indicators by Function

Last Eight Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

(Continued)

Public safety	2002	2003	2004	2005	2006	2007	2008	2009
<i>County prison:</i>								
Average daily population	307	332	343	350	350	351	370	377
Commitments to prison	2,387	2,460	2,600	2,808	2,802	2,784	2,991	3,077
Releases from prison	2,329	2,452	2,603	2,778	2,786	2,799	2,768	3,044
<i>Adult probation:</i>								
Average caseload	1,408	1,384	1,579	1,868	1,732	1,836	1,968	1,955
Court-ordered investigations/reports	1,377	1,305	1,582	1,765	1,932	2,114	2,264	2,505
Urine screens	1,798	2,414	1,737	N/A	802	4,122	4,591	N/A
DUI-Intermediate Punishment Program	N/A	N/A	N/A	N/A	N/A	4,861	13,896	12,856
Accelerated Rehabilitative Disposition/DUI Program	N/A	N/A	N/A	672	639	690	701	707
<i>Day Reporting Center:</i>								
Bed Days Saved at County Prison	N/A	N/A	N/A	N/A	N/A	9,243	10,315	7,704
Human services								
<i>Children and youth</i>								
Number of referrals	N/A	732	829	752	981	849	1,159	992
Clients receiving in-home services	N/A	829	198	272	286	262	391	434
Clients requiring placement	N/A	139	107	128	154	270	196	193
<i>Mental health services:</i>								
Emergency/crisis treatment:								
Number of out-patient hours	N/A	12,982	12,877	11,744	9,755	7,731	9,272	9,217
Number of out-patient consumers	N/A	705	879	783	614	557	531	502
In-patient days	N/A	344	1,297	981	823	493	611	520
Number of in-patient consumers	N/A	54	145	106	88	67	113	79
Residential days	N/A	14,887	16,674	17,274	16,214	16,992	19,435	23,665
Number of residential consumers	N/A	80	119	170	167	216	202	188
<i>HealthChoices:</i>								
In-patient psychiatric treatment								
Number of in-patient consumers	N/A	107	141	195	260	257	288	290
Number of in-patient days	N/A	1,150	1,961	2,205	3,550	4,925	5,976	5,215
Out-patient psychiatric treatment								
Number of out-patient consumers	N/A	887	1,452	1,976	2,483	2,613	2,910	2,823
Number of out-patient units	N/A	19,710	44,836	52,021	57,811	63,144	60,673	35,412
Children's residential and behavioral								

OPERATING INFORMATION
Operating Indicators by Function

Last Eight Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

	(Continued)							
(Continued)	2002	2003	2004	2005	2006	2007	2008	2009
health rehabilitation								
Number of consumers	N/A	374	584	707	846	756	956	812
Number of units	N/A	173,709	318,030	400,983	390,303	385,586	604,857	811,357
Targeted case management								
Number of consumers	N/A	266	336	347	405	434	483	492
Number of units	N/A	32,404	61,482	66,454	81,065	90,029	92,050	89,652
Crisis Intervention								
Number of consumers	N/A	117	350	364	412	527	562	614
Number of units	N/A	1,787	7,486	6,869	6,963	8,788	9,274	9,265
<i>Mental retardation services:</i>								
Number of consumers served	N/A	1,085	1,144	1,169	1,267	1,379	1,759	1,517
Number of transportation units	N/A	91,191	95,259	108,715	116,581	115,597	72,433	275,993
Number of residential units	N/A	56,354	56,062	65,730	66,721	79,021	*4,224	3,534
Number of workshop/vocational units	N/A	33,522	33,320	*195,836	194,688	250,844	*566,260	624,149
<i>Office of aging:</i>								
Senior transportation trips	57,470	56,700	N/A	51,386	52,000	48,253	50,152	48,628
Information and assistance contracts	4,028	3,274	N/A	4,958	8,900	12,206	12,849	13,938
Congregate meals served	48,127	45,898	N/A	36,671	35,500	32,969	33,611	33,102
Adult day care days provided	5,002	3,514	N/A	5,041	5,265	4,544	5,029	4,765
Home delivered meals served	7,180	9,919	N/A	12,051	8,863	7,255	7,153	6,855
Maintenance/modification of homes	221	367	N/A	208	213	244	268	227
<i>Drug and alcohol:</i>								
Community-based outpatient treatment (in hours unless otherwise noted)								
Assessment/evaluations	N/A	N/A	1,285	1,062	912	969	1,133	965
Individual counseling	3,254	2,471	2,925	2,483	2,659	2,781	4,257	4,653
Intensive outpatient group	4,900	5,303	3,454	3,048	4,942	4,705	4,365	5,585
Group	816	959	1,029	731	1,091	1,266	2,223	2,532
Methadone maintenance (weeks)	-	-	133	121	118	60	76	97
Prison-based treatment and intervention service hours	1,157	1,607	1,752	1,657	2,029	2,050	1,812	1,237
Inpatient non-hospital treatment (days)								
Inpatient non-hospital treatment	7,199	8,411	4,940	4,458	4,862	6,368	6,178	4,213
Halfway house facility days	2,146	441	979	515	725	1,421	690	891
Specialized treatment	1,624	2,418	2,695	2,262	2,885	4,035	3,652	3,707

OPERATING INFORMATION
Operating Indicators by Function

Last Eight Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

Case management services

	2002	2003	2004	2005	2006	2007	2008	2009
(Continued)							(Continued)	
Average caseload	57	50	47	46	54	54	76	65
Assessments completed	342	283	276	239	264	245	228	185
Number of clients served	281	257	242	177	213	214	217	148
Intensive case management services								
Average caseload	9	11	10	8	6	9	9	7
Number of clients served	20	19	24	15	16	25	21	12
Capital Region Maternal Assistance Program:								
Intensive case management service clients	150	152	154	147	137	105	88	44
Drug and alcohol treatment clients	74	82	66	65	64	51	45	17
Smoking cessation intervention clients	N/A	35	40	31	18	7	38	N/A

Business-type:

Transportation:

One way trips	135,301	140,286	146,634	146,858	150,825	149,448	151,872	150,270
Mileage	475,654	620,270	645,076	660,227	725,046	716,705	746,368	728,131

Notes:

Less than ten years of data is presented due to lack of access to data for early years

Source: Cumberland County departmental statistics and annual reports.

N/A - not available

* Change in unit definition

OPERATING INFORMATION
Capital Asset Statistics by Function

Last Eight Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

Function	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities:								
General government - administrative								
Administration								
Square footage of New Courthouse building	91,058	91,058	91,058	91,058	91,058	91,058	91,058	91,058
Square footage of Reed building (ERP office)	1,292	1,292	1,292	1,292	1,292	1,292	N/A	N/A
Square footage of Old Jail	31,108	31,108	31,108	31,108	31,108	31,108	31,108	31,108
Square footage of Old Courthouse	22,020	22,020	22,020	22,020	22,020	22,020	22,020	22,020
Square footage of the Allen Road building	N/A	N/A	N/A	N/A	29,160	29,160	29,160	29,160
Bureau of Elections								
Electronic voting machines	N/A	N/A	N/A	N/A	623	623	693	693
Court system and corrections								
District Attorney								
Square footage of Reed building (CID office)	2,584	2,584	2,584	2,584	2,584	2,584	N/A	N/A
Domestic Relations								
Square footage of Domestic Relations building	23,905	23,905	23,905	23,905	23,905	23,315	23,315	23,315
Public safety								
County prison								
Maximum capacity of inmates	398	398	398	398	398	398	398	398
Square footage of the prison	93,107	93,107	93,107	93,107	93,107	93,107	93,107	85,347
Square footage of Booking Center	-	-	-	-	-	-	-	4,478
Square footage of Male Housing Unit	-	-	-	-	-	-	-	19,792
Conservation								
Number of agricultural easements acquired	67	72	75	81	86	102	110	113
Acres in the agricultural easement program	8,589	9,092	9,530	10,307	10,818	12,553	13,480	13,867
Acres in agricultural secured areas	N/A	N/A	67,955	68,917	70,212	70,946	71,730	71,947
Square footage of agricultural extension building	8,024	8,024	8,024	8,024	8,024	8,024	N/A	N/A
Roads and bridge maintenance								
County maintained bridges	23	23	23	23	23	23	23	23

(Continued)

OPERATING INFORMATION
Capital Asset Statistics by Function

Last Eight Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

(Continued)

	2002	2003	2004	2005	2006	2007	2008	2009
Human Services								
Square footage of human services building (including parking garage)	42,400	42,400	42,400	42,400	42,400	42,400	42,400	47,844
Business-type activities:								
Nursing home								
Square footage of the nursing home	169,751	169,751	169,751	169,751	169,751	164,951	164,951	164,951
Maximum resident capacity	290	290	290	290	290	290	290	290
Emergency telephone center								
Square footage of the 911 center	10,024	10,024	10,024	10,024	10,024	10,024	10,024	10,024
Transportation services								
Buses and other vehicles	32	32	32	32	32	35	33	33

Note:

- (1) An alternative source for property square footage was used beginning in 2007.
- (2) Less than ten years of data is presented due to lack of access to data for early years.
- (3) Offices located in the Reed building were relocated in 2008 to the new Allen Road building as well as the Agricultural Extension department.

Sources:

- Capital asset reports from Controller's Office
- Planning Commission information
- Corrections Department information
- Nursing Home Reports

This page intentionally left blank

