

# County of Cumberland, Pennsylvania

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended December 31, 2017

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



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ALFRED L. WHITCOMB, CONTROLLER

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**Alfred L. Whitcomb**  
**Controller**



# COUNTY OF CUMBERLAND, PENNSYLVANIA

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FOR THE YEAR ENDED DECEMBER 31, 2017

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**COUNTY OF CUMBERLAND, PENNSYLVANIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
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**PHOTOGRAPHY CREDITS**

The cover photograph of Laughlin Mill was taken in Newville, Cumberland County. Cover photograph is courtesy of Bryan McNulty provided by Cumberland Valley Visitors Bureau.

# **Controller of Cumberland County**

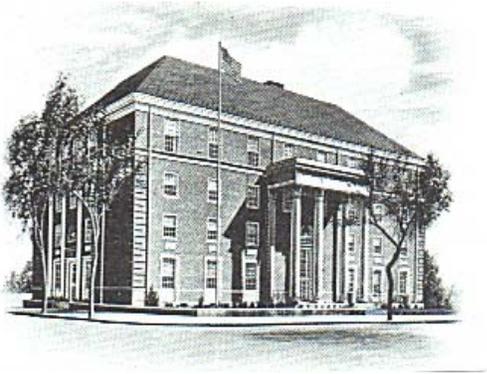
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SECOND DEPUTY CONTROLLER/  
AUDIT MANAGER

TINA L. MALICK  
ADMINISTRATIVE ASSISTANT

JAMES D. BOGAR  
SOLICITOR

June 28, 2018

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 on or before the first day of July of the following year. The Controller publishes a Comprehensive Annual Financial Report (CAFR) as part of satisfying this requirement. This report helps achieve the Controller's transparency and accountability objectives by its publication.

Cumberland County's Controller independently prepares the County's CAFR 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's audit staff.

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 Position 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 Boyer & Ritter LLC in cooperation with the Controller. Boyer & Ritter LLC 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 as of and for the year ended December 31, 2017, 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). This 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 third 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 law provides for the Controller to act as a "check and balance" on County management and administrators by supervising 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 intellectual and developmental disabilities, HealthChoices, children and youth, aging and 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 2017 population of 250,066. It is the 16<sup>th</sup> most populous county in the state and ranks 41<sup>st</sup> of 67 counties in size.

Cumberland County offers its residents and visitors 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 such as Gettysburg with its Civil War Battlefield, Lancaster, and nearby Hershey with its well-known Hersheypark and sport and concert venues. Cumberland County is just a 2 to 3 hour drive away from Washington, D.C., the nation's capital, Philadelphia, Inner Harbor in Baltimore, Maryland and New York City.

#### Component Units

The County adheres to Government Accounting Standards Board (GASB) Statement No.'s 14, 61 and 80 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 and the Cumberland County Recycling & Waste Authority, legally separate governmental entities qualify as blended component units and are reported as special revenue funds of the County.

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

#### Budget

By law, the County budget is required to be adopted by the County Commissioners not later than December 31<sup>st</sup> 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 and the Industrial Development Authority; both legally separate entities.

## Local Economy

The local economy in Cumberland County is driven in great part by the over 6,000 businesses that employ nearly 131,760 people (Source: PA Department of Labor, Cumberland County profile, April 2017). The economy also benefits from a significant regional presence of federal, state and local government operations with the Federal and state governments representing two of the top five employers in the county. Cumberland County ended 2016 with a December unemployment rate of 3.5 percent – the 2nd lowest unemployment rate among Pennsylvania’s 67 counties – whereas the statewide and national unemployment rate was 4.7 and 4.5 percent, respectively. (Source: U.S. Department of Labor, Bureau of Labor Statistics, not seasonally adjusted.)

The County continues to enjoy a diverse tax base with little concentration on any one taxpayer.

Employment levels are boosted by 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 – Naval Inventory Control Point and Carlisle Barracks, Giant Foods, Geisinger Holy Spirit Hospital, Highmark Blue Shield and Commonwealth of Pennsylvania.

Cumberland County incomes exceed the state and national averages with the county’s per capita personal income at \$51,384, Pennsylvania’s average at \$50,742 and the national average at \$49,246 [*Source: 2016 data from the U.S. Department of Commerce, Bureau of Economic Analysis BEARFACTS, as 2017 data is unavailable.*]

Cumberland County remains the fastest growing county in the Commonwealth since 2010. Contributing to Cumberland County’s growth are:

- A low 3.5% unemployment rate;
- Low taxes (the lowest county taxes of any county in the region);
- County average income exceeding state and Federal averages;
- Financially stable County government, earning a AAA bond rating;
- Partnerships with County school districts, healthcare facilities and manufacturing industries to coordinate workforce development programs through the Cumberland Area Economic Development Corporation;
- Partnership with four local military installations to expand economic impact;
- Over 200 miles of trails, including the Appalachian Trail and Cumberland Valley Rail Trail;
- 55,000 acres of parks and natural areas; and
- More than 19,000 acres of preserved farmland.

Cumberland County property tax rates remain the lowest among comparable counties in the state. Among the twelve third class counties, Cumberland County offers the lowest property taxes per capita.

## Long-Term Strategy and Financial Planning

### ***Modernization of County Government***

The County’s strategy for balancing costs and revenues remains to modernize County government. The premise is that it should be run on a business-like basis. In that vein, the County’s long-term approach to operations is based on the following tenets:

- Slowing the rate of increase in overall compensation spending, particularly in the area of benefits;

- Maintaining zero growth in overall workforce as much as possible through process improvement, automation, and shifting resources from low priority, inefficient departments to more efficient departments and high-demand activities;
- Continuous improvement in operational efficiencies, data guided decision making, basing funding decisions on Return on Investment (ROI), outcomes management and evidence-based practice criteria;
- Investment in workforce productivity through Merit Based Compensation (MBC), prudent automation, skills training, management development, and gainsharing (share the benefits of cost savings with those who produce the savings);
- Prioritization of services in light of a more precise role for County government;
- Allowing private citizens to take on a more substantial role in financially supporting specific areas of interest: such as libraries, farmland preservation, Claremont Nursing and Rehabilitation Center (CNRC) and public safety;
- Reasonable cost sharing with municipalities on expenses associated with libraries and public safety;
- Continued disengagement from inefficient, small scale municipal authorities in favor of efficient, consolidated regional organizations in the areas of transportation and public safety;
- Long-term, integrated financial planning particularly in the area of big ticket capital projects;
- Continued restrained and judicious use of debt and conservative debt management.

### ***Cost Drivers***

The County is keenly aware of its external cost drivers, in part, through inputs from its criminal justice policy team, prison board, human services policy team, and other standing and ad hoc committees. Further, the Board of Commissioners, other elected officials and senior management's active involvement in statewide and regional committees and workgroups aids in staying in-front of issues and shaping solutions.

The County's major external cost drivers are:

- Increased demand for child protective services resulting from Sandusky legislation in 2015
- Demands on the courts, prison and human services due to the growth in opioid and heroin addiction
- Cuts to human service funding in prior years that have not been restored in spite of growing demand

In addition to pressure on operating costs, the County is planning, in the next seven years, to upgrade its 9-1-1 communications and infrastructure at an estimated cost of \$40-\$80 million. The County is exploring the mix of funding sources that may be available, including cost sharing, for this capital project.

### ***Savings Initiatives***

Given the aforementioned upward operational and capital cost pressures, and others, as well as the natural slow growth in County revenues, absent tax increases, the County is pursuing the following cost saving initiatives:

- Cost efficiencies through regional consolidation of services; notably fixed route and share ride public transit services;
- Migrating to defined contribution plans for employee benefits;
- Self-insuring health benefits;
- Gainsharing to identify and take advantage of savings opportunities;
- Cost sharing in the public safety service realm;
- Expansion of evidence-based prison diversion programs, delaying the opening of prison wings;
- Aligning actuarial assumptions to real world expectations and plan economics, with net savings resulting in employer contributions.

Court collection of victim restitution and County costs, fees and fines are an area with potential for significant improvement, as collection effectiveness is down 40% from the courts high performing years. A Collections Advisory Board has been established to research best practices and advise the County's Court of Common Pleas on collection best practices.

### ***Results***

For the third consecutive year, Cumberland County finds itself in a stable financial situation.

Through a concerted and focused effort on cost management and limited tax increases (3% in 2014), Cumberland County has managed to maintain service without further taxation or borrowings through increasing productivity and efficiencies, i.e. modernizing the way the County does business.

Private sector support for achieving the County's objectives has occurred through partnering with 501(c)(3) organizations to variously assist with or direct the County's successful economic development efforts, resident enhancements at the County's nursing home, first responder training facilities as well as fund, and expand, farmland preservation.

### **Financial Policies**

The Cumberland County Board of Commissioners are the administrators of the County and establish the County's vision and objectives and the strategies to attain them.

Though the Controller provides significant input into County fiscal policies, the Commissioners establish and approve County-wide fiscal policies as per County Code.

The Board of Commissioners have formally adopted a financial philosophy policy to guide the establishment of financial objectives and the underlying fiscal policies and procedures. The Board has also adopted formal financial policies covering budget, capital planning, debt management, fund balance maintenance, purchasing and bond compliance.

Accountability occurs through monthly budget to actual reporting and the County's implementation of an ERP system that limits spending to the overall approved budget, aided by thoughtfully designed segregation of duties that limit an individual employee's spending discretion.

Cumberland County's Financial Analysis Committee annually presents, to the Board of Commissioners, a five year revenue, expense and fund balance analysis as decision support for long-term financial and operations planning.

Key County operating indicators are regularly benchmarked, by the County Finance and Controller's Offices as well as the County's various management committees, against both neighboring counties and peer counties in the state for policy and practice decision support; though in numerous measures Cumberland County's indicators are superior.

### **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, 2016. This was the twenty-ninth 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 U.S. 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 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, 2016. 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 fourteen 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.

***Distinguished Budget Presentation Award***

The GFOA awarded their Distinguished Budget Presentation Award to Cumberland County for its annual budget document, prepared by the County Finance Office, for the fiscal year beginning January 1, 2017. This is the tenth consecutive year the County has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

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 maintaining the highest standards of professionalism in the management of Cumberland County's finances.

Respectfully submitted,



Alfred L. Whitcomb  
Controller



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**County of Cumberland  
Pennsylvania**

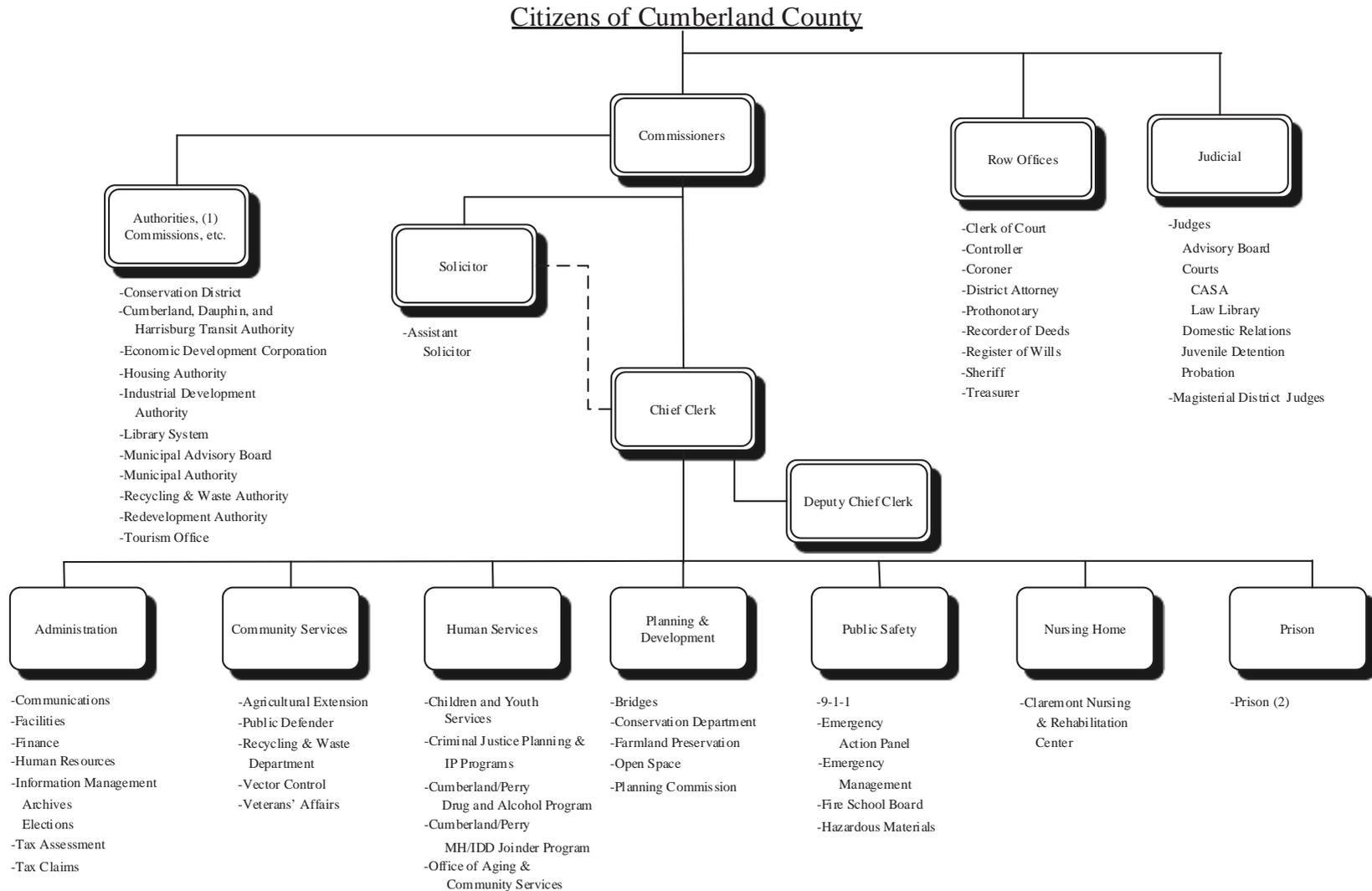
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2016**

*Christopher P. Morrill*

Executive Director/CEO

# 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, 2017

COMMISSIONERS

Vincent D. DiFilippo, Chairman  
James Hertzler  
Gary Eichelberger

PROTHONOTARY

David D. Buell

CLERK OF COURT

Dennis E. Lebo

JUDGES OF COURT

Honorable Edward E. Guido, President Judge  
Honorable M.L. "Skip" Ebert  
Honorable Albert H. Masland  
Honorable Christylee L. Peck  
Honorable Thomas A. Placey  
Honorable Jessica E. Brewbaker

TREASURER

John C. Gross, II

SHERIFF

Ronny R. Anderson

CONTROLLER

Alfred L. Whitcomb

REGISTER OF WILLS

Lisa M. Grayson

CORONER

Charles E. Hall

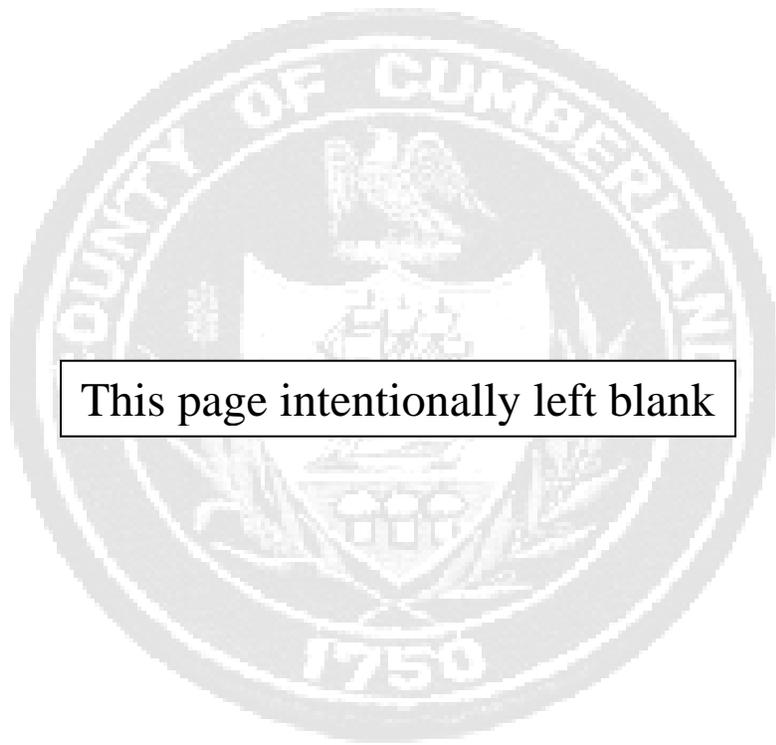
RECORDER OF DEEDS

Tammy Shearer

DISTRICT ATTORNEY

David J. Freed





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## **INDEPENDENT AUDITOR'S REPORT**

County Commissioners  
County of Cumberland, Pennsylvania  
Carlisle, Pennsylvania

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely-presented component units, each major fund, and the aggregate remaining fund information of the County of Cumberland, Pennsylvania (the County), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Conservation District, a discretely presented component unit of the County or the Cumberland Area Economic Development Corporation, a blended component unit. Those financial statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Cumberland, Pennsylvania, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As disclosed in Note 2, to the financial statements, the County adopted the provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* as of January 1, 2017. The County restated its beginning net position and expanded its note disclosures and requirement supplementary information related to its OPEB plan. Our opinion is not modified with respect to this matter.

As disclosed in Note 2, to the financial statements, the County adopted the provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14* as of January 1, 2017. The County restated its beginning net position and fund balance to reflect the inclusion of the Cumberland Area Economic Development Corporation (CAEDC) as a blended component unit in the current year. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis, budgetary comparison information, the employees’ retirement plan schedules, and the other postemployment benefits plan schedules on pages 16-28 and 99-108 (collectively referred to as “required supplementary information”) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Supplementary and Other Information*

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, supplementary information, and statistical section as listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

A handwritten signature in cursive script that reads "Boyer & Ritten". The signature is written in black ink and is centered on the page.

Camp Hill, Pennsylvania  
June 26, 2018

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, 2017. 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 in the introductory section of this report.

### **Financial Highlights**

- The assets of Cumberland County exceeded its liabilities at the close of the most recent fiscal year by \$110,540,249 (*net position*). Of this amount, \$48,662,608 (*unrestricted net position*) may be used to meet the County's general ongoing obligations to citizens and creditors, whereas an additional \$13,675,898 of *restricted net position* is available for funding specific activities benefiting the citizens.
- As of December 31, 2017, Cumberland County's governmental funds reported combined ending fund balances of \$54,690,234, an increase of \$9,108,789, due primarily to an increase in Economic Development and Assistance funding, future budgetary requirements, capital projects, loans receivable greater than one year and other revenue and expense changes. Additionally, fund balance increased \$4,098,973 because the Cumberland Area Economic Development Corporations was reported as a governmental special revenue fund in 2017 where it was reported as a discretely presented component unit in 2016.
- Of Cumberland County's governmental fund balance, approximately 76 percent of the amount (\$41,359,288) is *available for spending* at the government's discretion (*unrestricted fund balance*).
- The government's total net position increased by \$12,394,762 in 2017, which represents approximately eight percent of total expense, due to the aforementioned reasons.
- The County's general fund total fund balance was \$42,211,621 at the end of 2017, up 11% or \$4,293,395 which compares favorably to the budgeted 2017 drawdown of \$2.7 million.
- At the end of 2017, general fund unassigned fund balance was \$26,720,906 and assigned fund balance was \$11,809,138 for public safety, future budgetary requirements, capital projects, farmland preservation, prison canteen, risk liability, and criminal justice programs.
- Cumberland County's total general obligation debt decreased by \$5,290,000. The County's debt decreased due to the payment of the scheduled principal payments.
- The County's bond rating was confirmed AAA in April 2016.
- The County preserved 690 acres of premium farmland in 2017 with 1,092 acres pending settlement at the end of 2017.
- The County is in the process of re-engineering workflows and business processes to improve efficiency, quality, and customer satisfaction.
- The County uses a performance based compensation plan that rewards the most productive teams and individuals.
- The County is reviewing services that require large infrastructure/overhead with neighboring counties to achieve better economies of scale.
- The County started two major automation/technology upgrade projects in 2017, an automated timekeeping system and VoIP. Both projects are slated to be completed in 2018.
- Public Safety is in the planning stages of upgrading the 800 MHz radio system.

### **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 position* presents information on all of the County's assets, deferred outflow of resources and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 administrative and judicial, corrections, 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 reflect the County's nursing home (Claremont Nursing and Rehabilitation Center).

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, all 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 and, therefore, have a budget orientation. Governmental fund 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 36 and 38 of this report.

The County maintains nineteen governmental funds, consisting of the County's general fund, special revenue funds, capital projects fund and debt service fund.

A *General fund* accounts for the general tax revenues of a government and all other financial activity which is not required to be accounted for in another governmental fund.

*Special revenue funds* account for specific revenue sources that a substantial portion of which are legally restricted or committed to expenditures on specific activities, such as expenditures for the safety and welfare of children in the County's children and youth fund.

*Capital projects fund* accounts for governmental fund capital projects, including bond financed acquisition/construction for governmental funds.

*Debt service fund* accounts for governmental funds payments of general obligation debt principal and interest.

The County's general fund and the following special revenue funds: mental health/intellectual and developmental disabilities fund, children and youth fund and Cumberland County HealthChoices fund are considered major funds. Major funds represent individually a significant portion of a government's financial activity.

Data from the other governmental funds is combined into a single, aggregated presentation entitled "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 34, 35 and 37 of this report.

**Proprietary funds.** The County maintains two different types of proprietary funds; enterprise funds and internal service 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 an enterprise fund to account for its nursing home operations, which is considered a major fund.

*Internal service funds* are 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 governmental-type functions and therefore, although the net expenses of this activity are allocated to all benefiting activities in the government-wide *statement of activities*, the net position of this activity are included within *governmental-type activities* in the government-wide financial statements. The County's health reimbursement arrangement principally benefits governmental functions and therefore, although the net expenses of this activity are allocated to all benefiting activities in the government-wide *statement of activities*, the net position of this activity are included within *governmental activities* in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 40 through 43 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 County 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*, to report resources held by the primary government in a custodial capacity. 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 45 and 46 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 48 through 97 of this report.

**Required supplementary information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* including budget to actual 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 99 through 108 of this report.

**Other supplementary information.** 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 position may serve as a useful indicator of government's financial position. In the case of Cumberland County, assets exceeded liabilities by \$110,540,249 at the close of the most recent calendar year.

**Cumberland County's Net Position**

	Governmental activities		Business-type activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Assets:</b>						
Other assets	\$ 78,743,566	62,209,032	8,029,785	7,148,135	86,773,351	69,357,167
Capital assets	79,739,905	75,437,792	9,277,940	9,808,314	89,017,845	85,246,106
Total assets	<u>158,483,471</u>	<u>137,646,824</u>	<u>17,307,725</u>	<u>16,956,449</u>	<u>175,791,196</u>	<u>154,603,273</u>
<b>Deferred outflow of resources</b>	<u>1,702,638</u>	<u>9,922,421</u>	<u>465,335</u>	<u>2,692,796</u>	<u>2,167,973</u>	<u>12,615,217</u>
<b>Liabilities:</b>						
Long-term liabilities	36,796,917	45,766,492	5,214,936	8,002,898	42,011,853	53,769,390
Other liabilities	17,356,827	15,777,747	2,760,563	2,975,062	20,117,390	18,752,809
Total liabilities	<u>54,153,744</u>	<u>61,544,239</u>	<u>7,975,499</u>	<u>10,977,960</u>	<u>62,129,243</u>	<u>72,522,199</u>
<b>Deferred inflow of resources</b>	<u>4,014,983</u>	<u>-</u>	<u>1,274,694</u>	<u>-</u>	<u>5,289,677</u>	<u>-</u>
<b>Net position:</b>						
Net invested in capital assets	44,481,499	36,791,935	3,720,244	2,975,768	48,201,743	39,767,703
Restricted	13,675,898	12,085,563	-	-	13,675,898	12,085,563
Unrestricted	43,859,985	37,147,508	4,802,623	5,695,517	48,662,608	42,843,025
<b>Total net position*</b>	<u>\$ 102,017,382</u>	<u>86,025,006</u>	<u>8,522,867</u>	<u>8,671,285</u>	<u>110,540,249</u>	<u>94,696,291</u>

\* The County restated its beginning net position for governmental and business-type activities. Further information on the restatement can be found in the footnotes.

Forty-four percent of Cumberland County's net position reflects 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.

Twelve percent of the county's net position are legally restricted (\$13,675,898). The remaining balance of *unrestricted net assets* (\$48,662,608) 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 fund balances in all three categories of net position, both for the government as a whole and for its separate governmental and business-type activities.

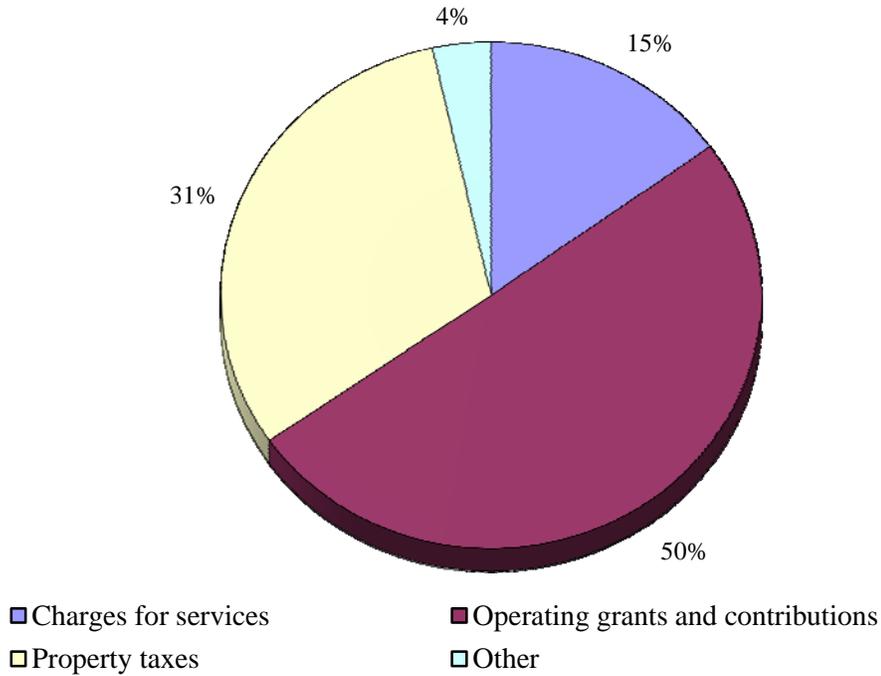
**Cumberland County's Change in Net Position**

	Governmental activities		Business-type activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 25,057,705	\$ 23,517,017	27,902,156	27,091,190	52,959,861	50,608,207
Operating grants and contributions	83,727,735	79,177,185	2,063	9,961	83,729,798	79,187,146
Capital grants and contributions	3,169,380	614,277	-	-	3,169,380	614,277
General revenues:						
Property taxes	52,084,725	51,340,102	-	-	52,084,725	51,340,102
Other taxes	2,108,153	2,081,488	-	-	2,108,153	2,081,488
Unrestricted investment earnings	512,855	249,731	6,570	3,596	519,425	253,327
Total revenues	166,660,553	156,979,800	27,910,789	27,104,747	194,571,342	184,084,547
<b>Expenses:</b>						
General government-administrative	14,479,524	14,810,069	-	-	14,479,524	14,810,069
General government-judicial	20,971,925	20,888,619	-	-	20,971,925	20,888,619
Corrections	18,680,545	19,330,948	-	-	18,680,545	19,330,948
Emergency telephone	5,186,230	5,469,089	-	-	5,186,230	5,469,089
Public safety	4,491,900	4,635,939	-	-	4,491,900	4,635,939
Transportation services	-	131,285	-	-	-	131,285
Roads and bridge maintenance	504,229	818,420	-	-	504,229	818,420
Recycling and waste management	399,114	254,298	-	-	399,114	254,298
Human services	83,592,260	80,210,767	-	-	83,592,260	80,210,767
Culture and recreation	14,664	26,192	-	-	14,664	26,192
Conservation	558,314	546,916	-	-	558,314	546,916
Community redevelopment and housing	195,676	192,851	-	-	195,676	192,851
Economic development and assistance	4,592,886	3,537,217	-	-	4,592,886	3,537,217
Interest on long-term debt	1,224,814	1,389,520	-	-	1,224,814	1,389,520
Indirect expenses	(660,484)	(635,987)	660,484	635,987	-	-
Claremont Nursing and Rehabilitation Center	-	-	27,284,499	26,709,058	27,284,499	26,709,058
Total expenses	154,231,597	151,606,143	27,944,983	27,345,045	182,176,580	178,951,188
Increase (decrease) in net position before special item	12,428,956	5,373,657	(34,194)	(240,298)	12,394,762	5,133,359
Special item	-	(706,760)	-	-	-	(706,760)
Increase (decrease) in net position	12,428,956	4,666,897	(34,194)	(240,298)	12,394,762	4,426,599
<b>Net position, beginning, as restated*</b>	89,588,426	81,358,109	8,557,061	8,911,583	98,145,487	90,269,692
<b>Net position, ending</b>	\$102,017,382	\$ 86,025,006	\$ 8,522,867	\$ 8,671,285	110,540,249	94,696,291

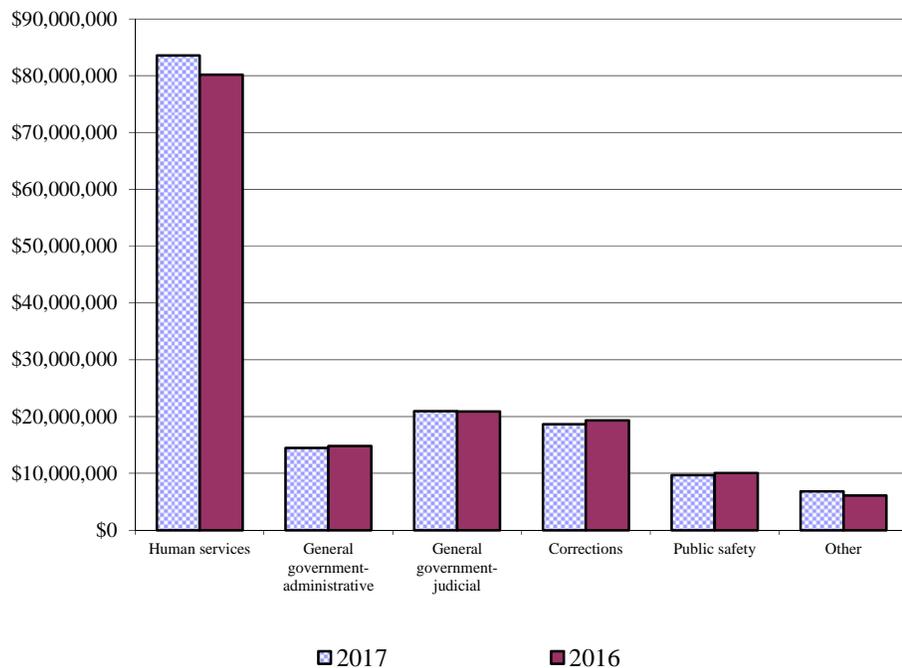
\* The County restated its beginning net position for governmental and business-type activities. Further information on the restatement can be found in the footnotes.

**Governmental activities.** The following charts graphically depict the sources of revenue and functional expenses of governmental activities for the fiscal year ended December 31, 2017:

**Revenues by Source - Governmental Activities**



**Expense Comparison by Activity - Governmental Activities**

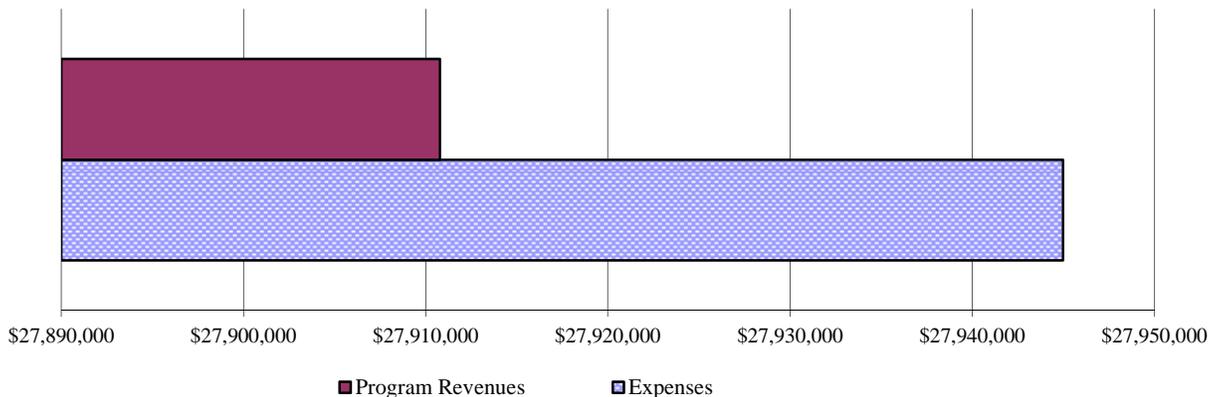


Governmental activities increased Cumberland County's net assets by \$12,428,956. The primary changes in revenues and expenses are:

- Revenues increased \$9,680,753. The majority of the increase was in two areas.
  - Operating Grants and Contributions increased \$4,550,550 mainly due to HealthChoices.
  - Capital grants and contributions increased \$2,555,103 due to the construction of Craighead Bridge.
- Expenses increased by \$2,625,454. The majority of the increase is in three areas.
  - Human services increased \$3,381,493. The majority of this is related to HealthChoices.
  - Economic development and assistance increased \$1,055,669.
  - Retirement decreased \$2,332,640 due mainly to the net pension liability.

**Business-type activities.** The following chart graphically depicts the sources of revenue and expenses of the County's business-type activity for the fiscal year ended December 31, 2017:

**Expenses and Program Revenues - County Home**



Business type activities decreased Cumberland County's net position by \$34,194. The primary changes in revenues and expenses to the business are:

- Claremont Nursing and Rehabilitation Charges for Services increased \$810,966. The average rate increased by about \$3.15 per day.
- Claremont Nursing and Rehabilitation expenses increased 2% or \$599,938.
- Therapy increased \$747,825 due to implementing grand rounds.

**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, spendable (both restricted and unrestricted) 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 2017, Cumberland County's governmental funds reported combined ending fund balances of \$54,690,234 and an increase of \$9,108,789 in comparison to the prior year. The increase was largely

attributable to a fund balance restatement (\$4,098,973) which resulted from the Cumberland Area Economic Development Corporations being reported as a governmental special revenue fund in 2017 where it was reported as a discretely presented component unit in 2016. Approximately 76 percent of the total amount (\$41,359,288) constitutes *unrestricted fund balance*, which is available for spending at the County's discretion. The remainder of the fund balance is *nonspendable* (\$1,755,529) or *restricted* (\$11,575,417) to indicate that it is not available for future spending at the discretion of the County because it either nonspendable or is legally restricted to offender supervision, roads and bridge maintenance, human services, public safety, row office automation, conservation, economic development and assistance, Marcellus shale, farmland preservation, and criminal investigation.

The general fund is the chief operating fund of Cumberland County. At the end of the year, unassigned fund balance of the general fund was \$26,720,906 while total fund balance was \$42,211,621. As a measure of the general fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to fund expenditures. General fund unrestricted fund balance (\$38,530,044) and total fund balance represents 70 percent and 76 percent, respectively, of total general fund expenditures.

The fund balance of Cumberland County's general fund increased by \$4,293,395 during the current year. In 2017, the Commissioners continued to implement cost savings measures and re-engineering workflows and business processes that "bent the cost curve down". We also had "economic improvements" that improved our revenues. The County continues to be the fastest growing county in the state. Our real estate tax base increased by about 1.4%, our collections of receivables improved, and we received higher interest rates on our cash.

**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.

### **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 in light of available and prudent funding 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 Commissioners' hearings. The County Finance Office approves all other budget revisions except transfers 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 or between budget categories (operating, capital, and salary and benefits).

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

Actual general fund revenues (including other financing sources) received were \$2,831,699 or 3.6% over the amended budget. County charges were over budget due to an increase in the number of inmates held for other agencies in our prison and an increase in Prothonotary revenue due to the PA-Dept of Revenue filing their out-

of-state tax liens with the County. Court costs, fines, and forfeitures were over budget due to the increase in the number of cases processed by the District Attorney's forensic lab and bail forfeitures.

Actual general fund expenditures (including other financing uses) were under budget by \$4,555,647. The major items under budget were:

County Prison	\$ 928,985
County Buildings	\$ 379,036
Information Management and Technology Office (IMTO)	\$ 376,391
Probation and Parole	\$ 260,514
Sheriff	\$ 254,471

The County Prison is under budget because salaries and benefits decreased due to turnover (11%), utility costs decreased, drug and alcohol counseling services decreased due to extra funding in the Drug and Alcohol fund which paid for a portion of the counseling services in 2017 and a capital project was put on hold. County Buildings are under budget due to an overall decrease in utility costs and the capital project for the relocation of MDJ Beckley's office did not occur in 2017. IMTO is under budget due to the purchase of less hardware and the upgrading of existing products instead of purchasing new products. Several projects were also placed on hold when the VOIP project was approved in order to achieve a successful deployment of a critical system. Probation and parole is under budget in salary and benefits due to turnover (5%). The Sheriff is under budget due to the security system upgrade for buildings that was started in 2017 and will be completed in 2018. The sheriff also had a vehicle ordered in 2017, but did not receive it until 2018. The Annual Retirement Contribution (ARC) and employee medical insurance costs for 2017 decreased. Small incremental savings occurred throughout the general fund which resulted in actual expenditures less than budgeted.

**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, 2017, amounted to \$89,017,845 (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 intangibles.

**Cumberland County's Capital Assets**  
(net of accumulated depreciation)

	Governmental activities		Business-type activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 3,005,914	2,503,264	-	-	3,005,914	2,503,264
Buildings and systems	44,352,728	46,810,576	8,390,827	9,042,764	52,743,555	55,853,340
Improvements other than buildings	1,841,164	1,974,286	120,504	151,344	1,961,668	2,125,630
Machinery and equipment	6,052,777	5,923,397	766,609	375,350	6,819,386	6,298,747
Bridges	11,122,368	6,547,608	-	-	11,122,368	6,547,608
Construction in progress	3,450,957	2,055,060	-	238,856	3,450,957	2,293,916
Agricultural easements	9,913,997	9,623,601	-	-	9,913,997	9,623,601
Total	\$ 79,739,905	75,437,792	9,277,940	9,808,314	89,017,845	85,246,106

Total governmental activities net capital assets increased in 2017 by \$4,302,113. Governmental activities' construction in progress increased \$1,395,897 in 2017 as a result of ongoing bridge replacement projects.

Additionally, bridges increased the governmental capital assets by \$4,574,760 because of the completion of two bridge replacements.

Total business-type activities net capital assets decreased by \$530,374 in 2017 through depreciation of existing capital assets.

Additional information on Cumberland County's capital assets can be found in Notes on pages 77 through 79.

### **Debt Administration**

At the end of the current fiscal year, Cumberland County had net outstanding bonded debt of \$39,400,635. The County's net general obligation notes total \$1,355,804. 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, 2017 and 2016 were:

		Governmental activities		Business-type activities		Total	
		2017	2016	2017	2016	2017	2016
General Obligation Bonds	\$	33,816,543	38,247,636	5,584,091	6,868,495	39,400,634	45,116,131
General Obligation Notes		715,000	715,000	-	-	715,000	715,000
Total		34,531,543	38,962,636	5,584,091	6,868,495	40,115,634	45,831,131

Cumberland County's bonded debt decreased by \$5,074,692

Principal payments paid in 2017 were \$5,290,000.

Cumberland County's rating was confirmed "AAA" from Standard and Poor's for general obligation debt in 2016.

The current debt limitation for Cumberland County is \$543,230,061 which is significantly in excess of Cumberland County's outstanding general obligation debt.

Additional information on Cumberland County's long-term debt can be found in Note 9 on pages 81 through 83 of this report.

### **Economic Factors and Next Year's Budget**

#### **Economic Conditions in 2017**

Economic indicators continued to improve in 2017 and the County's diverse economy has fared better than national and state averages, in part, because of its significant base of Federal and state employers and prime location in the region's transportation corridors. Cumberland County's December unemployment rate was 3.4% while the statewide and national rates were 4.9% and 4.1%, respectively. Neighboring counties also have unemployment rates significantly below the statewide and national average. County residents benefit from an array of employment opportunities based in the private sector as well as local, state, and Federal governments.

Cumberland County remains the fastest growing County in the Commonwealth by growing 6.4% since the last U.S. Census in 2010, according to the U.S. Census Bureau and analysis from the Pennsylvania State Data

Center. The reasons cited for this growth include low unemployment, safety, quality of services, educational opportunities, and high scores in numerous quality of life indicators. Recently Cumberland County was named one of the best places to live in Pennsylvania for many of the same reasons.

Cumberland County continues to enjoy a diverse tax base with little reliance on any one taxpayer. The top-ten taxpayers represent only 3.17% of assessed values as of December 31, 2017.

### **Next Year's Budget**

Cumberland County is in a stable, short-term financial situation as it enters the 2018 budget cycle. Stable in the sense that current revenues and expenses are in rough equilibrium. However, the County's long-term financial projections continue to show a growing operational deficit through 2021. The trend is based on a structural imbalance caused by the County's reliance on property taxes. Our cost containment efforts have "shifted" our cost curve and slowed projected increases in our expenses. The County's strategy for balancing costs and revenues remains to modernize County government. It must be run on a business-like basis. While the County should not be run on a for-profit basis, it should be run efficiently and businesslike as in the private sector.

Although a deficit was budgeted in 2017, the County made aggressive changes that increased the General Fund's fund balance by \$4,293,395. This was done through a combination of revenue enhancements and cost cutting measures.

In 2018, the General Fund budget shows a potential transfer of \$4,980,133 from reserves. This amount will be reduced directly by the Commissioners efforts at addressing long-term cost drivers that provide sustainable reductions and moderations in the cost of government. The end result will be an estimated ending unassigned fund balance of \$29.1 million and a projected transfer from reserves of \$958,508. For purposes of budgeting the County uses the combination of unassigned fund balance and assigned for future budgetary requirements as the "fund balance".

Highlights of the County's initiatives in the 2018 budget include:

- Bridge infrastructure.
- Investment in the County workforce's productivity through Merit Based Compensation (MBC), prudent automation, skills training, management development, and gainsharing.
- VoIP Telephone System.
- Long-term integrated financial planning particularly in the area of big ticket capital projects.
- Ongoing search for innovative ways to lower overall costs to the taxpayer.
- 9-1-1 radios and infrastructure
- 7<sup>th</sup> Common Pleas Judge
- Kronos, an automated timekeeping system, implementation

The County is not deferring any capital or maintenance that is required to keep the County facilities up to par.

**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 POSITION**

*December 31, 2017*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

	Primary Government			Discretely Presented Component Units	
	Governmental Activities	Business-type Activities	Total	Conservation District	Industrial Development Authority
<b>ASSETS</b>					
Cash and cash equivalents	\$ 30,074,983	2,691,234	32,766,217	711,453	38,749
Investments	27,164,534	—	27,164,534	300,000	—
Receivables (net of allowance):					
Taxes	1,889,122	—	1,889,122	—	—
Due from other governments	6,380,893	—	6,380,893	146,856	—
Accounts receivable	2,094,105	3,963,473	6,057,578	—	—
Court costs and fines receivable	1,983,207	—	1,983,207	—	—
Notes receivable	—	—	—	—	620,574
Due from component unit	65,982	—	65,982	—	—
Internal balances	1,002,018	(1,002,018)	—	—	—
Prepaid items	811,337	43,245	854,582	—	993
Restricted assets:					
Cash and cash equivalents	366,699	240,990	607,689	—	19,429
Capital assets, not being depreciated:					
Land	3,005,914	—	3,005,914	—	2,338,324
Construction in progress	3,450,957	—	3,450,957	—	—
Agricultural easements	9,913,997	—	9,913,997	—	—
Capital assets, net of accumulated depreciation:					
Buildings and systems	44,352,728	8,390,827	52,743,555	4,295	—
Improvements other than buildings	1,841,164	120,504	1,961,668	—	—
Machinery and equipment	6,052,777	766,609	6,819,386	54,333	—
Bridges	11,122,368	—	11,122,368	—	—
Non-inventoried assets	220,927	71,889	292,816	—	—
Net pension asset	6,640,095	2,020,972	8,661,067	80,897	—
Other assets	49,664	—	49,664	—	—
Total assets	<u>158,483,471</u>	<u>17,307,725</u>	<u>175,791,196</u>	<u>1,297,834</u>	<u>3,018,069</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred difference-expected and actual pension experience	1,530,975	425,092	1,956,067	14,682	—
Deferred changes of OPEB assumptions	42,948	13,845	56,793	418	—
Deferred charges on refunding	128,715	26,398	155,113	—	—
Total deferred outflows of resources	<u>1,702,638</u>	<u>465,335</u>	<u>2,167,973</u>	<u>15,100</u>	<u>—</u>

(continued)

**STATEMENT OF NET POSITION**

*December 31, 2017*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

(continued)

**LIABILITIES**

Accounts payable and other current liabilities	7,120,243	822,581	7,942,824	6,426	321,117
Accrued payroll	1,129,438	337,010	1,466,448	9,892	—
Due to primary government	—	—	—	39,885	—
Due to other governments	2,012,789	—	2,012,789	—	—
Accrued interest payable	198,208	30,411	228,619	—	—
Unearned revenues	1,225,592	97,748	1,323,340	220,051	—
Funds held as fiduciary	179,698	240,990	420,688	—	—
Noncurrent liabilities:					
Due in less than one year:					
Licensing agreement	81,304	—	81,304	—	—
Capital lease	240,532	—	240,532	—	—
Notes payable	362,640	—	362,640	—	2,150,000
General obligation bonds payable	4,280,511	1,179,489	5,460,000	—	—
Sick and vacation accrual	350,736	52,334	403,070	4,336	—
Workers' compensation claims payable	175,136	—	175,136	—	—
Due in more than one year:					
Licensing agreement	81,303	—	81,303	—	—
Capital lease	721,596	—	721,596	—	—
Notes payable	278,164	—	278,164	—	—
General obligation bonds payable	29,536,032	4,404,602	33,940,634	—	—
General obligation notes payable	715,000	—	715,000	—	—
Sick and vacation accrual	3,549,626	403,978	3,953,604	49,389	—
Net OPEB liability	1,143,649	406,356	1,550,005	11,034	—
Workers' compensation claims payable	771,547	—	771,547	—	—
Total liabilities	<u>54,153,744</u>	<u>7,975,499</u>	<u>62,129,243</u>	<u>341,013</u>	<u>2,471,117</u>

**DEFERRED INFLOWS OF RESOURCES**

Unavailable revenues	175,000	—	175,000	—	—
Deferred difference-projected and actual pension earnings	3,360,753	1,134,971	4,495,724	45,726	—
Deferred difference-expected and actual pension experience	479,230	139,723	618,953	5,369	—
Total deferred inflows of resources	<u>4,014,983</u>	<u>1,274,694</u>	<u>5,289,677</u>	<u>51,095</u>	<u>—</u>

**NET POSITION**

Net invested in capital assets	44,481,499	3,720,244	48,201,743	58,628	—
Restricted for:					
Conservation	2,205,841	—	2,205,841	852,585	—
Human services	1,409,822	—	1,409,822	—	—
Judicial services	173,435	—	173,435	—	—
Public safety	3,390,314	—	3,390,314	—	—
Emergency telephone	3,783,644	—	3,783,644	—	—
Records improvement	372,221	—	372,221	—	—
Economic development	15,692	—	15,692	—	—
Roads and bridges	2,324,929	—	2,324,929	—	—
Unrestricted	43,859,985	4,802,623	48,662,608	9,613	546,952
Total net position	<u>\$ 102,017,382</u>	<u>8,522,867</u>	<u>110,540,249</u>	<u>920,826</u>	<u>546,952</u>

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

**STATEMENT OF ACTIVITIES**

*For the year ended December 31, 2017*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Position				
	Expenses	Indirect Expense	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Discretely Presented Component Units	
						Governmental Activities	Business-type Activities	Total	Conservation District	Industrial Development Authority
<b>Primary government:</b>										
Governmental activities:										
General government - administrative	\$ 14,479,524	(2,176,280)	4,330,066	541,456	—	(7,431,722)	—	(7,431,722)	—	—
General government - judicial	20,971,925	111,930	4,620,892	2,801,029	—	(13,661,934)	—	(13,661,934)	—	—
Corrections	18,680,545	—	2,456,615	508,831	—	(15,715,099)	—	(15,715,099)	—	—
Emergency telephone	5,186,230	429,953	6,116,261	300	—	500,378	—	500,378	—	—
Public safety	4,491,900	—	1,872,049	1,004,211	19,970	(1,595,670)	—	(1,595,670)	—	—
Roads and bridge maintenance	504,229	36,261	1,506,085	656,459	3,149,410	4,771,464	—	4,771,464	—	—
Recycling and waste management	399,114	—	253,064	106,062	—	(39,988)	—	(39,988)	—	—
Human services:										
Mental health/intellectual and developmental disabilities	16,450,746	236,856	1,695,675	14,440,988	—	(550,939)	—	(550,939)	—	—
HealthChoices-Cumberland County	38,747,541	—	—	38,746,200	—	(1,341)	—	(1,341)	—	—
Children and youth	19,149,179	324,327	482,227	15,137,519	—	(3,853,760)	—	(3,853,760)	—	—
Food and shelter	886,130	36,176	95,656	756,853	—	(69,797)	—	(69,797)	—	—
Office of aging	4,365,657	202,735	303,186	4,145,094	—	(120,112)	—	(120,112)	—	—
Other	3,993,007	137,558	745,416	2,634,223	—	(750,926)	—	(750,926)	—	—
Culture and recreation	14,664	—	—	5,335	—	(9,329)	—	(9,329)	—	—
Conservation	558,314	—	45,558	251,471	—	(261,285)	—	(261,285)	—	—
Community redevelopment and housing	195,676	—	192,326	—	—	(3,350)	—	(3,350)	—	—
Economic development and assistance	4,592,886	—	342,629	1,991,704	—	(2,258,553)	—	(2,258,553)	—	—
Interest on long-term debt	1,224,814	—	—	—	—	(1,224,814)	—	(1,224,814)	—	—
Total governmental activities	154,892,081	(660,484)	25,057,705	83,727,735	3,169,380	(42,276,777)	—	(42,276,777)	—	—
Business-type activities:										
County nursing home	27,284,499	660,484	27,902,156	2,063	—	—	(40,764)	(40,764)	—	—
Total business-type activities	27,284,499	660,484	27,902,156	2,063	—	—	(40,764)	(40,764)	—	—
Total primary government	\$ 182,176,580	—	52,959,861	83,729,798	3,169,380	(42,276,777)	(40,764)	(42,317,541)	—	—
<b>Discretely presented component units:</b>										
Conservation District	\$ 1,051,766	—	340,295	747,027	—	—	—	—	35,556	—
Industrial Development Authority	320,139	—	170,164	192,654	—	—	—	—	—	42,679
Total discretely presented component units	\$ 1,371,905	—	510,459	939,681	—	—	—	—	35,556	42,679
General revenues:										
Real estate taxes						52,084,725	—	52,084,725	—	—
Per capita taxes						1,331	—	1,331	—	—
Hotel taxes						2,106,822	—	2,106,822	—	—
Unrestricted investment earnings						512,855	6,570	519,425	3,297	205
Total general revenues						54,705,733	6,570	54,712,303	3,297	205
Change in net position						12,428,956	(34,194)	12,394,762	38,853	42,884
Net position, beginning of year, as restated						89,588,426	8,557,061	98,145,487	881,973	504,068
Net position, end of year						\$ 102,017,382	8,522,867	110,540,249	920,826	546,952

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

## ***MAJOR GOVERNMENTAL FUNDS***

### ***DESCRIPTION OF FUNDS***

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#### **Governmental Funds**

Governmental funds, including the general fund, special revenue funds and the capital projects fund, are used to account for the majority of the County's activities.

**General Fund** – The general fund is the County's chief operating fund. It accounts for all financial resources of the County, except those required to be accounted for in another fund. The majority of administrative, judicial, prison and other public safety, debt service and subsidies to human service programs are financed through the revenues of the general fund.

#### **Major Special Revenue Funds:**

**Mental Health and Intellectual and Developmental Disabilities Fund** – The mental health and intellectual and developmental disabilities fund accounts for the administration of a full range of services to persons with serious and persistent mental illness or persons with intellectual/developmental disabilities who live in Cumberland or Perry County. Federal (including waivers) and state grants fund the vast majority of these services.

**Children and Youth Fund** – The children and youth fund accounts for monies received from various federal, state and local sources to:

- protect the safety and welfare of children,
- preserve, support and strengthen the family, and
- identify alternative care, a safe environment and a permanent home for those children unable to remain in their home.

**HealthChoices-Cumberland County** – 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 and stabilize the Commonwealth's Medical Assistance spending.

**Nonmajor Funds** – Other nonmajor funds is the aggregate of those governmental funds not individually meeting the "financial significance" criteria established by the U.S. generally accepted accounting principles for reporting as a major fund. Other nonmajor governmental funds are separately identified, described and reported in the Supplementary Information section.

**BALANCE SHEET**  
**Governmental Funds**

*December 31, 2017*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

	General Fund	Mental Health/ Intellectual and Developmental Disabilities	Children and Youth	HealthChoices- Cumberland County	Nonmajor Funds	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 17,767,867	2,753,440	300	157,054	9,145,906	29,824,567
Investments	24,641,748	—	—	—	1,174,181	25,815,929
Restricted cash	—	—	—	—	366,699	366,699
Receivables (net of allowance):						
Taxes	1,764,122	—	—	—	125,000	1,889,122
Due from other governments	458,834	336,118	1,847,194	—	3,738,747	6,380,893
Accounts receivable	810,465	—	—	—	1,282,140	2,092,605
Court costs and fines receivable	1,983,207	—	—	—	—	1,983,207
Due from other funds	3,356,670	—	130,618	—	1,517,332	5,004,620
Due from component unit	44,315	—	—	—	26,097	70,412
Prepaid items	375,395	780	—	—	350,326	726,501
Other assets	49,807	—	—	—	—	49,807
Total assets	<u>\$ 51,252,430</u>	<u>3,090,338</u>	<u>1,978,112</u>	<u>157,054</u>	<u>17,726,428</u>	<u>74,204,362</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 1,900,992	2,205,064	1,898,642	2,742	990,039	6,997,479
Accrued liabilities and withholdings	816,285	52,931	76,452	—	182,613	1,128,281
Remediation liability	—	—	—	—	78,240	78,240
Due to other funds	1,946,603	171,413	—	52,779	2,332,819	4,503,614
Due to other governments	822,285	—	—	—	1,190,504	2,012,789
Unearned revenue	201,725	533,863	3,018	93,348	393,638	1,225,592
Funds held as fiduciary	165,733	—	—	—	13,964	179,697
Total liabilities	<u>5,853,623</u>	<u>2,963,271</u>	<u>1,978,112</u>	<u>148,869</u>	<u>5,181,817</u>	<u>16,125,692</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	3,187,186	—	—	—	201,250	3,388,436
Total deferred inflows of resources	<u>3,187,186</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>201,250</u>	<u>3,388,436</u>

(continued)

**BALANCE SHEET**  
**Governmental Funds**

*December 31, 2017*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

(continued)

**FUND BALANCES**

Nonspendable:							
Prepaid items	\$	375,395	—	—	—	323,866	699,261
Loans receivable greater than one year		—	—	—	—	1,056,268	1,056,268
Restricted:							
Farmland preservation		943,857	—	—	—	—	943,857
Offender supervision		1,184,513	—	—	—	—	1,184,513
Juvenile probation restitution funds		31,493	—	—	—	—	31,493
Criminal investigation		399,283	—	—	—	—	399,283
Register of Wills-Act 34		76,500	—	—	—	—	76,500
Coroner - Act 122		55,988	—	—	—	—	55,988
Roads and bridge maintenance		—	—	—	—	1,519,101	1,519,101
Human services		—	127,067	—	8,185	1,157,225	1,292,477
Hazardous materials emergency planning		16,975	—	—	—	—	16,975
Public safety		—	—	—	—	3,697,867	3,697,867
Row office automation		206,084	—	—	—	160,368	366,452
Marcellus shale		391,489	—	—	—	298,541	690,030
Conservation		—	—	—	—	865,680	865,680
Capital projects		—	—	—	—	2,708	2,708
Economic development and assistance		—	—	—	—	432,493	432,493
Unrestricted:							
Assigned:							
Human services		—	—	—	—	7,533	7,533
Public safety		429,953	—	—	—	—	429,953
Future budgetary requirements		4,980,133	—	—	—	—	4,980,133
Capital projects		4,831,870	—	—	—	504,579	5,336,449
Economic development and assistance		—	—	—	—	2,317,132	2,317,132
Risk liability		250,000	—	—	—	—	250,000
Farmland preservation		641,748	—	—	—	—	641,748
Prison canteen		669,358	—	—	—	—	669,358
Criminal justice planning		6,076	—	—	—	—	6,076
Unassigned		26,720,906	—	—	—	—	26,720,906
Total fund balances		42,211,621	127,067	—	8,185	12,343,361	54,690,234
Total liabilities, deferred inflows of resources and fund balances	\$	51,252,430	3,090,338	1,978,112	157,054	17,726,428	74,204,362

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 POSITION**

*December 31, 2017*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

Total fund balances-governmental funds \$ 54,690,234

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	79,739,905
Unamortized prepaid items used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	220,927
Net pension asset resulting from pension assets being greater than pension liabilities	6,640,095
Certain receivables are not available to pay for current period expenditures and, therefore, are deferred inflows of resources in the funds.	3,223,873
Refunding bonds issued by the County create deferred charges that are amortized to interest expense over the shorter life between the new and old bonds, are reported as deferred outflows of resources on the statement of net position.	128,715
Cumulative pension fund and OPEB activity have created deferred outflows that are amortized to expense over an actuarily determined period of time and are reported as deferred outflows of resources on the statement of net position as follows:	
Deferred changes of OPEB assumptions`	42,948
Deferred difference-expected and actual pension experience	1,530,975
Internal service fund used by management to charge the costs of the self-insurance to individual funds:	
Workers' compensation	777,037
Health reimbursement arrangement	409,591
Long-term liabilities are not due and payable in the current period and, therefore, are not reported at the fund level:	
Bonds payable	(31,894,995)
Notes payable	(1,355,804)
Net premium on bonds and notes	(1,921,548)
Sick and vacation payable	(3,900,362)
Net OPEB liability	(1,143,649)
Capital lease	(962,128)
Software licensing agreements	(162,607)
Accrued expenses are not due and payable in the current period and, therefore, are not reported in governmental funds.	(205,842)
Cumulative pension fund and OPEB activity have created deferred inflows that are amortized to expense over an actuarily determined period of time and are reported as deferred inflows of resources on the statement of net position as follows:	
Deferred difference-projected and actual pension earnings	(3,360,753)
Deferred difference-expected and actual pension experience	(479,230)
Net position of governmental activities	<u>\$ 102,017,382</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, 2017*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

	<b>General Fund</b>	<b>Mental Health/ Intellectual and Developmental Disabilities</b>	<b>Children and Youth</b>	<b>HealthChoices- Cumberland County</b>	<b>Nonmajor Funds</b>	<b>Total</b>
<b>REVENUES</b>						
Taxes	\$ 52,143,468	—	—	—	2,106,822	54,250,290
Licenses and permits	207,437	—	—	—	—	207,437
Grants	4,085,432	14,437,387	15,137,390	38,746,200	14,097,188	86,503,597
County charges	9,606,035	1,589,997	482,227	—	9,869,853	21,548,112
Court costs, fines and forfeitures	2,685,765	—	—	—	200,262	2,886,027
Investment earnings	439,065	13,321	—	1,186	48,436	502,008
Payment in lieu of taxes	155,472	—	—	—	—	155,472
Contributions and other	127,548	109,278	129	—	276,821	513,776
Total revenues	<u>69,450,222</u>	<u>16,149,983</u>	<u>15,619,746</u>	<u>38,747,386</u>	<u>26,599,382</u>	<u>166,566,719</u>
<b>EXPENDITURES</b>						
Current:						
General government – administrative	10,914,097	—	—	—	373,352	11,287,449
General government – judicial	17,494,759	—	—	—	3,328,328	20,823,087
Corrections	17,525,468	—	—	—	—	17,525,468
Public safety	3,291,043	—	—	—	—	3,291,043
Emergency telephone	—	—	—	—	4,786,398	4,786,398
Public works and enterprises	—	—	—	—	606,179	606,179
Human services	1,133,095	16,680,764	19,472,049	38,747,541	8,913,772	84,947,221
Culture and recreation	5,770	—	—	—	—	5,770
Conservation and development	274,327	—	—	—	—	274,327
Economic development and assistance	1,579,272	—	—	—	3,000,086	4,579,358
Debt service:						
Principal retirement	—	—	—	—	4,430,875	4,430,875
Debt interest	—	—	—	—	1,238,913	1,238,913
Capital outlay	2,842,133	—	—	—	6,145,527	8,987,660
Payments to other governments	142,884	—	—	—	225,289	368,173
Total expenditures	<u>55,202,848</u>	<u>16,680,764</u>	<u>19,472,049</u>	<u>38,747,541</u>	<u>33,048,719</u>	<u>163,151,921</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,247,374</u>	<u>(530,781)</u>	<u>(3,852,303)</u>	<u>(155)</u>	<u>(6,449,337)</u>	<u>3,414,798</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	92,769	487,265	3,920,303	—	9,948,195	14,448,532
Transfers out	(11,252,723)	—	(68,000)	—	(3,127,809)	(14,448,532)
Proceeds from capital lease agreement	1,202,660	—	—	—	—	1,202,660
Proceeds received from line of credit	—	—	—	—	389,043	389,043
Proceeds from sale of assets	3,315	—	—	—	—	3,315
Total other financing sources (uses)	<u>(9,953,979)</u>	<u>487,265</u>	<u>3,852,303</u>	<u>—</u>	<u>7,209,429</u>	<u>1,595,018</u>
Net change in fund balances	4,293,395	(43,516)	—	(155)	760,092	5,009,816
Fund balances, beginning of year, as restated	37,918,226	170,583	—	8,340	11,583,269	49,680,418
Fund balances, end of year	<u>\$ 42,211,621</u>	<u>127,067</u>	<u>—</u>	<u>8,185</u>	<u>12,343,361</u>	<u>54,690,234</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, 2017*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

Net change in fund balances-total governmental funds	\$	5,009,816
<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		8,781,894
Depreciation expense		(4,514,630)
Retirement and sale of equipment		(364)
Prepaid items:		
Amortization of prepaid items		(357,251)
Deferred outflows of resources not reported in the fund statements:		
Deferred difference-expected and actual pension experience		(429,950)
Deferred changes of OPEB assumptions		42,948
<p>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 position:</p>		
Long term debt issued along with principal accretion on line of credit		(396,214)
Proceeds from capital lease agreement		(1,202,660)
Long term debt paid		4,430,875
Deferred inflows of resources that does 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.		
		79,673
Deferred inflows of resources not reported in the fund statements:		
Net premium on bonds and notes		301,890
Deferred amount on refunding		(76,125)
Deferred difference-projected and actual pension earnings		(11,117,409)
Deferred difference-expected and actual pension experience		(479,230)
Post employment benefits are reflected on the statement of activities but are not considered a current expenditure for the fund statements:		
OPEB		(41,640)
Pension		12,293,538
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
		848
Governmental funds do not recognize interest on long term debt until legally due, while the statement of net position accrues for interest payable.		
		22,716
Internal service funds are used by management to charge the cost of self-insurance claims to individual funds:		
Workers' compensation		79,525
Health reimbursement arrangement		706
Change in net position of governmental activities	\$	<u>12,428,956</u>

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

***MAJOR PROPRIETARY FUNDS***  
***DESCRIPTION OF FUNDS***

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**Proprietary Funds**

Funds used to account for those County activities for which user fees are charged with the expectation that the fees will cover the costs of the activity.

**Enterprise Fund** – The county nursing home fund accounts for the operation of the County owned Claremont Nursing and Rehabilitation Center. Claremont is a 290-bed community state of the art nursing and rehabilitation center with an open admission policy. Claremont is located in a rural setting adjacent to the Army Heritage and Education Center outside of Carlisle.

**Internal Service Funds** – Internal service funds, representing governmental activities, are separately identified, described and reported in the Supplementary Information section.

**STATEMENT OF NET POSITION**  
**Proprietary Funds**

*December 31, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<b>Business-type Activities</b>	<b>Governmental Activities</b>
	<b>Enterprise Fund</b>	<b>Internal</b>
	<b>County</b>	<b>Service Funds</b>
	<b>Nursing Home</b>	
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,691,234	250,413
Investments	—	1,348,605
Restricted cash:		
Patient funds	240,990	—
Due from other funds	—	747,306
Accounts receivable (net of allowance):		
Patient accounts receivable	3,963,473	—
Customer accounts receivable	—	1,500
Prepaid items	43,245	84,836
Total current assets	<u>6,938,942</u>	<u>2,432,660</u>
Noncurrent assets:		
Net pension asset	2,020,972	—
Non-inventoried assets	71,889	—
Capital assets, net of depreciation	9,277,940	—
Total noncurrent assets	<u>11,370,801</u>	<u>—</u>
Total assets	<u>18,309,743</u>	<u>2,432,660</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred difference-expected and actual pension experience	425,092	—
Deferred changes of OPEB assumptions	13,845	—
Deferred charge on refunding	26,398	—
Total deferred outflows of resources	<u>465,335</u>	<u>—</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	822,581	38,501
Accrued liabilities and withholdings		
Accrued payroll	337,010	—
Accrued interest	30,411	—
Due to other funds	1,247,423	889
Unearned revenue	97,748	—
Funds held as fiduciary	240,990	—
General obligation bonds payable	1,179,489	—
Sick and vacation accrual	52,334	—
Self-insurance claims payable	—	175,136
Total current liabilities	<u>4,007,986</u>	<u>214,526</u>
Noncurrent liabilities:		
Due in more than one year:		
General obligation bonds payable	4,404,602	—
Self-insurance claims payable	—	771,547
Net OPEB liability	406,356	—
Sick and vacation accrual	403,978	—
Total noncurrent liabilities	<u>5,214,936</u>	<u>771,547</u>
Total liabilities	<u>9,222,922</u>	<u>986,073</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred difference-projected and actual pension earnings	1,134,971	—
Deferred difference-expected and actual pension experience	139,723	—
Total deferred inflows of resources	<u>1,274,694</u>	<u>—</u>
<b>NET POSITION</b>		
Net invested in capital assets	3,720,244	—
Unrestricted	4,557,218	1,446,587
Total net position	<u>\$ 8,277,462</u>	<u>1,446,587</u>
<b>Reconciliation of the Statement of Net Position - Proprietary Funds to the Statement of Activities:</b>		
Total net position-Proprietary Funds	\$ 8,277,462	
Adjustment to reflect the consolidation of workers' compensation activity related to business-type activities	24,825	
Adjustment to reflect the consolidation of health reimbursement arrangement activity related to the business-type activities.	220,580	
Net position of business-type activities	<u>\$ 8,522,867</u>	

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

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
NET POSITION**

**Proprietary Funds**

*For the year ended December 31, 2017*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

	<b>Business-type Activities Enterprise Fund County Nursing Home</b>	<b>Governmental Activities Internal Service Funds</b>
Operating revenues:		
Charges for services:		
County charges	\$ 27,884,665	709,229
Rentals and other revenues	19,554	—
Total operating revenues	<u>27,904,219</u>	<u>709,229</u>
Operating expenses:		
Patient/client services	22,117,639	600,359
Depreciation	840,427	—
Administrative	4,943,937	—
Total operating expenses	<u>27,902,003</u>	<u>600,359</u>
Operating income	<u>2,216</u>	<u>108,870</u>
Nonoperating revenues (expenses):		
Interest income	6,570	10,845
Interest expense	(82,371)	—
Total net nonoperating revenues (expenses)	<u>(75,801)</u>	<u>10,845</u>
Change in net position	(73,585)	119,715
Net position, beginning of year, as restated	<u>8,351,047</u>	<u>1,326,872</u>
Net position, end of year	<u>\$ 8,277,462</u>	<u>1,446,587</u>

**Reconciliation of the Statement of Revenues, Expense, and Changes in Net Position to the Statement of Activities:**

Change in net position of enterprise funds	\$ (73,585)
Adjustment to reflect the consolidation of workers' compensation activity related to the business-type activities.	39,048
Adjustment to reflect the consolidation of health reimbursement arrangement activity related to the business-type activities.	343
Change in net position of business-type activities	<u>\$ (34,194)</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, 2017*

### COUNTY OF CUMBERLAND, PENNSYLVANIA

	<b>Business-type Activities</b>	<b>Governmental Activities</b>
	<b>Enterprise Fund</b>	
	<b>County Nursing Home</b>	<b>Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received on county charges	\$ 27,588,004	702,179
Payments to vendors	(8,566,815)	(382,209)
Payments to employees	(17,854,755)	(241,560)
Net cash provided by operating activities	<u>1,166,434</u>	<u>78,410</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	(548,909)	—
Principal paid on capital debt	(1,284,403)	—
Interest paid on capital debt	(79,801)	—
Net cash used in capital and related financing activities	<u>(1,913,113)</u>	<u>—</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of investments	—	104,021
Investment income received	6,570	10,345
Net cash provided by investing activities	<u>6,570</u>	<u>114,366</u>
Net increase (decrease) in cash and cash equivalents	(740,109)	192,776
Cash and cash equivalents, January 1	3,672,333	57,637
Cash and cash equivalents, December 31	<u>\$ 2,932,224</u>	<u>250,413</u>

(continued)

# STATEMENT OF CASH FLOWS

## Proprietary Funds

*For the year ended December 31, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Business-type Activities	Governmental Activities
	Enterprise Fund	Internal Service Funds
	County Nursing Home	
(continued)		
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ 2,216	108,870
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	840,427	—
Changes in assets and liabilities in:		
Patient accounts receivable	(326,211)	—
Due from other funds	644,587	(6,541)
Prepaid items	41,512	—
Non-inventoried assets	78,716	—
Accounts payable	(16,816)	6,202
Accrued liabilities and withholdings	2,445	—
Unearned revenues	10,018	—
Funds held as fiduciary	(32,210)	—
Net OPEB liability	(420)	—
Net pension asset	(77,830)	—
Self-insurance claims payable	—	(30,121)
Total adjustments	1,164,218	(30,460)
Net cash provided by operating activities	\$ 1,166,434	78,410

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

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

***FIDUCIARY FUNDS***  
***DESCRIPTION OF FUNDS***

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**Fiduciary Funds**

Funds used by the County to account for funds collected on behalf of others.

**Pension Trust-Employees' Retirement Fund** –The County's pension trust fund accounts for the County and its employees' retirement contributions, earnings, investments and obligations.

**Agency Funds** – The County's 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, which is subsequently disbursed to individuals, private organizations and other governments for whom it was collected.

**STATEMENT OF FIDUCIARY NET POSITION**

Fiduciary Funds

*December 31, 2017***COUNTY OF CUMERLAND, PENNSYLVANIA**

	<b>Pension Trust - Employees' Retirement Fund</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,397,147	6,514,190
Investments:		
Negotiable bank certificates of deposit	888,375	—
U.S. government and agency securities	23,176,992	—
Other governments' securities	695,622	—
Corporate bonds and notes	37,905,324	—
Equity securities	50,089,449	—
Mutual funds	97,123,199	—
Total investments	209,878,961	—
Due from broker	231,071	—
Accrued interest and dividends receivable	588,440	—
Total assets	214,095,619	6,514,190
<b>LIABILITIES</b>		
Due to other governments	—	1,961,263
Due to broker	797,071	—
Other liabilities	43,042	4,552,927
Total liabilities	840,113	6,514,190
<b>NET POSITION</b>		
Net position restricted for pensions	\$ 213,255,506	—

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

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

Pension Trust-Employees' Retirement Fund

*For the year ended December 31, 2017*

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**COUNTY OF CUMBERLAND, PENNSYLVANIA**

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**ADDITIONS**

## Contributions:

Employer	\$	3,805,364
Plan members		<u>3,352,587</u>
Total contributions		<u>7,157,951</u>

## Investment income:

Net appreciation in fair value of investments		23,071,656
Interest		1,548,291
Dividends		<u>3,924,592</u>
Total investment earnings		28,544,539
Less investment expense		<u>416,503</u>
Net investment income		<u>28,128,036</u>
Total additions		<u>35,285,987</u>

**DEDUCTIONS**

Benefits		9,890,734
Refunds of contributions		538,106
Administrative expenses		<u>208,891</u>
Total deductions		<u>10,637,731</u>

Change in net position 24,648,256

Net position - beginning of year		<u>188,607,250</u>
Net position - end of year	\$	<u>213,255,506</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 third class founded January 27, 1750, and operates under an elected three-member Board of Commissioners. The County provides various governmental services including judicial, public safety, corrections, human services, economic development and others to its estimated 250,066 residents.

The basic criteria for determining whether a governmental organization should be included in the primary governments reporting entity is financial accountability. Though a primary government is financially accountable for the organizations that make up its legal entity, it may also be financially accountable for legally separate organizations based on the nature and significance of their relationship as provided for in applicable laws, organizational bylaws or contractual agreements.

***Component Units***

Component units are legally separate organizations for which the County is financially accountable. In addition, a component unit can be a legally separate organization for which the nature and significance of its relationship with the County is such that its exclusion would cause the County's financial statements to be misleading or incomplete.

The County reports four organizations as component units in accordance with GASB 61 criteria.

***Blended Component Units***

The following component units of the County are reported as blended as they provide services which primarily, but not exclusively, benefit the County.

***Cumberland Area Economic Development Corporation (CAEDC)***

The CAEDC is a legally separate governmental not-for-profit, for which the County appoints board members from nominees recommended by the CAEDC board. The County Commissioners are CAEDC board members and they have corporate powers greater than the board at large and are the sole corporate members. The County financially benefits from the CAEDC by the CAEDC's performance of activities that are set forth in the County's strategic plan, mission/vision – thereby relieving the County of this budgetary and administrative burden by placement of this portion of the County's mission under an outside organization. The CAEDC also has a financial benefit/burden relationship with the County by virtue of the County's ongoing decision to fund the CAEDC with 100% of the County's hotel taxes, as well as discretionary County grants.

As the CAEDC is funded primarily with County hotel taxes, for which the tax rate is set by, and can only be changed by, the County, the CAEDC is fiscally dependent on the County.

CAEDC financial statements may be requested at the CAEDC office at 53 West South Street, Suite 1, Carlisle, PA 17013.

*Cumberland County Recycling & Waste Authority (CCRWA)*

The Cumberland County Recycling & Waste Authority is a legally separate organization to which the County Commissioners appoint board members.

The CCRWA has a financial benefit/burden relationship with the County by the County's funding the CCRWA in accordance with a delegation agreement under which the CCRWA provides planning for, and reporting on, municipal waste and recycling within the County – a core statutory County responsibility.

As the County both budgets for the CCRWA and delegates the County's recycling and waste management responsibilities to the CCRWA and may opt to cease such delegation and funding at its discretion, the County is able to impose its will on the CCRWA.

The CCRWA is reported as blended as the recycling and waste planning and reporting services that the CCRWA provides almost entirely benefit the County as such services are the legislated responsibility of a county.

The CCRWA does not issue separate financial statements.

***Discretely Presented Component Units***

The following component units of the County are reported discretely as they do not satisfy the blending criteria of GASB No. 14 as amended by GASB No. 61 and 80.

*Cumberland County Conservation District*

The Cumberland County Conservation District is a legally separate organization which provides for the conservation of the County's soil, water and related resources. The County Commissioners appoint District board members from a list of nominees provided by outside groups.

The Conservation District is fiscally independent as the Pennsylvania law that governs its creation and operation does not grant the County the authority to involve itself in the activities that, according to GASB No. 14 and No. 61, exemplify independent decision making. Despite the Conservation District's fiscal independence under law, the County believes it is misleading to exclude the Conservation District as a component unit of the County in light of its close relationship, and financial integration with, the County. Supporting this decision are the County Commissioners' annual approval of the Conservation District's budget, County Salary Board and Commissioner approval of Conservation District positions and personnel hires, respectively, despite no provisions in state law that grants the County the direct authority for these roles. The County also includes the Conservation District budget and performance measures in its published County budget document.

The audited financials of the Conservation District are available at the District's office at 310 Allen Road, Suite 301, Carlisle, PA 17013.

*Cumberland County Industrial Development Authority (IDA)*

The IDA is a legally separate organization which strives to alleviate unemployment by creating and developing business opportunities through facilitating organizations access to grants and financing for which both the County and the IDA have no ongoing liability.

The County Commissioners appoint IDA board members and, representing the potential for the County to impose its will, have the ability to remove board members without cause.

The audited financials of the IDA are available at the Authority's office at 53 West South Street, Suite 1, Carlisle, PA 17013.

### ***Joint Ventures***

The County reports two joint ventures.

#### ***Capital Area Transit***

The County is a participant in Capital Area Transit (CAT) - a joint venture.

CAT was organized April 18, 1973, by the City of Harrisburg and the Counties of Cumberland and Dauphin under 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.

CAT receives the vast majority of its operating and capital funding from Federal and state grants. The sponsoring local governments are responsible for local match funding. Pennsylvania's Act 44, in conjunction with Act 89 of 2013, provides stable long-term funding for Pennsylvania public transit agencies.

The County has no interest in the equity of CAT, and as a result, there is no equity interest in CAT recorded in the County's financial statements.

In 2017, the County paid CAT \$227,117. As a participant in the joint venture, the County's annual subsidy payment was \$216,994 in 2017. Additionally, the County paid \$10,123 to CAT for transportation services for Shippensburg Borough.

CAT issues publicly available financial statements that may be obtained from the Capital Area Transit office at 901 North Cameron Street, Harrisburg, PA 17101.

#### ***Cumberland County/Penn State Agricultural Extension Programs***

Cumberland County and Penn State University jointly operate and fund Agricultural Extension Programs. These programs are administered at the Agricultural Extension Office at 310 Allen Road, Suite 601, Carlisle, PA 17013.

The County's Agriculture Extension activity is a joint operation in which the County reports its contributions, in the form of its share of joint operation expenses, in the County's financial results. As the Agricultural Extension is a joint operation, in which both governmental units separately report their share of expenses, separate financial statements of the joint operation are not available.

In 2017, the County's share of Agricultural Extension program expenses were \$349,706 and are reported in the County's general fund.

There are no separately issued financial statements for the Cumberland County/Penn State Agricultural Extension Program joint operation.

**Related Organizations**

Related organizations are organizations for which the County is not financially accountable (because it does not have the ability to impose its will or have a financial benefit or burden relationship) even though the County appoints a voting majority of the organization's governing board.

The County's related organizations, which are not solely advisory and with significant financial activity, are:

Cumberland County Library System  
Cumberland County Redevelopment Authority  
Cumberland County Housing Authority  
Central Pennsylvania Transportation Authority

**B. Basis of presentation**

The basic financial statements of the County have been prepared in accordance with U.S. generally accepted accounting principles. The Governmental Accounting Standards Board (GASB) establishes U.S. generally accepted accounting principles for governments.

**C. Government-wide and fund financial statements**

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on the overall County. The statement of net position 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 since those resources do not support the programs of the County. *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 discretely presented 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/intellectual and developmental disabilities, children and youth and HealthChoices-Cumberland County) and a major individual enterprise fund (County nursing home) 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. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. 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. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the County must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. 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 unearned revenues. Any excess of grant expenditures at year-end is recorded as accounts receivable or due from other governments.

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. Court costs, fines and forfeitures are considered available only when cash is received by the County. Grants are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources. Other revenues are considered to be measurable and available only when cash is received by the County. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. General capital asset acquisitions are reported as expenditures in governmental funds. However, debt service expenditures as well as expenditures related to compensated absences are recorded only when payment is due.

The County reports the following governmental fund types:

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

*Special revenue funds* account for revenues that are restricted or committed to expenditure for specified purposes.

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

*Capital projects funds* account for significant capital projects and capital expenditures that are not financed by proprietary funds.

The County reports the following proprietary fund types:

*Enterprise funds* report an activity, County nursing home, for which a fee is charged to external users for goods or services.

*Internal service funds* account for the County's self-insured workers' compensation and employee health reimbursement arrangement (HRA).

*Internal service funds* are an accounting device used to accumulate and allocate the cost of the County's workers' compensation self-insurance and health reimbursement arrangement internally among all of the County's various activities based on the causal relationship between the internal services costs and the County's benefiting activities. The net position of both workers' compensation self-insurance and the net position of the health insurance arrangement are included within *governmental activities* in the government-wide statement of net position.

*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 which is subsequently disbursed to the County, individuals, private organizations and other governments for whom it was collected, though the portion of cash held by agency funds due to the County at year end is reported as assets of the appropriate County funds.

The County reports its *general fund, mental health/intellectual and developmental disabilities fund, children and youth fund and HealthChoices-Cumberland County fund* as major governmental funds. Descriptions of these individual funds precede their presentation in the basic financial statements.

The County reports its *County nursing home fund* as a major proprietary fund. Descriptions of this fund precede its presentation in the basic financial statements.

#### **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 County taxes.

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

**G. County Charges for Patient Service Revenue**

Patient service revenue, including unbilled services, are reported at estimated net realizable amounts from patients, third-party payers, 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 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. Cash also includes deposits in other kinds of short-term investment accounts or cash management pools that have the general characteristics of demand deposit accounts in that the County may deposit additional cash at any time and also effectively may withdraw cash at any time without prior notice or penalty.

The County has written investment policies governing both its pension fund investments and its other funds investments. These policies are discussed in Note 3.

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.

**J. Prepaids**

To the extent certain payments to vendors, such as for rent or insurance, reflect costs applicable to future accounting periods, they are recorded as prepaid items in both the government-wide and fund financial statements. Prepaids are accounted for using the consumption method and recognized proportionally for each of the benefitting periods for both the 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 County's balance sheets and statement of net position 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 funding provider.

Assets, such as cash and due from other governments, in grant funded programs are generally restricted in use to payment of current program liabilities.

Restricted cash and investments in governmental activities consist of general obligation bond and note proceeds designated for specific projects.

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

#### **L. Fair Value Measurements**

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Any donated capital asset, donated work of art or historical treasure, or any capital asset received from a service concession arrangement would be recognized at acquisition value rather than fair value.

#### **M. Capital Assets**

Capital assets, which include land, improvements other than buildings, buildings and systems, machinery and equipment, bridges (infrastructure), construction in progress and intangibles (such as agricultural easements and computer software), are recorded in the applicable governmental and business-type activities columns in the government-wide statement of net position.

Beginning in 2014, capital assets are defined by the County as all assets with a value greater than \$5,000 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 in Years
Land	Not depreciated
Agricultural easements	Not depreciated
Buildings and systems	5 - 50
Improvements other than buildings	10 - 45
Machinery and equipment	5 - 20
Computer, audio and video equipment	5 - 7
Computer software	5 - 7
Bridges	50

**N. 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 which are 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.

The liability for compensated absences is not reported in the governmental funds due to the measurement focus of those funds. Compensated absences are reported in the proprietary funds and in the government-wide statements.

**O. 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, and proprietary fund statements of net position. Bond and note discounts and premiums are 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 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 under the subheading debt service expenditures.

## **P. Deferred Inflows/Outflows of Resources**

### **Deferred Outflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources, as appropriate. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will *not* be recognized as an outflow of resources (i.e. expense) until then. The County has three items that qualify for reporting in this category on the government-wide statement and proprietary fund statements of net position.

*Deferred charge on refunding* – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

*Deferred difference-expected to actual pension experience* – This is the difference in the actual pension claims over what was expected. This category is amortized over an appropriate actuarially determined period of time.

*Deferred changes of OPEB assumptions* – This difference is changes in the assumptions or other inputs for other post-employment benefits offered to County retirees. It relates to the difference between healthcare cost assumptions and actual experience. It is amortized over an appropriate actuarially determined period of time.

### **Deferred Inflows of Resources**

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources, as appropriate. This separate financial statement element, *deferred inflows of resources*, represents acquisition of net position that applies to future periods and so will *not* be recognized as an outflow of resources (i.e. expense) until then. The County has three items that qualify for reporting in this category and the statements for which they appear are included in their explanation.

*Unavailable revenue* – The CAEDC, a blended component unit, received non-refundable payments which are recognized as payments in advance of an exchange transaction and will be recognized in the appropriate measurement period. As of December 31, 2017, unavailable revenues related to the CAEDC was reported in the government-wide (\$175,000) and governmental fund (\$201,250) statements.

Additionally, the County recognizes unavailable revenue in the governmental fund statements related to property taxes (\$1,278,884) and court costs and fines (\$1,908,302). They are recognized in the period that the amounts become available.

*Deferred difference-projected and actual pension earnings* – This is when the projected earnings exceeded the expected results from our pension investments. This category is amortized over a five year period. This category appears on the government-wide statement and proprietary fund statements of net position.

*Deferred difference-expected and actual pension experience* – This is the difference in the actual pension claims over what was expected. This category is amortized over an appropriate actuarially determined period of time. This category appears on the government-wide statement and proprietary fund statements of net position.

#### **Q. 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.

#### **R. Fund Balance – Governmental Funds**

The County's fund balance policy establishes the objective of maintaining a healthy level of fund balance sufficient to mitigate current and future financial risks (i.e. unanticipated emergency expenditures and revenue shortfalls) and to ensure stable tax rates by maintaining an unassigned fund balance in the general fund representing no less than seventy days of general fund operating expenditures and transfers out. The Government Finance Officer Association recommends 60 days. The County accomplishes this objective by maintaining an unassigned fund balance in its general fund of no less than seventy days with a target of 100 days of average budgeted general fund total expenditures.

The County's fund balance policy comprises a hierarchy based primarily on the extent of constraints imposed upon the use of net resources reported in governmental funds.

The County is limited to spending restricted fund balance on the activities allowed by the terms of a grant contract or by applicable legislation.

With the exception of self-imposed constraints, consisting of (1) formal action taken by the County Commissioners to enact fund balance commitments, in the form of a formal Commissioner-approved

resolution to establish, modify or rescind a fund balance commitment, or (2) fund balance assignments by designated County management (Finance Director assignments, as approved by the Chief Clerk), unrestricted fund balance may be spent on the wide variety of governmental activities.

In regard to the order in which net governmental resources are spent, the most restrictive funding source is used first, unless applicable legislation, grant or a formal action by the Commissioners mandates an exception.

### ***Nonspendable Fund Balance***

Nonspendable fund balance is the component of fund balance that is not available for expenditure and typically represents prepaid expenditures.

### ***Restricted Fund Balance***

Restricted fund balance represents amounts that can be spent only for the specific purposes allowed by the resource providers, i.e. grantors or applicable legislation. The County's restrictions are as follows:

*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.

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

*Juvenile probation restitution fund* – The County receives monies from juvenile probationers within the County for disbursement to appropriate crime victims.

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

*Register of Wills – Act 34* – Filing fees collected, per statute, are reserved for adoption counseling by individuals who cannot afford to pay for it.

*Coroner – Act 122* – Monies collected, per statute, are reserved to be used for training and equipment for the Coroner's Office.

*Roads and bridge maintenance* – Monies received for the restricted purpose of maintaining and replacing roads and County owned bridges.

*Human services* – Monies received for the provision of human services activities for County residents.

*Hazardous materials emergency planning* – Monies collected, per statute, for training programs, public and facility owner education, information and participation programs, general administrative and operational expenses.

*Public safety* – Monies received to coordinate essential public safety activity among federal, state, regional, county, municipal agencies, and volunteer organizations to provide quick, reasoned responses to the needs of County citizens in times of emergency.

*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 the Orphans' Court office.

*Marcellus shale* – These funds are the County's portion of the Pennsylvania's Marcellus Legacy Fund which, at the state-level, represents forty percent of the proceeds from the natural gas drilling impact fee.

- *General fund* – monies are restricted for the planning, acquisition, development, rehabilitation and repair of greenway projects.
- *Capital projects* – monies are restricted to replace or repair locally owned, at-risk deteriorated bridges.

*Conservation* – Monies restricted to provide the long-term capacity and disposal of County municipal waste in an environmentally sound and cost effective manner. Also, to reduce overall County waste generation while increasing County recycling, and provide county residents with proper disposal options for certain items that are generally inappropriate for municipal solid waste disposal facilities.

*Capital projects* – Proceeds restricted for the purpose of capital related projects.

*Economic development and assistance*– Monies used to provide economic development services and tourism promotion services to Cumberland County and the Southcentral Pennsylvania region.

***Unrestricted Fund Balance***

Unrestricted fund balance consists of the committed, assigned and unassigned fund balance categories.

County Commissioners have not taken action to commit fund balance.

***Fund Balance Assignments***

Assigned fund balance represents the County's plans for future use of the County's net financial resources which are not otherwise restricted or committed. Accumulated unrestricted inflows in special revenue funds are reported as fund balance assignments and are dedicated to supporting the fund's objectives.

Assignments have been established in the governmental fund as follows:

*Human services* – This assignment was established to fund future human service expenditures.

*Public safety* – This assignment was established to fund future public safety expenditures.

*Future budgetary requirements* – This assignment was established to fund future budgetary requirements for 2017.

*Capital projects* – This assignment was established to fund future capital projects in the County.

*Economic development and assistance* - Monies used to provide economic development services and tourism promotion services to Cumberland County and the Southcentral Pennsylvania region.

*Risk liability* – This assignment was established to mitigate potential budgetary shortfalls in the provision of prisoner healthcare.

*Farmland preservation* – The County has set aside cash and investments to satisfy future obligations related to the purchase of development rights of Cumberland County farmland.

*Prison canteen* – Monies representing commissions earned from the operation of the prison canteen are assigned for prisoner welfare expenditures.

*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.

***Unassigned Fund Balance***

Unassigned fund balance is the residual classification in the general fund and is not restricted in regard to spending on County activities. The general fund is the only fund that may report a positive unassigned fund balance. In other governmental funds it is not appropriate to report positive unassigned fund balance.

However, in governmental funds, other than the general fund, if expenditures exceed revenues it may be appropriate to report a negative unassigned fund balance.

**S. Net Position**

**Governmental Activities and Business-type Activities and Proprietary Fund Net Position:** Total net position is determined by summing total assets and deferred outflow of resources, less total liabilities and deferred inflow of resources reported on the statement of net position. Total net position is reported in three components: net invested in capital assets; restricted net position; and unrestricted net position.

Net invested in capital assets represents the applicable financed capital assets less accumulated depreciation and the outstanding liability (excluding unspent proceeds) for debt specifically related to the acquisition of the capital assets.

Restricted net position are reported based on enforceable constraints imposed by either creditors, contributors or laws or regulations of other governments.

Unrestricted net position represents total net position less net invested in capital assets and restricted net position.

**T. Retirement and Other Postemployment 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, the County offers postemployment health benefits to employees who opt to pay for the coverage themselves post-termination of service. 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 postemployment benefits to County employees.

**U. New Accounting Pronouncements**

The following list reflects only those pronouncements initially effective in the current or upcoming reporting periods which based on our review, may be applicable to the County's reporting requirements.

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits of OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement replaces Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement No. 43 and Statement No. 50, *Pension Disclosures*. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016. The County has implemented GASB 74 in the current year.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and establishes new accounting and financial reporting requirements for OPEB plans. This Statement is effective for fiscal years beginning after June 15, 2017. The County has implemented GASB 75 in the current year.

In January 2016, the GASB issued Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*. This Statement amends the blending requirements for the financial presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, and earlier application is encouraged. The County has implemented GASB 80 in the current year.

In March 2016, the GASB issued Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68 and No. 73*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which the pension liability is measured as of a date other than the most recent fiscal year-end. In that circumstance, the effective date is June 15, 2017. The County has implemented GASB 82 in the current year.

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred out flow of resources for asset retirement obligations. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018, and earlier application is encouraged. The County is currently evaluating what effect, if any, the adoption of GASB 83 will have on the County's financial statements.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018, and earlier application is encouraged. The County is currently evaluating what effect, if any, the adoption of GASB 84 will have on the County's financial statements.

In March 2017, the GASB issued Statement No. 85, *Omnibus 2017*. This objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017, and earlier application is encouraged. The County is currently evaluating what effect, if any, the adoption of GASB 85 will have on the County's financial statements.

In May 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds for funding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods

beginning after June 15, 2017, and earlier application is encouraged. The County is currently evaluating what effect, if any, the adoption of GASB 86 will have on the County's financial statements.

In June 2017, GASB issued Statement No. 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019, and earlier application is encouraged. The County is currently evaluating what effect, if any, the adoption of GASB 87 will have on the County's financial statements.

In April 2018, GASB issued Statement No. 88, *Certain Disclosures related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes related to debt. It also clarifies which liabilities governments should include when disclosing information related to debt. This statement requires that additional essential information related to debt be disclosed, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, and significant subjective acceleration clauses. It also requires that existing and additional information be provided for direct borrowings and direct placement of debt separately from other debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018, and earlier application is encouraged. The County is currently evaluating what effect, if any, the adoption of GASB 88 will have on the County's financial statements.

## **2. Restatement of Net Position/Restatement of Beginning Balances**

The County restated its beginning net position as a result of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. It changed the actuarial method of calculating OPEB obligation and includes the deferred outflow of resources entitled *deferred changes of OPEB assumptions* for governmental, business-type activities and proprietary fund statements.

The County also restated its beginning net position and fund balance as a result of Governmental Accounting Standards Board Statement No. 80 *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*. The resulting criteria from GASB 80 required the inclusion of the Cumberland Area Economic Development Corporation (CAEDC) as a blended component unit where in the previous year it was reported as a discretely presented component unit.

The financial impact of the implementation of GASB Statements No. 75 and 80:

**Governmental Fund Balance Sheet**

	<u>General Fund</u>	<u>Mental Health/ Intellectual and Developmental Disabilities</u>	<u>Children and Youth</u>	<u>HealthChoices- Cumberland County</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Fund balances, as previously reported, at December 31, 2016	\$ 37,918,226	170,583	-	8,340	7,484,296	45,581,445
Discretely presented component unit reclassification (GASB 80) CAEDC	-	-	-	-	4,098,973	4,098,973
Fund balances, as restated, as of December 31, 2016	<u>\$ 37,918,226</u>	<u>170,583</u>	<u>-</u>	<u>8,340</u>	<u>11,583,269</u>	<u>49,680,418</u>

**Proprietary Fund Statement of Net Position**

	<u>County Nursing Home</u>	<u>Internal Service Funds</u>
Net position, as previously reported, at December 31, 2016	\$ 8,465,271	1,326,872
Implementation of OPEB obligation standard GASB 75	(114,224)	-
Net position, as restated, at December 31, 2016	<u>\$ 8,351,047</u>	<u>1,326,872</u>

**Government-wide Statement of Net Position**

	<u>Primary Government</u>			<u>Discretely Presented Component Units</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Conservation District</u>	<u>Industrial Development Authority</u>	<u>CAEDC</u>
Net position, as previously reported, at December 31, 2016	\$ 86,025,006	8,671,285	94,696,291	884,945	504,068	3,896,458
Discretely presented component unit reclassification (GASB 80) CAEDC	3,896,458	-	3,896,458	-	-	(3,896,458)
Implementation of OPEB obligation standard GASB 75	(333,038)	(114,224)	(447,262)	(2,972)	-	-
Net position, as restated, at December 31, 2016	<u>\$ 89,588,426</u>	<u>8,557,061</u>	<u>98,145,487</u>	<u>881,973</u>	<u>504,068</u>	<u>-</u>

### 3. Deposits and Investments

The County reports deposits and investments in accordance with U.S. generally accepted accounting principles (GAAP), which requires enhanced disclosure of the risks of loss that the County's deposits and investments are subject to. Specifically, the following disclosures regarding the County's pension and non-pension deposits and investments are required:

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

#### 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 of Pennsylvania restricts the County's investments, including the County's workers' compensation self-insurance trust 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, and
- Commercial paper, defined in Section 1706 as investment grade corporate promissory obligations.

The County's investment policy, which governs its non-pension cash and investments, 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 its agencies and instrumentalities that are U.S. Government backed and requires a 102 percent margin for underlying collateral, and
- 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, oversees the investments of the pension trust fund in a fiduciary capacity.

The Retirement Board has adopted an investment policy (“Pension Policy”), 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 establishes targeted investment allocations of:

<u>Investment</u>	<u>Target</u>	<u>Benchmark</u>
Domestic equity	47%	Russell 3000
International equity	18%	MSCI ACWI ex U.S. (net)
Fixed Income	34%	Barclay's Capital U.S. Intermediate Governmental/Credit
Cash	1%	ML 90-day T-Bill

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 Pension Policy restricts holdings in the following areas to the below stated percentages of the fixed income portfolio:

- Mortgage backed securities – 30 percent,
- Zero coupon bonds – 20 percent,
- Baa or fourth investment grade bonds – 30 percent,
- Foreign fixed income securities, if rated A or above, including Canadian securities denominated in U.S. dollars – 20 percent,
- Securities whose price movements are exacerbated by interest rate changes or principal prepayments, including but not limited to: range accrual notes, interest-only security (IO), principal-only security (PO) – 20 percent.

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 limiting duration to no more than 25 percent greater or 50 percent less than the effective duration of the portfolio benchmark. 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 following transactions and purchases:

- 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, and
- 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 for each official government custodian up to \$250,000 of demand deposits per custodian per depository and, separately, up to \$250,000 of time and savings deposits per custodian per depository.

Funds in bank accounts held in a fiduciary capacity including the negotiable certificates of deposit held by the County’s Pension Fund are subject to separate FDIC coverage up to \$250,000 per applicable beneficiary.

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, 2017, \$54,118,197 of the County’s bank balance of \$57,685,807 was exposed to custodial credit risk as follows:

Uninsured and collateral held by the bank but not in the County’s name	\$ 858,998
Uninsured and collateral held by pledging bank’s trust department or agent but not in the County’s name	<u>53,259,199</u>
Total	<u>\$ 54,118,197</u>

**Custodial credit risk – fiduciary fund deposits** – Excluding the negotiable certificates of deposit held by the County’s Pension Fund as of December 31, 2017, \$3,147,362 of the County’s bank balance of its fiduciary funds of \$7,501,180 was exposed to custodial credit risk as a result of it being uninsured and its collateral held by the bank’s trust department or agent but not in the County’s name.

**Custodial credit risk – non-pension investments** – The County is exposed to custodial credit risk at December 31, 2017, through a \$641,748 U.S. Treasury zero coupon STRIPS 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. 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.

**Interest rate risk – non-pension investments** – As of December 31, 2017, the County had debt securities with the following maturities/duration:

**Workers' Compensation Fund Investments**

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in years)</u>	
		<u>Less Than 1</u>	<u>1-5</u>
<u>Debt securities</u>			
U.S. government	\$ 1,083,140	586,940	496,200
U.S. agencies	99,893	99,893	—
Total debt securities	<u>1,183,033</u>	<u>686,833</u>	<u>496,200</u>
		58%	42%
		<u>Duration</u>	
Money market funds	250,413		
Mutual funds:			
U.S. government and agency fixed income	86,637	4.4	
U.S. government and agency fixed income	<u>78,935</u>	2.3	
Total investments	<u>\$ 1,599,018</u>		

Monies in the County’s self-insured workers compensation trust are invested for the satisfaction of short and long-term workers compensation claims.

Duration is a measure of the likelihood that the fair value of a debt security would change due to changes in the interest rate environment. Assuming, for example, a duration measure of 5.0 for a given income security, the value of the security will change by 5% of the associated change in interest rates. Therefore, a 1 % change in interest rates is assumed to result in a 5% change in the value of the security.

Of the non-pension investments above, \$250,413 of short-term, liquid investments are classified as cash and cash equivalents on the County’s statement of net position of the primary government.

Of the non-pension investments above, \$1,348,605 are classified as investments on the statement of net position of the primary government.

The County held \$641,748 of U.S. Treasury zero coupon STRIPS at December 31, 2017. U.S. Treasury STRIPS pays no interest over its term and, as a zero coupon security, pays only at maturity. This security matures on November 15, 2022 at \$715,000.

**Interest rate risk – pension investments** – As of December 31, 2017, the County’s pension trust fund had the following investments:

		<b>Pension Trust Fund Investments</b>			
		<b>Investment Maturities (in years)</b>			
<b>Investment Type</b>	<b>Fair Value</b>	<b>Less Than 1</b>	<b>1-5</b>	<b>6-10</b>	<b>More Than 10</b>
<u>Debt securities</u>					
Money market funds	\$ 3,397,147	3,397,147	—	—	—
Negotiable bank certificates of deposit	888,375	239,610	648,765	—	—
U.S. agencies	1,066,318	—	314,458	751,860	—
U.S. government	22,110,674	—	18,898,974	3,211,700	—
Other governments	695,622	—	296,432	399,190	—
Corporate bonds and notes	37,905,324	3,370,176	25,323,914	8,833,391	377,843
Total debt securities	<u>66,063,460</u>	<u>7,006,933</u>	<u>45,482,543</u>	<u>13,196,141</u>	<u>377,843</u>
		11%	70%	18%	1%
<u>Other investments</u>					
Equity mutual fund-foreign	16,123,696				
Equity mutual fund-global	50,766,585				
Equity mutual fund-U.S.	30,232,918				
Equity securities-U.S.	50,089,448				
Total investments	<u>\$ 213,276,107</u>				

The total pension trust fund investments of \$213,276,107, above, include \$3,397,147 of short-term, liquid investments that are classified as cash and cash equivalents on the Pension Trust Employees’ Retirement Fund Statement of Fiduciary Net Position.

Certain debt security interest terms may cause a debt security’s fair value to be highly sensitive to interest rate changes. Such terms include zero coupons, coupon multipliers, interest rates tied to benchmark indexes, interest reset dates, and prepayment options. The type, fair value and terms of these debt securities at December 31, 2017 follow:

**Pension Trust Fund Debt Securities Highly Sensitive to Interest Rate Changes**

<u>Debt Security</u>	<u>Fair Value</u>	<u>Interest Terms</u>
Negotiable bank CD	\$ 648,765	Step Coupon
Negotiable bank CD	239,610	Variable coupon, next reset 3/26/2018
U.S. agencies	314,458	Step Coupon, quarterly
U.S. government	1,599,281	Step Coupon, quarterly
U.S. government	873,406	Step Coupon, quarterly
Corporate	279,868	Variable coupon, semi-annual
Corporate	250,832	Variable coupon, onetime
Corporate	194,659	Variable coupon, onetime
Corporate	129,332	Variable coupon, onetime
Corporate	87,025	Variable coupon, onetime
	<u>\$ 4,617,236</u>	

Inclusive of the highly interest rate sensitive debt securities identified above, the pension trust fund holds the following amount of debt securities at December 31, 2017, that are highly sensitive to interest rate changes due to their risk of being called by the issuer and/or pre-paid by underlying mortgage holders: \$648,765 of negotiable bank certificates of deposits, \$2,472,687 of U.S. government securities, \$314,458 of agency securities and \$4,674,172 of corporate debt securities.

**(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, 2017, is as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Quality Rating*</u>
<u>Debt securities</u>		
Money market funds	\$ 250,413	Not rated
Debt securities:		
U.S. government	1,083,140	Not rated
U.S. agencies	99,893	Not rated
Mutual funds:		
U.S. government and agency fixed income	165,572	Not rated
Total debt securities	<u>\$ 1,599,018</u>	

\*Moody's rating or equivalent

**Credit risk – pension investments** – Exposure to credit risk in the County pension trust fund at December 31, 2017, is as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Quality Ratings*</u>			
		<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BBB</u>
<u>Debt securities</u>					
Money market funds	\$ 3,397,147	3,397,147	-	-	-
Negotiable bank certificates					
of deposit	888,375	-	888,375	-	-
U.S. agencies	1,066,318	-	1,066,318	-	-
U.S. government	22,110,674	22,110,674	-	-	-
Other governments	695,622		198,200	497,422	
Corporate bonds and notes	37,905,324	4,324,909	10,898,496	15,380,912	7,301,007
Total debt securities	\$ 66,063,460	29,832,730	13,051,389	15,878,334	7,301,007
		45%	20%	24%	11%

\* Standard & Poors rating or equivalent

Negotiable bank certificates of deposits, including unrated certificates, are subject to FDIC coverage as per regulations.

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.

U.S. agency securities are considered implicitly, though not explicitly, guaranteed by the U.S. government and so are reported distinctly from 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, 2016, 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 a \$16,123,696 investment at fair value in international equity mutual funds as of December 31, 2017. The equity funds objectives are to invest 80% to 90% of their net position in equity securities of issuers located outside of the United States and using exchanges outside the United States.

**C. Fair Value Measurement**

The pension trust fund characterizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The pension trust fund has the following recurring fair value measurements at December 31, 2017:

**Pension Trust Fund Investments**

Investments by Fair Value Level	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Debt securities</u>				
Money market funds	\$ 3,397,147	-	-	-
Negotiable bank certificates of deposit	888,375	-	888,375	-
U.S. agencies	1,066,318	-	1,066,318	-
U.S. government securities	22,110,674	18,477,458	3,633,216	-
Other governments	695,622	-	695,622	-
Corporate bonds and notes	37,905,324	-	37,905,324	-
Total debt securities	66,063,460	18,477,458	44,188,855	-
<u>Other investments</u>				
Equity mutual fund - foreign	16,123,696	16,123,696	-	-
Equity mutual fund - global	50,766,585	50,766,585	-	-
Equity mutual fund - U.S.	30,232,918	30,232,918	-	-
Equity securities - U.S.	50,089,448	49,992,586	96,863	-
Total investments	\$ 213,276,107	165,593,243	44,285,718	-

Money market funds are reported at amortized cost, rather than at fair value.

Negotiable bank certificates of deposit, U.S. agency debt securities, debt securities of other governments, and corporate bonds and notes are valued using pricing data from primary and secondary markets for debt instruments with similar terms, conditions and characteristics.

U.S. government securities, in the form of U.S. Treasury bonds and notes totaling \$18,477,458 are valued based on quoted market prices of identical securities in active markets.

The County’s pension trust fund holds \$3,633,216 U.S. government securities, valued using quoted prices for similar securities in active markets.

Equity securities and mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for identical securities.

The investments in the County's workers compensation self-insurance internal service fund are all Level 2, with valuations based on quoted prices for similar securities, except for \$165,572 of mutual fund holdings which are valued based on market values of identical shares in active markets (Level 1).

#### **4. Real Estate Taxes**

Real estate taxes attach as an enforceable lien on property as of January 1 and are levied on March 1 and fund operations in the year of levy. 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 ten 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 2017, County real estate taxes were levied at the rate of 2.195 mills for general County purposes.

An additional levy was approved by the electorate for the County library system at 0.166 mills. This tax is accounted for as an agency transaction and the associated library taxes receivable, unearned taxes and tax revenues are not recognized by the County.

#### **5. Tax Abatement**

Cumberland County negotiates property tax abatement agreements on an individual basis. As of December 31, 2017, the County of Cumberland has tax abatement agreements with four entities for a total of five properties.

Each agreement was negotiated under the Pennsylvania Local Economic Revitalization Tax Assistance Act of December 1, 1977, referred to as LERTA. LERTA permits local taxing authorities such as Cumberland County to provide tax abatement for new construction on deteriorated industrial, commercial or other business property in economically depressed communities. The exemption amount, if approved by a Board of Commissioners' resolution, would be the valuation of the new construction or improvement. The Act establishes that the length of exemption shall not exceed ten years, with a schedule stipulating the portion of the new construction or improvements to be exempted by year. The current County LERTA properties have an established five year declining tax assessment percentages, 100, 90, 80, 60, and 40 percent, per year respectively.

The State law does not provide for the recapture of abated taxes, in the event an abatement recipient does not fulfill the commitment it makes in return for the tax abatement.

The County has not made any commitments as part of the agreements other than to reduce real estate taxes. The County is not subject to any tax abatement agreements entered into by other governmental entities. The County has chosen to disclose information about its tax abatement agreements individually.

The amount of County taxes abated are contingent on a variety of factors outside of the County's control, such as completion of construction/redevelopment plans, changes in such plans, demand for projects and commercial rents/sales in the future; all directly affect future assessed valuations. The aforementioned variables contribute to making objective measurement against any contemplated abatement agreement reporting threshold difficult to uniformly apply; as such, the County chooses to report all abatement agreements.

For the year ended December 31, 2017, the following schedule provides the LERTA eligible properties and their tax abatement:

<b>LERTA County Property Tax Abatement</b>				
<u>Owner of Tax Parcel</u>	<u>Year of Abatement</u>	<u>Exempted Real Estate Valuation</u>	<u>Percentage of Abatement</u>	<u>Abated 2017 Real Estate Taxes</u>
Carlisle High Street Properties	5	\$ 185,800	40%	\$ 163
Carlisle High Street Properties	5	155,000	40%	136
Caprice Properties, LLC	4	435,200	60%	573
Mechanicsburg Real Estate Company, LP	4	6,700,700	50%	7,354
Wheelhouse Property, LLC	1	1,202,800	90%	<u>2,376</u>
Gross amount of County tax reduction				<u>\$ 10,602</u>

Note: The County millage for 2017 was 2.195 mills

**6. Receivables**

Amounts due from other governments are primarily grants receivable from the Commonwealth of Pennsylvania as of December 31, 2017, which are expected to be collected within one year.

The County nursing home has \$3,963,473 in net patient accounts receivable as of December 31, 2017, 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 \$671,916 against the gross patient accounts receivable. Of the County nursing home’s patient accounts receivable, \$178,515 is expected to be collected beyond one year.

Taxes receivable is reduced by an allowance for uncollectible accounts of \$740,302 for 2017 which is determined by a review of account status. Of the County’s delinquent taxes receivable, \$407,744 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, 2017 is \$12,227,932. Of that balance, the County has recognized an allowance for doubtful accounts of \$10,244,724. Of the County’s court costs and fines receivable, \$140,709 is expected to be collected beyond one year.

**7. Capital Assets**

Capital asset activity for the year ended December 31, 2017, was as follows:

	Beginning Balance, as restated**	Additions	Sales and Other Dispositions *	Ending Balance
<b>Governmental activities</b>				
Capital assets, not being depreciated:				
Land	\$ 2,503,264	502,650	—	3,005,914
Construction in progress	2,055,060	7,393,086	(5,997,189)	3,450,957
Agricultural easements	9,623,601	290,396	—	9,913,997
Total capital assets, not being depreciated	<u>14,181,925</u>	<u>8,186,132</u>	<u>(5,997,189)</u>	<u>16,370,868</u>
Capital assets, being depreciated:				
Buildings and systems	86,444,231	128,036	—	86,572,267
Improvements other than buildings	2,582,514	—	—	2,582,514
Machinery and equipment	19,525,841	1,673,927	18,479	21,218,247
Bridges	12,672,727	4,791,424	—	17,464,151
Total capital assets being depreciated	<u>121,225,313</u>	<u>6,593,387</u>	<u>18,479</u>	<u>127,837,179</u>
Less accumulated depreciation for:				
Buildings and systems	(39,633,655)	(2,585,884)	—	(42,219,539)
Improvements other than buildings	(608,228)	(133,122)	—	(741,350)
Machinery and equipment	(13,567,667)	(1,578,960)	(18,843)	(15,165,470)
Bridges	(6,125,119)	(216,664)	—	(6,341,783)
Total accumulated depreciation	<u>(59,934,669)</u>	<u>(4,514,630)</u>	<u>(18,843)</u>	<u>(64,468,142)</u>
Total capital assets, being depreciated, net	<u>61,290,644</u>	<u>2,078,757</u>	<u>(364)</u>	<u>63,369,037</u>
Governmental activities capital assets, net	<u>\$ 75,472,569</u>	<u>10,264,889</u>	<u>(5,997,553)</u>	<u>79,739,905</u>

\* The balance of sales and other dispositions includes disposals and transfers.

\*\* Beginning January 1, 2017, the Cumberland Area Economic Development Corporation was reclassified from a discretely presented component unit and reported separately to a blended component unit and included in governmental activities.

**7. Capital Assets (continued)**

	Beginning Balance	Additions	Sales and Other Dispositions*	Ending Balance
<b>Business-type activities</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ 238,856	225,748	(464,604)	—
Total capital assets, not being depreciated	<u>238,856</u>	<u>225,748</u>	<u>(464,604)</u>	<u>—</u>
Capital assets, being depreciated:				
Buildings and systems	26,477,932	57,380	—	26,535,312
Improvements other than buildings	738,972	—	—	738,972
Machinery and equipment	1,921,677	491,529	—	2,413,206
Total capital assets, being depreciated	<u>29,138,581</u>	<u>548,909</u>	<u>—</u>	<u>29,687,490</u>
Less accumulated depreciation for:				
Buildings and systems	(17,435,168)	(709,317)	—	(18,144,485)
Improvements other than buildings	(587,628)	(30,840)	—	(618,468)
Machinery and equipment	(1,546,327)	(100,270)	—	(1,646,597)
Total accumulated depreciation	<u>(19,569,123)</u>	<u>(840,427)</u>	<u>—</u>	<u>(20,409,550)</u>
Total capital assets, being depreciated, net	<u>9,569,458</u>	<u>(291,518)</u>	<u>—</u>	<u>9,277,940</u>
Business-type activities capital assets, net	<u>\$ 9,808,314</u>	<u>(65,770)</u>	<u>(464,604)</u>	<u>9,277,940</u>

\* The balance of sales and other dispositions includes disposals and transfers.

**7. Capital Assets (continued)**

Depreciation expense was charged to the functions/programs of the County in 2017 as follows:

**Governmental activities**

General government - administrative	\$	1,233,923
General government - judicial		347,075
Corrections		1,252,140
Emergency telephone		831,120
Public safety		466,612
Roads and bridge maintenance		216,664
Recycling and waste management		76,933
Human services:		
Mental health/intellectual and developmental disabilities		10,141
Children and youth		4,960
Food and shelter		12,451
Office of aging		20,739
Other		9,366
Culture and recreation		12,726
Conservation		6,328
Economic development and assistance		13,452
Governmental activities-depreciation expense	\$	<u><u>4,514,630</u></u>

**Business-type activities**

County nursing home	\$	<u>840,427</u>
Business-type activities-depreciation expense	\$	<u><u>840,427</u></u>

**8. Interfund and Transfer Accounts**

The composition of interfund balances at December 31, 2017, follows:

Receivable Fund	Payable Fund	Amount
General	HealthChoices-Cumberland County	\$ 52,779
	MH/IDD	171,413
	County Nursing Home	1,247,423
	Non-major governmental funds	1,884,166
	Internal service fund	889
Children and Youth	General	130,618
Non-major governmental funds	General	1,068,679
	Non-major governmental funds	448,653
Internal Service Fund	General	747,306
Total		\$ 5,751,926

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 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, 2017, follow:

	Transfers in				Total
	General Fund	MH/IDD	Children and Youth	Governmental Non-major	
Transfers out:					
General Fund	\$ -	487,265	3,920,303	6,845,155	11,252,723
Children and Youth	-	-	-	68,000	68,000
Non-major funds	92,769	-	-	3,035,040	3,127,809
Total transfers outs	\$ 92,769	487,265	3,920,303	9,948,195	14,448,532

**9. Long-term Liabilities**

The following is a summary of the changes in the County’s long-term liabilities for the year ended December 31, 2017:

<u>Liabilities</u>	Balance January 1, 2017 as restated*	Additions	Reductions	Balance December 31, 2017	Due Within One Year
<b>Governmental activities</b>					
Bonds and notes payable:					
Bonds	\$ 36,024,198	-	4,129,203	31,894,995	4,280,511
Notes	715,000	-	-	715,000	-
Notes (CAEDC)	244,590	396,214	-	640,804	362,640
Net premium (discount) on bonds and notes	<u>2,223,438</u>	<u>-</u>	<u>301,890</u>	<u>1,921,548</u>	<u>-</u>
Total bonds and notes payable	<u>39,207,226</u>	<u>396,214</u>	<u>4,431,093</u>	<u>35,172,347</u>	<u>4,643,151</u>
Sick and vacation	3,902,383	4,058,550	4,060,571	3,900,362	350,736
Other postemployment benefit obligations	1,102,009	134,062	92,422	1,143,649	-
Net pension liability	5,653,444	-	5,653,444	-	-
Workers' compensation	976,804	68,584	98,705	946,683	175,136
Software licensing agreements	223,747	-	61,140	162,607	81,304
Capital Leases	<u>-</u>	<u>1,202,660</u>	<u>240,532</u>	<u>962,128</u>	<u>240,532</u>
Governmental activities long-term liabilities	<u>\$ 51,065,613</u>	<u>5,860,070</u>	<u>14,637,907</u>	<u>42,287,776</u>	<u>5,490,859</u>
<b>Business-type activities</b>					
Bonds payable:					
Bonds	\$ 6,380,802	-	1,160,797	5,220,005	1,179,489
Net premium (discount) on bonds	<u>487,693</u>	<u>-</u>	<u>123,607</u>	<u>364,086</u>	<u>-</u>
Total bonds payable	<u>6,868,495</u>	<u>-</u>	<u>1,284,404</u>	<u>5,584,091</u>	<u>1,179,489</u>
Sick and vacation	504,457	930,064	978,209	456,312	52,334
Other postemployment benefit obligations	392,933	43,217	29,794	406,356	-
Net pension liability	<u>1,563,308</u>	<u>-</u>	<u>1,563,308</u>	<u>-</u>	<u>-</u>
Business-type activities long-term liabilities	<u>\$ 9,329,193</u>	<u>973,281</u>	<u>3,855,715</u>	<u>6,446,759</u>	<u>1,231,823</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, other post-employment benefit obligations and capital lease obligations are primarily funded by the individual funds to which the related expenditures are charged.

\* The County restated its beginning net position and other post-employment benefit obligations (OPEB) for governmental and business-type activities. It was due to a change in the actuarially determined OPEB related balances required by the Governmental Accounting Standard Board Statement 75 implemented for year 2017. Additionally, the County implemented GASB 80 in 2017 which further defined the CAEDC as a blended component unit, therefore including it in the County’s governmental activities. Further information on the restatement can be found in the footnotes.

The County 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. There was no arbitrage payable due as of December 31, 2017.

All bonds and notes outstanding at December 31, 2017, 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. bonds – 2010 issue	1.75% - 2.25%	2019	9,850,000	2,640,000	—
G.O. bonds – 2011 issue	2% - 5%	2031	18,000,000	13,900,000	—
G.O. bonds – 2013 issue	2% - 5%	2021	14,670,000	3,284,995	3,425,005
G.O. bonds – 2014 issue	2% - 2.255%	2024	4,865,000	700,000	1,795,000
G.O. bonds – 2016 issue	2% - 5%	2028	11,470,000	11,370,000	—
Long-term debt at December 31, 2017				32,609,995	5,220,005
Premium/Discount on notes				1,921,548	364,086
Net long-term debt at December 31, 2017				\$ 34,531,543	5,584,091

In 2003, the County entered into a \$715,000 long-term installment purchase of an agricultural easement. Repayment will be budgeted for in the general fund.

Of the outstanding balance at December 31, 2017, of the 2010 bond issue, \$2,640,000 benefits the general fund, and therefore, repayment will be budgeted from the general fund.

Of the outstanding balance at December 31, 2017, of the 2011 bond issue, \$13,900,000 benefits the general fund, and therefore, repayment will be budgeted from the general fund.

Of the outstanding balance at December 31, 2017, of the 2013 bond issue, \$3,425,005 benefits the County nursing home, \$2,679,995 benefits the emergency telephone fund and \$605,000 benefits the general fund, and therefore, repayment will be budgeted in the County nursing home, the emergency telephone fund and the general fund.

Of the outstanding balance at December 31, 2017, of the 2014 bond issue, \$1,795,000 benefits the County nursing home, \$700,000 benefits the general fund, and therefore, repayment will be budgeted in the County nursing home and in the general fund.

Of the outstanding balance at December 31, 2017, of the 2016 bond issue, \$11,370,000 benefits the general fund, therefore, repayment will be budgeted in the general fund.

In 2017, the County entered into a five year capital lease agreement for a telephone system in equal installments through 2021 to be funded by the County’s general fund.

The County’s December 31, 2017, net nonelectoral debt limit, and combined net nonelectoral debt and net lease rental debt limit are \$543,230,061 and \$724,306,748 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, 2017, including interest payments, are as follows:

		Governmental Activities		Business- type Activities	
		Principal	Interest	Principal	Interest
2018	\$	4,280,511	1,110,974	1,179,489	161,446
2019		3,462,199	972,916	1,227,801	113,604
2020		2,543,021	849,101	1,271,979	63,944
2021		2,524,264	748,949	745,736	28,840
2022		2,695,000	657,958	260,000	13,975
2023-2027		11,100,000	1,893,216	535,000	11,763
2028-2032		6,005,000	396,619	—	—
Total	\$	<u>32,609,995</u>	<u>6,629,733</u>	<u>5,220,005</u>	<u>393,572</u>

**10. Leases**

**A. Operating Leases**

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 2025. Total expenses for building and office equipment leases were \$584,814 for the year ended December 31, 2017.

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, 2017:

Year Ending December 31	Lease Payments
2018	\$ 510,297
2019	457,843
2020	430,913
2021	314,201
2022	227,726
2023-2025	372,693
Total	<u>\$ 2,313,673</u>

**B. Capital Leases**

This year, the government entered into a lease agreement as lessee for financing the acquisition of new telephone system valued at \$1,202,660. At year end it was not in use, but the equipment will have a ten-year estimated useful life. Because it was not in service, there was no depreciation expense in 2017.

In previous years, license agreements were entered into to purchase software in the amount of \$238,231. The equipment is being depreciated over five years with depreciation expense of \$47,646 in 2017.

These agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2017 were as follows:

	<b>Governmental Activities</b>
2018	\$ 240,532
2019	240,532
2020	240,532
2021	240,532
Present value of net minimum lease payments	<u>\$ 962,128</u>

**11. Other Postemployment Benefits (OPEB)**

The County reports the recognition in government-wide and proprietary fund financial statements of earned 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.

**A. Plan Description**

Cumberland County sponsors and administers a postemployment benefits plan entitled Cumberland County Retiree Medical Plan (OPEB 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. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

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 OPEB Plan and may amend the OPEB 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 OPEB 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 OPEB Plan consisted of the following at December 31, 2016, the date of the latest actuarial valuation:

	<b>Primary Government</b>	<b>Component Unit</b>	<b>Total</b>
Retirees and beneficiaries receiving benefits	25	-	25
Retirees entitled to but not receiving benefits	-	-	-
Active employees	1,119	8	1,127
Total membership	<u>1,144</u>	<u>8</u>	<u>1,152</u>

At retirement, we assume that 25 percent of employees will elect to participate in the plan.

Because the OPEB Plan relates solely to 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 OPEB Plan is not included in the financial report of another entity.

**B. Total OPEB Liability**

The County’s total OPEB liability of \$1,561,039 was measured as of December 31, 2017, and was determined by an actuarial valuation as of that date.

**C. Actuarial Assumptions**

The total OPEB liabilities in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.2 percent
Wage increases	4.39 percent, average, including inflation
Discount rate	3.44 percent
Healthcare cost trend rates	5.90 percent for 2018 decreasing to an ultimate rate of 3.8 percent by 2075
Retirees' share of benefit-related costs	100 percent of projected health insurance premiums for retirees.

The discount rate of 3.44 percent is based on the Bond Buyer General Obligation 20-year Municipal Bond Index at December 31, 2017

Mortality rates were based on the RP2013 Annuitant and Nonannuitant Mortality Tables.

The actuarial assumptions used in the December 31, 2017, valuation were based on past experience under the plan and reasonable future expectations which represent our best estimate of anticipated experience

under the plan. An actual experience study was performed using 2016 information; no modifications to assumptions were made as a result.

**D. Changes in the Total OPEB Liability**

	<b>Total OPEB Liability</b>
<b>Balance at January 1, 2017</b>	<u>\$ 1,505,570</u>
<b>Changes for the year:</b>	
Service cost	58,180
Interest	56,911
Changes in benefit terms	-
Difference between expected and actual experience	-
Changes in assumptions or other inputs	63,493
Benefit payments	<u>(123,115)</u>
<b>Net changes</b>	<u>55,469</u>
<b>Balance at December 31, 2017</b>	<u><u>\$ 1,561,039</u></u>

There were no changes of benefit terms. The changes in assumptions or other inputs were as a result of a change in discount rate from 3.78 to 3.44 percent.

**E. Sensitivity of Assumptions**

*Sensitivity of the total OPEB liability to change in the discount rate.* The following presents the total OPEB liability of the County, as well as what the County’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.44 percent) or 1-percentage-point higher (4.44 percent) than the current discount rate:

	<b>1% Decrease (2.44%)</b>	<b>Discount Rate (3.44%)</b>	<b>1% Increase (4.44%)</b>
Primary government	\$ 1,695,433	1,550,005	1,314,984
Component unit	<u>12,070</u>	<u>11,034</u>	<u>9,362</u>
Total OPEB Liability	<u><u>\$ 1,707,503</u></u>	<u><u>1,561,039</u></u>	<u><u>1,324,346</u></u>

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the total OPEB liability of the County, as well as what the County’s total OPEB liability would be, if it were calculated using healthcare cost trend rate that are 1-percentage-point lower (4.9 percent decreasing to 2.8) or 1-percentage-point higher (6.9 percent decreasing to 4.8 percent)

	<b>1% Decrease (4.9% decreasing to 2.8%)</b>	<b>Healthcare Cost Trend Rates (5.9% decreasing to 3.8%)</b>	<b>1% Increase (6.9% decreasing to 4.8%)</b>
Primary government	\$ 1,287,272	1,550,005	1,736,974
Component unit	9,165	11,034	12,366
Total OPEB Liability	\$ <u>1,296,437</u>	<u>1,561,039</u>	<u>1,749,340</u>

**F. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended December 31, 2017, the County recognized negative OPEB expense of \$1,743. At December 31, 2017, the County reported deferred outflows of resources related to OPEB from the following sources:

**Deferred outflows of resources:**

	<b>Primary Government</b>	<b>Component Unit</b>	<b>Total</b>
Changes of OPEB assumptions	\$ 56,793	418	57,211
Total deferred outflow of resources	<u>\$ 56,793</u>	<u>418</u>	<u>57,211</u>

Amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

**Year ended December 31:**

	<b>Primary Government</b>	<b>Component Unit</b>	<b>Total</b>
2018	\$ 6,238	44	6,282
2019	6,238	44	6,282
2020	6,238	44	6,282
2021	6,238	44	6,282
2022	6,238	44	6,282
Thereafter	25,603	198	25,801
	<u>\$ 56,793</u>	<u>418</u>	<u>57,211</u>

**12. Cumberland County Retirement Plan**

**A. Summary of Significant Accounting Policies**

*Method used to value investments.* Investments are reported at fair value.

**B. Plan Description**

*Plan Administration*

Cumberland County’s Employees’ Retirement Trust Fund (the Plan) is a single-employer defined benefit pension plan that covers full-time employees of the County. The Plan is covered by the County Pension Law, Act 96 of 1971 of the General Assembly of the Commonwealth of Pennsylvania, as amended.

Management of the Plan is vested in the Plan’s board, which consists of five members-the Controller, the Treasurer and the three Commissioners.

*Plan Membership*

As of December 31, 2017, employee membership data related to the pension plan was as follows:

	<b>Primary Government</b>	<b>Component Unit</b>	<b>Total</b>
Inactive plan members or beneficiaries currently receiving benefits	630	3	633
Inactive plan members entitled to but not yet receiving benefits	138	1	139
Active employees	1,119	8	1,127
Total membership	<u>1,887</u>	<u>12</u>	<u>1,899</u>

***Benefits Provided***

All full-time employees are required to participate in the Plan. The pension plan provides retirement, disability and death benefits. Retirement benefits for Plan member with normal retirement at age 60 (or 55 with 20 years of service) are 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 involuntarily terminated. 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. A plan member who leaves the County with less than 5 years may withdraw his or her contributions, plus any accumulated interest.

The death benefits of an active Plan member with 10 years of service are either a lump sum payment of both the County and members contributions or an optional pension annuity to their surviving beneficiary.

Disability retirement benefits are available to active plan members with more than 5 years of service and who collect Social Security disability insurance payments. They are entitled to disability compensation of 25% of the average three highest compensation years.

Benefit terms provide for an ad hoc post-employment benefit change. Cost-of-living adjustments for pensioners are provided at the discretion of the Retirement Board and must be reviewed once every three years. The adjustment, should the County elect to give one, is a percentage of the change in the Consumer Price Index.

### ***Contributions***

The Retirement Board may, at any time, either authorize active members of the retirement system, whether original or new members, to transfer from one member contribution class to another in which contribution rates can vary from 5 percent currently to a potential 9 percent, if elected. For further information see Section 7 of the County Pension Law, Act 96 of 1971.

As a condition of participation the Retirement Board, under Section 7 of the County Pension Law, Act 96 of 1971, currently requires employees to contribute five percent of their salary. Employees may elect to contribute up to 15 percent of their salary. Interest is credited to the employee's account each year at the currently approved annual rate of four percent as voted upon by the County Retirement Board.

Section 6 of the County Pension Law requires the actuary of the Pension board to annually certify the amount of appropriation to be made by the County to the Retirement fund to build up and maintain adequate reserves for the payment of the County's share of retirement allowances. The actuarially computed annual determined contribution for 2017 was \$3,805,364 and is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

### **C. Investments**

#### ***Investment policy***

The Retirement Board's investment policy is described in Note 3, Deposits and Investments.

#### ***Concentrations***

The limit on concentrations is part of the investment policy described in the Policies section of Note 3, Deposits and Investments.

#### ***Rate of return***

For the year ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 15.56 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amount actually invested.

**D. Receivables**

As of December 31, 2017, the County’s pension plan does not contain any outstanding receivables for contributions from the County or any other non-employer contributing entity.

**E. Allocated Insurance Contracts**

As of December 31, 2017, the pension plan does not have any allocated insurance contracts that are excluded from pension plan assets.

**F. Reserves**

As of December 31, 2017, the pension plan does not have any reserves set aside for future benefit increases or decreased employer contributions.

**G. Deferred Retirement Option Program**

The County does not offer plan participants a deferred retirement option program upon retirement.

**H. Net Pension Liability/(Asset)**

The components of net pension liability/(asset) at December 31, 2017, were as follows:

	<u>Primary government</u>	<u>Component unit</u>	<u>Total</u>
Total pension liability/(asset)	\$ 202,663,643	1,892,940	204,556,583
Plan fiduciary net position (allocated)	<u>211,324,710</u>	<u>1,973,837</u>	<u>213,298,547</u>
Net pension liability/(asset)	\$ <u>(8,661,067)</u>	<u>(80,897)</u>	<u>(8,741,964)</u>
 Plan fiduciary net position as a percentage of the total pension liability	 100.43%	 100.43%	 100.43%

There is a \$43,041 difference between the Pension Trust statement of fiduciary net position on page 45 and the plan fiduciary net position recorded in the components of net pension liability of this note due to other liabilities reported in the statement of fiduciary net position.

**I. Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of December 31, 2017, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	3.5%
Investment rate of return	7.5%, net of administrative expense, including inflation

Mortality rates are based on the 2013 RP annuitant and non-annuitant mortality tables for males and females with no projected improvements.

The actuarial assumptions used in the December 31, 2017, valuation were based on past experience under the plan and reasonable future expectations which represent the Retirement Board’s best estimate of anticipated experience under the plan.

No adhoc postemployment benefit changes were included in future liabilities.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined

to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of December 31, 2017, (see the discussion of the pension plan’s investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	5.4 – 6.4%
International equity	5.5 – 6.5
Debt or fixed income securities	1.3 – 3.3
Real estate/Alternative	4.5 – 5.5
Cash	0.0 – 1.0

**J. Discount Rate**

The discount rate (long-term expected rate of return) used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at equal monthly installments to fund the actuarially determined amounts. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods to determine the total net pension liability.

**K. Changes in Components of Net Pension Liability****Changes in the Net Pension Liability**

	<b>Increase/(Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability/(Asset)</b>
<b>Balances as of December 31, 2016</b>	\$ 195,923,227	188,649,638	7,273,589
<b>Changes for the year:</b>			
Service cost	5,309,011	-	5,309,011
Interest	14,522,698	-	14,522,698
Differences between expected and actual experience	(769,513)	-	(769,513)
Changes of assumptions	-	-	-
Contributions-employer	-	3,805,364	(3,805,364)
Contributions-member	-	3,352,587	(3,352,587)
Net investment income	-	28,128,035	(28,128,035)
Benefit payments, including refunds of members contribution	(10,428,840)	(10,428,840)	-
Plan administration expense	-	(208,237)	208,237
<b>Net changes</b>	<u>8,633,356</u>	<u>24,648,909</u>	<u>(16,015,553)</u>
<b>Balances as of December 31, 2017</b>	<u>\$ 204,556,583</u>	<u>213,298,547</u>	<u>(8,741,964)</u>

*Sensitivity of the net pension liability to changes in the discount rate*

The net pension liability/(asset) of the County is calculated using the current discount rate of 7.50 percent. The table below illustrates what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) and 1-percentage-point higher (8.50 percent) than the current rate.

	<b>1% Decrease (6.50%)</b>	<b>Current Discount (7.50%)</b>	<b>1% Increase (8.50%)</b>
Primary government	\$ 12,360,340	(8,661,067)	(29,447,709)
Component unit	115,449	(80,897)	(275,051)
Total net pension liability	<u>\$ 12,475,789</u>	<u>(8,741,964)</u>	<u>(29,722,760)</u>

**L. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the Pension Plan**

For the year ended December 31, 2017, pension expense was \$3,457,592. Pension expense for the primary government and component unit was \$3,427,868 and \$29,724, respectively.

At December 31, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to the pension plan from the following sources:

**Deferred outflows of resources:**

	<b>Primary Government</b>	<b>Component Unit</b>	<b>Total</b>
Differences between expected and actual experience	\$ 1,956,067	14,682	1,970,749
Total deferred outflows of resources	<u>\$ 1,956,067</u>	<u>14,682</u>	<u>1,970,749</u>

**Deferred inflows of resources:**

Net difference between projected and actual pension earnings	\$ 4,495,724	45,726	4,541,450
Differences between expected and actual experience	618,953	5,369	624,322
Total deferred inflows of resources	<u>\$ 5,114,677</u>	<u>51,095</u>	<u>5,165,772</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended December 31:**

**Deferred outflows of resources:**

	<b>Primary Government</b>	<b>Component Unit</b>	<b>Total</b>
2018	\$ 555,949	4,173	560,122
2019	555,949	4,173	560,122
2020	555,949	4,173	560,122
2021	281,915	2,116	284,031
2022	6,305	47	6,352
	<u>\$ 1,956,067</u>	<u>14,682</u>	<u>1,970,749</u>

**Deferred inflows of resources:**

	<b>Primary Government</b>	<b>Component Unit</b>	<b>Total</b>
2018	\$ (228,442)	(2,283)	(230,725)
2019	(228,443)	(2,282)	(230,725)
2020	2,591,104	25,885	2,616,989
2021	2,937,332	29,344	2,966,676
2022	43,126	431	43,557
	<u>\$ 5,114,677</u>	<u>51,095</u>	<u>5,165,772</u>

At December 31, 2017, the County’s contributions were fully funded to the pension plan as required for the year.

The schedules of 1) changes in net pension liability and related ratios, 2) County contributions, and 3) investment returns are presented as required supplementary information (RSI) following the notes to the financial statements.

**13. 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, 2017.

**14. Commitments and Contingencies**

**Commitments**

The County has significant contractual commitments related to various construction projects. At December 31, 2017, the County’s commitments are as follows:

<u>Project</u>	<u>Expended Through December 31, 2017</u>	<u>Remaining Commitment</u>
County Bridge Replacement	\$2,778,187	\$3,722,924

The bridge replacement projects, in the County’s non-major funds, are funded through Liquid Fuels tax proceeds, a five dollar county vehicle registration fee for local transportation needs, and Marcellus Shale monies restricted by the state to repair qualifying deficient bridges.

**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.

**15. 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 \$500,000 for each individual worker’s compensation occurrence, except for CNRC and prison employees where the maximum is \$600,000. 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, 2017, and December 31, 2016, were:

	<b>Beginning of Year Liability</b>	<b>Provision for Claims</b>		<b>Claim Payments</b>		<b>End of Year Liability</b>
		<b>Current Year</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Prior Years</b>	
2017	\$ 976,804	368,891	(300,307)	101,457	(2,752)	946,683
2016	\$ 1,225,419	464,232	(356,932)	175,581	180,334	976,804

**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 \$3,300 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.

	<b>Beginning of Year Liability</b>	<b>Provision for Claims</b>		<b>Claim Payments</b>		<b>End of Year Liability</b>
		<b>Current Year</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Prior Years</b>	
2017	\$ 30,000	389,262	(1,052)	353,262	28,948	36,000
2016	\$ 40,000	437,718	(10,724)	407,718	29,276	30,000

## **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, 2017*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

**(unaudited)**

	<b>Budget</b>		<b>Actual Amounts</b>	<b>Variance with Amended Budget</b>
	<b>Original</b>	<b>Amended</b>		
<b>REVENUES</b>				
Taxes:				
Real estate taxes	\$ 52,174,168	52,174,168	52,142,137	(32,031)
Per capita taxes	—	—	1,331	1,331
Library taxes	3,935,393	3,935,393	3,929,208	(6,185)
Licenses and permits	181,100	181,100	207,436	26,336
Grants	3,174,379	3,174,379	3,250,230	75,851
County charges	12,746,140	12,746,140	13,570,137	823,997
Court costs, fines, and forfeitures	1,093,197	1,093,197	1,537,091	443,894
Interest	131,500	131,500	438,687	307,187
Contributions and other	81,500	81,500	125,670	44,170
Payment in lieu of taxes	132,359	132,359	155,472	23,113
Total revenues	<u>73,649,736</u>	<u>73,649,736</u>	<u>75,357,399</u>	<u>1,707,663</u>
<b>EXPENDITURES</b>				
Current:				
General government – administrative:				
Commissioners	990,876	894,291	832,741	61,550
Solicitors	312,337	317,096	342,749	(25,653)
Elections	932,321	932,321	834,958	97,363
Controller	1,087,702	1,094,695	1,074,313	20,382
Finance office	858,691	852,882	790,848	62,034
Tax claims	265,448	265,748	235,174	30,574
Treasurer	318,538	319,338	310,837	8,501
Tax collectors administration	283,042	283,042	266,170	16,872
Personnel	715,147	710,039	597,072	112,967
Tax assessment	1,146,304	1,146,304	1,110,816	35,488
Recorder of Deeds	396,498	396,498	404,585	(8,087)
Administrative services	409,080	434,365	332,367	101,998
Information management and technology office	3,173,041	3,387,471	3,011,080	376,391
Enterprise resource management office	738,664	783,822	743,625	40,197
Insurance	411,472	417,435	417,360	75
Human services fiscal operations	181,275	181,275	180,612	663
County buildings	2,797,969	2,818,869	2,439,833	379,036
Planning	794,515	813,236	738,057	75,179
Pooled reserves-program innovation, improvements and contingencies	950,000	100,947	—	100,947
Pooled reserves-contingencies	1,000,000	55,410	—	55,410
Debt retirement	2,816	2,816	2,697	119
Homestead	53,066	59,385	58,437	948
Uniform Parcel Identifier	93,181	93,181	89,602	3,579
Program subsidy	134,300	134,300	127,003	7,297
Total general government – administrative	<u>18,046,283</u>	<u>16,494,766</u>	<u>14,940,936</u>	<u>1,553,830</u>
General government – judicial:				
Building security	444,225	474,474	401,852	72,622
Courts	4,386,137	4,645,508	4,621,871	23,637
Court appointed advocate	193,861	193,861	195,991	(2,130)
District judges	3,349,366	3,314,521	3,129,430	185,091
Law library	235,735	235,735	231,419	4,316
Clerk of Court	647,164	668,972	668,937	35
Coroner	1,191,254	1,312,204	1,217,954	94,250

(continued)

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

**General Fund**

*For the year ended December 31, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
(continued)				
<b>EXPENDITURES</b>				
Current (continued):				
General government - judicial (continued):				
Public defender	\$ 1,440,285	1,420,447	1,245,768	174,679
District Attorney	2,301,141	2,293,671	2,268,512	25,159
Prothonotary	584,985	584,985	571,093	13,892
Register of Wills	608,758	608,758	515,212	93,546
Sheriff	3,106,952	3,422,698	3,168,227	254,471
Total general government – judicial	<u>18,489,863</u>	<u>19,175,834</u>	<u>18,236,266</u>	<u>939,568</u>
Public safety:				
DA crime investigation	613,468	619,568	539,186	80,382
DA justice services	687,780	975,315	910,166	65,149
HAZMAT	180,031	180,071	125,479	54,592
Vector control	347,372	384,323	338,157	46,166
Fire training	23,779	23,779	14,275	9,504
Public safety	647,060	651,892	590,131	61,761
Total public safety	<u>2,499,490</u>	<u>2,834,948</u>	<u>2,517,394</u>	<u>317,554</u>
Corrections:				
County prison	13,572,629	13,492,429	12,563,444	928,985
Probation and parole	5,197,230	5,252,369	4,991,855	260,514
Total corrections	<u>18,769,859</u>	<u>18,744,798</u>	<u>17,555,299</u>	<u>1,189,499</u>
Human services	3,344,293	4,504,026	4,499,228	4,798
Culture and recreation	4,845,268	4,842,745	4,739,536	103,209
Conservation and development	778,161	1,123,426	838,414	285,012
Economic development	1,693,071	1,693,071	1,579,272	113,799
Total expenditures	<u>68,466,288</u>	<u>69,413,614</u>	<u>64,906,345</u>	<u>4,507,269</u>
Excess of revenues over expenditures	<u>5,183,448</u>	<u>4,236,122</u>	<u>10,451,054</u>	<u>6,214,932</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,254,716	3,254,716	4,375,437	1,120,721
Transfers out	(11,132,133)	(11,777,665)	(11,729,287)	48,378
Proceeds from capital lease	—	1,202,660	1,202,660	—
Proceeds from sale of assets	—	—	3,315	3,315
Total other financing sources (uses)	<u>(7,877,417)</u>	<u>(7,320,289)</u>	<u>(6,147,875)</u>	<u>1,172,414</u>
Net change in fund balance	<u>(2,693,969)</u>	<u>(3,084,167)</u>	<u>4,303,179</u>	<u>7,387,346</u>
Fund balance, beginning of year	<u>27,752,043</u>	<u>27,752,043</u>	<u>36,355,570</u>	<u>8,603,527</u>
Fund balance, end of year	<u>\$ 25,058,074</u>	<u>24,667,876</u>	<u>40,658,749</u>	<u>15,990,873</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/Intellectual and Developmental Disabilities** *For the fiscal year ended June 30, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
<b>REVENUES</b>				
Grants	\$ 14,600,897	14,646,222	14,572,793	(73,429)
County charges	1,797,932	1,847,338	1,581,661	(265,677)
Interest	2,000	2,000	6,421	4,421
Contributions and other	113,440	114,498	113,889	(609)
Total revenues	<u>16,514,269</u>	<u>16,610,058</u>	<u>16,274,764</u>	<u>(335,294)</u>
<b>EXPENDITURES</b>				
Current:				
Human services	17,056,713	17,158,965	16,854,156	304,809
Total expenditures	<u>17,056,713</u>	<u>17,158,965</u>	<u>16,854,156</u>	<u>304,809</u>
Deficiency of revenues under expenditures	<u>(542,444)</u>	<u>(548,907)</u>	<u>(579,392)</u>	<u>(30,485)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	496,277	502,740	466,088	36,652
Total other financing sources	<u>496,277</u>	<u>502,740</u>	<u>466,088</u>	<u>36,652</u>
Net change in fund balance	<u>(46,167)</u>	<u>(46,167)</u>	<u>(113,304)</u>	<u>6,167</u>
Fund balance, beginning of year	<u>244,231</u>	<u>244,231</u>	<u>243,384</u>	<u>(847)</u>
Fund balance, end of year	<u>\$ 198,064</u>	<u>198,064</u>	<u>130,080</u>	<u>5,320</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**

**Children and Youth**

*For the fiscal year ended June 30, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
<b>REVENUES</b>				
Grants	\$ 14,246,024	14,812,560	14,498,260	(314,300)
County charges	275,475	396,467	468,999	72,532
Contributions and other	—	—	504	504
Total revenues	<u>14,521,499</u>	<u>15,209,027</u>	<u>14,967,763</u>	<u>(241,264)</u>
<b>EXPENDITURES</b>				
Current:				
Human services	17,715,790	19,031,384	18,971,316	60,068
Total expenditures	<u>17,715,790</u>	<u>19,031,384</u>	<u>18,971,316</u>	<u>60,068</u>
Deficiency of revenues under expenditures	<u>(3,194,291)</u>	<u>(3,822,357)</u>	<u>(4,003,553)</u>	<u>(181,196)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,262,291	3,890,357	4,071,553	181,196
Transfers out	<u>(68,000)</u>	<u>(68,000)</u>	<u>(68,000)</u>	<u>—</u>
Total other financing sources (uses)	<u>3,194,291</u>	<u>3,822,357</u>	<u>4,003,553</u>	<u>181,196</u>
Net change in fund balance	—	—	—	—
Fund balance, beginning of year	—	—	—	—
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.

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

HealthChoices-Cumberland County

*For the fiscal year ended June 30, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
<b>REVENUES</b>				
Grants	\$ 32,245,865	39,578,760	39,487,338	(91,422)
Interest	350	350	590	240
Total revenues	32,246,215	39,579,110	39,487,928	(91,182)
<b>EXPENDITURES</b>				
Current:				
Human services	32,246,215	39,578,955	39,487,928	91,027
Total expenditures	32,246,215	39,578,955	39,487,928	91,027
Excess of revenues over expenditures	—	155	—	(155)
<b>OTHER FINANCING USES</b>				
Transfers out	—	(155)	(155)	—
Total other financing uses	—	(155)	(155)	—
Net change in fund balance	—	—	(155)	(155)
Fund balance, beginning of year	8,340	8,340	8,340	—
Fund balance, end of year	\$ 8,340	8,030	8,185	(155)

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

**REQUIRED SUPPLEMENTARY INFORMATION**  
**EMPLOYEES' RETIREMENT PLAN SCHEDULES**

**December 31, 2017**

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

**Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios**  
**Last 10 Years Available**

	2014	2015	2016	2017
<b>Pension liability*</b>				
Service cost	\$ 4,816,633	4,826,080	5,076,860	5,309,011
Interest	12,375,857	13,010,850	13,894,384	14,522,698
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	11,257,243	61,932	3,037,001	(769,513)
Changes of assumptions	-	-	-	-
Benefit payments, including refunds of member contributions	(8,425,180)	(9,071,203)	(9,494,172)	(10,428,840)
Net change in total pension liability	20,024,553	8,827,659	12,514,073	8,633,356
Total pension liability-beginning	154,556,942	174,581,495	183,409,154	195,923,227
Total pension liability-ending	\$ 174,581,495	183,409,154	195,923,227	204,556,583
<b>Plan fiduciary net position</b>				
Contributions-employer	\$ 4,134,246	3,620,219	4,046,264	3,805,364
Contributions-member	2,913,238	3,021,193	3,149,641	3,352,587
Net investment income	9,714,262	(623,463)	11,625,004	28,128,035
Benefit payments, including refunds of member contributions	(8,425,180)	(9,071,203)	(9,494,172)	(10,428,840)
Administrative expense	(150,259)	(235,911)	(231,535)	(208,237)
Net change in plan fiduciary net position	8,186,307	(3,289,165)	9,095,202	24,648,909
Plan fiduciary net position-beginning	174,657,294	182,843,601	179,554,436	188,649,638
Plan fiduciary net position-ending	\$ 182,843,601	179,554,436	188,649,638	213,298,547
Net pension liability/(asset)	\$ (8,262,106)	3,854,718	7,273,589	(8,741,964)
Plan fiduciary net position as a percentage of the total pension liability	104.73 %	97.90 %	96.29 %	104.27 %
Covered-employee payroll	\$ 52,236,859	50,760,752	53,864,765	54,909,779
Net pension liability/(asset) as a percentage of covered-employee payroll	(15.82) %	7.59 %	13.50 %	(15.92) %

\* The County restated pension liability balances in this schedule due to an actuarial correction.

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, information for those years for which information is available is shown.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**EMPLOYEES' RETIREMENT PLAN SCHEDULES**

**December 31, 2017**

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

**Schedule of County Contributions**  
**Last 10 Years Available**

	2014	2015	2016	2017
Actuarially determined contribution	\$ 4,134,246	3,620,219	4,046,264	3,805,364
Contributions in relation to the actuarially determined contribution	<u>4,134,246</u>	<u>3,620,219</u>	<u>4,046,264</u>	<u>3,805,364</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered-employee payroll	\$ 52,236,859	50,760,752	53,864,765	54,909,779
Contributions as a percentage of covered-employee payroll	7.91 %	7.13 %	7.51 %	6.93 %

**Notes to Schedule**

Valuation date: 1/1/2014 1/1/2015 1/1/2016 1/1/2017

Actuarially determined contributions are determined at the beginning of each year for the upcoming calendar year.

Methods and assumptions used to determine contribution amounts:

Actuarial cost method	Entry age
Amortization method	Level dollar
Remaining amortization period	18 years
Asset valuation method	Market value adjusted for unrecognized gains and losses from prior years
Inflation	3%
Salary increases	3.5% average, including inflation
Investment rate of return	7.5%, net of pension plan investment expense, including inflation
Retirement age	Age 60, or 55 with 20 years' service
Mortality	2013 RP annuitant and non-annuitant mortality tables for males and females with no projected improvement.

**Schedule of Investment Returns**  
**Last 10 Years**

	2014	2015	2016	2017
Annual money weighted rate of return, net of investment expense	6.73 %	(0.32) %	6.90 %	15.56 %

The schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, information for those years for which information is available is shown.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**OTHER POSTEMPLOYMENT BENEFITS PLAN SCHEDULES**

**December 31, 2017**

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

**Schedule of Changes in the County's Total OPEB Liability and Related Ratios**  
**Last 10 Years Available**

	<u>2017</u>
<b>OPEB liability</b>	
Service cost	\$ 58,180
Interest	56,911
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	63,493
Benefit payments, including refunds of member contributions	<u>(123,115)</u>
Net change in total OPEB liability	55,469
Total OPEB liability-beginning	<u>1,505,570</u>
Total OPEB liability-ending	<u>\$ 1,561,039</u>
Covered-employee payroll	\$ 54,909,779
Total OPEB liability as a percentage of covered-employee payroll	2.84 %

**Notes to Schedule**

*Change of assumptions* . Changes of assumptions and othe inputs reflect the effects of changes in the discount rate each period. The following are the discount rates use in each period presented above.

2017	3.44 %
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The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, information for those years for which information is available is shown.

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (unaudited) December 31, 2017**

**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 reported as a special revenue fund), 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, 2017, or on a fiscal year ended June 30, 2017. 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, 2017, follows:

	<u>General Fund</u>
Budgetary basis- net change in fund balance	\$ 4,303,179
Adjustments:	
To adjust revenues, expenditures and other financing sources/uses:	
Net fund budget-related revenues, expenditures and other financing sources/uses:	(137,896)
Fund balance effect from funds included in GAAP statements:	
Criminal justice and intermediate punishment	1,952
Offender supervision fund	<u>126,160</u>
GAAP basis - net change in fund balance	<u><u>\$ 4,293,395</u></u>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (unaudited) December 31, 2017**

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 were two general fund supplemental appropriations enacted in the amount of \$1,592,857. The schedule of revenues, expenditures and changes in fund balances – budget and actual (budget basis) reflects this.

Actual expenditures and 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***

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#### **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 expenditures for specified purposes. Restricted inflows comprise a substantial portion of the following fund's inflows:

**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, the majority of inflows of which are restricted for the provision of specified social services to eligible residents, are as follows:

- **Office of Aging**
- **Human Services Development**
- **Food and Shelter**
- **Drug and Alcohol**

**Fiscal Employer Agent** – This fund represents the County's "employer agent" activities whereby the County assists consumers and their representatives in employing individuals to assist them with independent living. The employer agent assists with employment and payroll compliance. The activities administered by this fund were taken over by the Commonwealth as of January 1, 2013.

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 those charged with crimes. These funds, which are restricted to providing specified judicial services, are as follows:

- **Witness Assistance**
- **Accelerated Rehabilitative Disposition/Driving Under the Influence (ARD/DUI) Program**

**Records Improvement** – 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** – Used to account for grants and fees to fund the operation of the County recycling and waste plan.

**Affordable Housing** – Used to account for revenues received from fees charged for recording deeds and mortgages to finance affordable housing efforts in the County.

**Hotel Tax** – Used to account for revenues received from the hotel occupancy tax to fund countywide tourism.

***NONMAJOR GOVERNMENTAL FUNDS***  
***DESCRIPTION OF FUNDS***

---

**Transportation** – 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.

**Emergency Telephone** – Used to account for the operation of the County’s emergency 9-1-1 call center. The 9-1-1 call center operates 24/7, 365 days a year responding promptly to emergency calls in the community, alerting public safety providers and coordinating and facilitating emergency responses.

**Cumberland Area Economic Development Corporation (CAEDC)** – CAEDC’s mission is to preserve, facilitate, promote and foster economic development within Cumberland County and the surrounding 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).

**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 for the governmental funds of the County.

**Capital Projects Fund**

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).

**COMBINING BALANCE SHEET**  
**Nonmajor Governmental Funds**

*December 31, 2017*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

(unaudited)

	Special Revenue						
	Liquid Fuels Tax	Domestic Relations Office	Office of Aging	Human Services Development	Food and Shelter	Drug and Alcohol	Fiscal Employer Agent
<b>ASSETS</b>							
Cash and cash equivalents	\$ 491,915	384,343	494,268	—	—	11,171	1,212,996
Investments	—	—	—	—	—	—	—
Restricted cash	—	—	—	—	—	—	—
Receivables:							
Taxes	—	—	—	—	—	—	—
Due from other governments	1,088,787	365,905	270,737	—	42,050	277,145	—
Accounts receivable	—	—	3,396	—	65,291	12,894	—
Due from other funds	—	—	—	1,741	105,010	828,375	—
Due from component unit	—	—	—	—	—	—	—
Prepaid items	—	—	—	—	—	—	—
Total assets	\$ 1,580,702	750,248	768,401	1,741	212,351	1,129,585	1,212,996
<b>LIABILITIES</b>							
Accounts payable	\$ 61,601	1,654	181,628	164	65,151	98,331	—
Accrued liabilities and withholdings	—	38,232	30,851	1,577	4,815	21,879	—
Remediation liability	—	—	—	—	—	—	—
Due to other funds	—	696,398	169,810	—	—	—	19,151
Due to other governments	—	—	—	—	—	—	1,190,504
Unearned revenue	—	—	179,623	—	35,550	161,282	—
Funds held as fiduciary	—	13,964	—	—	—	—	—
Total liabilities	61,601	750,248	561,912	1,741	105,516	281,492	1,209,655
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue	—	—	—	—	—	—	—
Total deferred inflows of resources	—	—	—	—	—	—	—
<b>FUND BALANCES</b>							
Nonspendable:							
Prepaid items	—	—	—	—	—	—	—
Loans receivable greater than one year	—	—	—	—	—	—	—
Restricted:							
Roads and bridge maintenance	1,519,101	—	—	—	—	—	—
Human services	—	—	202,297	—	106,835	848,093	—
Public safety	—	—	—	—	—	—	—
Row office automation	—	—	—	—	—	—	—
Marcellus shale	—	—	—	—	—	—	—
Conservation	—	—	—	—	—	—	—
Capital projects	—	—	—	—	—	—	—
Economic development and assistance	—	—	—	—	—	—	—
Assigned:							
Human services	—	—	4,192	—	—	—	3,341
Capital projects	—	—	—	—	—	—	—
Economic development and assistance	—	—	—	—	—	—	—
Total fund balances	1,519,101	—	206,489	—	106,835	848,093	3,341
Total liabilities, deferred inflows of resources and fund balances	\$ 1,580,702	750,248	768,401	1,741	212,351	1,129,585	1,212,996

(continued)

**COMBINING BALANCE SHEET**  
**Nonmajor Governmental Funds**

*December 31, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Special Revenue							
	Witness Assistance	ARD/DUI Program	Records Improvement	Recycling		Affordable Housing	Hotel Tax	Transportation
				and Waste				
(continued)								
<b>ASSETS</b>								
Cash and cash equivalents	\$ —	—	185,339	788,683	102,352	1,020,717	—	—
Investments	—	—	—	—	—	—	—	—
Restricted cash	—	—	—	—	—	—	—	—
Receivables:								
Taxes	—	—	—	—	—	125,000	—	—
Due from other governments	86,103	—	—	108,537	—	—	—	—
Accounts receivable	—	—	—	—	—	—	—	—
Due from other funds	41,005	27,918	64,630	—	—	—	—	—
Due from component unit	—	—	—	—	—	—	—	—
Prepaid items	2,400	—	26,460	—	—	—	—	—
Total assets	\$ 129,508	27,918	276,429	897,220	102,352	1,145,717	—	—
<b>LIABILITIES</b>								
Accounts payable	\$ 8,373	27,918	115,269	18,613	40,391	—	—	—
Accrued liabilities and withholdings	6,641	—	792	1,737	—	—	—	—
Remediation liability	—	—	—	—	—	—	—	—
Due to other funds	—	—	—	11,190	46,167	1,145,717	—	—
Due to other governments	—	—	—	—	—	—	—	—
Unearned revenue	—	—	—	—	—	—	—	—
Funds held as fiduciary	—	—	—	—	—	—	—	—
Total liabilities	15,014	27,918	116,061	31,540	86,558	1,145,717	—	—
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue	—	—	—	—	—	—	—	—
Total deferred inflows of resources	—	—	—	—	—	—	—	—
<b>FUND BALANCES</b>								
Nonspendable:								
Prepaid items	2,400	—	—	—	—	—	—	—
Loans receivable greater than one year	—	—	—	—	—	—	—	—
Restricted:								
Roads and bridge maintenance	—	—	—	—	—	—	—	—
Human services	—	—	—	—	—	—	—	—
Public safety	112,094	—	—	—	—	—	—	—
Row office automation	—	—	160,368	—	—	—	—	—
Marcellus shale	—	—	—	—	—	—	—	—
Conservation	—	—	—	865,680	—	—	—	—
Capital projects	—	—	—	—	—	—	—	—
Economic development and assistance	—	—	—	—	15,794	—	—	—
Assigned:								
Human services	—	—	—	—	—	—	—	—
Capital projects	—	—	—	—	—	—	—	—
Economic development and assistance	—	—	—	—	—	—	—	—
Total fund balances	114,494	—	160,368	865,680	15,794	—	—	—
Total liabilities, deferred inflows of resources and fund balances	\$ 129,508	27,918	276,429	897,220	102,352	1,145,717	—	—

(Continued)

**COMBINING BALANCE SHEET**  
**Nonmajor Governmental Funds**

*December 31, 2017*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

**(unaudited)**

	<u>Special Revenue</u>			<u>Debt Service</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Emergency Telephone</u>	<u>CAEDC</u>	<u>Total</u>			
(continued)						
<b>ASSETS</b>						
Cash and cash equivalents	\$ 2,564,159	1,017,052	8,272,995	—	872,911	9,145,906
Investments	—	1,174,181	1,174,181	—	—	1,174,181
Restricted cash	—	366,699	366,699	—	—	366,699
Receivables:						
Taxes	—	—	125,000	—	—	125,000
Due from other governments	1,449,483	50,000	3,738,747	—	—	3,738,747
Accounts receivable	11,434	1,189,125	1,282,140	—	—	1,282,140
Due from other funds	—	448,653	1,517,332	—	—	1,517,332
Due from component unit	—	26,097	26,097	—	—	26,097
Prepaid items	150,167	171,299	350,326	—	—	350,326
Total assets	\$ <u>4,175,243</u>	<u>4,443,106</u>	<u>16,853,517</u>	<u>—</u>	<u>872,911</u>	<u>17,726,428</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 118,828	185,035	922,956	—	67,083	990,039
Accrued liabilities and withholdings	76,089	—	182,613	—	—	182,613
Remediation liability	—	78,240	78,240	—	—	78,240
Due to other funds	244,386	—	2,332,819	—	—	2,332,819
Due to other governments	—	—	1,190,504	—	—	1,190,504
Unearned revenue	—	17,183	393,638	—	—	393,638
Funds held as fiduciary	—	—	13,964	—	—	13,964
Total liabilities	<u>439,303</u>	<u>280,458</u>	<u>5,114,734</u>	<u>—</u>	<u>67,083</u>	<u>5,181,817</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	—	201,250	201,250	—	—	201,250
Total deferred inflows of resources	<u>—</u>	<u>201,250</u>	<u>201,250</u>	<u>—</u>	<u>—</u>	<u>201,250</u>
<b>FUND BALANCES</b>						
Nonspendable:						
Prepaid items	150,167	171,299	323,866	—	—	323,866
Loans receivable greater than one year	—	1,056,268	1,056,268	—	—	1,056,268
Restricted:						
Roads and bridge maintenance	—	—	1,519,101	—	—	1,519,101
Human services	—	—	1,157,225	—	—	1,157,225
Public safety	3,585,773	—	3,697,867	—	—	3,697,867
Row office automation	—	—	160,368	—	—	160,368
Marcellus shale	—	—	—	—	298,541	298,541
Conservation	—	—	865,680	—	—	865,680
Capital projects	—	—	—	—	2,708	2,708
Economic development and assistance	—	416,699	432,493	—	—	432,493
Assigned:						
Human services	—	—	7,533	—	—	7,533
Capital projects	—	—	—	—	504,579	504,579
Economic development and assistance	—	2,317,132	2,317,132	—	—	2,317,132
Total fund balances	<u>3,735,940</u>	<u>3,961,398</u>	<u>11,537,533</u>	<u>—</u>	<u>805,828</u>	<u>12,343,361</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>4,175,243</u>	<u>4,443,106</u>	<u>16,853,517</u>	<u>—</u>	<u>872,911</u>	<u>17,726,428</u>

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

**Nonmajor Governmental Funds**

*For the year ended December 31, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Special Revenue						Fiscal Employer Agent
	Liquid Fuels Tax	Domestic Relations Office	Office of Aging	Human Services Development	Food and Shelter	Drug and Alcohol	
<b>REVENUES</b>							
Taxes	\$ —	—	—	—	—	—	—
Grants	3,805,869	2,226,289	4,101,901	167,748	751,933	1,900,145	—
County charges	1,506,085	17,124	303,186	—	95,656	538,791	—
Court costs, fines and forfeitures	—	11,789	—	—	—	188,373	—
Interest	2,193	804	1,529	118	162	—	3,574
Contributions and other	—	—	43,193	—	4,920	15,080	—
Total revenues	<u>5,314,147</u>	<u>2,256,006</u>	<u>4,449,809</u>	<u>167,866</u>	<u>852,671</u>	<u>2,642,389</u>	<u>3,574</u>
<b>EXPENDITURES</b>							
Current:							
General government – administrative	—	—	—	—	—	—	—
General government – judicial	—	3,203,023	—	—	—	—	—
Emergency telephone	—	—	—	—	—	—	—
Public works and enterprises	287,287	—	—	—	—	—	—
Human services	—	—	4,516,737	135,544	909,102	2,840,279	—
Economic development and assistance	—	—	—	—	—	—	—
Debt service:							
Principal retirement	—	—	—	—	—	—	—
Debt interest	—	—	—	—	—	—	—
Capital outlay	4,551,095	44,322	34,420	—	—	—	—
Payments to other governments	36,539	—	30,000	—	—	—	—
Total expenditures	<u>4,874,921</u>	<u>3,247,345</u>	<u>4,581,157</u>	<u>135,544</u>	<u>909,102</u>	<u>2,840,279</u>	<u>—</u>
Excess (deficiency) of revenues over (under) expenditures	<u>439,226</u>	<u>(991,339)</u>	<u>(131,348)</u>	<u>32,322</u>	<u>(56,431)</u>	<u>(197,890)</u>	<u>3,574</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	—	991,339	175,181	77,167	109,489	311,404	—
Transfers out	—	—	—	(109,489)	—	—	(233)
Proceeds received from line of credit	—	—	—	—	—	—	—
Total other financing sources (uses)	<u>—</u>	<u>991,339</u>	<u>175,181</u>	<u>(32,322)</u>	<u>109,489</u>	<u>311,404</u>	<u>(233)</u>
Net changes in fund balances	439,226	—	43,833	—	53,058	113,514	3,341
Fund balances, beginning of year, as restated	1,079,875	—	162,656	—	53,777	734,579	—
Fund balances, end of year	<u>\$ 1,519,101</u>	<u>—</u>	<u>206,489</u>	<u>—</u>	<u>106,835</u>	<u>848,093</u>	<u>3,341</u>

(continued)

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

**Nonmajor Governmental Funds**

*For the year ended December 31, 2017*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

**(unaudited)**

(continued)	Special Revenue							
	Witness Assistance	ARD/DUI Program	Records Improvement	Recycling		Affordable Housing	Hotel Tax	Transportation
				and Waste				
<b>REVENUES</b>								
Taxes	\$ —	—	—	—	—	2,106,822	—	—
Grants	353,730	—	—	82,312	—	—	—	—
County charges	43,328	304,808	164,095	253,064	192,326	—	—	—
Court costs, fines and forfeitures	100	—	—	—	—	—	—	—
Interest	—	—	58	824	109	2,132	—	—
Contributions and other	1,525	—	—	23,750	—	—	—	—
Total revenues	<u>398,683</u>	<u>304,808</u>	<u>164,153</u>	<u>359,950</u>	<u>192,435</u>	<u>2,108,954</u>	<u>—</u>	<u>—</u>
<b>EXPENDITURES</b>								
Current:								
General government – administrative	—	—	336,426	—	36,926	—	—	—
General government – judicial	—	125,305	—	—	—	—	—	—
Emergency telephone	—	—	—	—	—	—	—	—
Public works and enterprises	—	—	—	318,892	—	—	—	—
Human services	512,110	—	—	—	—	—	—	—
Economic development and assistance	—	—	—	—	—	42,123	—	—
Debt service:								
Principal retirement	—	—	—	—	—	—	—	—
Debt interest	—	—	—	—	—	—	—	—
Capital outlay	—	—	5,090	8,340	—	—	—	—
Payments to other governments	—	—	—	—	158,750	—	—	—
Total expenditures	<u>512,110</u>	<u>125,305</u>	<u>341,516</u>	<u>327,232</u>	<u>195,676</u>	<u>42,123</u>	<u>—</u>	<u>—</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(113,427)</u>	<u>179,503</u>	<u>(177,363)</u>	<u>32,718</u>	<u>(3,241)</u>	<u>2,066,831</u>	<u>—</u>	<u>—</u>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	143,639	—	—	—	—	—	—	—
Transfers out	—	(179,503)	—	—	—	(2,066,831)	—	—
Proceeds received from line of credit	—	—	—	—	—	—	—	—
Total other financing sources (uses)	<u>143,639</u>	<u>(179,503)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(2,066,831)</u>	<u>—</u>	<u>—</u>
Net changes in fund balances	30,212	—	(177,363)	32,718	(3,241)	—	—	—
Fund balances, beginning of year, as restated	84,282	—	337,731	832,962	19,035	—	—	—
Fund balances, end of year	<u>\$ 114,494</u>	<u>—</u>	<u>160,368</u>	<u>865,680</u>	<u>15,794</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, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

(continued)	Special Revenue			Debt Service	Capital Projects Fund	Nonmajor Governmental Funds
	Emergency Telephone	CAEDC	Total			
<b>REVENUES</b>						
Taxes	\$ —	—	2,106,822	—	—	2,106,822
Grants	—	409,220	13,799,147	—	298,041	14,097,188
County charges	6,116,261	335,129	9,869,853	—	—	9,869,853
Court costs, fines and forfeitures	—	—	200,262	—	—	200,262
Interest	7,560	25,278	44,341	—	4,095	48,436
Contributions and other	300	3,268	92,036	—	184,785	276,821
Total revenues	<u>6,124,121</u>	<u>772,895</u>	<u>26,112,461</u>	<u>—</u>	<u>486,921</u>	<u>26,599,382</u>
<b>EXPENDITURES</b>						
Current:						
General government – administrative	—	—	373,352	—	—	373,352
General government – judicial	—	—	3,328,328	—	—	3,328,328
Emergency telephone	4,786,398	—	4,786,398	—	—	4,786,398
Public works and enterprises	—	—	606,179	—	—	606,179
Human services	—	—	8,913,772	—	—	8,913,772
Economic development and assistance	—	2,957,963	3,000,086	—	—	3,000,086
Debt service:			—			
Principal retirement	—	—	—	4,430,875	—	4,430,875
Debt interest	—	—	—	1,238,913	—	1,238,913
Capital outlay	814,571	505,596	5,963,434	—	182,093	6,145,527
Payments to other governments	—	—	225,289	—	—	225,289
Total expenditures	<u>5,600,969</u>	<u>3,463,559</u>	<u>27,196,838</u>	<u>5,669,788</u>	<u>182,093</u>	<u>33,048,719</u>
Excess (deficiency) of revenues over (under) expenditures	<u>523,152</u>	<u>(2,690,664)</u>	<u>(1,084,377)</u>	<u>(5,669,788)</u>	<u>304,828</u>	<u>(6,449,337)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	306,142	2,164,046	4,278,407	5,669,788	—	9,948,195
Transfers out	(771,753)	—	(3,127,809)	—	—	(3,127,809)
Proceeds received from line of credit	—	389,043	389,043	—	—	389,043
Total other financing sources (uses)	<u>(465,611)</u>	<u>2,553,089</u>	<u>1,539,641</u>	<u>5,669,788</u>	<u>—</u>	<u>7,209,429</u>
Net changes in fund balances	57,541	(137,575)	455,264	—	304,828	760,092
Fund balances, beginning of year, as restated	<u>3,678,399</u>	<u>4,098,973</u>	<u>11,082,269</u>	<u>—</u>	<u>501,000</u>	<u>11,583,269</u>
Fund balances, end of year	\$ <u>3,735,940</u>	<u>3,961,398</u>	<u>11,537,533</u>	<u>—</u>	<u>805,828</u>	<u>12,343,361</u>

## **Nonmajor 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, 2017*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

**(unaudited)**

	<b>Budget</b>		<b>Actual Amounts</b>	<b>Variance with Amended Budget</b>
	<b>Original</b>	<b>Amended</b>		
<b>REVENUES</b>				
Grants:				
Liquid fuels tax	\$ 5,266,381	5,266,381	3,805,869	(1,460,512)
County charges	1,552,000	1,552,000	1,506,085	(45,915)
Interest	1,700	1,700	2,193	493
Total revenues	<u>6,820,081</u>	<u>6,820,081</u>	<u>5,314,147</u>	<u>(1,505,934)</u>
<b>EXPENDITURES</b>				
Current:				
Public works and enterprises	454,724	510,434	287,287	223,147
Capital outlay	6,872,273	6,776,563	4,551,095	2,225,468
Payments to other governments	—	40,000	36,539	3,461
Total expenditures	<u>7,326,997</u>	<u>7,326,997</u>	<u>4,874,921</u>	<u>2,452,076</u>
Excess (deficiency) of revenues over (under) expenditures	(506,916)	(506,916)	439,226	946,142
Fund balance, beginning of year	<u>1,452,448</u>	<u>1,452,448</u>	<u>1,079,875</u>	<u>(372,573)</u>
Fund balance, end of year	<u>\$ 945,532</u>	<u>945,532</u>	<u>1,519,101</u>	<u>573,569</u>

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

**Domestic Relations Office**

*For the year ended December 31, 2017*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

(unaudited)

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
<b>REVENUES</b>				
Grants	\$ 2,404,088	2,404,088	2,226,289	(177,799)
County charges	23,250	23,250	17,124	(6,126)
Court costs, fines, and forfeitures	13,000	13,000	11,789	(1,211)
Interest	400	400	804	404
Total revenues	<u>2,440,738</u>	<u>2,440,738</u>	<u>2,256,006</u>	<u>(184,732)</u>
<b>EXPENDITURES</b>				
Current:				
General government – judicial	3,481,480	3,472,660	3,203,023	269,637
Capital outlay	37,000	45,820	44,322	1,498
Total expenditures	<u>3,518,480</u>	<u>3,518,480</u>	<u>3,247,345</u>	<u>271,135</u>
Deficiency of revenues under expenditures	<u>(1,077,742)</u>	<u>(1,077,742)</u>	<u>(991,339)</u>	<u>86,403</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>1,077,742</u>	<u>1,077,742</u>	<u>991,339</u>	<u>(86,403)</u>
Total other financing sources	<u>1,077,742</u>	<u>1,077,742</u>	<u>991,339</u>	<u>(86,403)</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**

**Office of Aging**

*For the fiscal year ended June 30, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
<b>REVENUES</b>				
Grants	\$ 3,751,092	4,202,634	3,976,731	(225,903)
County charges	202,500	252,363	314,789	62,426
Interest	600	600	1,025	425
Contributions and other	23,500	23,500	40,654	17,154
Total revenues	<u>3,977,692</u>	<u>4,479,097</u>	<u>4,333,199</u>	<u>(145,898)</u>
<b>EXPENDITURES</b>				
Current:				
Human services	4,174,318	4,615,096	4,403,038	212,058
Capital outlay	—	35,000	34,420	580
Payments to other governments	—	30,000	30,000	—
Total expenditures	<u>4,174,318</u>	<u>4,680,096</u>	<u>4,467,458</u>	<u>212,638</u>
Deficiency of revenues under expenditures	<u>(196,626)</u>	<u>(200,999)</u>	<u>(134,259)</u>	<u>66,740</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	196,626	242,000	192,320	(49,680)
Total other financing sources	<u>196,626</u>	<u>242,000</u>	<u>192,320</u>	<u>(49,680)</u>
Net change in fund balance	—	41,001	58,061	17,060
Fund balance, beginning of year	<u>189,156</u>	<u>189,156</u>	<u>189,156</u>	<u>—</u>
Fund balance, end of year	<u>\$ 189,156</u>	<u>230,157</u>	<u>247,217</u>	<u>17,060</u>

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

**Human Services Development**

*For the fiscal year ended June 30, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
<b>REVENUES</b>				
Grants	\$ 129,187	129,187	129,187	—
Interest	50	50	118	68
Total revenues	<u>129,237</u>	<u>129,237</u>	<u>129,305</u>	<u>68</u>
<b>EXPENDITURES</b>				
Current:				
Human services	<u>131,378</u>	<u>131,237</u>	<u>131,235</u>	<u>2</u>
Total expenditures	<u>131,378</u>	<u>131,237</u>	<u>131,235</u>	<u>2</u>
Deficiency of revenues under expenditures	<u>(2,141)</u>	<u>(2,000)</u>	<u>(1,930)</u>	<u>70</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	77,950	77,950	77,167	(783)
Transfers out	<u>(75,809)</u>	<u>(75,950)</u>	<u>(75,237)</u>	<u>713</u>
Total other financing sources (uses)	<u>2,141</u>	<u>2,000</u>	<u>1,930</u>	<u>(70)</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**

**Food and Shelter**

*For the fiscal year ended June 30, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
<b>REVENUES</b>				
Grants	\$ 690,163	690,163	685,482	(4,681)
County charges	187,590	187,590	89,256	(98,334)
Contributions and other	5,700	5,700	4,900	(800)
Interest	125	125	162	37
Total revenues	<u>883,578</u>	<u>883,578</u>	<u>779,800</u>	<u>(103,778)</u>
<b>EXPENDITURES</b>				
Current:				
Human services	<u>966,338</u>	<u>967,338</u>	<u>838,495</u>	<u>128,843</u>
Total expenditures	<u>966,338</u>	<u>967,338</u>	<u>838,495</u>	<u>128,843</u>
Deficiency of revenues under expenditures	<u>(82,760)</u>	<u>(83,760)</u>	<u>(58,695)</u>	<u>25,065</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	83,760	83,760	75,237	(8,523)
Transfers out	<u>(1,000)</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total other financing sources (uses)	<u>82,760</u>	<u>83,760</u>	<u>75,237</u>	<u>(8,523)</u>
Net change in fund balance	—	—	16,542	16,542
Fund balance, beginning of year	<u>84,367</u>	<u>84,367</u>	<u>84,367</u>	<u>—</u>
Fund balance, end of year	<u>\$ 84,367</u>	<u>84,367</u>	<u>100,909</u>	<u>16,542</u>

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

**Drug and Alcohol**

*For the fiscal year ended June 30, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
<b>REVENUES</b>				
Grants	\$ 2,031,348	2,088,444	1,822,550	(265,894)
County charges	399,894	399,894	552,211	152,317
Court costs, fines and forfeitures	165,000	165,000	182,261	17,261
Contributions and other	5,837	5,837	15,365	9,528
Total revenues	<u>2,602,079</u>	<u>2,659,175</u>	<u>2,572,387</u>	<u>(86,788)</u>
<b>EXPENDITURES</b>				
Current:				
Human services	<u>2,866,926</u>	<u>2,924,022</u>	<u>2,768,444</u>	<u>155,578</u>
Total expenditures	<u>2,866,926</u>	<u>2,924,022</u>	<u>2,768,444</u>	<u>155,578</u>
Deficiency of revenues under expenditures	<u>(264,847)</u>	<u>(264,847)</u>	<u>(196,057)</u>	<u>68,790</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>280,939</u>	<u>280,939</u>	<u>286,519</u>	<u>5,580</u>
Total other financing sources	<u>280,939</u>	<u>280,939</u>	<u>286,519</u>	<u>5,580</u>
Net change in fund balance	16,092	16,092	90,462	74,370
Fund balance, beginning of year	<u>817,243</u>	<u>817,243</u>	<u>650,911</u>	<u>(166,332)</u>
Fund balance, end of year	<u>\$ 833,335</u>	<u>833,335</u>	<u>741,373</u>	<u>(91,962)</u>

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

**Fiscal Employer Agent**

*For the fiscal year ended June 30, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
<b>REVENUES</b>				
Interest	\$ —	—	1,402	1,402
Total revenues	—	—	1,402	1,402
<b>EXPENDITURES</b>				
Current:				
Human services	—	—	—	—
Payments to other governments	—	—	—	—
Total expenditures	—	—	—	—
Excess of revenues over expenditures	—	—	1,402	1,402
<b>OTHER FINANCING SOURCES</b>				
Transfers out	—	—	(841)	(841)
Total other financing uses	—	—	(841)	(841)
Net change in fund balance	—	—	561	561
Fund balance, beginning of year	—	—	—	—
Fund balance, end of year	\$ —	—	561	561

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

Witness Assistance

*For the year ended December 31, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
<b>REVENUES</b>				
Grants	\$ 325,180	337,080	353,730	16,650
County charges	29,000	29,000	43,328	14,328
Court, costs, fines and forfeitures	—	—	100	100
Contributions and other	—	—	1,525	1,525
Total revenues	<u>354,180</u>	<u>366,080</u>	<u>398,683</u>	<u>32,603</u>
<b>EXPENDITURES</b>				
Current:				
Human services	<u>612,050</u>	<u>623,950</u>	<u>512,110</u>	<u>111,840</u>
Total expenditures	<u>612,050</u>	<u>623,950</u>	<u>512,110</u>	<u>111,840</u>
Deficiency of revenues under expenditures	<u>(257,870)</u>	<u>(257,870)</u>	<u>(113,427)</u>	<u>144,443</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>259,580</u>	<u>259,580</u>	<u>143,639</u>	<u>(115,941)</u>
Total other financing sources	<u>259,580</u>	<u>259,580</u>	<u>143,639</u>	<u>(115,941)</u>
Net change in fund balance	1,710	1,710	30,212	28,502
Fund balance, beginning of year	<u>76,000</u>	<u>76,000</u>	<u>84,282</u>	<u>8,282</u>
Fund balance, end of year	<u>\$ 77,710</u>	<u>77,710</u>	<u>114,494</u>	<u>36,784</u>

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

**ARD/DUI Program**

*For the year ended December 31, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
<b>REVENUES</b>				
County charges	\$ 276,000	332,544	304,808	(27,736)
Total revenues	276,000	332,544	304,808	(27,736)
<b>EXPENDITURES</b>				
Current:				
General government – judicial	153,041	153,039	125,305	27,734
Total expenditures	153,041	153,039	125,305	27,734
Excess of revenues over expenditures	122,959	179,505	179,503	(2)
<b>OTHER FINANCING SOURCES</b>				
Transfers out	(122,959)	(179,505)	(179,503)	2
Total other financing uses	(122,959)	(179,505)	(179,503)	2
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, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
<b>REVENUES</b>				
County charges	\$ 150,000	150,000	164,095	14,095
Interest	75	75	58	(17)
Total revenues	<u>150,075</u>	<u>150,075</u>	<u>164,153</u>	<u>14,078</u>
<b>EXPENDITURES</b>				
Current:				
General government – administrative	179,538	359,493	336,426	23,067
Capital outlay	41,500	16,545	5,090	11,455
Total expenditures	<u>221,038</u>	<u>376,038</u>	<u>341,516</u>	<u>34,522</u>
Deficiency of revenues under expenditures	(70,963)	(225,963)	(177,363)	(20,444)
Fund balance, beginning of year	<u>342,000</u>	<u>342,000</u>	<u>337,731</u>	<u>(4,269)</u>
Fund balance, end of year	<u>\$ 271,037</u>	<u>116,037</u>	<u>160,368</u>	<u>(24,713)</u>

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

**Recycling and Waste**

*For the year ended December 31, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
<b>REVENUES</b>				
Grants	\$ 327,000	327,000	82,312	(244,688)
County charges	187,650	337,650	253,064	(84,586)
Interest	1,000	1,000	824	(176)
Contributions and other	21,000	21,000	23,750	2,750
Total revenues	<u>536,650</u>	<u>686,650</u>	<u>359,950</u>	<u>(326,700)</u>
<b>EXPENDITURES</b>				
Current:				
Public works and enterprises	302,062	511,062	318,892	192,170
Capital outlay	240,000	256,000	8,340	247,660
Total expenditures	<u>542,062</u>	<u>767,062</u>	<u>327,232</u>	<u>439,830</u>
Excess (deficiency) of revenues over (under) expenditures	(5,412)	(80,412)	32,718	113,130
Fund balance, beginning of year	<u>675,000</u>	<u>675,000</u>	<u>832,962</u>	<u>157,962</u>
Fund balance, end of year	<u>\$ 669,588</u>	<u>594,588</u>	<u>865,680</u>	<u>271,092</u>

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

**Affordable Housing**

*For the year ended December 31, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
<b>REVENUES</b>				
County charges	\$ 200,000	200,000	192,326	(7,674)
Interest	100	100	109	9
Total revenues	<u>200,100</u>	<u>200,100</u>	<u>192,435</u>	<u>(7,665)</u>
<b>EXPENDITURES</b>				
Current:				
General government - administrative	41,688	40,438	36,926	3,512
Payments to other governments	<u>157,500</u>	<u>158,750</u>	<u>158,750</u>	<u>—</u>
Total expenditures	<u>199,188</u>	<u>199,188</u>	<u>195,676</u>	<u>3,512</u>
Excess (deficiency) of revenues over (under) expenditures	912	912	(3,241)	(4,153)
Fund balance, beginning of year	<u>13,700</u>	<u>13,700</u>	<u>19,035</u>	<u>5,335</u>
Fund balance, end of year	<u><u>\$ 14,612</u></u>	<u><u>14,612</u></u>	<u><u>15,794</u></u>	<u><u>1,182</u></u>

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

**Hotel Tax**

*For the year ended December 31, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
<b>REVENUES</b>				
Taxes	\$ 1,920,000	2,430,200	2,106,822	(323,378)
Interest	900	900	2,132	1,232
Total revenues	<u>1,920,900</u>	<u>2,431,100</u>	<u>2,108,954</u>	<u>(322,146)</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	<u>38,400</u>	<u>54,854</u>	<u>42,123</u>	<u>12,731</u>
Total expenditures	<u>38,400</u>	<u>54,854</u>	<u>42,123</u>	<u>12,731</u>
Excess of revenues over expenditures	<u>1,882,500</u>	<u>2,376,246</u>	<u>2,066,831</u>	<u>(309,415)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers out	<u>(1,882,500)</u>	<u>(2,376,246)</u>	<u>(2,066,831)</u>	<u>309,415</u>
Total other financing uses	<u>(1,882,500)</u>	<u>(2,376,246)</u>	<u>(2,066,831)</u>	<u>309,415</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**

**Transportation**

*For the fiscal year ended June 30, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
<b>REVENUES</b>				
Grants	\$ 150,000	150,000	—	(150,000)
Interest	—	—	—	—
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>—</u>	<u>(150,000)</u>
<b>EXPENDITURES</b>				
Current:				
Transportation	<u>150,000</u>	<u>150,000</u>	<u>—</u>	<u>150,000</u>
Total expenditures	<u>150,000</u>	<u>150,000</u>	<u>—</u>	<u>150,000</u>
Excess of revenues over expenditures	<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>

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

**Emergency Telephone**

*For the fiscal year ended December 31, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
<b>REVENUES</b>				
County charges	\$ 5,733,957	5,733,957	6,116,261	382,304
Interest	1,500	1,500	7,560	6,060
Contributions and other	—	—	300	300
Total revenues	<u>5,735,457</u>	<u>5,735,457</u>	<u>6,124,121</u>	<u>388,664</u>
<b>EXPENDITURES</b>				
Current:				
Emergency telephone	5,342,120	5,342,118	4,786,398	555,720
Capital outlay	<u>2,230,545</u>	<u>2,230,545</u>	<u>814,571</u>	<u>1,415,974</u>
Total expenditures	<u>7,572,665</u>	<u>7,572,663</u>	<u>5,600,969</u>	<u>1,971,694</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,837,208)</u>	<u>(1,837,206)</u>	<u>523,152</u>	<u>2,360,358</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	378,417	378,417	306,142	(72,275)
Transfers out	<u>(771,754)</u>	<u>(771,756)</u>	<u>(771,753)</u>	<u>3</u>
Total other financing sources (uses)	<u>(393,337)</u>	<u>(393,339)</u>	<u>(465,611)</u>	<u>(72,272)</u>
Net change in fund balance	(2,230,545)	(2,230,545)	57,541	2,288,086
Fund balance, beginning of year	<u>2,700,000</u>	<u>2,700,000</u>	<u>3,678,399</u>	<u>978,399</u>
Fund balance, end of year	<u>\$ 469,455</u>	<u>469,455</u>	<u>3,735,940</u>	<u>3,266,485</u>

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

Debt Service

*For the year ended December 31, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<b>Budget</b>		<b>Actual Amounts</b>	<b>Variance with Amended Budget</b>
	<b>Original</b>	<b>Amended</b>		
<b>REVENUES</b>				
Interest	\$ —	—	—	—
Total revenues	—	—	—	—
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	4,210,507	4,451,039	4,430,875	20,164
Debt interest	1,238,918	1,238,918	1,238,913	5
Total expenditures	5,449,425	5,689,957	5,669,788	20,169
Deficiency of revenues under expenditures	(5,449,425)	(5,689,957)	(5,669,788)	20,169
<b>OTHER FINANCING SOURCES</b>				
Transfer in	5,449,425	5,689,957	5,669,788	(20,169)
Total other financing sources	5,449,425	5,689,957	5,669,788	(20,169)
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, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
<b>REVENUES</b>				
Grants	\$ 310,000	310,000	298,041	(11,959)
Interest	1,800	1,800	4,095	2,295
Contributions and other	182,249	182,249	184,785	2,536
Total revenues	<u>494,049</u>	<u>494,049</u>	<u>486,921</u>	<u>(7,128)</u>
<b>EXPENDITURES</b>				
Current expenditures	100,000	100,000	—	100,000
Capital outlay	894,000	894,000	182,093	711,907
Total expenditures	<u>994,000</u>	<u>994,000</u>	<u>182,093</u>	<u>811,907</u>
Excess (deficiency) of revenues over (under) expenditures	(499,951)	(499,951)	304,828	804,779
Fund balance, beginning of year	<u>510,928</u>	<u>510,928</u>	<u>501,000</u>	<u>(9,928)</u>
Fund balance, end of year	<u>\$ 10,977</u>	<u>10,977</u>	<u>805,828</u>	<u>794,851</u>

## **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.

**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.

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

**Insurance Fraud Prevention Authority**

*For the fiscal year ended June 30, 2017*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

**(unaudited)**

	<b>Budget</b>		<b>Actual Amounts</b>	<b>Variance with Amended Budget</b>
	<b>Original</b>	<b>Amended</b>		
<b>REVENUES</b>				
Grants	\$ 241,523	241,523	183,368	(58,155)
County charges	50	50	41	(9)
Interest	175	175	96	(79)
Total revenues	241,748	241,748	183,505	(58,243)
<b>EXPENDITURES</b>				
Current:				
Public safety	241,748	241,748	189,980	51,768
Total expenditures	241,748	241,748	189,980	51,768
Deficiency of revenues under expenditures	—	—	(6,475)	(6,475)
Fund balance, beginning of year	—	—	—	—
Fund balance, end of year	\$ —	—	(6,475)	(6,475)

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

**Criminal Justice Planning**

*For the fiscal year ended June 30, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
<b>REVENUES</b>				
Grants	\$ 311,444	684,286	439,698	(244,588)
County charges	3,880	3,880	4,905	1,025
Contributions and other	—	—	670	670
Total revenues	<u>315,324</u>	<u>688,166</u>	<u>445,273</u>	<u>(242,893)</u>
<b>EXPENDITURES</b>				
Current:				
Human services	<u>724,391</u>	<u>1,097,233</u>	<u>782,967</u>	<u>314,266</u>
Total expenditures	<u>724,391</u>	<u>1,097,233</u>	<u>782,967</u>	<u>314,266</u>
Deficiency of revenues under expenditures	<u>(409,067)</u>	<u>(409,067)</u>	<u>(337,694)</u>	<u>71,373</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>409,067</u>	<u>409,067</u>	<u>339,968</u>	<u>(69,099)</u>
Total other financing sources	<u>409,067</u>	<u>409,067</u>	<u>339,968</u>	<u>(69,099)</u>
Net change in fund balance	—	—	2,274	2,274
Fund balance, beginning of year	<u>4,299</u>	<u>4,299</u>	<u>4,299</u>	<u>—</u>
Fund balance, end of year	<u>\$ 4,299</u>	<u>4,299</u>	<u>6,573</u>	<u>2,274</u>

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

**Offender Supervision**

*For the fiscal year ended June 30, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
<b>REVENUES</b>				
County charges	\$ 600	600	—	(600)
Court costs, fines, and forfeitures	742,200	742,200	793,481	51,281
Total revenues	742,800	742,800	793,481	50,681
<b>EXPENDITURES</b>				
Current:				
Public safety	665,878	663,878	638,389	25,489
Total expenditures	665,878	663,878	638,389	25,489
Excess of revenues over expenditures	76,922	78,922	155,092	76,170
<b>OTHER FINANCING SOURCES</b>				
Transfers out	(75,000)	(77,000)	(77,000)	—
Total other financing uses	(75,000)	(77,000)	(77,000)	—
Net change in fund balance	1,922	1,922	78,092	76,170
Fund balance, beginning of year	997,064	997,064	997,064	—
Fund balance, end of year	\$ 998,986	998,986	1,075,156	76,170

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

**STOP Grant**

*For the year ended December 31, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
<b>REVENUES</b>				
Grants	\$ 125,000	125,000	122,281	(2,719)
Interest	—	—	11	11
Total revenues	<u>125,000</u>	<u>125,000</u>	<u>122,292</u>	<u>(2,708)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>277,622</u>	<u>277,622</u>	<u>277,050</u>	<u>572</u>
Total expenditures	<u>277,622</u>	<u>277,622</u>	<u>277,050</u>	<u>572</u>
Deficiency of revenues under expenditures	<u>(152,622)</u>	<u>(152,622)</u>	<u>(154,758)</u>	<u>(2,136)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>152,622</u>	<u>152,622</u>	<u>154,758</u>	<u>2,136</u>
Total other financing sources	<u>152,622</u>	<u>152,622</u>	<u>154,758</u>	<u>2,136</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>	<u><u>—</u></u>	<u><u>—</u></u>

## **Internal Service Fund Combining Statements**

***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 County's self-insured health insurance claims that fall under the deductible threshold of the County's high deductible health insurance plan.

**COMBINING STATEMENT OF NET POSITION**  
**Internal Service Funds**

*December 31, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<u>Workers'</u> <u>Compensation</u>	<u>Health</u> <u>Reimbursement</u> <u>Arrangement</u>	<u>Totals</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 250,413	—	250,413
Investments	1,348,605	—	1,348,605
Due from other funds	—	747,306	747,306
Customer accounts receivable	1,500	—	1,500
Prepaid	84,836	—	84,836
Total current assets	<u>1,685,354</u>	<u>747,306</u>	<u>2,432,660</u>
Total assets	<u>1,685,354</u>	<u>747,306</u>	<u>2,432,660</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	2,501	36,000	38,501
Due to other funds	889	—	889
Self-insurance claims payable	175,136	—	175,136
Total current liabilities	<u>178,526</u>	<u>36,000</u>	<u>214,526</u>
Noncurrent liabilities:			
Due in more than one year:			
Self-insurance claims payable	771,547	—	771,547
Total noncurrent liabilities	<u>771,547</u>	<u>—</u>	<u>771,547</u>
Total liabilities	<u>950,073</u>	<u>36,000</u>	<u>986,073</u>
<b>NET POSITION</b>			
Unrestricted	735,281	711,306	1,446,587
Total net position	<u>\$ 735,281</u>	<u>711,306</u>	<u>1,446,587</u>

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

**Internal Service Funds**

*For the year ended December 31, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<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	\$ 319,970	389,259	709,229
Total operating revenues	<u>319,970</u>	<u>389,259</u>	<u>709,229</u>
Operating expenses:			
Patient/client services	212,150	388,209	600,359
Total operating expenses	<u>212,150</u>	<u>388,209</u>	<u>600,359</u>
Operating income	107,820	1,050	108,870
Nonoperating revenues:			
Interest income	10,845	—	10,845
Total nonoperating revenues	<u>10,845</u>	<u>—</u>	<u>10,845</u>
Change in net position	118,665	1,050	119,715
Total net position, beginning of year	616,616	710,256	1,326,872
Total net position, end of year	<u>\$ 735,281</u>	<u>711,306</u>	<u>1,446,587</u>

**COMBINING STATEMENT OF CASH FLOWS****Internal Service Funds***For the year ended December 31, 2017***COUNTY OF CUMBERLAND, PENNSYLVANIA****(unaudited)**

	<b>Workers' Compensation</b>	<b>Health Reimbursement Arrangement</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received on county charges	\$ 319,970	382,209	702,179
Payments to vendors	—	(382,209)	(382,209)
Payments to employees	(241,560)	—	(241,560)
Net cash provided by operating activities	<u>78,410</u>	<u>—</u>	<u>78,410</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Sale of investments	104,021	—	104,021
Gain on investments	10,345	—	10,345
Net cash provided by investing activities	<u>114,366</u>	<u>—</u>	<u>114,366</u>
Net increase in cash and cash equivalents	192,776	—	192,776
Cash and cash equivalents, January 1	57,637	—	57,637
Cash and cash equivalents, December 31	<u>\$ 250,413</u>	<u>—</u>	<u>250,413</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income	\$ 107,820	1,050	108,870
Adjustments to reconcile operating income to net cash provided by operating activities:			
Changes in assets and liabilities in:			
Due from other funds	509	(7,050)	(6,541)
Accounts payable	202	6,000	6,202
Self-insurance debt-claims payable	(30,121)	—	(30,121)
Total adjustments	<u>(29,410)</u>	<u>(1,050)</u>	<u>(30,460)</u>
Net cash provided by operating activities	<u>\$ 78,410</u>	<u>—</u>	<u>78,410</u>

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

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

## **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** – 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/Intellectual and Developmental Disabilities 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 daycare 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

(unaudited)

	<b>Prison Work Release</b>	<b>Prison Inmate Accounts</b>	<b>Perry County Health- Choices</b>	<b>Clerk of Court</b>	<b>Prothonotary</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 7,701	122,768	33,047	566,157	1,193,338
Total assets	\$ 7,701	122,768	33,047	566,157	1,193,338
<b>LIABILITIES</b>					
Due to other governments	\$ —	—	—	164,307	9,092
Escrow and other liabilities	7,701	122,768	33,047	401,850	1,184,246
Total liabilities	\$ 7,701	122,768	33,047	566,157	1,193,338

*December 31, 2017*

(unaudited)

<b>Recorder of Deeds</b>	<b>Treasurer</b>	<b>Register of Wills</b>	<b>Sheriff</b>	<b>District Attorney</b>	<b>Flexible Spending Account</b>	<b>Human Services Guardianship Accounts</b>	<b>Total</b>
1,748,157	5,125	5,119	2,518,405	259,425	15,871	39,077	6,514,190
1,748,157	5,125	5,119	2,518,405	259,425	15,871	39,077	6,514,190
1,748,157	5,125	5,119	15,156	14,307	—	—	1,961,263
—	—	—	2,503,249	245,118	15,871	39,077	4,552,927
1,748,157	5,125	5,119	2,518,405	259,425	15,871	39,077	6,514,190

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**All Agency Funds** *For the year ended December 31, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<b>Balance, January 1, 2017</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance, December 31, 2017</b>
<b>Prison Work Release</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 8,539	495,724	496,562	7,701
<b>LIABILITIES</b>				
Escrow	\$ 8,539	495,724	496,562	7,701
Total liabilities	\$ 8,539	495,724	496,562	7,701
<b>Prison Inmate Accounts</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 59,309	867,185	803,726	122,768
<b>LIABILITIES</b>				
Escrow	\$ 59,309	867,185	803,726	122,768
Total liabilities	\$ 59,309	867,185	803,726	122,768
<b>Perry County HealthChoices</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 24,716	399,898	391,567	33,047
<b>LIABILITIES</b>				
Escrow and other liabilities	\$ 24,716	399,898	391,567	33,047
Total liabilities	\$ 24,716	399,898	391,567	33,047

(continued)

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**All Agency Funds** *For the year ended December 31, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<b>Balance, January 1, 2017</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance, December 31, 2017</b>
(continued)				
<b>Clerk of Court</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 684,225	3,035,741	3,153,809	566,157
<b>LIABILITIES</b>				
Due to other governments	\$ 100,967	1,702,261	1,638,921	164,307
Escrow	583,258	1,333,480	1,514,888	401,850
Total liabilities	\$ 684,225	3,035,741	3,153,809	566,157
<b>Prothonotary</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,174,641	716,329	697,632	1,193,338
<b>LIABILITIES</b>				
Due to other governments	\$ 9,469	113,874	114,251	9,092
Escrow	1,165,172	602,455	583,381	1,184,246
Total liabilities	\$ 1,174,641	716,329	697,632	1,193,338
<b>Recorder of Deeds</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,711,485	33,269,619	33,232,947	1,748,157
<b>LIABILITIES</b>				
Due to other governments	\$ 1,711,485	33,269,619	33,232,947	1,748,157
Total liabilities	\$ 1,711,485	33,269,619	33,232,947	1,748,157

(continued)

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**All Agency Funds** *For the year ended December 31, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<b>Balance, January 1, 2017</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance, December 31, 2017</b>
(continued)				
<b>Treasurer</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 6,508	171,653	173,036	5,125
<b>LIABILITIES</b>				
Due to other governments	\$ 6,508	171,653	173,036	5,125
Total liabilities	\$ 6,508	171,653	173,036	5,125
<b>Register of Wills</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 11,765	21,863,926	21,870,572	5,119
<b>LIABILITIES</b>				
Due to other governments	\$ 11,765	21,863,926	21,870,572	5,119
Total liabilities	\$ 11,765	21,863,926	21,870,572	5,119
<b>Sheriff</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 760,632	7,832,027	6,074,254	2,518,405
<b>LIABILITIES</b>				
Due to other governments	\$ 17,516	152,338	154,698	15,156
Escrow	743,116	7,679,689	5,919,556	2,503,249
Total liabilities	\$ 760,632	7,832,027	6,074,254	2,518,405

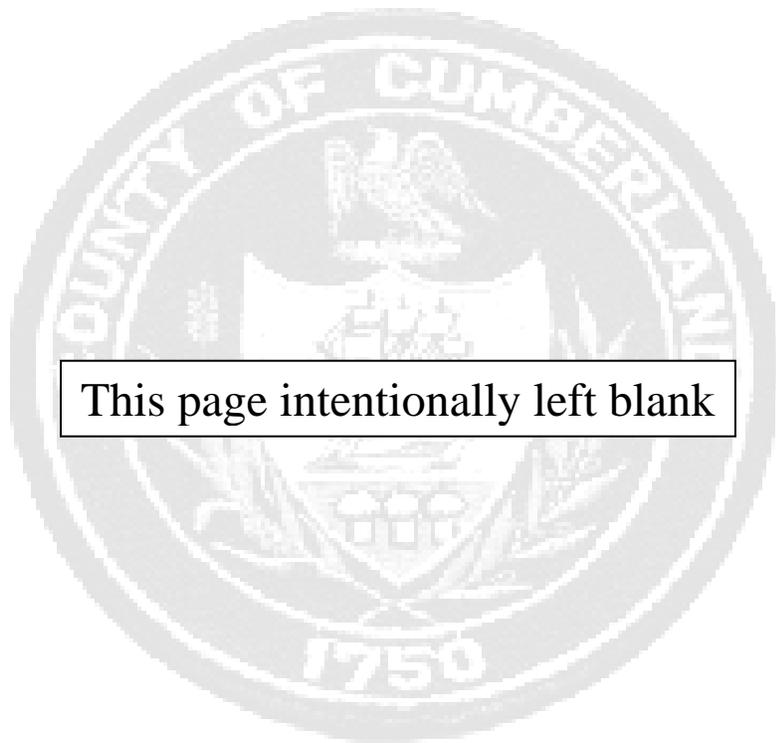
(continued)

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**All Agency Funds** *For the year ended December 31, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<b>Balance, January 1, 2017</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance, December 31, 2017</b>
(continued)				
<b>District Attorney</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 300,927	92,901	134,403	259,425
<b>LIABILITIES</b>				
Due to other governments	\$ 10,584	12,034	8,311	14,307
Escrow	290,343	80,867	126,092	245,118
Total liabilities	\$ 300,927	92,901	134,403	259,425
<b>Flexible Spending Account</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,228	84,479	72,836	15,871
<b>LIABILITIES</b>				
Escrow	\$ 4,228	84,479	72,836	15,871
Total liabilities	\$ 4,228	84,479	72,836	15,871
<b>Human Services Guardianship Accounts</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 82,140	142,766	185,829	39,077
<b>LIABILITIES</b>				
Escrow	\$ 82,140	142,766	185,829	39,077
Total liabilities	\$ 82,140	142,766	185,829	39,077
<b>Total All Agency Funds</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,829,115	68,972,248	67,287,173	6,514,190
<b>LIABILITIES</b>				
Due to other governments	\$ 1,868,294	57,285,705	57,192,736	1,961,263
Escrow and other liabilities	2,960,821	11,686,543	10,094,437	4,552,927
Total liabilities	\$ 4,829,115	68,972,248	67,287,173	6,514,190



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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.

**FINANCIAL TRENDS**  
**Net Position by Component**

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities				
Net invested in capital assets	\$ 21,107,189	23,171,314	23,210,201	25,321,465
Restricted	26,125,693	16,434,597	13,578,839	11,341,250
Unrestricted	4,149,705	18,005,779	24,309,827	25,663,371
Total governmental activities net position	<u>\$ 51,382,587</u>	<u>57,611,690</u>	<u>61,098,867</u>	<u>62,326,086</u>
Business-type activities				
Net invested in capital assets	\$ (1,301,131)	(403,424)	664,320	3,270,869
Restricted	-	-	-	-
Unrestricted	9,914,008	9,021,640	8,334,573	6,284,362
Total business-type activities net position	<u>\$ 8,612,877</u>	<u>8,618,216</u>	<u>8,998,893</u>	<u>9,555,231</u>
Primary government				
Net invested in capital assets	\$ 19,806,058	22,767,890	23,874,521	28,592,334
Restricted	26,125,693	16,434,597	13,578,839	11,341,250
Unrestricted	14,063,713	27,027,419	32,644,400	31,947,733
Total primary government net position	<u>\$ 59,995,464</u>	<u>66,229,906</u>	<u>70,097,760</u>	<u>71,881,317</u>

*As of the year ended indicated***(unaudited)**

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
26,848,932	27,357,708	30,386,044	34,018,215	36,791,935	44,481,499
10,653,143	8,345,285	8,832,346	10,851,199	12,085,563	13,675,898
<u>22,076,410</u>	<u>25,596,675</u>	<u>27,835,433</u>	<u>31,827,828</u>	<u>37,147,508</u>	<u>43,859,985</u>
<u>59,578,485</u>	<u>61,299,668</u>	<u>67,053,823</u>	<u>76,697,242</u>	<u>86,025,006</u>	<u>102,017,382</u>
4,383,167	4,675,435	1,768,189	2,269,224	2,975,768	3,720,244
-	-	-	-	-	-
<u>5,020,588</u>	<u>5,033,865</u>	<u>4,807,185</u>	<u>5,371,159</u>	<u>5,695,517</u>	<u>4,802,623</u>
<u>9,403,755</u>	<u>9,709,300</u>	<u>6,575,374</u>	<u>7,640,383</u>	<u>8,671,285</u>	<u>8,522,867</u>
31,232,099	32,033,143	32,154,233	36,287,439	39,767,703	48,201,743
10,653,143	8,345,285	8,832,346	10,851,199	12,085,563	13,675,898
<u>27,096,998</u>	<u>30,630,540</u>	<u>32,642,618</u>	<u>37,198,987</u>	<u>42,843,025</u>	<u>48,662,608</u>
<u>68,982,240</u>	<u>71,008,968</u>	<u>73,629,197</u>	<u>84,337,625</u>	<u>94,696,291</u>	<u>110,540,249</u>

**FINANCIAL TRENDS**  
**Changes in Net Position**

COUNTY OF CUMBERLAND, PENNSYLVANIA  
(accrual basis of accounting)

	2008	2009	2010
<b>Expenses</b>			
<b>Governmental activities</b>			
General government - administrative	\$ 12,914,833	12,627,406	13,814,789
General government - judicial	15,300,757	16,100,981	16,658,597
Corrections (1)	-	-	-
Emergency telephone (2)	-	-	-
Public safety	16,524,566	17,366,885	19,253,729
Transportation services (2)	-	-	-
Roads and bridge maintenance	479,261	855,299	672,542
Recycling and waste management	449,387	514,416	380,137
Human services:			
Mental health/intellectual and developmental disabilities	35,708,717	27,708,562	18,141,649
HealthChoices - Cumberland County	22,892,241	27,042,052	28,601,028
Children and youth	13,327,513	12,839,074	12,342,876
Food and shelter	4,554,398	4,726,775	3,137,335
Office of aging	4,585,368	4,889,623	4,785,973
Other	4,248,998	3,973,504	5,051,374
Culture and recreation	106,326	227,443	108,217
Conservation	1,047,706	531,424	423,928
Community redevelopment and housing	217,028	218,714	212,555
Economic development and assistance	3,870,456	4,093,769	3,992,708
Interest on long-term debt	1,130,803	1,280,716	1,320,663
Indirect expenses	(494,329)	(531,008)	(613,073)
Total governmental activities expenses	<u>136,864,029</u>	<u>134,465,635</u>	<u>128,285,027</u>
<b>Business-type activities</b>			
County nursing home	22,463,389	23,833,449	24,806,003
Early Learning Center	516,737	483,456	479,681
Emergency telephone (2)	5,277,951	5,329,529	9,481,575
Hazardous materials protection (2)	258,893	247,389	194,317
Transportation services (2)	2,305,882	2,360,459	2,331,954
Indirect expenses	494,329	531,008	613,073
Total business-type activities expenses	<u>31,317,181</u>	<u>32,785,290</u>	<u>37,906,603</u>
Total primary government expenses	<u>\$ 168,181,210</u>	<u>167,250,925</u>	<u>166,191,630</u>
<b>Program revenues</b>			
<b>Governmental activities</b>			
Charges for services			
General government - administrative	\$ 3,861,945	4,325,427	3,952,398
General government - judicial	4,182,989	3,895,465	4,021,584
Corrections (1)	-	-	-
Emergency telephone (2)	-	-	-
Public safety	3,155,752	2,951,887	3,055,916
Transportation services (2)	-	-	-
Roads and bridge maintenance	29,729	-	7,272
Recycling and waste management	128,166	114,998	116,498
Human services	1,811,103	6,215,264	5,377,369
Culture and recreation	10,942	11,052	11,300
Conservation	59,533	35,915	54,341

*For the year ended indicated*

(unaudited)

2011	2012	2013	2014	2015	2016	2017
14,046,596	14,280,937	14,144,701	13,728,858	13,631,117	14,810,069	14,479,524
17,814,045	18,528,473	18,545,493	18,396,045	18,751,395	20,888,619	20,971,925
-	-	18,165,075	18,955,396	18,568,390	19,330,948	18,680,545
-	-	-	5,444,274	5,272,839	5,469,089	5,186,230
20,794,098	21,611,054	3,826,455	4,125,147	4,029,829	4,635,939	4,491,900
-	-	-	2,506,885	1,465,829	131,285	-
387,359	281,498	511,078	327,879	920,955	818,420	504,229
458,016	586,934	330,697	266,872	271,432	254,298	399,114
16,928,959	17,257,878	16,409,341	17,837,104	16,842,101	17,230,628	16,450,746
27,491,594	28,363,948	28,879,387	28,653,048	29,681,949	36,322,582	38,747,541
13,417,768	13,813,083	14,186,821	14,873,696	16,660,594	18,000,735	19,149,179
936,619	810,200	851,772	1,204,422	1,054,332	758,684	886,130
3,915,211	3,425,700	3,055,181	3,297,677	3,798,961	4,144,889	4,365,657
6,143,289	8,338,934	3,651,819	3,907,128	3,514,705	3,753,249	3,993,007
67,799	138,045	191,890	38,657	435,407	26,192	14,664
386,490	432,798	486,778	571,509	462,380	546,916	558,314
220,815	222,796	237,269	198,051	180,019	192,851	195,676
3,877,944	3,539,001	3,602,456	4,058,868	3,715,216	3,537,217	4,592,886
1,323,974	1,687,988	1,618,892	1,702,282	1,579,219	1,389,520	1,224,814
(635,931)	(641,105)	(716,180)	(676,395)	(560,442)	(635,987)	(660,484)
<u>127,574,645</u>	<u>132,678,162</u>	<u>127,978,925</u>	<u>139,417,403</u>	<u>140,276,227</u>	<u>151,606,143</u>	<u>154,231,597</u>
25,737,338	24,610,308	24,005,271	24,480,806	24,481,218	26,709,058	27,284,499
532,003	339,864	-	-	-	-	-
6,505,960	5,969,320	5,704,448	-	-	-	-
228,067	192,719	157,291	-	-	-	-
2,611,077	2,502,154	2,503,355	-	-	-	-
635,931	641,105	716,180	676,395	560,442	635,987	660,484
<u>36,250,376</u>	<u>34,255,470</u>	<u>33,086,545</u>	<u>25,157,201</u>	<u>25,041,660</u>	<u>27,345,045</u>	<u>27,944,983</u>
<u>163,825,021</u>	<u>166,933,632</u>	<u>161,065,470</u>	<u>164,574,604</u>	<u>165,317,887</u>	<u>178,951,188</u>	<u>182,176,580</u>
3,972,749	4,464,773	4,838,303	3,954,301	4,408,795	4,264,648	4,330,066
3,878,412	4,610,779	4,527,455	2,690,559	4,006,868	4,202,217	4,620,892
-	-	1,743,574	2,126,004	2,157,892	2,207,594	2,456,615
-	-	-	1,638,261	5,719,438	5,935,193	6,116,261
3,359,727	3,125,837	1,429,935	1,582,213	1,871,093	1,689,680	1,872,049
-	-	-	1,280,478	604,374	-	-
49,773	10,791	2,952	80	971,680	1,201,297	1,506,085
145,302	109,662	111,890	121,023	111,899	120,571	253,064
6,420,238	6,999,960	3,740,695	4,515,227	3,439,248	3,640,729	3,322,160
11,193	11,397	8,648	-	-	-	-
26,799	30,282	18,716	53,613	37,207	53,412	45,558

(continued)

**FINANCIAL TRENDS**  
**Changes in Net Position**

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

	2008	2009	2010
(continued)			
<b>Program revenues</b>			
Community redevelopment and housing	227,398	235,154	214,505
Economic development and assistance	146,409	98,884	130,752
Operating grants and contributions			
General government - administrative	245,575	110,861	217,232
General government - judicial	2,497,334	2,650,047	2,883,864
Corrections (1)	-	-	-
Emergency telephone (2)	-	-	-
Public safety	1,243,092	1,235,751	1,856,181
Transportation services (2)	-	-	-
Roads and bridge maintenance	951,691	529,854	589,234
Recycling and waste management	470,419	160,115	75,312
Human services:			
Mental health/intellectual and developmental disabilities	34,853,233	26,936,260	17,436,659
HealthChoices - Cumberland County	22,881,948	27,040,563	28,634,245
Children and youth	10,642,965	10,658,021	9,927,394
Food and shelter	4,486,184	689,254	920,238
Office of aging	4,336,567	3,934,097	4,001,745
Other	3,104,052	2,953,656	2,796,894
Culture and recreation	45,119	163,881	-
Conservation	165,986	430,053	70,146
Economic development and assistance	2,226,010	2,535,722	2,308,941
Capital grants and contributions			
General government - administrative	-	-	571,757
General government - judicial	6,832	-	-
Public safety	65,745	22,749	27,099
Roads and bridge maintenance	96,987	-	8,752
Conservation	-	-	-
Total governmental activities program revenues	<u>101,933,705</u>	<u>97,934,930</u>	<u>89,267,628</u>
<b>Business-type activities</b>			
Charges for services			
County nursing home	22,536,429	23,592,054	25,259,305
Early Learning Center	399,429	406,814	414,613
Emergency telephone (2)	1,944,338	1,835,550	1,761,860
Hazardous materials protection (2)	50,708	58,096	50,500
Transportation services (2)	1,100,062	1,051,045	1,044,212
Operating grants and contributions			
County nursing home	10,718	22,612	23,045
Early Learning Center	34,016	32,355	39,215
Emergency telephone (2)	3,002,387	2,470,344	6,410,484
Hazardous materials protection (2)	30,112	33,361	71,630
Transportation services (2)	1,134,124	1,139,457	1,050,365
Capital grants and contributions			
Early Learning Center	1,283	-	-
Hazardous materials protection (2)	3,505	3,427	1,673
Transportation services (2)	198,638	433,123	13,585
Total business-type activities program revenues	<u>30,445,749</u>	<u>31,078,238</u>	<u>36,140,487</u>
Total primary government program revenues	<u>\$ 132,379,454</u>	<u>129,013,168</u>	<u>125,408,115</u>

*For the year ended indicated*

(unaudited)

2011	2012	2013	2014	2015	2016	2017
197,915	221,410	223,797	176,318	190,107	201,676	192,326
143,883	93,888	-	-	-	-	342,629
567,219	574,441	350,086	451,533	527,623	350,237	541,456
2,943,449	2,657,904	2,829,612	2,722,094	2,747,005	2,707,945	2,801,029
-	-	699,760	738,753	665,351	618,714	508,831
-	-	-	1,484,096	575,422	651	300
1,637,737	1,405,009	598,286	708,927	776,487	843,102	1,004,211
-	-	-	1,101,968	664,806	131,285	-
557,169	445,570	532,209	446,947	605,852	520,611	656,459
67,821	100,250	68,822	75,303	348,835	106,249	106,062
14,306,924	14,750,083	13,928,418	14,403,100	14,423,979	14,536,070	14,440,988
27,489,782	28,354,028	28,879,053	28,652,699	29,681,670	36,322,288	38,746,200
10,726,676	10,745,739	12,395,912	12,083,726	13,534,980	14,359,595	15,137,519
703,688	632,886	574,527	999,975	880,510	612,996	756,853
3,445,930	3,218,411	3,075,150	3,169,562	3,709,887	3,871,651	4,145,094
2,777,210	2,715,633	2,581,674	2,656,276	2,159,564	2,434,801	2,634,223
-	-	92,272	-	500,000	-	5,335
49,269	289,545	294,722	279,065	295,199	304,912	251,471
1,994,012	1,632,160	1,462,951	1,901,964	1,387,870	1,456,078	1,991,704
638,503	44,185	-	109,043	68,602	-	-
-	-	-	-	-	-	-
21,602	23,339	21,409	78,338	21,932	25,515	19,970
61,649	104,717	135,074	119,073	545,602	588,762	3,149,410
-	-	-	-	-	-	-
86,194,631	87,372,679	85,165,902	90,320,519	97,639,777	103,308,479	111,954,820
25,276,933	24,669,038	24,474,978	25,693,602	26,084,652	27,091,190	27,902,156
429,812	251,875	-	-	-	-	-
1,714,758	1,647,432	1,606,054	-	-	-	-
47,450	45,518	58,377	-	-	-	-
1,049,685	1,012,670	1,157,031	-	-	-	-
159,868	9,265	15,434	220,525	6,747	9,961	2,063
43,492	8,753	-	-	-	-	-
3,891,927	2,637,325	2,180,632	-	-	-	-
23,548	39,015	36,427	-	-	-	-
1,156,134	979,680	1,060,635	-	-	-	-
-	-	-	-	-	-	-
200,000	1,011	-	-	-	-	-
611,271	449,718	715,541	-	-	-	-
34,604,878	31,751,300	31,305,109	25,914,127	26,091,399	27,101,151	27,904,219
120,799,509	119,123,979	116,471,011	116,234,646	123,731,176	130,409,630	139,859,039

(continued)

**FINANCIAL TRENDS**  
**Changes in Net Position**

COUNTY OF CUMBERLAND, PENNSYLVANIA  
(accrual basis of accounting)

	2008	2009	2010
(continued)			
Net expense:			
<b>Governmental activities</b>	\$ (34,930,324)	(36,530,705)	(39,017,399)
<b>Business-type activities</b>	(871,432)	(1,707,052)	(1,766,116)
Total primary government net expense	<u>\$ (35,801,756)</u>	<u>(38,237,757)</u>	<u>(40,783,515)</u>

**General Revenues and Other Changes in Net Position**

**Governmental activities**

Taxes:			
Real estate taxes	\$ 38,319,951	41,366,554	41,788,709
Per capita taxes	638,640	639,342	629,068
Hotel taxes	1,345,191	1,192,707	1,518,194
Special item	-	-	-
Unrestricted investment earnings	1,897,431	1,106,743	652,760
Transfers	(876,742)	(1,545,538)	(2,084,155)
Total governmental activities	<u>41,324,471</u>	<u>42,759,808</u>	<u>42,504,576</u>

**Business-type activities**

Unrestricted investment earnings	379,485	166,853	62,638
Transfers	876,742	1,545,538	2,084,155
Total business-type activities	<u>1,256,227</u>	<u>1,712,391</u>	<u>2,146,793</u>
Total primary government	<u>\$ 42,580,698</u>	<u>44,472,199</u>	<u>44,651,369</u>

**Changes in Net Position**

<b>Governmental activities</b>	\$ 6,394,147	6,229,103	3,487,177
<b>Business-type activities</b>	384,795	5,339	380,677
Total primary government	<u>\$ 6,778,942</u>	<u>6,234,442</u>	<u>3,867,854</u>

Notes:

- (1) Beginning in 2013, public safety expenses were broken into two categories to provide better detail to the statement of activities. The new categories are called public safety and corrections.
- (2) Beginning in 2014, emergency telephone, transportation and hazmat were reclassified from a business-type program to a governmental-type in statement of activities.

*For the year ended indicated*

(unaudited)

2011	2012	2013	2014	2015	2016	2017
(41,380,014)	(45,305,483)	(42,813,023)	(49,096,884)	(42,636,450)	(48,297,664)	(42,276,777)
(1,645,498)	(2,504,170)	(1,781,436)	756,926	1,049,739	(243,894)	(40,764)
<u>(43,025,512)</u>	<u>(47,809,653)</u>	<u>(44,594,459)</u>	<u>(48,339,958)</u>	<u>(41,586,711)</u>	<u>(48,541,558)</u>	<u>(42,317,541)</u>
42,140,921	42,385,600	47,880,387	49,915,747	50,564,085	51,340,102	52,084,725
677,729	650,909	676,050	26,631	5,897	96	1,331
1,502,072	1,602,610	1,604,287	1,676,860	1,896,626	2,081,392	2,106,822
-	-	-	-	(378,887)	(706,760)	-
422,986	222,193	20,558	198,052	150,214	249,731	512,855
<u>(2,136,475)</u>	<u>(2,303,430)</u>	<u>(2,250,276)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>42,607,233</u>	<u>42,557,882</u>	<u>47,931,006</u>	<u>51,817,290</u>	<u>52,237,935</u>	<u>52,964,561</u>	<u>54,705,733</u>
65,361	49,264	-	4,744	3,657	3,596	6,570
2,136,475	2,303,430	2,250,276	-	-	-	-
<u>2,201,836</u>	<u>2,352,694</u>	<u>2,250,276</u>	<u>4,744</u>	<u>3,657</u>	<u>3,596</u>	<u>6,570</u>
<u>44,809,069</u>	<u>44,910,576</u>	<u>50,181,282</u>	<u>51,822,034</u>	<u>52,241,592</u>	<u>52,968,157</u>	<u>54,712,303</u>
1,227,219	(2,747,601)	5,117,983	2,720,406	9,601,485	4,666,897	12,428,956
556,338	(151,476)	468,840	761,670	1,053,396	(240,298)	(34,194)
<u>1,783,557</u>	<u>(2,899,077)</u>	<u>5,586,823</u>	<u>3,482,076</u>	<u>10,654,881</u>	<u>4,426,599</u>	<u>12,394,762</u>

**FINANCIAL TRENDS**  
**Fund Balances of Governmental Funds**

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

	2008	2009	2010	2011
<b>General fund</b>				
Reserved	\$ 2,092,339	1,332,001	-	-
Unreserved	22,766,147	29,270,507	-	-
Nonspendable:				
Prepaid items	-	-	170,321	227,426
Restricted:				
Landfill closure	-	-	488,858	418,540
Farmland preservation	-	-	1,092,655	825,164
Offender supervision	-	-	564,467	564,847
Juvenile probation restitution funds	-	-	-	-
Criminal investigation	-	-	229,803	203,802
Register of Wills-Act 34	-	-	67,200	69,450
Coroner - Act 122	-	-	49,499	68,905
Veteran Affairs	-	-	-	-
Hoffer scholarship	-	-	16,723	16,256
Hazardous materials emergency planning	-	-	-	-
Row office automation	-	-	174,701	190,587
Marcellus Shale	-	-	-	-
Unrestricted:				
Assigned:				
Public safety	-	-	-	-
Future budgetary requirements	-	-	-	10,920,515
Capital projects	-	-	3,725,000	3,725,000
Risk liability	-	-	250,000	250,000
Farmland preservation	-	-	446,367	560,825
Prison canteen	-	-	66,732	177,895
Criminal justice planning	-	-	5,885	7,297
Unassigned	-	-	24,316,110	11,144,830
<b>Total general fund</b>	<b>\$ 24,858,486</b>	<b>30,602,508</b>	<b>31,664,321</b>	<b>29,371,339</b>
<b>All other governmental funds</b>				
Reserved	\$ -	-	-	-
Unreserved, reported in:				
Special revenue funds	7,426,419	6,865,274	-	-
Capital projects fund	17,738,683	8,569,764	-	-
Debt service fund	-	-	-	-
Nonspendable:				
Prepaid items	-	-	23,649	235,485
Loans receivable greater than one year	-	-	-	-
Restricted:				
Roads and bridge maintenance	-	-	635,004	955,530
Judicial services	-	-	55,920	287,665
Human services	-	-	952,567	1,474,155
Public safety	-	-	35,758	33,156
Row office automation	-	-	1,005,582	923,002
Conservation	-	-	1,670,258	1,461,610
Marcellus shale	-	-	-	-
Economic development and housing	-	-	1,920,788	2,190,163
Debt service	-	-	9,870	-
Capital projects	-	-	1,948,613	15,751,272
Unrestricted:				
Assigned:				
Capital projects	-	-	-	500,082
Transportation	-	-	-	-
Economic development and housing	-	-	-	-
Human services	-	-	891,930	297,941
Unassigned	-	-	(83,661)	4,694
<b>Total all other governmental funds</b>	<b>\$ 25,165,102</b>	<b>15,435,038</b>	<b>9,066,278</b>	<b>24,114,755</b>

Note:

(1) The County has elected, as permitted by GASB 54, to not retroactively recharacterize fund balance in governmental funds prior to 2010. The County early implemented GASB 54 in 2010. The nature of the differences between the reserved and unreserved fund balance components reported prior to 2010 and the restricted and unrestricted categories reported effective in 2010 is the focus, beginning in 2010, on the level of restriction on the fund balance components.

*As of the year ended indicated*

(unaudited)

2012	2013	2014	2015	2016	2017
-	-	-	-	-	-
-	-	-	-	-	-
296,853	353,803	240,956	387,486	339,389	375,395
347,522	275,863	203,492	130,438	56,443	-
714,300	270,217	318,409	437,718	658,973	943,857
681,358	658,158	675,229	989,446	1,058,353	1,184,513
-	-	18,920	27,402	33,818	31,493
338,460	821,979	747,271	672,896	540,179	399,283
71,250	72,750	74,025	74,925	75,450	76,500
68,634	48,022	33,861	35,061	38,589	55,988
-	50,000	-	-	-	-
15,812	13,615	10,503	-	-	-
-	-	14,098	25,813	27,504	16,975
218,242	252,211	153,201	128,260	144,142	206,084
199,719	348,659	324,283	375,815	351,338	391,489
-	-	-	-	-	429,953
6,551,207	3,686,704	4,252,825	3,888,647	2,693,969	4,980,133
3,725,000	3,725,000	3,725,000	3,725,000	3,725,000	4,831,870
250,000	250,000	250,000	250,000	250,000	250,000
595,009	546,947	603,101	613,274	628,860	641,748
226,059	314,835	425,502	473,203	557,861	669,358
7,081	3,944	3,947	5,047	4,123	6,076
10,856,757	17,148,138	19,493,060	22,744,035	26,734,235	26,720,906
25,163,263	28,840,845	31,567,683	34,984,466	37,918,226	42,211,621
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
330,154	11,916	115,233	165,182	157,018	323,866
-	-	-	-	-	1,056,268
1,207,397	1,168,695	1,376,674	809,135	1,079,875	1,519,101
-	-	-	-	-	-
726,499	553,974	996,026	973,405	1,292,477	1,292,477
38,502	36,974	39,660	2,688,735	3,606,138	3,697,867
972,248	744,951	511,936	320,125	337,731	160,368
1,093,589	931,598	842,633	777,915	832,962	865,680
335,543	600,259	134,664	396,917	500	298,541
2,597,397	20,864	-	10,125	19,035	432,493
-	-	-	-	-	-
3,818,123	1,177,907	697,246	7,171	500	2,708
500,000	500,000	500,000	500,000	500,000	504,579
-	-	420,524	-	-	-
-	-	-	-	-	2,317,132
55,409	388,851	34,343	67,822	59,481	7,533
(12,150)	(5,523)	(102,563)	-	-	-
11,662,711	6,130,466	5,566,376	6,716,532	7,885,717	12,478,613

## FINANCIAL TRENDS

### Changes in Fund Balances of Governmental Funds

COUNTY OF CUMBERLAND, PENNSYLVANIA

(modified accrual basis of accounting)

	2008	2009	2010	2011
<b>Revenues:</b>				
Taxes	\$ 40,270,517	43,016,438	43,972,939	44,249,273
Licenses and permits	101,762	115,886	96,872	104,492
Grants	88,045,118	79,570,052	72,033,160	67,782,498
County charges	11,086,953	15,477,114	14,386,937	15,507,346
Court, costs, fines and forfeitures	1,851,223	1,970,159	1,968,327	2,182,893
Investment earnings	1,897,431	1,106,741	652,759	422,986
Payment in lieu of taxes	116,614	141,168	128,664	128,359
Contributions and other	331,004	670,539	441,878	397,790
Total revenues	<u>143,700,622</u>	<u>142,068,097</u>	<u>133,681,536</u>	<u>130,775,637</u>
<b>Expenditures:</b>				
Current:				
General government - administrative	10,071,676	9,470,786	10,419,194	10,779,834
General government - judicial	16,251,512	16,858,261	16,598,749	17,837,905
Corrections (1)	-	-	-	-
Public safety	15,165,158	15,525,396	18,098,141	19,313,626
Emergency telephone (2)	-	-	-	-
Public works and enterprises	680,216	1,167,927	863,974	686,114
Transportation (2)	-	-	-	-
Human services:				
Mental health/intellectual and developmental disabilities	35,964,303	27,883,589	18,367,330	17,226,078
Children and youth	13,525,507	12,975,471	12,492,268	13,605,024
HealthChoices - Cumberland County	22,892,242	27,042,053	28,601,026	27,491,595
Food and shelter	4,644,898	4,821,488	3,219,164	962,539
Office of aging	4,755,060	5,047,609	4,968,161	4,098,978
Drug and alcohol	3,286,072	3,043,704	3,012,234	2,844,349
Fiscal Employer Agent	-	-	1,250,455	2,453,634
General fund	740,773	705,617	643,881	744,325
Witness assistance	403,120	406,683	420,078	438,939
Human services development	291,959	274,963	230,470	209,799
Capital projects	-	211,299	-	-
Other	21,000	-	-	-
Culture and recreation	136,569	243,647	135,125	92,871
Conservation and development	726,504	525,300	433,154	379,522
Economic development and assistance	3,711,259	3,972,265	3,888,847	3,949,724
Debt service:				
Principal retirement	1,615,330	1,423,447	1,907,615	1,780,187
Debt interest	967,808	1,250,182	1,363,595	1,220,283
Fiscal charges	119,291	145,207	115,388	197,724
Capital Outlay	6,574,648	14,029,489	9,574,735	7,766,720
Payments to other governments	715,601	289,677	424,159	370,994
Total expenditures	<u>143,260,506</u>	<u>147,314,060</u>	<u>137,027,743</u>	<u>134,450,764</u>
Excess (deficiency) of revenues over (under) expenditures	<u>440,116</u>	<u>(5,245,963)</u>	<u>(3,346,207)</u>	<u>(3,675,127)</u>
<b>Other financing sources (uses):</b>				
Transfers in	10,006,158	8,849,334	10,011,522	12,367,178
Transfers out	(10,876,498)	(10,394,752)	(12,097,520)	(14,498,394)
Debt issued	17,121,750	9,656,482	9,850,000	18,000,000
Payment to refund bonds	-	(7,108,829)	(9,877,630)	-
Bond premium (discount)	(34,507)	92,084	152,888	561,838

2012	2013	2014	2015	2016	2017
44,610,906	50,104,058	51,491,496	52,645,000	53,488,317	54,250,290
122,829	148,860	185,585	195,612	216,698	207,437
67,258,482	68,165,204	71,866,816	73,829,762	79,475,324	86,503,597
16,183,605	13,031,309	16,605,675	20,424,530	20,364,725	21,548,112
2,435,785	2,686,728	2,288,064	2,629,286	2,469,085	2,886,027
222,194	20,558	165,456	131,984	236,531	502,008
130,142	126,630	134,637	133,151	131,075	155,472
454,101	480,560	447,672	412,660	447,672	513,776
<u>131,418,044</u>	<u>134,763,907</u>	<u>143,185,401</u>	<u>150,401,985</u>	<u>156,829,427</u>	<u>166,566,719</u>
10,851,620	11,048,718	10,946,238	11,199,523	12,377,168	11,287,449
18,623,142	18,585,289	18,381,527	18,873,288	20,302,969	20,823,087
-	17,186,818	17,555,792	17,490,930	17,644,252	17,525,468
19,595,172	2,757,154	2,995,701	2,961,102	3,275,383	3,291,043
-	-	4,606,338	4,567,837	4,545,142	4,786,398
757,449	765,921	521,391	1,037,277	879,227	606,179
-	-	2,201,417	1,341,181	131,285	-
17,460,022	16,620,557	18,001,412	17,052,397	17,288,997	16,680,764
14,064,911	14,425,663	15,082,777	16,975,067	18,107,927	19,472,049
28,363,948	28,879,386	28,653,048	29,681,950	36,322,582	38,747,541
832,219	869,959	1,209,950	1,104,063	771,121	909,102
3,629,633	3,261,904	3,385,571	3,874,498	4,228,387	4,516,737
3,340,669	2,799,298	2,943,133	2,694,853	2,701,553	2,840,279
3,079,857	29,692	310	-	-	-
710,743	803,362	924,334	781,586	946,037	1,133,095
470,691	446,175	443,565	497,410	515,377	512,110
146,452	105,501	115,332	133,890	124,278	135,544
-	-	-	-	-	-
-	-	-	-	-	-
170,073	192,933	3,593	483,877	2,278	5,770
384,628	404,532	445,748	382,018	409,951	274,327
3,408,129	3,525,295	3,981,712	3,638,216	3,537,217	4,579,358
2,501,101	2,680,175	4,623,934	4,714,186	4,723,520	4,430,875
1,698,453	1,600,423	1,720,603	1,598,116	1,393,222	1,238,913
-	18,295	39,226	-	133,654	-
14,259,834	4,375,453	2,457,080	4,346,320	2,449,417	8,987,660
1,592,960	367,243	367,473	295,169	340,429	368,173
<u>145,941,706</u>	<u>131,749,746</u>	<u>141,607,205</u>	<u>145,724,754</u>	<u>153,151,373</u>	<u>163,151,921</u>
(14,523,662)	3,014,161	1,578,196	4,677,231	3,678,054	3,414,798
11,980,877	8,568,427	13,226,813	14,030,811	12,228,090	14,448,532
(14,269,435)	(10,594,831)	(13,226,813)	(14,030,811)	(12,228,090)	(14,448,532)
152,100	2,474,252	2,365,000	238,231	11,470,000	1,591,703
-	(2,745,437)	(2,401,932)	-	(12,706,082)	-
-	296,152	76,644	-	1,370,948	-

(continued)

**FINANCIAL TRENDS**  
**Changes in Fund Balances of Governmental Funds**

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

	2008	2009	2010	2011
(continued)				
<b>Other financing sources (uses):</b>				
Sale of assets	300	-	-	-
Insurance recovery	33,680	165,602	-	-
Capital leases	24,335	-	-	-
Total other financing sources (uses)	<u>16,275,218</u>	<u>1,259,921</u>	<u>(1,960,740)</u>	<u>16,430,622</u>
Special Item				
Discontinued operation	-	-	-	-
Total special item	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 16,715,334</u>	<u>(3,986,042)</u>	<u>(5,306,947)</u>	<u>12,755,495</u>
Debt service as a percentage of noncapital expenditures	%	1.89	2.01	2.57
			2.37	

- (1) Beginning in 2013, public safety expenditures were broken into two categories to provide better detail to the statement of revenues, expenditures, and changes in fund balance. The new categories are public safety and corrections.
- (2) Beginning in 2014, emergency telephone, transportation and hazmat were reclassified from a proprietary fund programs to governmental funds in the Statement of Revenue, Expenditures and Changes in Fund Balance.

*For the year ended indicated*

(unaudited)

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
-	-	4,897	-	8,969	3,315
-	482	5,884	30,364	58,558	-
-	-	-	-	-	-
<u>(2,136,458)</u>	<u>(2,000,955)</u>	<u>50,493</u>	<u>268,595</u>	<u>202,393</u>	<u>1,595,018</u>
-	-	-	(378,887)	-	-
-	-	-	(378,887)	-	-
<u>(16,660,120)</u>	<u>1,013,206</u>	<u>1,628,689</u>	<u>4,566,939</u>	<u>3,880,447</u>	<u>5,009,816</u>
3.19	3.36	4.56	4.46	4.08	3.67

**REVENUE CAPACITY**  
**Assessed Value and Estimated Actual Value of Taxable Property**

*Last Ten Years*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

Fiscal Year		Residential Property	Commercial Property	Agricultural	Recreation	Total Taxable Assessed Value	Utility & Tax Exempt Property	Total Direct Tax Rate (3)	Estimated Market Value (4)	Value as a Percentage of Actual Value (5)
2008	(1)	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	(1)	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
2010	(1)	11,907,901,590	4,919,759,440	740,578,380	28,279,280	17,596,518,690	2,972,923,890	2.579	21,968,188,127	80.1
2011	(1)	15,418,759,500	5,975,550,800	994,539,200	44,311,900	22,433,161,400	3,751,613,300	2.045	22,433,161,400	100.0
2012	(2)	15,594,896,200	6,048,035,100	991,535,600	43,960,200	22,678,427,100	3,767,043,200	2.045	22,543,168,091	100.6
2013	(2)	15,797,344,200	6,102,261,000	992,370,200	43,698,300	22,935,673,700	3,861,400,800	2.274	22,246,046,266	103.1
2014	(2)	16,023,724,400	6,149,471,000	1,006,126,900	43,170,500	23,222,492,800	3,925,858,400	2.338	22,969,824,728	101.1
2015	(2)	16,199,194,200	6,318,739,300	1,012,668,000	42,903,500	23,573,505,000	3,967,767,700	2.338	23,479,586,653	100.4
2016	(2)	16,407,526,300	6,410,767,500	1,016,945,600	42,920,620	23,878,160,000	4,003,853,900	2.338	23,926,012,024	99.8
2017	(2)	16,640,909,800	6,580,169,600	1,023,164,900	42,761,400	24,287,005,700	4,114,485,600	2.361	24,757,346,228	98.1

**Notes:**

- (1) Properties valued at 2004 reassessment base year
- (2) Properties valued at 2010 reassessment base year
- (3) Direct Tax Rate:

	County	Library	Total	
2008	2.285	0.18	2.465	
2009	2.399	0.18	2.579	
2010	2.399	0.18	2.579	
2011	1.902	0.143	2.045	
2012	1.902	0.143	2.045	
2013	2.131	0.143	2.274	* Millage adjustment due to 5% cap for reassessment
2014	2.195	0.143	2.338	
2015	2.195	0.143	2.338	
2016	2.195	0.143	2.338	
2017	2.195	0.166	2.361	

(4) Estimated actual value is calculated by dividing taxable assessed value by the Tax Equalization Division (TED)\* common level ratios

(5) Rates are based on the Tax Equalization Division (TED)\* common level ratio

\* Effective April 18, 2013 State Tax Equalization Board's (STEB) is now Tax Equalization Division (TED) and is under DCED

Although the Countywide library tax is a direct tax of the County as the County ordains and enacts it, the library tax is restricted by the electorate to funding the Cumberland County Library System, a governmental unit that is separate from the County, and is therefore not recognized as a tax revenue of Cumberland County government.

Source: County Board of Assessment

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

*Last Ten Years*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<u>Year Taxes Are Payable</u>									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>County Direct Rates</b>										
General	2.285	2.399	2.399	1.902	1.902	2.131	2.195	2.195	2.195	2.195
Library	0.18	0.18	0.18	0.143	0.143	0.143	0.143	0.143	0.143	0.166
<b>Total Direct Rate</b>	<b>2.465</b>	<b>2.579</b>	<b>2.579</b>	<b>2.045</b>	<b>2.045</b>	<b>2.274</b>	<b>2.338</b>	<b>2.338</b>	<b>2.338</b>	<b>2.361</b>
<b>School Districts</b>										
Big Spring	14.72	15.455	16.072	12.098	12.364	12.636	12.9771	13.2885	13.7004	14.0429
Camp Hill	14.22	14.8	16.21	12.9577	13.1622	13.1622	13.7573	14.4828	15.4876	15.9367
Carlisle Area	13.8	14.33	14.83	12.2606	12.3706	12.6056	12.9333	13.2436	13.6409	14.0365
Cumberland Valley	9.721	9.964	10.252	8.57	8.715	8.715	8.898	9.067	9.284	9.516
East Pennsboro	12.899	12.899	12.899	10.309	10.5254	10.8295	11.2378	11.5749	11.8411	12.1963
Mechanicsburg	13.73	14.29	14.7	12.168	12.289	12.289	12.535	12.535	12.8	13.056
Shippensburg Area	13.08	13.21	13.55	10.01	10.22	10.4	10.6808	10.9475	11.089	11.2199
South Middleton	11.38	11.38	11.55	8.9245	8.9245	9.0081	9.1549	9.3288	9.5526	12.8594
West Shore Area	10.5	10.6	10.61	9	9.3	9.4	9.68	10.1988	10.9162	11.2014
<b>Municipalities</b>										
Camp Hill	3.881	3.881	3.881	3.022	3.022	3.022	3.022	3.022	3.022	3.022
Carlisle	2.81	3.08	3.57	3.058	3.058	3.275	3.275	3.275	3.275	3.495
Cooke	1.5	1.5	2	1.4	1.5	1.5	1.5	1.5	1.5	1.5
Dickinson	0.02857	0.22*	0.22*	.084*	.084*	.084*	.084*	0.084*	0.084*	0.25*
East Pennsboro	1.09	1.19	1.19	0.957	0.957	0.957	1.05	1.3	1.3	1.3
Hampden	0.18	0.18	0.18	0.156	0.156	0.156	0.156	0.156	0.156	0.156
Hopewell	-	-	-	-	-	-	-	-	-	-
Lemoyne	1.99	2.5	2.5	2.1	2.1	2.3	2.3	2.31	2.31	2.52
Lower Allen	2.0	2.5	2.5	1.23	2.05	2.45	2.45	2.45	2.45	2.45
Lower Frankford	0.18	0.18	0.18	0.0807	0.1211	0.1211	0.1211	0.3229	0.3229	0.3229
Lower Mifflin	-	-	-	-	-	-	-	-	-	-
Mechanicsburg	3.0	3.0	3.25	2.58	2.58	2.58	3.08	3.33	3.33	3.33
Middlesex	0.87	0.87	1.2	0.998	1.22	1.22	1.38	1.53	1.53	1.53
Monroe	0.2	0.2	0.595	0.169	0.525	0.525	0.556	0.556	0.556	0.556
Mt. Holly Springs	1.8	1.944	1.966	1.374	1.613	2.036	2.312	2.38	2.38	2.755
Newburg	1.0	1.0	1.0	0.7	1.0	1.25	1.75	2	2	2
New Cumberland	2.6	2.6	3.6	2.9	3.9	3.9	3.9	3.9	3.9	3.9
Newville	1.6657	1.6657	2.0657	1.358	2.434	2.398	2.898	2.898	2.898	3.648
North Middleton	0.889	0.889	0.889	0.694	0.694	0.694	0.694	0.89	0.89	1.059
North Newton	0.14	0.14	0.14	0.1	-	-	-	-	-	-
Penn	0.061	0.061	0.061	0.0414	0.0414	-	-	-	-	-
Shippensburg Borough	2.85	2.85	3.6	2.26	2.6	2.6	2.6	2.72	2.72	2.72
Shippensburg Twp.	0.95	0.95	0.95	0.675	0.675	0.675	0.675	0.975	0.975	0.975
Shiremanstown	2.0	2.2	2.35	1.9	2.1	2.1	2.0	2.0	2.0	2.0

(continued)

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

*Last Ten Years*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<u>Year Taxes Are Payable</u>									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Municipalities (continued)</b>										
Silver Spring	1.034	1.034	1.034	0.8045	0.8045	0.8045	0.8045	1.3045	1.3045	1.3045
Southampton	-	-	-	-	-	-	-	-	-	-
South Middleton	0.22*	0.22*	0.22*	0.17*	0.17*	0.17*	0.17*	0.25*	0.25*	0.25*
South Newton	0.129	0.129	0.129	0.0933	0.0933	0.0933	0.0933	0.0933	0.0933	0.0933
Upper Allen	1.25	1.25	1.532	1.2918	1.4	1.6	1.8	2.3	2.3	2.3
Upper Frankford	0.21128	0.21128	0.21128	0.16095	0.16095	0.16095	0.16095	0.16095	0.16095	0.16095
Upper Mifflin	-	-	-	-	-	-	-	-	-	-
West Pennsboro	0.2135	0.2135	0.35	0.2576	0.5076	0.5076	0.5076	0.5076	0.5076	0.5076
Wormleysburg	2.678	3.678	3.678	3.065	3.065	3.065	3.065	3.361	3.361	3.361

Notes:

\* South Middleton and Dickinson rate is a fire tax

Although the Countywide library tax is a direct tax of the County as the County ordains and enacts it, the library tax is restricted by the electorate to funding the Cumberland County Library System, a governmental unit that is separate from the County, and is therefore not recognized as a tax revenue of Cumberland County government.

The following districts have multiple tax rates which are represented as a total:

Lower Allen	Carlisle
Lower Frankford	Lemoyne
Monroe	Mechanicsburg
Mt. Holly Springs	North Middleton
Newville	Upper Allen
Shippensburg Borough	East Pennsboro
West Pennsboro	Shippensburg Twp
Silver Springs	Wormleysburg

Source: County Board of Assessment

**REVENUE CAPACITY  
Principal Property Taxpayers**

*2008 and 2017 Tax Years*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	2008			2017		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value (1)	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value (2)
<b><u>Taxpayer</u></b>						
Prologis NA3 PA LP	\$ 98,365,000	1	0.58 %	\$ 162,760,900	1	0.67 %
Allen Distribution	61,095,180	3	0.36	99,946,100	2	0.41
PR CC Limited Partnership	35,480,130	9	0.21	84,700,000	3	0.35
Pennsylvania Blue Shield	56,987,300	4	0.34	72,584,100	4	0.30
Messiah Home				66,500,000	5	0.27
LIT Industrial LP	39,755,600	6	0.24	64,167,000	6	0.26
KTR PA Cent LLC				60,300,000	7	0.25
Cedar - Camp Hill LLC	36,600,000	7	0.22	56,718,200	8	0.23
CPUS Park 81 LP				53,800,000	9	0.22
Pancal 954 Centerville (Unit B) LLC				47,957,000	10	0.20
Carlisle HMA, Inc.	65,328,360	2	0.39			
DP Industrial LLC						
Keystone Lemoyne Partners	42,940,660	5	0.25			
DDRTC Carlisle Commons LLC	36,196,760	8	0.21			
BIT Investment LP	34,082,990	10	0.20			
Totals	\$ <u>506,831,980</u>		<u>3.00 %</u>	\$ <u>769,433,300</u>		<u>3.16 %</u>

Notes:

(1) Percentage based on total County taxable assessed valuation for 2008:

\$16,854,809,360

(2) Percentage based on total County taxable assessed valuation for 2017:

\$24,287,005,700

Source: County Board of Assessment

**REVENUE CAPACITY  
County Real Estate Tax Levies and Collections**

*Last Ten Years*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

Year Ended December 31	Total Tax Levy for Year (1) (4)	Subsequent Adjustments to Tax Levy for Year	Collected within the Year the Levy		of Collections in Subsequent Years (3)	Total Collections to Date	
			Amount (2)	Percentage of Levy		Amount	Percentage of Levy
2008	\$ 38,340,545	\$ 142,488	\$ 37,074,433	96.70	\$ 1,408,482	\$ 38,482,915	100.00%
2009	41,143,956	194,141	39,890,816	96.95	1,445,841	41,336,657	100.00
2010	41,704,856	163,768	40,291,169	96.61	1,575,747	41,866,643	100.00
2011	41,994,227	177,179	40,629,283	96.75	1,540,553	42,168,836	100.00
2012	42,213,193	156,683	40,680,881	96.37	1,686,779	42,367,660	99.99
2013	47,826,059	158,805	46,395,766	97.01	1,585,674	47,981,440	99.99
2014	49,855,721	182,283	48,393,357	97.06	1,637,810	50,031,167	99.99
2015	50,454,280	211,389	49,036,480	97.19	1,618,232	50,654,712	99.98
2016	51,198,311	241,364	50,000,265	97.66	1,016,107	51,016,372	99.18
2017	51,956,631	N/A	50,774,924	97.73	N/A	N/A	N/A

Notes:

- (1) Includes additions to duplicates, penalties, refunds, credits, discounts and credits disallowed
- (2) Includes cash collections only
- (3) Includes penalties
- (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

(unaudited)

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
2008	\$ 3,020,262	\$ 11,224	\$ 2,950,187	96.68	% \$ 81,290	\$ 3,031,477	100.00%
2009	3,087,088	14,790	2,993,205	96.96	108,563	3,101,768	100.00
2010	3,129,169	12,297	3,022,092	96.58	118,398	3,141,390	100.00
2011	3,157,081	20,813	3,054,797	96.76	122,967	3,177,764	100.00
2012	3,173,665	14,289	3,058,563	96.37	129,227	3,187,790	99.99
2013	3,208,510	11,697	3,113,381	97.04	106,600	3,219,981	99.99
2014	3,248,014	12,170	3,152,742	97.06	106,995	3,259,737	99.99
2015	3,287,007	13,959	3,194,639	97.19	105,612	3,300,251	99.98
2016	3,335,478	15,975	3,257,427	97.66	65,881	3,323,308	99.16
2017	3,929,292	N/A	3,839,923	97.73	N/A	N/A	N/A

Notes:

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

Although the Countywide library tax is a direct tax of the County as the County ordains and enacts it, the library tax is restricted by the electorate to funding the Cumberland County Library System, a governmental unit that is separate from the County, and is therefore not recognized as a tax revenue of Cumberland County government.

Source: County Board of Assessment and Collections

**DEBT CAPACITY**  
**Ratio of Outstanding Debt by Type**

*Last Ten Years*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

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			
2008	\$ 33,824,222	\$ 2,050,520	\$ 38,587	\$ 4,117,776	\$ 18,010,295	\$ -	\$ 58,041,400	0.59 %	251.99
2009	32,708,919	4,425,315	16,974	3,483,541	16,879,671	-	57,514,420	0.59	247.39
2010	31,211,939	4,079,401	722	2,646,946	15,716,223	-	53,655,231	0.54	227.93
2011	48,399,864	3,713,316	258,279	1,789,283	14,500,117	-	68,660,859	0.65	289.67
2012	46,229,735	3,468,101	345,000	900,827	13,236,186	-	64,179,849	0.57	268.23
2013	46,839,735	715,000	229,597	13,440,053	-	-	61,224,385	0.54	253.83
2014	47,860,057	715,000	91,489	9,323,974	-	-	57,990,520	0.49	238.06
2015	43,051,024	715,000	223,748	8,113,581	-	-	52,103,353	0.42	211.59
2016	38,247,636	715,000	223,748	6,868,495	-	-	46,054,879	0.36	185.78
2017	33,816,543	715,000	962,128	5,584,091	-	-	41,077,762	*	164.27

Note:

\* Personal income information is not yet available

**DEBT CAPACITY**  
**Ratios of General Bonded Debt Outstanding**

*Last Ten Years*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

<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>
2008	\$ 37,941,998	\$ 20,060,815	\$ -	\$ 58,002,813	0.27 %	251.83
2009	36,192,460	21,304,986	-	57,497,446	0.26	247.32
2010	33,858,885	19,795,624	9,870	53,644,639	0.24	227.88
2011	50,189,147	18,213,433	-	68,402,580	0.30	288.58
2012	47,130,562	16,704,287	-	63,834,849	0.28	266.79
2013	60,279,788	715,000	-	60,994,788	0.27	252.88
2014	57,184,031	715,000	-	57,899,031	0.25	237.68
2015	51,164,605	715,000	-	51,879,605	0.22	210.68
2016	45,116,131	715,000	-	45,831,131	0.19	184.88
2017	39,400,634	715,000	-	40,115,634	0.16	160.42

**DEBT CAPACITY**  
**Direct and Overlapping Governmental Activities Debt**

*December 31, 2017*

COUNTY OF CUMBERLAND, PENNSYLVANIA

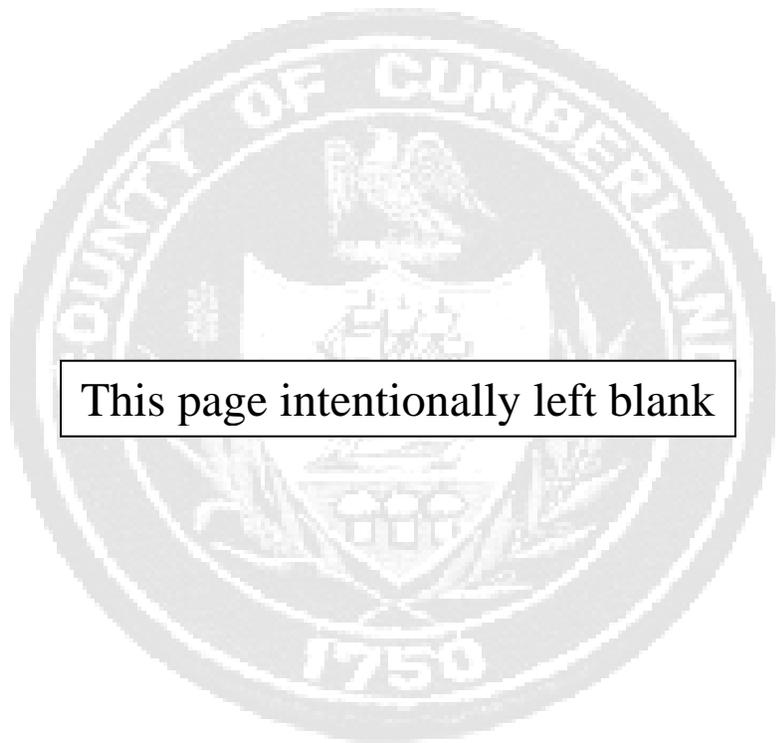
(unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
<b>School Districts:</b>			
Big Spring	\$ 40,525,000	100%	\$ 40,525,000
Camp Hill	17,278,043	100	17,278,043
Carlisle Area	60,140,000	100	60,140,000
Cumberland Valley	312,310,619	100	312,310,619
East Pennsboro	7,849,586	100	7,849,586
Mechanicsburg	38,518,000	100	38,518,000
*Shippensburg Area	22,204,000	61	* 13,544,440
South Middleton	37,845,000	100	37,845,000
*West Shore Area	31,074,000	55	* 17,090,700
<b>Total school districts</b>			<b>545,101,388</b>
<b>Municipalities:</b>			
Camp Hill Borough	20,685,748	100	20,685,748
Carlisle Borough	7,448,642	100	7,448,642
East Pennsboro Township	2,509,400	100	2,509,400
Hampden Township	21,042,315	100	21,042,315
Lemoyne Borough	18,100,000	100	18,100,000
Lower Allen Township	11,480,395	100	11,480,395
Mechanicsburg Borough	1,029,243	100	1,029,243
Middlesex Township	4,622,166	100	4,622,166
Monroe Township	842,403	100	842,403
Mt. Holly Springs Borough	2,198,486	100	2,198,486
Silver Spring Township	10,990,827	100	10,990,827
South Middleton Township	1,985,000	100	1,985,000
South Newton Township	154,467	100	154,467
Upper Allen Township	9,295,000	100	9,295,000
Wormleysburg Borough	2,382,048	100	2,382,048
<b>Total municipalities</b>			<b>114,766,140</b>
<b>Subtotal overlapping debt</b>			<b>659,867,528</b>
<b>Total direct debt - County</b>			<b>34,531,543</b>
<b>Total direct and overlapping debt</b>			<b>\$ 694,399,071</b>

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.



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**DEBT CAPACITY**  
**Legal Debt Margin Information**

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COUNTY OF CUMBERLAND, PENNSYLVANIA

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt limit	\$ 481,210,536	489,555,684	483,492,830	471,646,512
Total net-debt applicable to limit	<u>58,410,000</u>	<u>57,850,000</u>	<u>54,283,464</u>	<u>68,405,105</u>
Net nonelectoral debt limit	<u>\$ 422,800,536</u>	<u>431,705,684</u>	<u>429,209,366</u>	<u>403,241,407</u>
Total net debt applicable to the limit as a percentage of debt limit	12.14 %	11.82	11.23	14.50

***Last Ten Years***

(unaudited)

2012	2013	2014	2015	2016	2017
462,737,838	468,846,437	481,164,681	498,487,522	519,866,331	543,230,061
63,791,789	58,715,000	55,860,000	50,165,000	43,120,000	37,830,000
<u>398,946,049</u>	<u>410,131,438</u>	<u>425,304,682</u>	<u>448,322,522</u>	<u>476,746,331</u>	<u>505,400,061</u>
13.79	12.52	11.61	10.06	8.29	6.96

**Legal Debt Margin Calculation for year ending 2017**

Borrowing base revenue:	
2015	\$ 172,919,231
2016	181,153,701
2017	<u>189,157,129</u>
Total revenue (1)	<u>\$ 543,230,061</u>

**Debt Limit for General Obligation Debt**

Average borrowing base revenues	\$ 181,076,687
Debt limit percentage	<u>300%</u>
Debt limit	543,230,061
Total amount of debt applicable to debt limit	<u>37,830,000</u>
Legal debt margin	<u>\$ 505,400,061</u>

**Debt Limit for General Obligation Debt and Lease Rental Debt**

Average borrowing base revenues	\$ 181,076,687
Debt limit percentage	<u>400%</u>
Debt limit	724,306,748
Total amount of debt applicable to debt limit	<u>37,830,000</u>
Legal debt margin	<u>\$ 686,476,748</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

(unaudited)

Year	Population	Total Personal Income (thousands of dollars)	Per Capita Personal Income	Median Household Income	School Enrollment (2)	Annual Average Unemployment Rate (1)
2008	230,329	\$ 9,846,174 (B)	\$ 42,558 (B)	\$ 58,268 (A)	34,726	4.2%
2009	232,483 (A)	9,720,094 (B)	41,555 (B)	60,285 (A)	35,352	6.6
2010	235,406 (A)	10,001,694 (B)	42,384 (B)	60,400 (A)	32,771	6.8
2011	237,029 (A)	10,583,001 (B)	44,675 (B)	60,219 (A)	32,610	6.4
2012	239,268 (C)	11,199,885 (B)	46,819 (B)	60,832 (A)	32,443	6.2
2013	241,200 (A)	11,393,544 (B)	47,244 (B)	60,883 (A)	32,726	5.7
2014	243,596 (A)	11,941,471 (B)	49,003 (B)	60,826 (A)	33,029	4.5
2015	246,244 (A)	12,483,456 (B)	50,640 (B)	61,820 (A)	33,153	4.0
2016	247,901 (A)	12,769,253 (B)	51,384 (B)	62,640 (A)	33,167	4.1
2017	250,066 (A)	* (B)	* (B)	* (A)	33,462	3.7

Notes: \* information not yet available

Sources: Unless otherwise indicated, Pennsylvania Department of Labor & Industry, Labor Market Information, Center for Workforce Information & Analysis  
 (1) Annual, not seasonally adjusted from Pennsylvania Department of Labor & Industry, Labor Market Information, Center for Workforce Information & Analysis  
 (2) Pennsylvania Department of Education  
 (A) U.S. Census Bureau, American Factfinder  
 (B) Bureau of Economic Analysis, U.S. Department of Commerce  
 (C) U.S. Census 2010 Data

**DEMOGRAPHIC AND ECONOMIC INFORMATION**  
**Principal Employers - Ten Years Ago and Current**

*2008 and 2017 Years*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

Employer	2008			2017		
	Employees	Rank	Percentage of Total County Employment (3)	Employees	Rank	Percentage of Total County Employment (3)
U.S. Department of Defense:						
Naval Support Activity	-			4,600		
Carlisle Barracks	-			1,703		
Total	6,900 (1)	1	6%	6,303 (1)	1	5 %
Giant Foods	3,421	3	3	4,507	2	4
Geisinger Holy Spirit Hospital	2,241	4	3	2,585	3	2
Highmark Blue Shield	3,472	2	2	2,619	4	2
Commonwealth of Pennsylvania	1,973 (2)	5	2	1,714 (2)	5	1
Cumberland Valley School District	1,179	8	1	1,517	6	1
Cumberland County Government	1,303	7	1	1,278	7	1
JFC Temps Inc.	-	-	-	1,253	8	1
Fry Communications	1,093	10	1	1,035 *	9	1
Excel Logistics	-	-	-	1,000 *	10	1
Wal-Mart	1,316	6	1	-	-	-
West Shore School District	1,173	9	1	-	-	-
Total	24,071		21%	23,811		17 %

Notes:

(1) Includes SPCC, DDRE and other Agencies at that location.

(2) Excluding Pennsylvania State University, Department of Higher Education

(3) Percentages based on Cumberland County labor force total furnished by the Pennsylvania Department of Labor and Industry

\* Prior year reported information

Source: An initial listing of the top employers was furnished by the Pennsylvania Department of Labor and Industry.

# OPERATING INFORMATION

## Full-Time Equivalent County Employees by Function/Program

### COUNTY OF CUMBERLAND, PENNSYLVANIA

Functions/Programs	2008	2009	2010	2011
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General Government-Administrative				
Commissioners	8	8	8	9
Solicitors	3	3	4	4
Elections	6	7	6	6
Controller	16	16	16	16
Finance	10	10	10	10
Tax Claims	2	2	2	2
Treasurer	4	4	3	4
Tax collector administration	17	17	17	17
Human resources	5	7	6	6
Tax assessment	22	23	22	19
Recorder of deeds	8	7	7	7
Administrative services	3	2	3	3
Information management and technology	17	17	17	15
Enterprise resource management	3	3	3	3
Geographic information systems	3	2	2	2
Human service fiscal operations	2	2	2	2
Grant administration	3	3	2	2
County buildings	16	15	22	21
Planning	5	4	6	6
Domestic Relations	39	39	39	38
General Government-Judicial				
Building security	8	7	7	6
Courts	40	39	41	43
District judges	37	39	39	38
Clerk of court	11	12	12	11
Coroner	5	4	4	6
Public defender	13	13	13	12
District attorney	23	25	25	27
Prothonotary	8	8	9	8
Register of wills	6	6	7	7
Sheriff	35	34	35	34
Public safety				
District attorney-criminal investigation	4	4	4	4
District attorney-forensic lab	2	2	2	3
Victim witness services	9	9	9	9
Prison	101	106	115	115
Adult probation	32	36	36	37
Juvenile probation	27	27	27	26
Emergency management & communications	7	7	6	7
Emergency Telephone (1)	-	-	-	-
Hazardous Materials Protection (1)	-	-	-	-
Vector control	3	3	2	3
Transportation (1) (2)	-	-	-	-
Recycling and waste management	3	3	3	3
Human services:				
Mental health/intellectual and developmental disabilities	49	50	48	47
Children and youth	59	58	62	62
Office of aging	30	32	31	29
Community services	11	11	11	9
Drug and alcohol	19	18	16	20
Veteran's affairs	2	2	2	2
Culture and recreation	15	15	14	15
Conservation and development	7	7	6	6
<b>Business-type Activities</b>				
County nursing home	303	295	304	282
Emergency telephone (1)	45	44	44	43
Hazardous materials protection (1)	1	1	1	1
Transportation services (1)	26	25	28	24
<b>Total Primary Government</b>	<b>1133</b>	<b>1133</b>	<b>1160</b>	<b>1131</b>
<b>Component Unit:</b>				
Conservation district	9	8	8	8

(1) In 2014, Emergency Telephone, Hazmat Materials Protection, and Transportation Services were reclassified from business-type to governmental activities.

(2) In 2015, Transportation became a discontinued County operation as services were contracted with Rabbittransit.

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

*Last Ten Years*

						(unaudited)
2012	2013	2014	2015	2016	2017	
8	9	9	9	9	9	9
3	4	4	4	4	4	4
6	6	6	6	6	6	6
15	16	16	16	16	16	15
10	10	8	10	10	10	10
2	2	2	2	2	2	2
5	5	5	5	5	6	5
17	17	17	16	16	16	16
7	7	8	8	7	7	9
20	20	19	18	18	18	18
8	7	6	7	7	7	7
3	3	3	2	1	1	3
16	16	14	15	14	14	14
3	2	3	3	3	3	3
1	2	2	2	2	2	2
2	2	2	2	2	2	2
2	2	3	5	6	6	8
21	21	20	20	23	23	23
6	5	5	5	5	5	5
39	39	39	39	38	39	39
7	7	7	6	7	7	7
40	42	44	46	45	50	50
38	38	36	39	38	39	39
13	13	11	12	13	13	13
7	7	7	6	7	7	8
15	15	16	15	15	18	18
27	27	26	28	26	26	26
9	9	8	9	9	9	9
8	6	8	7	7	7	7
35	36	36	38	38	39	39
5	6	5	6	6	5	5
3	3	3	3	4	5	5
8	9	9	9	9	9	9
115	117	118	119	119	118	118
37	38	37	38	39	37	37
26	25	26	26	25	26	26
7	6	4	8	8	8	8
-	-	47	46	45	44	44
-	-	-	-	-	-	-
3	4	3	3	3	3	3
-	-	28	-	-	-	-
3	2	1	1	1	1	1
47	46	47	46	47	47	47
63	62	67	65	66	75	75
26	26	29	30	29	27	27
8	6	6	6	6	6	6
20	19	19	18	20	20	20
2	2	2	2	2	2	2
15	14	13	14	14	14	14
6	6	6	6	6	6	6
283	284	270	276	268	264	264
45	46	-	-	-	-	-
1	1	-	-	-	-	-
27	28	-	-	-	-	-
<b>1143</b>	<b>1145</b>	<b>1130</b>	<b>1122</b>	<b>1117</b>	<b>1133</b>	
8	7	8	9	9	9	9

**OPERATING INFORMATION**  
**Operating Indicators by Function**

*Last Ten Years*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental - type:</b>										
<b>General Government-administrative</b>										
<i>Fiscal affairs</i>										
Deed transfers	5,865	5,592	5,280	5,075	5,801	6,176	5,956	6,430	6,785	6,781
Mortgage recorded	13,827	14,784	13,124	12,042	13,354	13,206	9,298	10,032	10,701	9,866
Subdivision plans filed	207	192	152	141	115	133	147	155	143	152
Miscellaneous documents and instruments	20,623	22,245	19,922	21,184	21,184	20,852	14,617	16,200	16,864	16,142
Number of Document and Instruments eRecorded	N/A	N/A	N/A	N/A	9,201	15,174	11,967	15,990	16,662	17,890
Percentage eRecorded	N/A	N/A	N/A	N/A	23%	38%	40%	49%	48%	54%
<i>Administration</i>										
General election information										
Registered voters	252,349	147,650	150,533	152,249	158,190	148,322	151,050	153,481	166,965	167,571
Votes cast	114,499	34,432	81,873	35,313	111,381	33,618	75,845	40,913	124,421	42,652
Percent of votes cast	45%	23%	54%	23%	70%	23%	50%	27%	75%	25%
<b>General Government-judicial</b>										
<i>Court services:</i>										
Criminal cases filed	3,370	3,478	3,720	3,651	3,629	3,603	3,786	3,540	4,159	4,240
Summary appeals	256	272	267	231	234	258	259	320	362	316
Juvenile delinquency	153	179	284	245	241	334	388	437	481	500
Juvenile dependency	120	168	112	144	210	221	231	285	233	199
Marriage license applications	1,139	1,203	1,143	1,169	1,203	1,148	1,317	1,255	1,267	1,208
Estates and wills probated	1,202	1,112	1,198	1,277	1,257	1,266	1,143	1,213	1,266	1,384
Orphans' court cases filed	87	105	84	108	87	90	82	106	99	86
Adoption cases	134	119	114	106	91	97	89	113	112	143
<i>Court administration:</i>										
Criminal jury trials	56	57	43	40	47	55	44	48	45	35
Criminal appointment of counsel	368	408	479	433	479	486	636	499	564	590
Hearings by domestic relations conference officers	3,315	3,556	3,403	2,843	2,729	3,670	3,748	3,492	3,928	3,477
<i>Sheriff:</i>										
Prisoner transports	3,647	3,671	3,790	3,949	3,817	4,235	4,284	4,079	4,611	4,806

(continued)

**OPERATING INFORMATION**  
**Operating Indicators by Function**

*Last Ten Years*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

(continued)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Public safety</b>										
<i>County prison:</i>										
Average daily population	370	377	394	399	381	389	422	401	415	454
Commitments to prison	2,991	3,077	3,174	3,387	3,098	3,054	3,319	3,383	3,228	3,603
Releases from prison	2,768	3,044	3,218	3,346	3,141	2,974	3,350	3,352	3,195	3,576
<i>Adult probation:</i>										
Average caseload	2,004	2,452	2,685	2,476	2,475	2,408	2,471	2,383	2,401	2,551
DUI-Intermediate Punishment Program										
Bed Days Saved at County Prison	13,896	12,856	11,422	8,813	7,263	8,554	11,312	13,912	11,136	10,453
Accelerated Rehabilitative Disposition/DUI Program	701	707	679	774	868	686	672	523	615	696
<i>Day Reporting Center:</i>										
Bed Days Saved at County Prison	10,315	7,704	6,967	6,957	6,469	5,712	6,443	6,073	5,765	5,082
 <b>Human services</b>										
<i>Children and youth</i>										
Number of referrals	1,159	992	1,236	1,232	1,182	1,330	1,455	1,993	1,930	1,929
Clients receiving in-home services	391	434	343	370	392	439	625	833	864	777
Clients requiring placement	196	193	219	211	229	286	271	281	329	351
<i>Mental health services:</i>										
Number of out-patient hours	9,272	9,217	9,976	13,646	12,493	11,472	12,418	12,993	9,721	9,226
Number of out-patient consumers	531	502	538	596	567	585	542	414	207	119
In-patient days	611	520	585	687	274	189	470	507	468	35
Number of in-patient consumers	113	79	39	26	15	19	24	21	15	5
Residential days	19,435	23,665	51,619	55,626	54,193	57,265	58,276	56,113	59,162	63,176
Number of residential consumers	202	188	216	205	210	194	216	224	204	227
<i>HealthChoices:</i>										
In-patient psychiatric treatment										
Number of in-patient consumers	288	290	345	377	404	463	444	537	529	619
Number of in-patient days	5,976	5,215	5,609	6,293	6,920	7,809	8,519	10,800	9,208	11,822
Out-patient psychiatric treatment										
Number of out-patient consumers	2,910	2,823	3,219	3,432	3,627	3,806	4,082	4,537	5,794	6,535
Number of out-patient units	60,673	35,412	41,749	40,523	41,239	41,850	44,598	49,727	60,777	72,863

(continued)

**OPERATING INFORMATION**  
**Operating Indicators by Function**

*Last Ten Years*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

(continued)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Children's residential and behavioral health rehabilitation										
Number of consumers	956	812	1,013	1,029	1,140	1,142	1,040	1,060	1,041	970
Number of units	604,857	811,357	780,442	791,221	849,765	807,612	665,898	602,368	554,345	473,245
Targeted case management										
Number of consumers	483	492	487	482	481	487	486	458	443	435
Number of units	92,050	89,652	92,796	89,158	81,779	67,978	50,997	57,743	57,844	55,088
Crisis Intervention										
Number of consumers	562	614	634	692	653	752	819	740	870	1,014
Number of units	9,274	9,265	8,909	8,247	7,636	10,182	11,236	5,841	7,234	8,494
<i>Intellectual and Developmental Disabilities</i>										
Number of consumers served	1,759	1,517	1,139	1,140	1,093	1,089	1,076	1,058	981	1,017
Number of transportation units	72,433	275,993	15,612	9,130	4,986	4,094	6,027	6,182	3,035	2,002
Number of residential units	*4,224	3,534	2,380	2,264	1,922	1,827	2,277	2,648	2,529	2,588
Number of workshop/vocational units	*566,260	624,149	71,641	48,572	44,039	53,779	52,614	58,072	54,203	37,641
<i>Office of aging:</i>										
Senior transportation trips	50,152	48,628	46,442	46,950	47,740	45,496	44,732	44,066	42,850	38,475
Information and assistance contracts	12,849	13,938	16,879	16,800	13,014	14,003	6,616	6,227	4,068	4,802
Congregate meals served	33,611	33,102	33,082	30,873	31,260	31,830	33,446	31,417	35,183	34,549
Adult day care days provided	5,029	4,765	4,945	4,508	2,907	1,072	1,707	3,124	4,175	3,278
Home delivered meals served	7,153	6,855	5,780	4,480	3,960	4,140	5,718	8,661	11,795	12,530
Maintenance/modification of homes	268	227	171	207	152	151	412	317	913	551
<i>Drug and alcohol:</i>										
Community-based outpatient treatment (in hours unless otherwise noted)										
Assessment/evaluations	1,133	965	708	707	700	754	692	547	303	471
Individual counseling	4,257	4,653	4,681	3,978	4,003	3,773	3,885	3,831	1,180	2,577
Intensive outpatient group	4,365	5,585	9,039	6,700	5,824	6,414	7,016	4,858	1,976	2,875
Group	2,223	2,532	2,520	2,640	2,350	2,726	3,137	2,972	1,375	1,911
Prison-based treatment and intervention service hours	1,812	1,237	3,474	2,481	1,508	2,260	1,971	2,470	3,083	4,201
Case management services										
Capital Region Maternal Assistance Program:										
Intensive case management service clients	88	44	70	71	74	68	70	67	69	68

(continued)

**OPERATING INFORMATION**  
**Operating Indicators by Function**

*Last Ten Years*

COUNTY OF CUMBERLAND, PENNSYLVANIA (continued)	(unaudited)									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Business - type:</b>										
<b>Transportation **</b>										
One way trips	151,872	150,270	144,827	145,398	143,590	136,485	127,440	N/A	N/A	N/A
Mileage	746,368	728,131	723,666	748,410	757,171	726,916	758,722	N/A	N/A	N/A

Notes:

Source: Cumberland County departmental statistics and annual reports.

N/A - not available

\* Prior to 2014, only deed

\*\* In 2015, the County partnered with rabbittransit to provide shared ride services to Cumberland County residents.

**OPERATING INFORMATION**  
**Capital Asset Statistics by Function**

*Last Ten Years*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental activities</b>										
<b>General government - administrative</b>										
Administration										
Square footage of New Courthouse building	91,058	91,058	91,058	91,058	91,058	91,058	91,058	91,058	91,058	91,058
Square footage of Old Jail	31,108	31,108	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	22,020	22,020
Square footage of the Allen Road building	29,160	29,160	29,160	29,160	29,160	29,160	29,160	29,160	29,160	29,160
Square footage of the Ritner Highway building	N/A	N/A	N/A	N/A	36,000	36,000	36,000	36,000	36,000	36,000
Bureau of Elections										
Electronic voting machines	693	693	693	693	693	693	693	693	693	694
<b>Court system and corrections</b>										
Domestic Relations										
Square footage of Domestic Relations building	23,315	23,315	23,315	23,315	23,315	23,315	23,315	23,315	23,315	23,315
Probations										
Square footage of Juvenile Probation (HSB Building)	N/A	N/A	6,022	6,022	6,022	6,022	6,022	6,022	6,022	6,022
Square footage of Adult Probation (Reed Building)	N/A	N/A	5,168	5,168	5,168	5,168	5,168	5,168	5,168	5,168
<b>Public safety</b>										
County prison										
Maximum capacity of inmates	398	398	398	478	478	720	720	720	720	720
Square footage of the prison	93,107	109,617	109,617	145,064	145,064	178,410	178,410	178,410	178,410	178,410
<b>Conservation</b>										
Number of agricultural easements acquired	110	113	117	122	126	128	135	140	150	157
Acres in the agricultural easement program	13,480	13,867	14,333	14,825	15,311	15,437	16,144	16,750	17,236	17,977
Acres in agricultural secured areas	71,730	71,947	72,709	72,783	73,544	74,450	75,685	72,711	72,876	73,562
<b>Roads and bridge maintenance</b>										
County maintained bridges	19	19	19	19	19	19	19	19	19	19
County-bridges (shared)	9	9	9	9	9	9	9	9	9	9

(continued)

**OPERATING INFORMATION**  
**Capital Asset Statistics by Function**

*Last Ten Years*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

(continued)

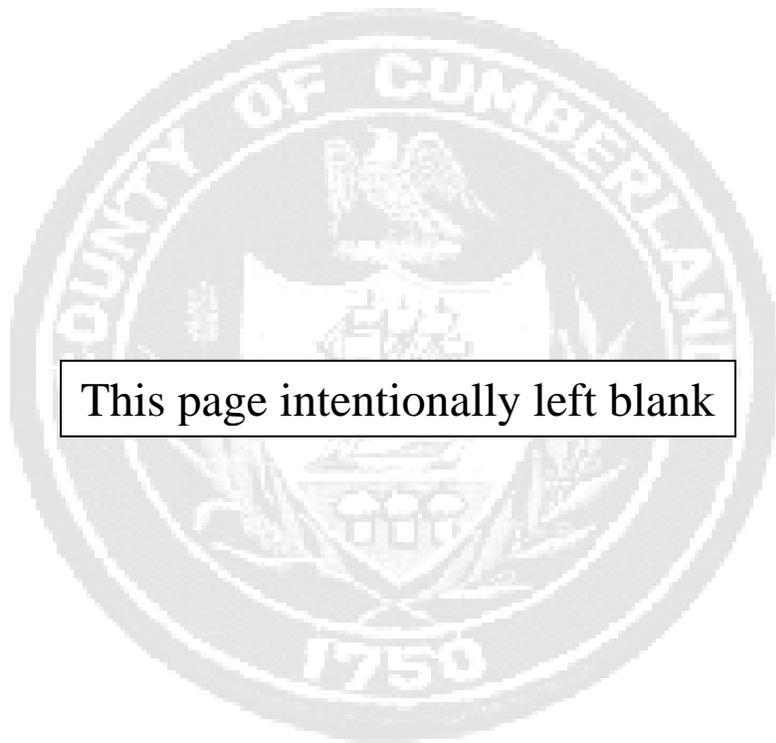
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Human Services</b>										
Square footage of human services building (including parking garage)	42,400	47,844	47,844	47,844	47,844	47,844	47,844	47,844	47,844	47,844
Square footage of Aging/Community Services	N/A	N/A	8,024	8,024	8,024	8,024	8,024	8,024	8,024	8,024
<b>Business-type activities</b>										
<b>Nursing home</b>										
Square footage of the nursing home	164,951	164,951	164,951	164,951	164,951	164,951	164,951	164,951	164,951	164,951
Maximum resident capacity	290	290	290	290	290	290	290	290	282	282
<b>Emergency telephone center</b>										
Square footage of the 911 center	10,024	10,024	10,024	24,233	24,233	24,233	24,233	24,233	24,233	24,233
<b>Transportation services</b>										
Buses and other vehicles	33	33	33	33	29	35	31	31	31	-

Note:

- (1) An alternative source for property square footage was used beginning in 2007.
- (2) The Prison underwent expansion beginning in 2009.
- (3) The 911 center moved to a new building in 2011.
- (4) Shared ride buses were transferred to Rabbit transit beginning 2017

Sources:

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



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