

# County of Cumberland, Pennsylvania

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended December 31, 2018

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, 2018

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

The cover photograph of the historic Old Courthouse was taken in Carlisle, Cumberland County. Cover photograph is courtesy of Cumberland County Communications department.

# **Controller of Cumberland County**

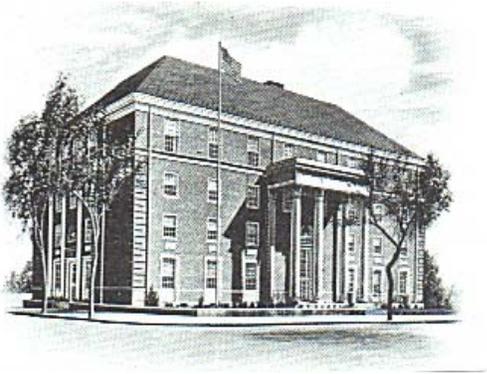
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AUDIT MANAGER

TINA L. MALICK  
ADMINISTRATIVE ASSISTANT

JAMES D. BOGAR  
SOLICITOR

June 28, 2019

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 farmland preservation easements and 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, 2018, 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 administrators of the County.

The law provides for the Controller to act as a "check and balance" on the County's 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 mental health services, 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 2018 population of 251,423. 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, as amended, 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 126,800. [Source: *PA Department of Labor, Cumberland County profile, April, 2019*]

The County continues to enjoy a diverse tax base with broad industry diversification and little concentration on any one taxpayer. Cumberland County's economy benefits from a significant presence of federal, state and local government operations with the Federal and state governments representing two of the top three employers in the county and an affiliate of Amazon as the fourth largest.

The County's five largest employers, in order from largest to smallest, are the U.S. Government – Naval Inventory Control Point and U.S. Army's Carlisle Barracks, Giant Foods, Commonwealth of Pennsylvania, Amazon.com DEDC LLC and Geisinger Holy Spirit Hospital.[Source: *Pennsylvania Department of Labor, Cumberland County Profile reflecting the fourth quarter of 2018.*]

Cumberland County ended 2018 with a December unemployment rate of 2.9 percent – tying for the 2nd lowest unemployment rate among Pennsylvania's 67 counties. In comparison, the statewide unemployment rate was 3.9 percent at December, 2018. [Source: *U.S. Department of Labor, Bureau of Labor Statistics, December, 2018 data, not seasonally adjusted.*]

Cumberland County per capita personal was \$34,246; whereas the statewide average was \$31,476. Cumberland County median household income was \$65,544; whereas the statewide average was \$56,951. [Source: *U.S. Census Quickfacts reflecting 2017 data, as 2018 data is unavailable.*]

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

- Low County taxes;
- Financially stable County government, earning a AAA bond rating;
- County average per capita and household incomes exceeding state averages;
- A low 2.9% unemployment rate;
- Partnerships with County school districts, healthcare, agribusiness, manufacturing and construction 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, state forests and natural areas; and
- Nearly 19,000 acres of preserved farmland.

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

## Long-Term Strategy and Financial Planning

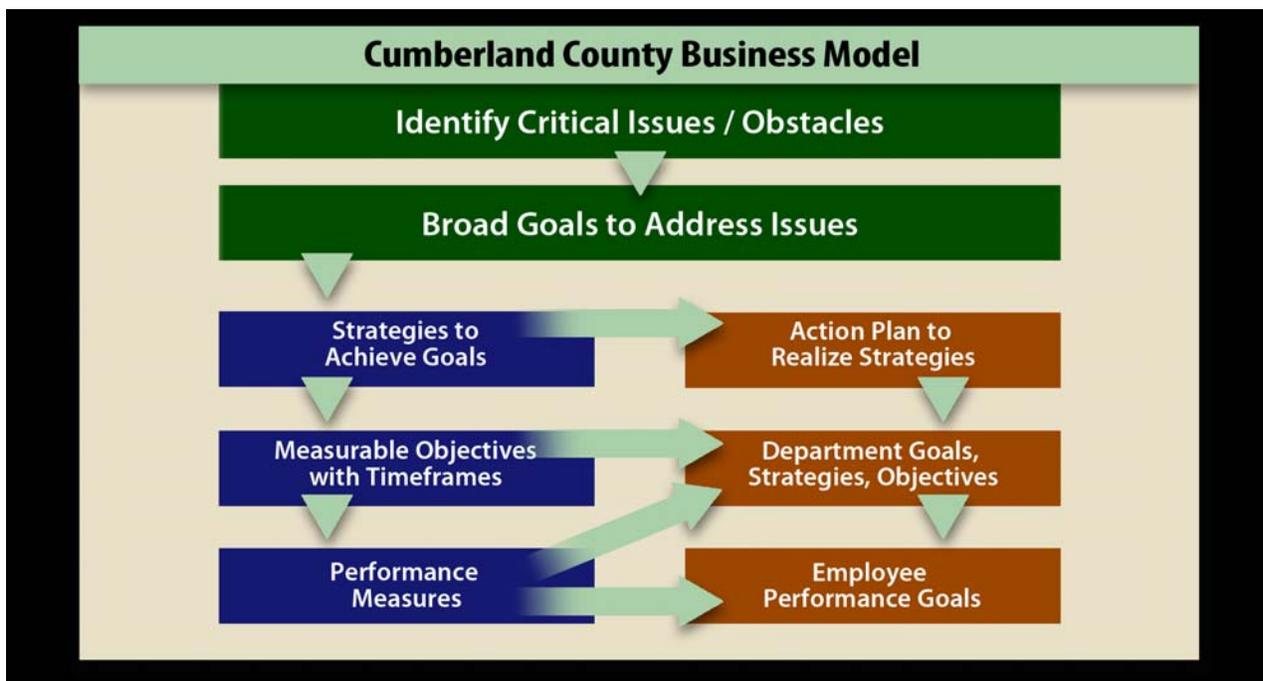
### ***Modernization of County Government***

As the fastest growing county in Pennsylvania, Cumberland County is blessed with a vibrant and diverse economy and a well-managed, fiscally-sound county government. The County maintains the lowest county

tax rate of any county in the region and is one of the only county governments in the state that can boast a AAA bond-rating - the best there is.

For the past number of years, following a 2013 study and review by Public Financial Management (PFM) into ways to address ongoing budgetary challenges, there has been an intensified focus on controlling costs and ensuring efficiencies while protecting the delivery of important County programs and services. A new Merit Based Compensation (MBC) system has replaced the previous across-the-board pay raise system, and reform of the County's health insurance program to give employees the ability to pick the coverage that best suits their needs is in the foreseeable future.

Nonetheless, cost pressures have not subsided and unfunded, and/or underfunded, mandates from the state and federal governments raise the prospect of fiscal challenges down the road. We must continuously adjust how we conduct business. By following the below business model, we are able to monitor changing conditions, adjust our focus, and update our strategies accordingly.



Going forward, the County has identified seven broad, internal-operational goals:

- Slow the rate of cost increase with emphasis on personnel costs and regional commitments
- Improve revenue generation with focus on court costs, fines, and restitution
- Successfully maintain new MBC system
- Increase use of return on investment (ROI) to manage funding decisions
- Leverage technology with positive ROI, while improving service
- Improve productivity through broader use of evidence-based practices and outcomes management
- Strengthen management skills

An average of six strategies, with associated metrics to plot progress, has been assigned to each goal to assist in achieving the desired results. The metrics become department performance goals and are the basis for individual staff performance evaluation criteria – creating a linkage to each County employee in their role serving the County and its residents. This process ensures that all levels of the County workforce are aligned with the County's overall goals and objectives.

## ***2019 Challenges***

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 has identified the following challenge to be addressed by its above stated goals and its strategies for attaining them:

- Threat of structural imbalance in expenditures exceeding revenues
- Low collections of fees and fines
- Use of evidence-based practices
- Excessive overtime costs
- Unintegrated spending
- Healthcare costs and Cadillac Tax
- Need for management skills training
- Overcapacity cost push
- Technology expenditures
- Opioid epidemic
- Tie compensation to productivity
- Stresses on criminal justice system

## **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, 2017. This was the thirtieth 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, 2017. 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 fifteen 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 eleventh 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 County departments and their fiscal officers.

The Commissioners must be recognized for maintaining the highest standards of professionalism in the administration 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**

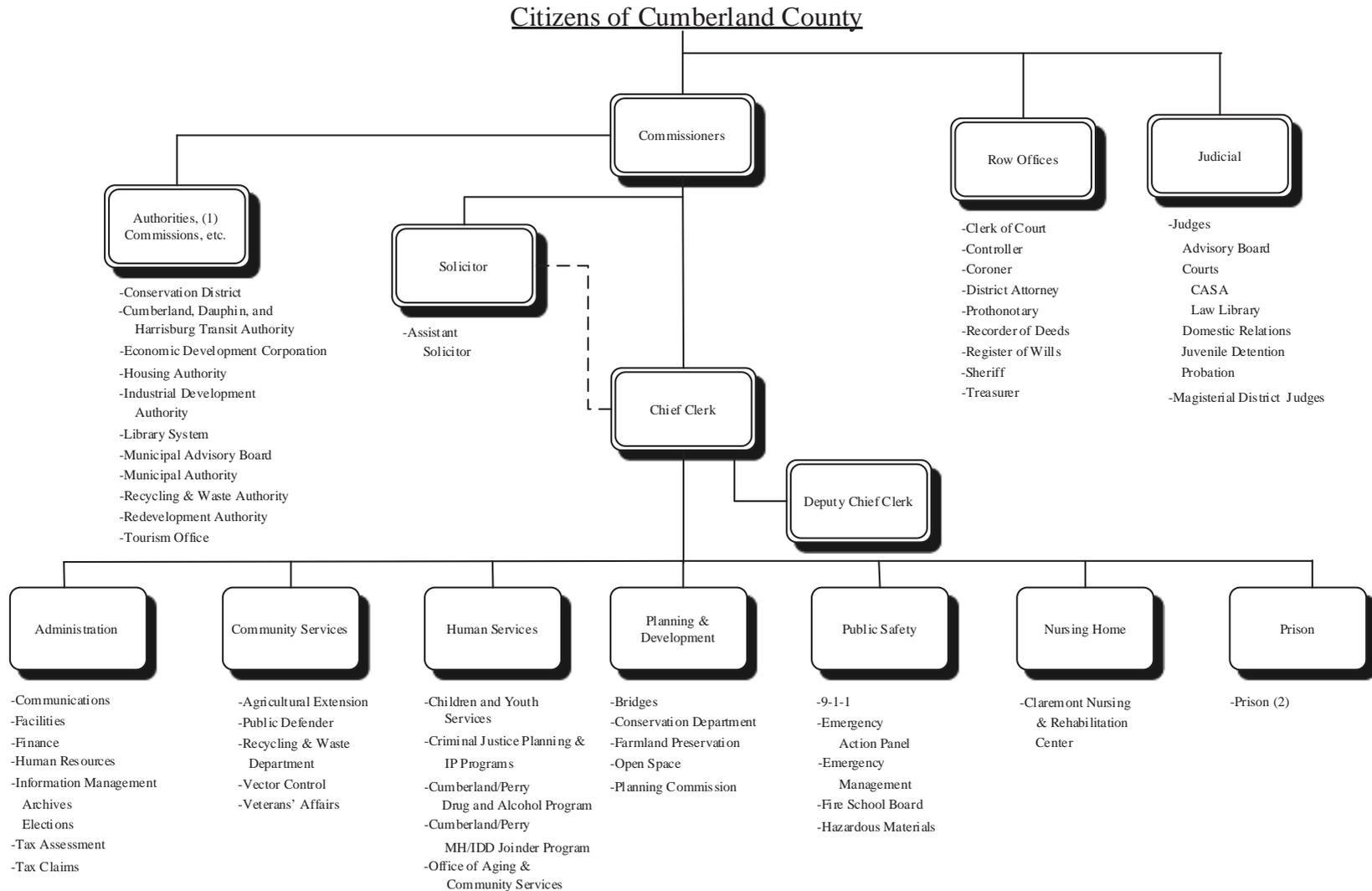
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2017**

*Christopher P. Morill*

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, 2018

COMMISSIONERS

Vincent D. DiFilippo, Chairman  
James Hertzler  
Gary Eichelberger

PROTHONOTARY

Dale Sabadish

CLERK OF COURT

Dennis E. Lebo

JUDGES OF COURT

Honorable Edward E. Guido, President Judge  
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

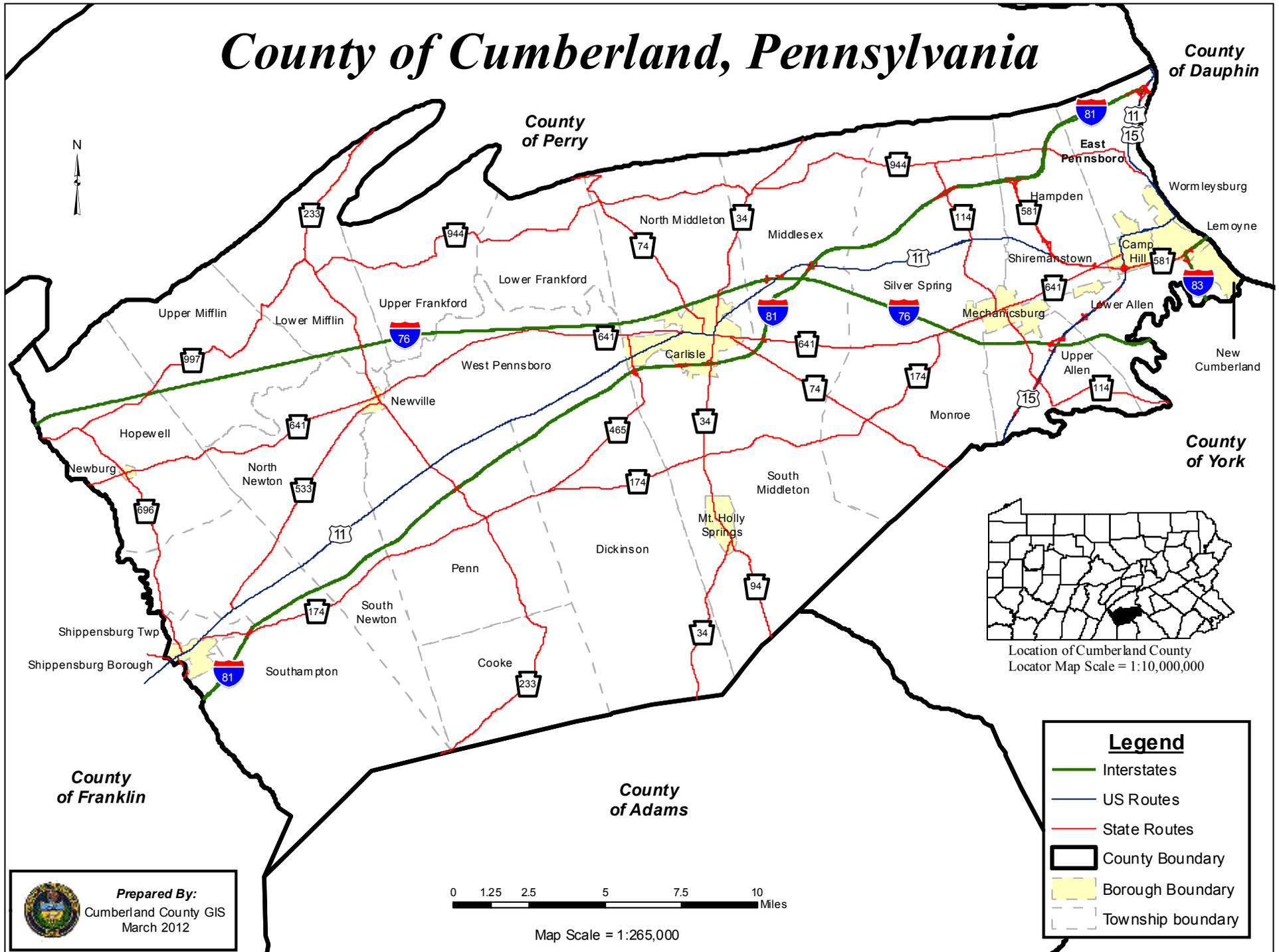
RECORDER OF DEEDS

Tammy Shearer

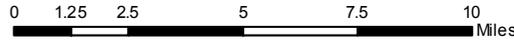
DISTRICT ATTORNEY

M.L. "Skip Ebert

# County of Cumberland, Pennsylvania



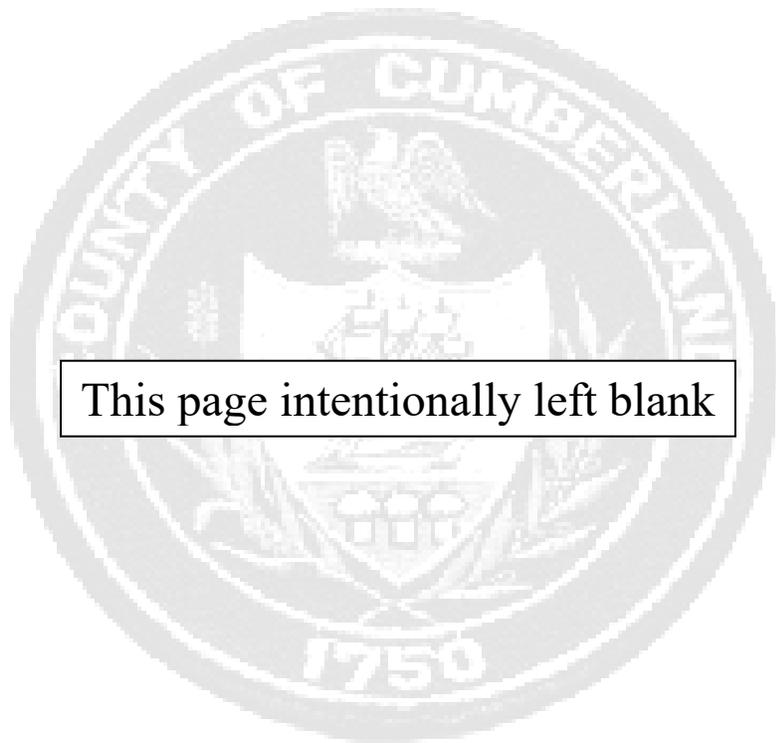
**Prepared By:**  
Cumberland County GIS  
March 2012



Map Scale = 1:265,000

**Legend**

- Interstates
- US Routes
- State Routes
- County Boundary
- Borough Boundary
- Township boundary



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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, 2018, 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, 2018, 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.

## 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 15-27 and 97-108 (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 positioned in the lower right quadrant of the page.

Camp Hill, Pennsylvania  
June 26, 2019

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, 2018. 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 \$113,550,470 (*net position*). Of this amount, \$40,390,170 (*unrestricted net position*) may be used to meet the County's general ongoing obligations to citizens and creditors, whereas an additional \$19,408,754 of *restricted net position* is available for funding specific activities benefiting the citizens.
- The government's total net position increased by \$3,010,221 in 2018, which represents approximately two percent of total expense, due to the reasons outlined in the following bullet.
- As of December 31, 2018, Cumberland County's governmental funds reported combined ending fund balances of \$60,180,834, an increase of \$5,490,600, due primarily to an increase in revenues exceeding expense in the general fund and the minimal use of local funds for roads and bridge maintenance resulting in an increase in fund balance for this restricted purpose.
- Of Cumberland County's governmental fund balance, approximately 74 percent of the amount (\$44,747,958) is *available for spending* at the government's discretion (*unrestricted fund balance*).
- The County's general fund total fund balance was \$46,039,697 at the end of 2018, up 9% or \$3,828,076 which compares favorably to the budgeted 2018 drawdown of \$5 million.
- At the end of 2018, general fund unassigned fund balance was \$28,171,978 and assigned fund balance was \$13,926,055 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 \$6,440,000. The County's debt decreased due to the payment of the scheduled principal payments and the reduction of debt outstanding as a result of refinancing the 2011 General Obligation Bond (GOB).
- The County's bond rating was confirmed AAA in July 2018.
- The County preserved 1,053 acres of premium farmland in 2018 with 1,035 acres pending settlement at the end of 2018.
- 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 continued two major automation/technology upgrade projects in 2018, an automated timekeeping system and VoIP. The VoIP project was completed in 2018 and the automated timekeeping system will be completed in 2019.

### **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 29 through 31 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 35 and 37 of this report.

The County maintains eighteen 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 33, 34 and 36 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 self-insured workers' compensation fund and health insurance 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 insurance 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 39 through 42 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 44 and 45 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 47 through 95 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 97 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 \$113,550,470 at the close of the most recent calendar year.

**Cumberland County's Net Position**

	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
<b>Assets:</b>						
Other assets	\$ 81,685,280	78,743,566	5,690,700	8,029,785	87,375,980	86,773,351
Capital assets	80,036,294	79,739,905	8,534,471	9,277,940	88,570,765	89,017,845
Total assets	<u>161,721,574</u>	<u>158,483,471</u>	<u>14,225,171</u>	<u>17,307,725</u>	<u>175,946,745</u>	<u>175,791,196</u>
<b>Deferred outflow of resources</b>	<u>21,109,887</u>	<u>1,702,638</u>	<u>5,809,616</u>	<u>465,335</u>	<u>26,919,503</u>	<u>2,167,973</u>
<b>Liabilities:</b>						
Long-term liabilities	54,428,992	36,796,917	9,506,920	5,214,936	63,935,912	42,011,853
Other liabilities	20,452,311	17,356,827	2,861,806	2,760,563	23,314,117	20,117,390
Total liabilities	<u>74,881,303</u>	<u>54,153,744</u>	<u>12,368,726</u>	<u>7,975,499</u>	<u>87,250,029</u>	<u>62,129,243</u>
<b>Deferred inflow of resources</b>	<u>1,779,745</u>	<u>4,014,983</u>	<u>286,004</u>	<u>1,274,694</u>	<u>2,065,749</u>	<u>5,289,677</u>
<b>Net position:</b>						
Net invested in capital assets	49,481,224	44,481,499	4,270,322	3,720,244	53,751,546	48,201,743
Restricted	19,408,754	13,675,898	-	-	19,408,754	13,675,898
Unrestricted	37,280,435	43,859,985	3,109,735	4,802,623	40,390,170	48,662,608
Total net position	<u>\$ 106,170,413</u>	<u>102,017,382</u>	<u>7,380,057</u>	<u>8,522,867</u>	<u>113,550,470</u>	<u>110,540,249</u>

Forty-seven 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.

Seventeen percent of the county's net position is legally restricted (\$19,408,754). The remaining balance of *unrestricted net assets* (\$40,390,170) may be used to meet the government's ongoing obligations to citizens and creditors.

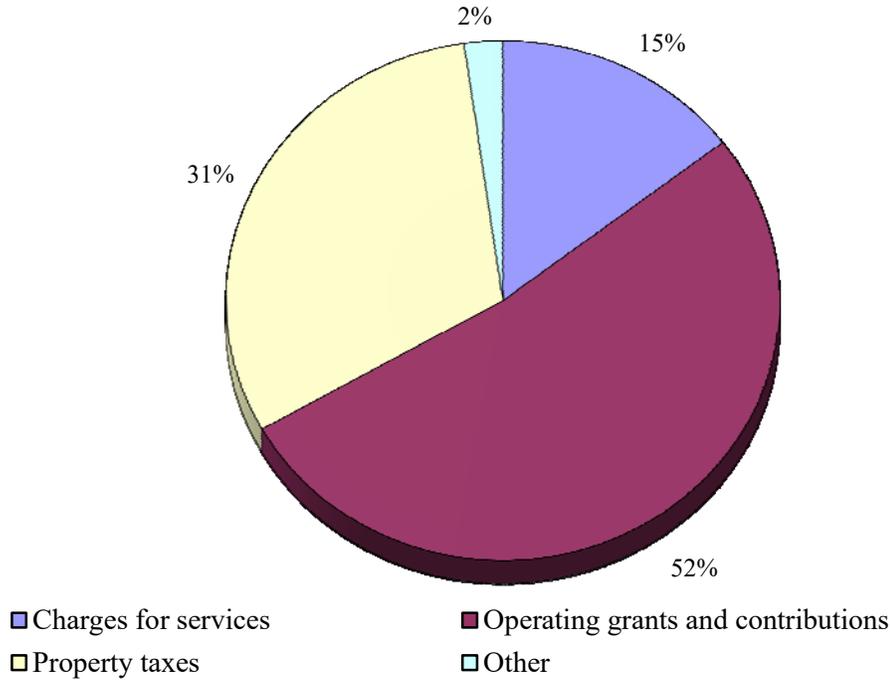
At the end of the current fiscal year, Cumberland County is able to report positive fund balances in all three categories of net position, both for the government as a whole and for its separate governmental and business-type activities.

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

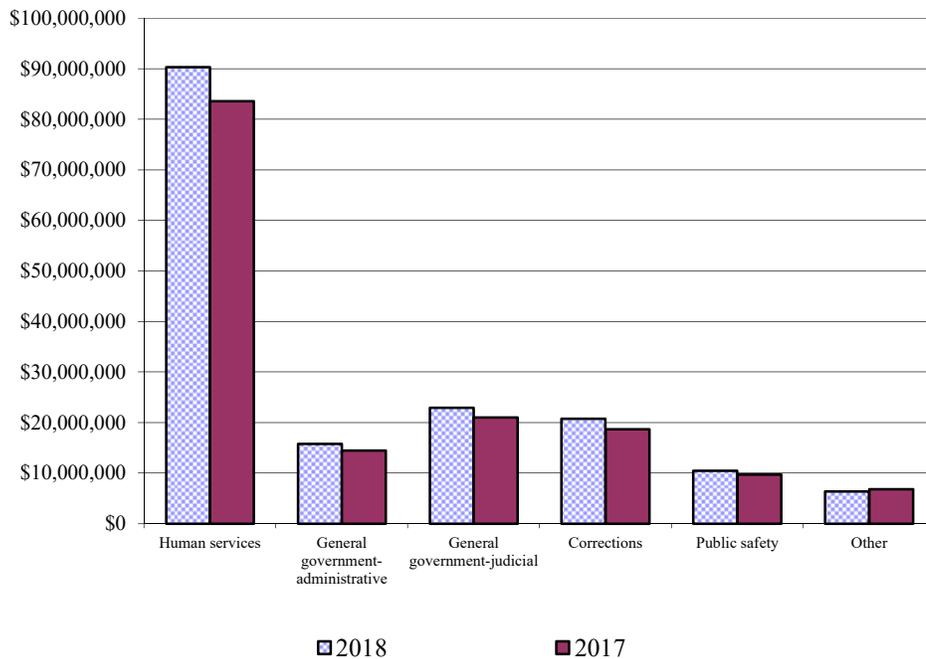
	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 24,950,318	25,057,705	28,189,387	27,902,156	53,139,705	52,959,861
Operating grants and contributions	89,235,772	83,727,735	1,215	2,063	89,236,987	83,729,798
Capital grants and contributions	576,207	3,169,380	-	-	576,207	3,169,380
General revenues:						
Property taxes	52,994,780	52,084,725	-	-	52,994,780	52,084,725
Other taxes	2,179,563	2,108,153	-	-	2,179,563	2,108,153
Unrestricted investment earnings	1,071,403	512,855	18,245	6,570	1,089,648	519,425
Total revenues	171,008,043	166,660,553	28,208,847	27,910,789	199,216,890	194,571,342
<b>Expenses:</b>						
General government-administrative	15,758,996	14,479,524	-	-	15,758,996	14,479,524
General government-judicial	22,958,993	20,971,925	-	-	22,958,993	20,971,925
Corrections	20,767,652	18,680,545	-	-	20,767,652	18,680,545
Emergency telephone	5,493,643	5,186,230	-	-	5,493,643	5,186,230
Public safety	4,967,090	4,491,900	-	-	4,967,090	4,491,900
Roads and bridge maintenance	314,513	504,229	-	-	314,513	504,229
Recycling and waste management	462,056	399,114	-	-	462,056	399,114
Human services	90,320,258	83,592,260	-	-	90,320,258	83,592,260
Culture and recreation	99,313	14,664	-	-	99,313	14,664
Conservation	644,513	558,314	-	-	644,513	558,314
Community redevelopment and housing	192,421	195,676	-	-	192,421	195,676
Economic development and assistance	4,288,632	4,592,886	-	-	4,288,632	4,592,886
Interest on long-term debt	1,025,575	1,224,814	-	-	1,025,575	1,224,814
Indirect expenses	(659,621)	(660,484)	659,621	660,484	-	-
Claremont Nursing and Rehabilitation Center	-	-	28,692,036	27,284,499	28,692,036	27,284,499
Total expenses	166,634,034	154,231,597	29,351,657	27,944,983	195,985,691	182,176,580
Special item	(220,978)	-	-	-	(220,978)	-
Increase (decrease) in net position	4,153,031	12,428,956	(1,142,810)	(34,194)	3,010,221	12,394,762
<b>Net position, beginning</b>	102,017,382	89,588,426	8,522,867	8,557,061	110,540,249	98,145,487
<b>Net position, ending</b>	\$ 106,170,413	102,017,382	7,380,057	8,522,867	113,550,470	110,540,249

**Governmental activities.** The following charts graphically depict the sources of revenue and functional expenses of governmental activities for the fiscal year ended December 31, 2018:

**Revenues by Source - Governmental Activities**



**Expense Comparison by Activity - Governmental Activities**

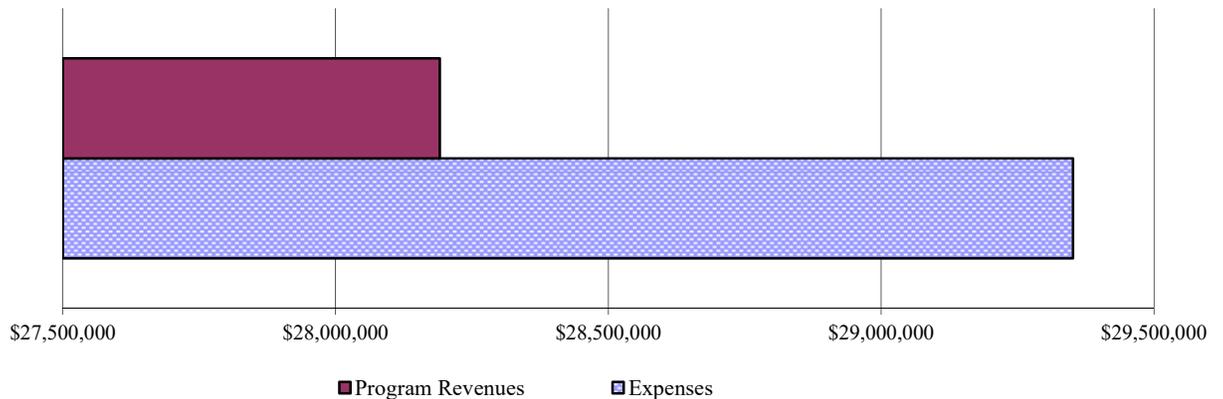


Governmental activities increased Cumberland County’s net assets by \$4,153,031. The primary changes in revenues and expenses are:

- Revenues increased \$4,347,490. The majority of the increase was in two areas.
  - Operating Grants and Contributions increased \$5,508,037 mainly due to HealthChoices and Children & Youth.
  - Capital grants and contributions decreased \$2,593,173 due to the completion of Craighead Bridge in 2017.
- Expenses increased by \$12,402,437. The majority of the increase is in two areas.
  - Human services increased \$6,727,998. The majority of this is related to HealthChoices.
  - Pension expense \$4,389,513.

**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, 2018:

**Expenses and Program Revenues - County Home**



Business type activities decreased Cumberland County’s net position by \$1,142,810. The primary changes in revenues and expenses to the business are:

- Claremont Nursing and Rehabilitation Charges for Services increased \$287,231.
- Claremont Nursing and Rehabilitation expenses increased 5% or \$1,406,674 due mainly to pension expense which increased \$1,225,437.

**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 2018, Cumberland County’s governmental funds reported combined ending fund balances of \$60,180,834 and an increase of \$5,490,600 in comparison to the prior year. Approximately 74 percent of the total amount (\$44,747,958) constitutes *unrestricted fund balance*, which is available for spending at the

County's discretion. The remainder of the fund balance is *nonspendable* (\$1,625,385) or *restricted* (\$13,807,491) to indicate that it is not available for future spending at the discretion of the County because it is 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 \$28,171,978 while total fund balance was \$46,039,697. 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 (\$42,098,033) and total fund balance represents 74 percent and 81 percent, respectively, of total general fund expenditures.

The fund balance of Cumberland County's general fund increased by \$3,828,076 during the current year. In 2018, the Commissioners continued to implement cost savings measures and continued 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 1.7%, 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 \$2,686,154 or 3.4% over the amended budget. Interest revenue was over budget due to an increase in the certificate of deposit rates. County charges were over budget due to Central Booking, prison housing, and Register of Wills filing fee increasing. Court costs, fines, and forfeitures were over budget due to an increase in collections by the Clerk of Courts due in part by the efforts of the Warrants Collection Unit and to the increase in the number of cases processed by the District Attorney's forensic lab.

Actual general fund expenditures (including other financing uses) were under budget by \$8,145,083. The major items under budget were:

Pooled Reserves	\$ 1,728,860
County Buildings	\$ 1,077,790
Transfers Out	\$ 1,025,401
Conservation and Development	\$ 657,398
Economic Development	\$ 425,293
County Prison	\$ 338,689

The pooled reserve budget was not fully utilized because the funds were not needed for contingent events. County buildings are under budget due to the timing of the construction of the 7<sup>th</sup> courtroom and related department moves and the capital project for the relocation of MDJ Beckley's office did not occur in 2018. Transfers-out are under budget. Children & Youth received their FY 2016/17 overmatch in late 2018. Emergency Telephone 911's tower replacement project has been delayed. Conservation and Development was under budget due to fewer easements finalized in 2018 than originally budgeted. Several of the open space projects which are funded thru Marcellus Shale monies were not completed in 2018. Economic Development is under budget due to the Redevelopment Authority grants which are used for numerous community housing needs as they are required. County Prison was under budget due to funding available thru the Drug & Alcohol fund for counseling services in 2018 and a prison construction project extended into 2019. The pension Actuarially Determined Contribution (ADC) and employee medical insurance costs for 2018 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, 2018, amounted to \$88,570,765 (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	
	2018	2017	2018	2017	2018	2017
Land	\$ 3,403,057	3,005,914	-	-	3,403,057	3,005,914
Buildings and systems	42,973,179	44,352,728	7,696,199	8,390,827	50,669,378	52,743,555
Improvements other than buildings	1,708,042	1,841,164	104,978	120,504	1,813,020	1,961,668
Machinery and equipment	6,330,739	6,052,777	733,294	766,609	7,064,033	6,819,386
Bridges	11,145,366	11,122,368	-	-	11,145,366	11,122,368
Construction in progress	4,062,000	3,450,957	-	-	4,062,000	3,450,957
Agricultural easements	10,413,911	9,913,997	-	-	10,413,911	9,913,997
Total	\$ 80,036,294	79,739,905	8,534,471	9,277,940	88,570,765	89,017,845

Total governmental activities net capital assets increased in 2018 by \$296,389. Governmental activities' construction in progress increased \$611,043 in 2018 as a result, primarily, of ongoing bridge replacement projects in addition to real estate acquisitions by the County's blended economic development component unit resulting in a \$2,454,561 increase offset, by \$1,843,518 of completed projects.

Other major capital asset transactions included the purchase of two land and building real estate tracks intended for economic redevelopment purposes by the Cumberland County's economic development corporation (CAEDC).

Additionally, prior year construction in progress for a new County phone system was capitalized for \$1.3 million to the major movable category.

Total business-type activities net capital assets decreased by \$743,469 in 2018 through capital assets depreciation of \$835,678, offset by a minor capital asset purchases of \$92,209.

Additional information on Cumberland County's capital assets can be found in Note 6 on pages 76 through 78.

### **Debt Administration**

At the end of the current fiscal year, Cumberland County had net outstanding bonded debt of \$33,255,791. The County's net general obligation notes total \$715,000. 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, 2018 and 2017 were:

	<b>Governmental activities</b>		<b>Business-type activities</b>		<b>Total</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
General Obligation Bonds	\$ 28,974,795	33,816,544	4,280,996	5,584,091	33,255,791	39,400,635
General Obligation Notes	715,000	715,000	-	-	715,000	715,000
Total	\$ 29,689,795	34,531,544	4,280,996	5,584,091	33,970,791	40,115,635

Cumberland County's bonded debt decreased by \$6,144,844.

Principal payments paid in 2018 were \$5,460,000.

Cumberland County's rating was confirmed "AAA" from Standard and Poor's for general obligation debt in 2018.

The current debt limitation for Cumberland County is \$535,327,652 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 8 on pages 80 through 82 of this report.

**Economic Factors and Next Year's Budget****Economic Conditions in 2018**

Economic indicators continued to improve in 2018 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 2.9% while the statewide and national rates were 3.9% and 3.9%, 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. [Source: For Cumberland County and Pennsylvania unemployment rates; Department of Labor, PAWORKSTATS, not seasonally adjusted.]

Cumberland County remains the fastest growing County in the Commonwealth growing, 6.8%, versus .8% for Pennsylvania, since the last U.S. Census in 2010, according to the U.S. Census Bureau. The reasons cited for this growth include low unemployment, safe communities, quality public services, educational opportunities, and high scores in numerous other quality of life indicators. Recently Cumberland County was named one of the best places to live in Pennsylvania for many of these reasons.

Cumberland County continues to enjoy a diverse tax base with little reliance on any one taxpayer. The top-ten taxpayers represent only 3.29% of assessed values as of December 31, 2018.

**Next Year's Budget**

Cumberland County is in a stable, short-term financial situation as it enters the 2019 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 2022. 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 2018, the County made aggressive changes that increased the general fund's fund balance by \$3,828,076. This was done through a combination of revenue enhancements and cost cutting measures.

In 2019, the General Fund budget shows a potential transfer of \$5,655,783 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 is expected to be an estimated ending unassigned fund balance of \$31.8 million and a projected transfer from reserves of \$1,262,117. 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 2019 budget include:

- Bridge infrastructure investments
- Investment in County workforce productivity through Merit Based Compensation (MBC), prudent automation, skills training, management development, and gainsharing

- 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 upgrades
- 7<sup>th</sup> Common Pleas Courtroom construction
- Automated timekeeping system implementation
- Nursing home regulations are changing and shifting towards managed care
- Criminal Justice has implemented an Adult Mental Health Court, as well as, an Opioid Intervention Court successfully

The County is not deferring County capital spending necessary to maintain County facilities.

**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, 2018*

**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	\$ 36,508,781	2,000,598	38,509,379	801,281	41,750
Investments	30,744,434	—	30,744,434	300,000	—
Receivables (net of allowance):					
Taxes	1,758,190	—	1,758,190	—	—
Due from other governments	5,794,027	—	5,794,027	180,168	—
Accounts receivable	3,647,424	3,424,511	7,071,935	—	—
Court costs and fines receivable	1,978,208	—	1,978,208	—	—
Notes receivable	—	—	—	—	671,673
Due from component unit	64,759	—	64,759	—	—
Prepaid items	732,429	50,183	782,612	—	1,142
Restricted assets:					
Cash and cash equivalents	407,104	215,408	622,512	—	6,544
Capital assets, not being depreciated:					
Land	3,403,057	—	3,403,057	—	2,352,852
Construction in progress	4,062,000	—	4,062,000	—	—
Agricultural easements	10,413,911	—	10,413,911	—	—
Capital assets, net of accumulated depreciation:					
Buildings and systems	42,973,179	7,696,199	50,669,378	3,872	—
Improvements other than buildings	1,708,042	104,978	1,813,020	—	—
Machinery and equipment	6,330,739	733,294	7,064,033	38,030	—
Bridges	11,145,366	—	11,145,366	—	—
Other assets	49,924	—	49,924	—	—
Total assets	<u>161,721,574</u>	<u>14,225,171</u>	<u>175,946,745</u>	<u>1,323,351</u>	<u>3,073,961</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred difference-projected and actual pension earnings	12,975,615	3,505,057	16,480,672	136,236	—
Deferred difference-expected and actual pension experience	1,098,505	302,258	1,400,763	9,864	—
Deferred difference-change of NPL assumptions	6,900,112	1,959,843	8,859,955	76,857	—
Deferred changes of OPEB assumptions	82,670	25,610	108,280	849	—
Deferred charges on refunding	52,985	16,848	69,833	—	—
Total deferred outflows of resources	<u>21,109,887</u>	<u>5,809,616</u>	<u>26,919,503</u>	<u>223,806</u>	<u>—</u>

(continued)

**STATEMENT OF NET POSITION**

*December 31, 2018*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

(continued)

**LIABILITIES**

Accounts payable and other current liabilities	9,041,448	877,579	9,919,027	48,539	156,647
Accrued payroll	1,355,370	355,195	1,710,565	12,626	—
Internal balances	826	(826)	—	—	—
Due to primary government	—	—	—	64,759	—
Due to other governments	2,009,363	—	2,009,363	—	—
Accrued interest payable	208,612	23,404	232,016	—	—
Unearned revenues	2,214,145	112,955	2,327,100	125,736	—
Funds held as fiduciary	426,939	215,408	642,347	—	—
Noncurrent liabilities:					
Due in less than one year:					
Licensing agreement	81,303	—	81,303	—	—
Capital lease	240,532	—	240,532	—	—
Notes payable - CAEDC	587,493	—	587,493	—	2,324,796
General obligation bonds payable	2,742,199	1,227,801	3,970,000	—	—
Sick and vacation accrual	359,695	50,290	409,985	4,593	—
Workers' compensation and self insurance claims payable	1,184,386	—	1,184,386	—	—
Due in more than one year:					
Capital lease	481,064	—	481,064	—	—
Notes payable - CAEDC	1,153,950	—	1,153,950	—	—
General obligation bonds payable	26,232,596	3,053,195	29,285,791	—	—
General obligation notes payable	715,000	—	715,000	—	—
Sick and vacation accrual	3,558,591	360,258	3,918,849	54,366	—
Total OPEB liability	1,154,951	409,703	1,564,654	11,156	—
Net pension liability	20,486,338	5,683,764	26,170,102	221,250	—
Workers' compensation claims payable	646,502	—	646,502	—	—
Total liabilities	<u>74,881,303</u>	<u>12,368,726</u>	<u>87,250,029</u>	<u>543,025</u>	<u>2,481,443</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred revenue	468,541	—	468,541	—	—
Deferred amount on refunding	316,957	—	316,957	—	—
Deferred difference-expected and actual pension experience	994,247	286,004	1,280,251	11,106	—
Total deferred inflows of resources	<u>1,779,745</u>	<u>286,004</u>	<u>2,065,749</u>	<u>11,106</u>	<u>—</u>

**NET POSITION**

Net invested in capital assets	49,481,224	4,270,322	53,751,546	41,902	—
Restricted for:					
Conservation	4,207,814	—	4,207,814	938,649	—
Human services	1,459,727	—	1,459,727	—	—
Judicial services	168,400	—	168,400	—	—
Public safety	3,340,923	—	3,340,923	—	—
Emergency telephone	4,116,712	—	4,116,712	—	—
Records improvement	449,275	—	449,275	—	—
Economic development	1,955,011	—	1,955,011	—	—
Roads and bridges	3,710,892	—	3,710,892	—	—
Unrestricted	37,280,435	3,109,735	40,390,170	12,475	592,518
Total net position	<u>\$ 106,170,413</u>	<u>7,380,057</u>	<u>113,550,470</u>	<u>993,026</u>	<u>592,518</u>

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

**STATEMENT OF ACTIVITIES**

*For the year ended December 31, 2018*

**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	\$ 15,758,996	(2,255,394)	4,120,742	395,221	—	(8,987,639)	—	(8,987,639)	—	—
General government - judicial	22,958,993	127,747	4,745,433	2,780,745	—	(15,560,562)	—	(15,560,562)	—	—
Corrections	20,767,652	—	2,744,455	495,916	—	(17,527,281)	—	(17,527,281)	—	—
Emergency telephone	5,493,643	483,825	5,713,151	300	—	(264,017)	—	(264,017)	—	—
Public safety	4,967,090	—	2,010,638	1,029,082	22,348	(1,905,022)	—	(1,905,022)	—	—
Roads and bridge maintenance	314,513	45,905	1,063,036	570,690	485,354	1,758,662	—	1,758,662	—	—
Recycling and waste management	462,056	—	310,821	355,696	—	204,461	—	204,461	—	—
Human services:										
Mental health/intellectual and developmental disabilities	16,979,398	223,126	1,727,375	14,655,657	—	(819,492)	—	(819,492)	—	—
HealthChoices-Cumberland County	41,642,653	15,750	—	41,654,825	—	(3,578)	—	(3,578)	—	—
Children and youth	21,057,856	331,878	568,686	17,420,040	—	(3,401,008)	—	(3,401,008)	—	—
Food and shelter	855,309	37,541	82,784	693,349	—	(116,717)	—	(116,717)	—	—
Office of aging	4,626,004	203,808	473,892	3,950,861	—	(405,059)	—	(405,059)	—	—
Other	5,159,038	126,193	802,399	3,442,485	—	(1,040,347)	—	(1,040,347)	—	—
Culture and recreation	99,313	—	—	392	—	(98,921)	—	(98,921)	—	—
Conservation	644,513	—	59,272	321,325	—	(263,916)	—	(263,916)	—	—
Community redevelopment and housing	192,421	—	184,472	—	—	(7,949)	—	(7,949)	—	—
Economic development and assistance	4,288,632	—	343,162	1,469,188	68,505	(2,407,777)	—	(2,407,777)	—	—
Interest on long-term debt	1,025,575	—	—	—	—	(1,025,575)	—	(1,025,575)	—	—
Total governmental activities	<u>167,293,655</u>	<u>(659,621)</u>	<u>24,950,318</u>	<u>89,235,772</u>	<u>576,207</u>	<u>(51,871,737)</u>	<u>—</u>	<u>(51,871,737)</u>	<u>—</u>	<u>—</u>
Business-type activities:										
County nursing home	28,692,036	659,621	28,189,387	1,215	—	—	(1,161,055)	(1,161,055)	—	—
Total business-type activities	<u>28,692,036</u>	<u>659,621</u>	<u>28,189,387</u>	<u>1,215</u>	<u>—</u>	<u>—</u>	<u>(1,161,055)</u>	<u>(1,161,055)</u>	<u>—</u>	<u>—</u>
Total primary government	<u>\$ 195,985,691</u>	<u>—</u>	<u>53,139,705</u>	<u>89,236,987</u>	<u>576,207</u>	<u>(51,871,737)</u>	<u>(1,161,055)</u>	<u>(53,032,792)</u>	<u>—</u>	<u>—</u>
<b>Discretely presented component units:</b>										
Conservation District	\$ 1,264,344	—	370,875	956,217	—	—	—	62,748	—	—
Industrial Development Authority	94,774	—	82,739	57,424	—	—	—	—	45,389	—
Total discretely presented component units	<u>\$ 1,359,118</u>	<u>—</u>	<u>453,614</u>	<u>1,013,641</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>62,748</u>	<u>45,389</u>	<u>—</u>
General revenues:										
Real estate taxes						52,994,780	—	52,994,780	—	—
Per capita taxes						765	—	765	—	—
Hotel taxes						2,178,798	—	2,178,798	—	—
Unrestricted investment earnings						1,071,403	18,245	1,089,648	9,452	177
Special item						(220,978)	—	(220,978)	—	—
Total general revenues						<u>56,024,768</u>	<u>18,245</u>	<u>56,043,013</u>	<u>9,452</u>	<u>177</u>
Change in net position						4,153,031	(1,142,810)	3,010,221	72,200	45,566
Net position, beginning of year						102,017,382	8,522,867	110,540,249	920,826	546,952
Net position, end of year						<u>\$ 106,170,413</u>	<u>7,380,057</u>	<u>113,550,470</u>	<u>993,026</u>	<u>592,518</u>

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, 2018*

**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	\$ 20,037,836	3,756,471	300	123,362	11,212,147	35,130,116
Investments	28,000,000	—	—	—	1,197,600	29,197,600
Restricted cash	—	—	—	—	407,104	407,104
Receivables (net of allowance):						
Taxes	1,758,190	—	—	—	134,778	1,892,968
Due from other governments	628,558	268,680	2,133,862	—	2,762,927	5,794,027
Accounts receivable	801,722	—	—	1,403,254	1,268,020	3,472,996
Court costs and fines receivable	1,978,208	—	—	—	—	1,978,208
Due from other funds	1,534,939	166,320	321,388	—	1,904,557	3,927,204
Due from component unit	65,638	—	—	—	—	65,638
Prepaid items	418,519	800	—	—	310,756	730,075
Other assets	50,068	—	—	—	—	50,068
Total assets	<u>\$ 55,273,678</u>	<u>4,192,271</u>	<u>2,455,550</u>	<u>1,526,616</u>	<u>19,197,889</u>	<u>82,646,004</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 1,718,470	2,473,268	2,269,576	1,405,998	1,159,483	9,026,795
Accrued liabilities and withholdings	971,787	63,944	97,607	—	220,994	1,354,332
Remediation liability	—	—	—	—	5,125	5,125
Due to other funds	1,917,774	—	—	63,598	1,777,634	3,759,006
Due to other governments	818,859	—	—	—	1,190,504	2,009,363
Unearned revenue	217,735	1,528,541	88,367	48,835	330,552	2,214,030
Funds held as fiduciary	415,762	—	—	—	11,177	426,939
Total liabilities	<u>6,060,387</u>	<u>4,065,753</u>	<u>2,455,550</u>	<u>1,518,431</u>	<u>4,695,469</u>	<u>18,795,590</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	3,173,594	—	—	—	495,986	3,669,580
Total deferred inflows of resources	<u>3,173,594</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>495,986</u>	<u>3,669,580</u>

(continued)

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

*December 31, 2018*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

(continued)

**FUND BALANCES**

Nonspendable:							
Prepaid items	\$	418,519	800	—	—	310,756	730,075
Loans receivable greater than one year		—	—	—	—	895,310	895,310
Restricted:							
Farmland preservation		1,054,979	—	—	—	—	1,054,979
Offender supervision		1,285,121	—	—	—	—	1,285,121
Juvenile probation restitution funds		18,243	—	—	—	—	18,243
Criminal investigation		290,393	—	—	—	—	290,393
Register of Wills-Act 34		77,325	—	—	—	—	77,325
Coroner - Act 122		74,807	—	—	—	—	74,807
Roads and bridge maintenance		—	—	—	—	2,572,229	2,572,229
Human services		—	125,718	—	8,185	1,318,538	1,452,441
Hazardous materials emergency planning		9,131	—	—	—	—	9,131
Public safety		—	—	—	—	4,091,487	4,091,487
Row office automation		291,614	—	—	—	157,651	449,265
Marcellus shale		421,532	—	—	—	669,326	1,090,858
Conservation		—	—	—	—	911,081	911,081
Economic development and assistance		—	—	—	—	415,338	415,338
Debt service		—	—	—	—	14,793	14,793
Unrestricted:							
Assigned:							
Human services		—	—	—	—	17,681	17,681
Public safety		913,778	—	—	—	—	913,778
Future budgetary requirements		5,655,783	—	—	—	—	5,655,783
Capital projects		5,646,596	—	—	—	469,336	6,115,932
Economic development and assistance		—	—	—	—	2,162,908	2,162,908
Risk liability		250,000	—	—	—	—	250,000
Farmland preservation		715,000	—	—	—	—	715,000
Prison canteen		744,493	—	—	—	—	744,493
Criminal justice planning		405	—	—	—	—	405
Unassigned		28,171,978	—	—	—	—	28,171,978
Total fund balances		46,039,697	126,518	—	8,185	14,006,434	60,180,834
Total liabilities, deferred inflows of resources and fund balances	\$	55,273,678	4,192,271	2,455,550	1,526,616	19,197,889	82,646,004

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, 2018*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

Total fund balances-governmental funds	\$ 60,180,834
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.	80,036,294
Unamortized prepaid items used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	-
Certain receivables are not available to pay for current period expenditures and, therefore, are deferred inflows of resources in the funds.	3,221,719
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.	52,985
Cumulative pension fund and OPEB activity have created deferred outflows that are amortized to expense over an actuarially determined period of time and are reported as deferred outflows of resources on the statement of net position as follows:	
Deferred difference-OPEB assumptions	82,670
Deferred difference-expected and actual pension experience	1,098,505
Deferred difference-change in pension assumptions	6,900,112
Deferred difference-expected and actual pension experience	12,975,615
Internal service fund used by management to charge the costs of the self-insurance to individual funds:	
Workers' compensation	881,737
Self insurance fund	13,485
Long-term liabilities are not due and payable in the current period and, therefore, are not reported at the fund level:	
Bonds payable	(26,634,484)
Notes payable	(2,456,443)
Net premium on bonds and notes	(2,340,311)
Sick and vacation payable	(3,918,286)
Net pension liability	(20,486,338)
Total OPEB liability	(1,154,951)
Capital lease	(721,596)
Software licensing agreements	(81,303)
Accrued expenses are not due and payable in the current period and, therefore, are not reported in governmental funds.	(168,627)
Cumulative pension fund and OPEB activity have created deferred inflows that are amortized to expense over an actuarially determined period of time and are reported as deferred inflows of resources on the statement of net position as follows:	
Deferred difference-expected and actual pension experience	(994,247)
Deferred amount on refunding	(316,957)
Net position of governmental activities	<u>\$ 106,170,413</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, 2018*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

	General Fund	Mental Health/ Intellectual and Developmental Disabilities	Children and Youth	HealthChoices- Cumberland County	Nonmajor Funds	Total
<b>REVENUES</b>						
Taxes	\$ 53,001,239	—	—	—	2,178,798	55,180,037
Licenses and permits	224,858	—	—	—	—	224,858
Grants	3,872,297	14,655,657	17,420,033	41,654,825	11,970,108	89,572,920
County charges	9,742,006	1,625,801	568,686	—	9,217,989	21,154,482
Court costs, fines and forfeitures	2,960,183	—	—	—	231,141	3,191,324
Investment earnings	916,537	27,718	—	3,578	90,599	1,038,432
Payment in lieu of taxes	241,053	—	—	—	—	241,053
Contributions and other	150,079	101,574	7	—	97,095	348,755
Total revenues	<u>71,108,252</u>	<u>16,410,750</u>	<u>17,988,726</u>	<u>41,658,403</u>	<u>23,785,730</u>	<u>170,951,861</u>
<b>EXPENDITURES</b>						
Current:						
General government – administrative	11,135,823	—	—	—	240,148	11,375,971
General government – judicial	17,909,513	—	—	—	3,457,791	21,367,304
Corrections	18,420,395	—	—	—	—	18,420,395
Public safety	3,508,200	—	—	—	—	3,508,200
Emergency telephone	—	—	—	—	4,907,131	4,907,131
Public works and enterprises	—	—	—	—	642,418	642,418
Human services	1,428,155	16,894,059	20,909,415	41,658,403	9,606,753	90,496,785
Culture and recreation	2,678	—	—	—	—	2,678
Conservation and development	588,404	—	—	—	—	588,404
Economic development and assistance	1,394,770	—	—	—	3,004,852	4,399,622
Debt service:						
Principal retirement	—	—	—	—	4,602,347	4,602,347
Debt interest	—	—	—	—	875,290	875,290
Fiscal charges	—	—	—	—	144,552	144,552
Payment for refunding bond escrow	—	—	—	—	235,684	235,684
Capital outlay	2,497,768	7,282	—	—	2,669,875	5,174,925
Payments for other governments	94,635	—	—	—	171,453	266,088
Total expenditures	<u>56,980,341</u>	<u>16,901,341</u>	<u>20,909,415</u>	<u>41,658,403</u>	<u>30,558,294</u>	<u>167,007,794</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,127,911</u>	<u>(490,591)</u>	<u>(2,920,689)</u>	<u>—</u>	<u>(6,772,564)</u>	<u>3,944,067</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	176,035	490,042	2,988,689	—	10,152,094	13,806,860
Transfers out	(10,501,722)	—	(68,000)	—	(3,237,138)	(13,806,860)
Issuance of refunding bonds	—	—	—	—	12,140,000	12,140,000
Payment for refunding bond escrow	—	—	—	—	(13,075,429)	(13,075,429)
Premium on refunding bond issued	—	—	—	—	1,094,774	1,094,774
Issuance of line of credit	—	—	—	—	1,173,834	1,173,834
Proceeds from the sale of assets	17,123	—	—	—	—	17,123
Proceeds from insurance recovery	8,729	—	—	—	187,502	196,231
Total other financing sources (uses)	<u>(10,299,835)</u>	<u>490,042</u>	<u>2,920,689</u>	<u>—</u>	<u>8,435,637</u>	<u>1,546,533</u>
Net change in fund balances	3,828,076	(549)	—	—	1,663,073	5,490,600
Fund balances, beginning of year	42,211,621	127,067	—	8,185	12,343,361	54,690,234
Fund balances, end of year	<u>\$ 46,039,697</u>	<u>126,518</u>	<u>—</u>	<u>8,185</u>	<u>14,006,434</u>	<u>60,180,834</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, 2018*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

Net change in fund balances-total governmental funds	\$	5,490,600
<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		5,184,825
Depreciation expense		(4,636,904)
Asset impairment expense		(220,978)
Retirement and sale of equipment		(30,554)
Prepaid items:		
Amortization of prepaid items		(220,927)
Deferred outflows of resources not reported in the fund statements:		
Deferred difference-expected and actual pension experience		(432,470)
Deferred difference-projected and actual pension earnings		16,336,368
Deferred difference-change in pension assumptions		6,900,112
Deferred difference-OPEB assumptions		39,722
<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>		
Issuance of refunding bonds		(12,140,000)
Payment to refunding bond escrow-principal		13,120,000
Long term debt paid		4,602,337
Issuance of line of credit along with principal accretion on line of credit - CAEDC		(1,173,834)
Long term debt paid - CAEDC		73,195
<p>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.</p>		
		(2,144)
Deferred inflows of resources not reported in the fund statements:		
Net premium on bonds and notes		(418,763)
Deferred amount on refunding		(392,687)
Deferred difference-expected and actual pension experience		(515,017)
<p>Post employment benefits are reflected on the statement of activities but are not considered a current expenditure for the fund statements:</p>		
OPEB		(11,302)
Pension		(27,126,433)
<p>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.</p>		
		33,634
<p>Governmental funds do not recognize interest on long term debt until legally due, while the statement of net position accrues for interest payable.</p>		
		(14,343)
<p>Internal service funds are used by management to charge the cost of self-insurance claims to individual funds:</p>		
Workers' compensation		104,700
Health reimbursement arrangement		(396,106)
Change in net position of governmental activities	\$	<u><u>4,153,031</u></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, 2018*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

	<b>Business-type Activities</b>	<b>Governmental Activities</b>
	<b>Enterprise Fund</b>	<b>Internal</b>
	<b>County Nursing Home</b>	<b>Service Funds</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,000,598	1,378,665
Investments	—	1,492,300
Restricted cash:		
Patient funds	215,408	—
Accounts receivable (net of allowance):		
Patient accounts receivable	3,424,511	—
Customer accounts receivable	—	39,650
Prepaid items	50,183	2,354
Total current assets	<u>5,690,700</u>	<u>2,912,969</u>
Noncurrent assets:		
Capital assets, net of depreciation	8,534,471	—
Total noncurrent assets	<u>8,534,471</u>	<u>—</u>
Total assets	<u>14,225,171</u>	<u>2,912,969</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred difference-projected and actual pension earnings	3,505,057	—
Deferred difference-expected and actual pension experience	302,258	—
Deferred difference-change of NPL assumptions	1,959,843	—
Deferred changes of OPEB assumptions	25,610	—
Deferred charge on refunding	16,848	—
Total deferred outflows of resources	<u>5,809,616</u>	<u>—</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	877,579	5,675
Accrued liabilities and withholdings:		
Accrued payroll	355,195	1,038
Accrued interest	23,404	—
Due to other funds	155,592	12,606
Unearned revenue	112,955	117
Funds held as fiduciary	215,408	—
General obligation bonds payable	1,227,801	—
Sick and vacation accrual	50,290	—
Self-insurance claims payable	—	1,184,386
Total current liabilities	<u>3,018,224</u>	<u>1,203,822</u>
Noncurrent liabilities:		
Due in more than one year:		
General obligation bonds payable	3,053,195	—
Self-insurance claims payable	—	646,502
Total OPEB liability	409,703	—
Net pension liability	5,683,764	—
Sick and vacation accrual	360,258	—
Total noncurrent liabilities	<u>9,506,920</u>	<u>646,502</u>
Total liabilities	<u>12,525,144</u>	<u>1,850,324</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred difference-expected and actual pension experience	286,004	—
Total deferred inflows of resources	<u>286,004</u>	<u>—</u>
<b>NET POSITION</b>		
Net invested in capital assets	4,270,322	—
Unrestricted	2,953,317	1,062,645
Total net position	<u>\$ 7,223,639</u>	<u>1,062,645</u>
<b>Reconciliation of the Statement of Net Position - Proprietary Funds to the Statement of Activities:</b>		
Total net position-Proprietary Funds	\$ 7,223,639	
Adjustment to reflect the consolidation of workers' compensation activity related to business type activities	66,386	
Adjustment to reflect the consolidation of health reimbursement arrangement activity related to the business-type activities.	90,032	
Net position of business-type activities	<u>\$ 7,380,057</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, 2018*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal</u>
	<u>County</u>	<u>Service Funds</u>
	<u>Nursing Home</u>	
Operating revenues:		
Charges for services:		
County charges	\$ 28,170,967	13,665,020
Rentals and other revenues	19,635	—
Total operating revenues	<u>28,190,602</u>	<u>13,665,020</u>
Operating expenses:		
Patient/client services	23,264,630	14,081,934
Depreciation	835,678	—
Administrative	5,121,980	—
Total operating expenses	<u>29,222,288</u>	<u>14,081,934</u>
Operating income (loss)	<u>(1,031,686)</u>	<u>(416,914)</u>
Nonoperating revenues (expenses):		
Interest income	18,245	32,972
Interest expense	(40,382)	—
Total net nonoperating revenues (expenses)	<u>(22,137)</u>	<u>32,972</u>
Change in net position	(1,053,823)	(383,942)
Net position, beginning of year	8,277,462	1,446,587
Net position, end of year	<u>\$ 7,223,639</u>	<u>1,062,645</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	\$ (1,053,823)
Adjustment to reflect the consolidation of workers' compensation activity related to the business-type activities.	41,562
Adjustment to reflect the consolidation of the self insurance fund activity related to the business-type activities.	(130,549)
Change in net position of business-type activities	<u>\$ (1,142,810)</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, 2018*

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	<u>Internal</u>
	<u>County</u>	<u>Service Funds</u>
	<u>Nursing Home</u>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received on county charges	\$ 28,741,643	14,387,110
Payments to vendors	(8,675,536)	(13,097,295)
Payments to employees	(19,397,561)	(49,740)
Net cash provided by operating activities	<u>668,546</u>	<u>1,240,075</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	(62,074)	—
Principal paid on capital debt	(1,179,489)	—
Interest paid on capital debt	(161,446)	—
Net cash used in capital and related financing activities	<u>(1,403,009)</u>	<u>—</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	—	(143,695)
Investment income received	18,245	31,872
Net cash provided by (used in) investing activities	<u>18,245</u>	<u>(111,823)</u>
Net increase (decrease) in cash and cash equivalents	(716,218)	1,128,252
Cash and cash equivalents, January 1	2,932,224	250,413
Cash and cash equivalents, December 31	<u>\$ 2,216,006</u>	<u>1,378,665</u>

(continued)

# STATEMENT OF CASH FLOWS

## Proprietary Funds

*For the year ended December 31, 2018*

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Business-type Activities	Governmental Activities
	Enterprise Fund	
	County	Internal
	Nursing Home	Service Funds
(continued)		
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>		
Operating income (loss)	\$ (1,031,686)	(416,914)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	835,678	—
Changes in assets and liabilities in:		
Patient accounts receivable	538,962	(37,050)
Due from other funds	(1,091,831)	759,023
Prepaid items	(6,938)	82,482
Non-inventoried assets	71,889	—
Accounts payable	24,865	(32,826)
Accrued liabilities and withholdings	(27,580)	(152,391)
Unearned revenues	15,207	117
Funds held as fiduciary	(25,582)	—
Total OPEB liability	(8,418)	—
Net pension asset	77,830	—
Net pension liability	1,296,150	—
Self-insurance claims payable	—	1,037,634
Total adjustments	1,700,232	1,656,989
Net cash provided by operating activities	\$ 668,546	1,240,075

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***

---

**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, 2018*

COUNTY OF CUMERLAND, PENNSYLVANIA

	<b>Pension Trust - Employees' Retirement Fund</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,780,055	5,637,740
Investments:		
Negotiable bank certificates of deposit	7,902,711	—
U.S. government and agency securities	22,846,170	—
Other governments' securities	189,142	—
Corporate bonds and notes	26,221,092	—
Real estate trust fund	10,418,501	—
Asset backed securities	4,815,731	—
Equity securities	41,598,756	—
Mutual funds	78,625,601	—
Total investments	192,617,704	—
Due from broker	38,709	—
Accrued interest and dividends receivable	616,996	—
Total assets	197,053,464	5,637,740
<b>LIABILITIES</b>		
Due to other governments	—	1,923,835
Due to broker	292,057	—
Other liabilities	43,703	3,713,905
Total liabilities	335,760	5,637,740
<b>NET POSITION</b>		
Net position restricted for pensions	\$ 196,717,704	—

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, 2018*****COUNTY OF CUMBERLAND, PENNSYLVANIA****ADDITIONS**

## Contributions:

Employer	\$ 2,854,381
Plan members	3,551,808
Total contributions	<u>6,406,189</u>

## Investment income:

Net depreciation in fair value of investments	(19,785,679)
Interest	1,768,708
Dividends	<u>6,328,879</u>
Total investment earnings	(11,688,092)
Less investment expense	<u>450,207</u>
Net investment income	<u>(12,138,299)</u>
Total additions	<u>(5,732,110)</u>

**DEDUCTIONS**

Benefits	9,945,580
Refunds of contributions	606,407
Administrative expenses	<u>253,705</u>
Total deductions	<u>10,805,692</u>

Change in net position (16,537,802)

Net position - beginning of year	<u>213,255,506</u>
Net position - end of year	<u>\$ 196,717,704</u>

The notes to the financial statements are an integral 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 251,423 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 three 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 2018, the County paid CAT \$295,138. As a participant in the joint venture, the County's annual subsidy payment was \$280,966 in 2018. Additionally, the County paid \$14,172 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.

#### ***Central Pennsylvania Transportation Authority***

The County is a participant in Central Pennsylvania Transportation Authority (CPTA) - a joint venture.

CPTA was organized January 5, 2017, by the Counties of Cumberland, York, Adams, Perry and Franklin under the Pennsylvania Municipality Authorities Act, for the purpose of providing SharedRide entitled service within the Counties of Cumberland, York, Adams, Perry and Franklin. CPTA is governed by a nine-member board appointed by the sponsoring municipalities. The Cumberland County Commissioners appoint two members.

CPTA services provided to the five counties receives the vast majority of its operating from Federal and state grants through their respective human service agencies.

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

CPTA issues publicly available financial statements that may be obtained from the rabbitransit office at 415 Zarfoss Drive, York, PA 17404.

*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 2018, the County's share of Agricultural Extension program expenses were \$325,574 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

**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 health care self-insurance.

*Internal service funds* are an accounting device used to accumulate and allocate the cost of the County's workers' compensation self-insurance and health care self-insurance 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 care self-insurance 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 2.

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

**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.

Donated assets, donated works of art and similar items, and capital assets received in service concession arrangement are reported at acquisition value rather than fair value.

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-projected and actual pension earnings* – This is the net value of when the projected earnings do not exceed 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 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 difference-changes of NPL assumptions* – This difference is as of a result of changes to the assumptions used to determine the components that comprise the net pension liability. It 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 inflow of resources (i.e. revenue) 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.

*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.

*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, 2018, unavailable revenues related to the CAEDC was reported in the government-wide (\$468,541) and governmental fund (\$495,986) statements.

Additionally, the County recognizes unavailable revenue in the governmental fund statements related to property taxes (\$1,273,190) and court costs and fines (\$1,900,404). They are recognized in the period that the amounts become available.

*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 self-insures its workers' compensation liabilities and has accounted for this in an internal service fund.

Beginning in 2018, the County self-insures its health plan. 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 (Chief Financial Officer 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.

*Debt service* – Monies are restricted to the purpose of debt service.

### ***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 2019.

*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 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 has implemented GASB 85 in the current year.

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 has implemented GASB 86 in the current year.

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.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The primary objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest costs incurred before the end of a construction period. It requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, this interest cost will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The County is currently evaluating what effect, if any, the adoption of GASB 89 will have on the County's financial statements.

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests – An Amendment of GASB No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity meets the definition of an investment. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The County is currently evaluating what effect, if any, the adoption of GASB 90 will have on the County's financial statements.

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2020. The County is currently evaluating what effect, if any, the adoption of GASB 91 will have on the County's financial statements.

## 2. 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 7.0% (reduced from 7.5% at the Retirement Board’s April 9, 2018 meeting) 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:

Investment	Target	Benchmark
Domestic equity	47%	Russell 3000
International equity	18%	MSCI ACWI ex U.S. (net)
Fixed income	29%	Barclay's Capital U.S.
Private real estate	5%	Intermediate Governmental/Credit
Cash	1%	ML 90-day T-Bill

Effective June 4, 2018, the Pension Policy’s target allocations to fixed income and private real estate were reduced to twenty- nine percent from thirty-four percent and increased to five percent from zero percent, respectively.

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 fifteen 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 twenty-five percent greater or fifty percent less than the effective duration of the portfolio benchmark. Holdings of zero coupon bonds (limited to U.S. Treasury securities) are capped at twenty percent of the fixed income portfolio. Range accrual notes, interest only and principal only securities are limited, as a group, to twenty 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, 2018, \$62,816,101 of the County’s bank balance of \$66,638,327 was exposed to custodial credit risk as follows:

Uninsured and collateral held by the bank but not in the County’s name	\$ 1,031,109
Uninsured and collateral held by pledging bank’s trust department or agent but not in the County’s name	<u>61,784,992</u>
Total	<u>\$ 62,816,101</u>

**Custodial credit risk – fiduciary fund deposits** – Excluding the negotiable certificates of deposit held by the County’s Pension Fund as of December 31, 2018, \$3,295,931 of the County’s bank balance of its fiduciary funds of \$6,182,550 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 – 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, 2018, 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	\$ 1,326,546	696,825	629,721
Total debt securities	<u>1,326,546</u>	<u>696,825</u>	<u>629,721</u>
		53%	47%
		<u>Duration</u>	
Money market funds	182,698		
Mutual funds:			
U.S. government and agency fixed income	87,339	4.6	
U.S. government and agency fixed income	<u>78,415</u>	2.3	
Total investments	<u>\$ 1,674,998</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, \$182,698 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, \$1,492,300 are classified as investments on the statement of net position of the primary government.

**Interest rate risk – pension investments** – As of December 31, 2018, 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>
<b><u>Debt securities</u></b>					
Money market funds	\$ 3,780,055	3,780,055	—	—	—
Negotiable bank certificates of deposit	7,902,711	—	7,657,579	245,132	—
U.S. agencies	10,420,413	—	814,128	9,606,285	—
U.S. government	12,425,757	—	10,297,727	2,128,030	—
Other governments	189,142	—	—	189,142	—
Corporate bonds and notes	26,221,092	651,253	14,162,956	11,406,883	—
Asset backed securities	4,815,731	—	3,837,025	854,172	124,534
<b>Total debt securities</b>	<b>65,754,901</b>	<b>4,431,308</b>	<b>36,769,415</b>	<b>24,429,644</b>	<b>124,534</b>
		6.7%	55.9%	37.2%	0.2%
<b><u>Other investments</u></b>					
Equity mutual funds-foreign	11,500,924				
Equity mutual funds-global	41,573,025				
Equity mutual funds-U.S.	25,551,652				
Equity securities-U.S.	41,598,756				
Real estate trust fund	10,418,501				
<b>Total investments</b>	<b>\$ 196,397,759</b>				

The total pension trust fund investments of \$196,397,759 above, include \$3,780,055 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, 2018 follow:

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

<u>Debt Security</u>	<u>Fair Value</u>	<u>Interest Terms</u>
U.S. government	\$ 1,560,347	Step coupon, quarterly
U.S. government	750,759	Step coupon, quarterly
U.S. agency	313,998	Step coupon, quarterly
Negotiable bank CD	644,202	Step coupon, onetime
Corporate	427,441	Variable coupon, semi-annual
Corporate	287,269	Variable coupon, onetime
Corporate	255,385	Variable coupon, annual
Corporate	239,573	Variable coupon, onetime
Corporate	198,920	Variable coupon, onetime
Corporate	194,536	Variable coupon, anytime
Corporate	140,941	Variable coupon, onetime
Corporate	127,617	Variable coupon, onetime
	<u>\$ 5,140,988</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, 2018, 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: \$3,565,507 of U.S. government securities and \$10,420,413 of agency 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, 2018, is as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Quality Ratings*</u>
<u>Debt securities</u>		
Money market funds	\$ 182,698	Not rated
Debt securities:		
U.S. government	1,326,546	AAA
Mutual funds:		
U.S. government and agency fixed income	165,754	Not rated
Total debt securities	<u>\$ 1,674,998</u>	

**Credit risk – pension investments** – Exposure to credit risk in the County pension trust fund at December 31, 2018, is as follows:

<u>Investment Type</u>	<u>Credit Quality Ratings*</u>					
	<u>Fair Value</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BBB</u>	<u>Not Rated</u>
<u>Debt securities</u>						
Money market funds	\$ 3,780,055	3,780,055	-	-	-	-
Negotiable bank certificates of deposit	7,902,711	970,664	-	-	-	6,932,047
U.S. agencies	10,420,413	10,420,413	-	-	-	-
U.S. government	12,425,757	11,972,648	-	-	-	453,109
Other governments	189,142	-	-	189,142	-	-
Corporate bonds and notes	26,221,092	578,493	4,757,870	13,831,605	7,053,124	-
Asset backed securities	4,815,731	4,038,362	777,369	-	-	-
Total debt securities	<u>\$ 65,754,901</u>	<u>31,760,635</u>	<u>5,535,239</u>	<u>14,020,747</u>	<u>7,053,124</u>	<u>7,385,156</u>
		48%	9%	21%	11%	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 except those discussed that are in conservatorship, 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, 2018, 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 \$11,500,924 investment at fair value in foreign equity mutual funds as of December 31, 2018. The pension trust fund is also exposed to foreign currency risk through the foreign equity holdings, representing \$20,104,677 at December 31, 2018, in its global equity mutual funds.

**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, 2018:

**Pension Trust Fund Investments**

<b>Investments by Fair Value Level</b>	<b>Total</b>	<b>Fair Value Measurements Using</b>		
		<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
<u>Debt securities</u>				
Money market funds	\$ 3,780,055	3,780,055	-	-
Negotiable bank certificates of deposit	7,902,711	-	7,902,711	-
U.S. agencies	10,420,413	-	10,420,413	-
U.S. government securities	12,425,757	8,860,250	3,565,507	-
Other governments	189,142	-	189,142	-
Corporate bonds and notes	26,221,092	-	25,509,981	711,111
Asset backed securities	4,815,731	-	4,655,931	159,800
Total debt securities	65,754,901	12,640,305	52,243,685	870,911
<u>Other investments</u>				
Equity mutual fund - foreign	11,500,924	11,500,924	-	-
Equity mutual fund - global	41,573,025	41,573,025	-	-
Equity mutual fund - U.S.	25,551,652	25,551,652	-	-
Equity securities - U.S.	41,598,756	41,558,635	40,121	-
Real estate trust fund	10,418,501	-	-	10,418,501
Total investments	\$ 196,397,759	132,824,541	52,283,806	11,289,412

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 \$8,860,250 are valued based on quoted market prices of identical securities in active markets.

The County's pension trust fund holds \$3,565,507 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 \$165,754 of mutual fund holdings which are valued based on market values of identical shares in active markets (Level 1).

The County's Pension Trust Fund investment in shares of a private real estate trust is valued at fair value using predominantly Level 3 inputs to value the underlying net assets of the real estate trust.

### **3. 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 2018, 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.

### **4. Tax Abatement**

Cumberland County negotiates property tax abatement agreements on an individual basis. As of December 31, 2018, the County of Cumberland has tax abatement agreements with three entities for a total of three 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 choses to report all abatement agreements.

For the year ended December 31, 2018, the following schedule provides the LERTA eligible properties and their tax abatement:

**LERTA County Property Tax Abatement**

<u>Owner of Tax Parcel</u>	<u>Year of Abatement</u>	<u>Exempted Real Estate Valuation</u>	<u>Percentage of Abatement</u>	<u>Abated 2018 Real Estate Taxes</u>
Caprice Properties, LLC	5	435,200	40%	382
Mechanicsburg Real Estate Company, LP	5	6,700,700	50%	7,354
Wheelhouse Property, LLC	2	1,202,800	80%	2,112
Gross amount of County tax reduction				<u>\$ 9,848</u>

Note: The County millage for 2018 was 2.195 mills

**5. Receivables**

Amounts due from other governments are primarily grants receivable from the Commonwealth of Pennsylvania as of December 31, 2018, which are expected to be collected within one year.

The County nursing home has \$3,424,511 in net patient accounts receivable as of December 31, 2018, 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 \$661,207 against the gross patient accounts receivable. Of the County nursing home’s patient accounts receivable, \$99,196 is expected to be collected beyond one year.

Taxes receivable is reduced by an allowance for uncollectible accounts of \$739,607 for 2018 which is determined by a review of account status. Of the County’s delinquent taxes receivable, \$385,344 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, 2018 is \$11,954,214. Of that balance, the County has recognized an allowance for doubtful accounts of \$9,976,006. Of the County’s court costs and fines receivable, \$164,548 is expected to be collected beyond one year.

**6. Capital Assets**

Capital asset activity for the year ended December 31, 2018, was as follows:

	Beginning Balance	Additions	Sales and Other Dispositions *	Ending Balance
<b>Governmental activities</b>				
Capital assets, not being depreciated:				
Land	\$ 3,005,914	397,143	—	3,403,057
Construction in progress	3,450,957	3,817,651	(3,206,608)	4,062,000
Agricultural easements	9,913,997	499,914	—	10,413,911
Total capital assets, not being depreciated	<u>16,370,868</u>	<u>4,714,708</u>	<u>(3,206,608)</u>	<u>17,878,968</u>
Capital assets, being depreciated:				
Buildings and systems	86,572,267	1,197,483	(63,040)	87,706,710
Improvements other than buildings	2,582,514	—	—	2,582,514
Machinery and equipment	21,218,247	2,186,777	(554,915)	22,850,109
Bridges	17,464,151	292,465	(236,013)	17,520,603
Total capital assets being depreciated	<u>127,837,179</u>	<u>3,676,725</u>	<u>(853,968)</u>	<u>130,659,936</u>
Less accumulated depreciation for:				
Buildings and systems	(42,219,539)	(2,571,796)	57,804	(44,733,531)
Improvements other than buildings	(741,350)	(133,122)	—	(874,472)
Machinery and equipment	(15,165,470)	(1,883,497)	529,597	(16,519,370)
Bridges	(6,341,783)	(269,467)	236,013	(6,375,237)
Total accumulated depreciation	<u>(64,468,142)</u>	<u>(4,857,882)</u>	<u>823,414</u>	<u>(68,502,610)</u>
Total capital assets, being depreciated, net	<u>63,369,037</u>	<u>(1,181,157)</u>	<u>(30,554)</u>	<u>62,157,326</u>
Governmental activities capital assets, net	<u>\$ 79,739,905</u>	<u>3,533,551</u>	<u>(3,237,162)</u>	<u>80,036,294</u>

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

**6. 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	\$ —	—	—	—
Total capital assets, not being depreciated	—	—	—	—
Capital assets, being depreciated:				
Buildings and systems	26,535,312	—	—	26,535,312
Improvements other than buildings	738,972	—	—	738,972
Machinery and equipment	2,413,206	92,209	—	2,505,415
Total capital assets, being depreciated	29,687,490	92,209	—	29,779,699
Less accumulated depreciation for:				
Buildings and systems	(18,144,485)	(694,628)	—	(18,839,113)
Improvements other than buildings	(618,468)	(15,526)	—	(633,994)
Machinery and equipment	(1,646,597)	(125,524)	—	(1,772,121)
Total accumulated depreciation	(20,409,550)	(835,678)	—	(21,245,228)
Total capital assets, being depreciated, net	9,277,940	(743,469)	—	8,534,471
Business-type activities capital assets, net	\$ 9,277,940	(743,469)	—	8,534,471

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

**6. Capital Assets (continued)**

Depreciation expense was charged to the functions/programs of the County in 2018 as follows:

**Governmental activities**

General government - administrative	\$	1,348,598
General government - judicial		374,491
Corrections		1,252,954
Emergency telephone		750,678
Public safety		459,667
Roads and bridge maintenance		269,466
Recycling and waste management		85,773
Human services:		
Mental health/intellectual and developmental disabilities		11,181
Children and youth		4,960
Food and shelter		12,451
Office of aging		24,665
Other		9,366
Culture and recreation		12,726
Conservation		6,328
Economic development and assistance		13,600
Governmental activities-depreciation expense	\$	<u><u>4,636,904</u></u>

**Business-type activities**

County nursing home	\$	<u>835,678</u>
Business-type activities-depreciation expense	\$	<u><u>835,678</u></u>

During 2018, an impairment expense of \$220,978 occurred in governmental activities and is reported as a special item on the statement of activities when a software package did not reach its planned performance level.

**7. Interfund and Transfer Accounts**

The composition of interfund balances at December 31, 2018, follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	HealthChoices-Cumberland County	\$ 63,598
	County Nursing Home	155,592
	Non-major governmental funds	1,303,143
	Internal service fund	12,606
Children and Youth	General	321,388
MH/IDD	General	166,320
Non-major governmental funds	General	1,430,066
	Non-major governmental funds	474,491
Total		<u>\$ 3,927,204</u>

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

Transfers from the general fund are used, in part, to help finance various grant programs in other funds. Additionally, transfers are used to subsidize operations such as the 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, 2018, follow:

	<u>Transfers in</u>				<u>Total</u>
	<u>General Fund</u>	<u>MH/IDD</u>	<u>Children and Youth</u>	<u>Governmental Non-major</u>	
Transfers out:					
General Fund	\$ -	490,042	2,988,688	7,022,992	10,501,722
Children and Youth	-	-	-	68,000	68,000
Non-major funds	176,035	-	-	3,061,103	3,237,138
Total transfers outs	<u>\$ 176,035</u>	<u>490,042</u>	<u>2,988,688</u>	<u>10,152,095</u>	<u>13,806,860</u>

**8. Long-term Liabilities**

The following is a summary of the changes in the County’s long-term liabilities for the year ended December 31, 2018:

<u>Liabilities</u>	Balance January 1, 2018	Additions	Reductions	Balance December 31, 2018	Due Within One Year
<b>Governmental activities</b>					
Bonds and notes payable:					
Bonds	\$ 31,894,995	12,140,000	17,400,511	26,634,484	2,742,199
Notes	715,000	-	-	715,000	-
Notes (CAEDC)	640,804	1,173,834	73,195	1,741,443	587,493
Net premium (discount) on bonds and notes	<u>1,921,548</u>	<u>1,094,774</u>	<u>676,011</u>	<u>2,340,311</u>	<u>-</u>
Total bonds and notes payable	<u>35,172,347</u>	<u>14,408,608</u>	<u>18,149,717</u>	<u>31,431,238</u>	<u>3,329,692</u>
Sick and vacation	3,900,362	4,215,781	4,197,857	3,918,286	359,695
Other postemployment benefit obligations	1,143,649	155,565	144,263	1,154,951	-
Net pension liability	-	20,486,338	-	20,486,338	-
Workers' compensation	946,683	21,139	174,568	793,254	146,752
Software licensing agreements	162,607	-	81,304	81,303	81,303
Capital Leases	<u>962,128</u>	<u>-</u>	<u>240,532</u>	<u>721,596</u>	<u>240,532</u>
Governmental activities long- term liabilities	<u>\$ 42,287,776</u>	<u>39,287,431</u>	<u>22,988,241</u>	<u>58,586,966</u>	<u>4,157,974</u>
<b>Business-type activities</b>					
Bonds payable:					
Bonds	\$ 5,220,005	-	1,179,489	4,040,516	1,227,801
Net premium (discount) on bonds	<u>364,086</u>	<u>-</u>	<u>123,606</u>	<u>240,480</u>	<u>-</u>
Total bonds payable	<u>5,584,091</u>	<u>-</u>	<u>1,303,095</u>	<u>4,280,996</u>	<u>1,227,801</u>
Sick and vacation	456,312	928,123	973,887	410,548	50,290
Other postemployment benefit obligations	406,356	46,074	42,727	409,703	-
Net pension liability	<u>-</u>	<u>5,683,764</u>	<u>-</u>	<u>5,683,764</u>	<u>-</u>
Business-type activities long-term liabilities	<u>\$ 6,446,759</u>	<u>6,657,961</u>	<u>2,319,709</u>	<u>10,785,011</u>	<u>1,278,091</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, net pension 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 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, 2018.

All bonds and notes outstanding at December 31, 2018, 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	540,000	—
G.O. bonds – 2013 issue	2% - 5%	2021	14,670,000	2,334,484	2,490,516
G.O. bonds – 2014 issue	2% - 2.25%	2024	4,865,000	355,000	1,550,000
G.O. bonds – 2016 issue	2% - 5%	2028	11,470,000	11,265,000	—
G.O. bonds – 2018 issue	1.4% - 3%	2031	12,140,000	<u>12,140,000</u>	<u>—</u>
Long-term debt at December 31, 2018				27,349,484	4,040,516
Premium/Discount on notes				<u>2,340,311</u>	<u>240,480</u>
Net long-term debt at December 31, 2018				<u>\$ 29,689,795</u>	<u>4,280,996</u>

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, 2018, of the 2010 bond issue, \$540,000 benefits the general fund, and therefore, repayment will be budgeted from the general fund.

Of the outstanding balance at December 31, 2018, of the 2013 bond issue, \$2,490,516 benefits the County nursing home, \$2,024,484 benefits the emergency telephone fund and \$310,000 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, 2018, of the 2014 bond issue, \$1,550,000 benefits the County nursing home, \$355,000 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, 2018, of the 2016 bond issue, \$11,265,000 benefits the general fund, therefore, repayment will be budgeted in the general fund.

In 2018, the County issued general obligation bonds, series 2018 to refund the 2011 bonds. The proceeds of the 2018 bonds less issuance costs were used to call and fully defease the 2011 bonds. The refunding resulted in a \$990,656 reduction in payments and an economic gain of \$964,105 in total. Of the outstanding balance at December 31, 2018, of the 2018 bond issue, \$12,140,000 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, 2018, net nonelectoral debt limit, and combined net nonelectoral debt and net lease rental debt limit are \$566,717,651 and \$724,233,536 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, 2018, including interest payments, are as follows:

		Governmental Activities		Business- type Activities	
		Principal	Interest	Principal	Interest
2019	\$	2,742,199	1,118,363	1,227,801	113,604
2020		2,318,021	921,208	1,271,979	63,944
2021		2,464,264	808,138	745,736	28,840
2022		2,650,000	701,153	260,000	13,975
2023		2,040,000	559,950	265,000	8,725
2024-2028		9,055,000	1,324,300	270,000	3,038
2029-2033		6,080,000	310,675	—	—
Total	\$	<u>27,349,484</u>	<u>5,743,787</u>	<u>4,040,516</u>	<u>232,126</u>

**9. 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 \$579,896 for the year ended December 31, 2018.

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, 2018:

Year Ending December 31	Lease Payments
2019	\$ 500,840
2020	474,842
2021	354,815
2022	262,953
2023	218,885
2024-2026	174,834
Total	<u>\$ 1,987,169</u>

**B. Capital Leases**

In previous years, license agreements were entered into for the purchase of software in the amount of \$238,231 and a phone system for \$1,202,660. The software and phone system are depreciated over five years and ten years, respectively. The software and phone system had depreciation expense of \$47,646 and \$65,358 along with accumulated depreciation of \$71,469 and \$1,142,527, respectively, in 2018.

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, 2018, were as follows:

	<b>Governmental Activities</b>
2019	\$ 240,532
2020	240,532
2021	240,532
Present value of net minimum lease payments	<u>\$ 721,596</u>

**10. 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 January 1, 2017, the date of the latest actuarial valuation:

	<u>Primary Government</u>	<u>Component Unit</u>	<u>Total</u>
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 \$1,575,810 was measured as of December 31, 2018, and was determined by an actuarial valuation as of that date.

**C. Actuarial Assumptions**

The total OPEB liabilities in the December 31, 2018, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0 percent
Wage increases	3.50 percent, average, including inflation
Discount rate	4.11 percent
Healthcare cost trend rates	5.50 percent for 2019 decreasing to an ultimate rate of 3.84 percent by 2075
Retirees' share of benefit-related costs	100 percent of projected health insurance premiums for retirees.

The discount rate of 4.11 percent is based on the Bond Buyer General Obligation 20-year Municipal Bond Index at December 31, 2018.

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

The actuarial assumptions used in the December 31, 2018, valuation were based on past experience under the plan and reasonable future expectations which represent our best estimate of anticipated experience under the plan.

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

	<b>Total OPEB Liability</b>
<b>Balance at January 1, 2018</b>	\$ <u>1,561,039</u>
<b>Changes for the year:</b>	
Service cost	80,243
Interest	53,243
Changes in benefit terms	-
Difference between expected and actual experience	-
Changes in assumptions or other inputs	69,840
Benefit payments	<u>(188,555)</u>
<b>Net changes</b>	<u>14,771</u>
<b>Balance at December 31, 2018</b>	\$ <u><u>1,575,810</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 3.44 to 4.11 percent. Health care cost trend rates changed from 5.50 percent for 2019 and 3.84 percent by 2075.

**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 (3.11 percent) or 1-percentage-point higher (5.11 percent) than the current discount rate:

	<b>1% Decrease (3.11%)</b>	<b>Discount Rate (4.11%)</b>	<b>1% Increase (5.11%)</b>
Primary government	\$ <u>1,692,114</u>	<u>1,564,654</u>	<u>1,441,039</u>
Component unit	<u>14,162</u>	<u>11,156</u>	<u>12,061</u>
Total OPEB Liability	\$ <u><u>1,706,276</u></u>	<u><u>1,575,810</u></u>	<u><u>1,453,100</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 (4.5 percent decreasing to 2.84) or 1-percentage-point higher (6.5 percent decreasing to 4.84 percent)

	<b>1% Decrease (4.5% decreasing to 2.84%)</b>	<b>Healthcare Cost Trend Rates (5.5% decreasing to 3.84%)</b>	<b>1% Increase (6.5% decreasing to 4.84%)</b>
Primary government	\$ 1,365,356	1,564,654	1,795,711
Component unit	11,427	11,156	15,029
<b>Total OPEB Liability</b>	<b>\$ 1,376,783</b>	<b>1,575,810</b>	<b>1,810,740</b>

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

For the year ended December 31, 2018, the County recognized negative OPEB expense of \$37,146. At December 31, 2018, 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	\$ 108,280	849	109,129
<b>Total deferred outflow of resources</b>	<b>\$ 108,280</b>	<b>849</b>	<b>109,129</b>

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>
2019	\$ 17,783	139	17,922
2020	17,783	139	17,922
2021	17,783	139	17,922
2022	17,783	139	17,922
2023	17,783	139	17,922
Thereafter	19,365	154	19,519
	<b>\$ 108,280</b>	<b>849</b>	<b>109,129</b>

**11. 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, 2018, 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	656	3	659
Inactive plan members entitled to but not yet			
receiving benefits	143	1	144
Active employees	1,115	9	1,124
Total membership	<u>1,914</u>	<u>13</u>	<u>1,927</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 2018 was \$2,854,381 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 2, Deposits and Investments.

#### ***Concentrations***

The limit on concentrations is part of the investment policy described in the Policies section of Note 2, Deposits and Investments.

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

For the year ended December 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (5.39) 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, 2018, 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, 2018, the pension plan does not have any allocated insurance contracts that are excluded from pension plan assets.

**F. Reserves**

As of December 31, 2018, 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**

The components of net pension liability at December 31, 2018, were as follows:

	<u>Primary government</u>	<u>Component unit</u>	<u>Total</u>
Total pension liability	\$ 221,282,069	1,870,690	223,152,759
Plan fiduciary net position (allocated)	<u>195,111,967</u>	<u>1,649,440</u>	<u>196,761,407</u>
Net pension liability	<u>\$ 26,170,102</u>	<u>221,250</u>	<u>26,391,352</u>
Plan fiduciary net position as a percentage of the total pension liability	88.17%	88.17%	88.17%

There is a \$43,703 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, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	3.5%
Investment rate of return	7.0%, 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, 2018, 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 ad hoc 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, 2018, (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**

In 2018, the County adjusted its discount rate (long-term expected rate of return) used to measure the total pension liability from 7.5% to 7.0%. This change in assumption was to better reflect future expectations. 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, 2017</b>	\$ 204,556,583	213,298,547	(8,741,964)
<b>Changes for the year:</b>			
Service cost	4,139,378	-	4,139,378
Interest	14,949,775	-	14,949,775
Differences between expected and actual experience	(1,005,613)	-	(1,005,613)
Changes of assumptions	11,064,623	-	11,064,623
Contributions-employer	-	2,854,381	(2,854,381)
Contributions-member	-	3,551,808	(3,551,808)
Net investment income	-	(12,138,299)	12,138,299
Benefit payments, including refunds of members contribution	(10,551,987)	(10,551,987)	-
Plan administration expense	-	(253,043)	253,043
<b>Net changes</b>	<u>18,596,176</u>	<u>(16,537,140)</u>	<u>35,133,316</u>
<b>Balances as of December 31, 2018</b>	\$ <u>223,152,759</u>	<u>196,761,407</u>	<u>26,391,352</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 7.00 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 (6.00 percent) and 1-percentage-point higher (8.00 percent) than the current rate.

	<b>1% Decrease (6.00%)</b>	<b>Current Discount (7.00%)</b>	<b>1% Increase (8.00%)</b>
Primary government	\$ 63,966,018	26,170,102	234,823
Component unit	540,760	221,250	1,985
Total net pension liability	<u>\$ 64,506,778</u>	<u>26,391,352</u>	<u>236,808</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, 2018, pension expense was \$9,119,712. Pension expense for the primary government and component unit was \$9,041,173 and \$78,539, respectively.

At December 31, 2018, 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>
Deferred difference- projected and actual pension earnings	\$ 16,480,672	136,236	16,616,908
Deferred difference-expected and actual experience	1,400,763	9,864	1,410,627
Deferred difference-change of NPL assumptions	<u>8,859,955</u>	<u>76,857</u>	<u>8,936,812</u>
Total deferred outflows of resources	<u>\$ 26,741,390</u>	<u>222,957</u>	<u>26,964,347</u>

**Deferred inflows of resources:**

Deferred difference-expected and actual experience	<u>1,280,251</u>	<u>11,106</u>	<u>1,291,357</u>
Total deferred inflows of resources	<u>\$ 1,280,251</u>	<u>11,106</u>	<u>1,291,357</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>
2019	\$	8,376,604	70,815	8,447,419
2020		5,552,762	46,942	5,599,704
2021		4,932,230	41,696	4,973,926
2022		7,454,713	63,021	7,517,734
2023		425,081	483	425,564
	\$	<u>26,741,390</u>	<u>222,957</u>	<u>26,964,347</u>

**Deferred inflows of resources:**

		<b>Primary Government</b>	<b>Component Unit</b>	<b>Total</b>
2019	\$	335,740	2,838	338,578
2020		335,740	2,838	338,578
2021		335,740	2,838	338,578
2022		234,959	1,986	236,945
2023		38,072	606	38,678
	\$	<u>1,280,251</u>	<u>11,106</u>	<u>1,291,357</u>

At December 31, 2018, 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.

**12. Litigation**

The County is involved in several lawsuits arising in the normal course of business. It is the County solicitor’s opinion that the aggregate amount of potential claims not covered by insurance resulting from actions against the County would not materially affect the financial position of the County at December 31, 2018.

**13. Commitments and Contingencies**

**Commitments**

The County has significant contractual commitments related to various construction projects. At December 31, 2018, the County’s commitments are as follows:

<u>Project</u>	<u>Expended Through December 31, 2018</u>	<u>Remaining Commitment</u>
County Bridge Replacement	\$8,979,796	\$6,195,295

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.

**14. Self-Insurance**

**Workers’ Compensation**

The County has established a workers’ compensation fund (an internal service fund) to account for and finance its uninsured risks of loss due to employee claims. Under this program, the workers’ compensation fund provides coverage for up to a maximum of \$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.

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.

Changes in the fund’s claims liability (net of excess insurance) for the years ended December 31, 2018, and December 31, 2017, were:

	<u>Beginning of Year Liability</u>	<u>Provision for Claims</u>		<u>Claim Payments</u>		<u>End of Year Liability</u>
		<u>Current Year</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Prior Years</u>	
2018	\$ 946,683	590,445	(569,306)	137,307	37,261	793,254
2017	\$ 976,804	368,891	(300,307)	101,457	(2,752)	946,683

**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. Beginning January 1, 2018 all medical will be reported together in the self-insurance footnote.

	<u>Beginning of Year Liability</u>	<u>Provision for Claims</u>		<u>Claim Payments</u>		<u>End of Year Liability</u>
		<u>Current Year</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Prior Years</u>	
2018	\$ 36,000	9,674	(7,603)	9,674	28,397	-
2017	\$ 30,000	389,262	(1,052)	353,262	28,948	36,000

**Health Care Self Insurance**

Beginning January 1, 2018, the County became self-funded for both the HRA and HSA medical plans. This change was made to help control health care cost for the County. A self-funded plan is when an employer assumes the financial risk for providing health care benefits to its employees. Rather than paying fixed premiums to an insurance carrier, who in turn assumes the financial risk, an employer will only fund the actual claims incurred by their employees. The County carries stop-loss insurance that provides protection for claims exceeding \$200,000 for an individual. Claims may be submitted no longer than twelve months from the date of service. The County estimates year-end claim liabilities based on the IBNR received from USI for the fourth quarter.

	<u>Beginning of Year Liability</u>	<u>Provision for Claims</u>		<u>Claim Payments</u>		<u>End of Year Liability</u>
		<u>Current Year</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Prior Years</u>	
2018	\$ -	13,918,281	8,164	12,880,647	8,164	1,037,634

## **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, 2018*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
<b>REVENUES</b>				
Taxes:				
Real estate taxes	\$ 52,694,177	52,694,177	53,000,474	306,297
Per capita taxes	500	500	764	264
Library taxes	3,985,105	3,985,105	4,003,278	18,173
Licenses and permits	175,992	175,992	224,857	48,865
Grants	3,259,540	3,259,540	2,890,908	(368,632)
County charges	13,140,076	13,140,076	13,806,092	666,016
Court costs, fines, and forfeitures	1,231,697	1,231,697	1,691,205	459,508
Interest	202,100	202,100	915,307	713,207
Contributions and other	76,000	76,000	142,451	66,451
Payment in lieu of taxes	132,275	132,275	241,053	108,778
Total revenues	<u>74,897,462</u>	<u>74,897,462</u>	<u>76,916,389</u>	<u>2,018,927</u>
<b>EXPENDITURES</b>				
Current:				
General government – administrative:				
Commissioners	1,026,147	1,012,027	904,844	107,183
Solicitors	331,229	333,729	320,212	13,517
Elections	931,468	923,968	835,397	88,571
Controller	1,120,156	1,088,656	1,056,240	32,416
Finance office	864,080	868,580	840,702	27,878
Tax claims	248,958	251,958	224,955	27,003
Treasurer	321,960	331,460	313,046	18,414
Tax collectors administration	304,165	304,165	290,788	13,377
Personnel	739,726	726,226	525,733	200,493
Tax assessment	1,152,171	1,116,471	1,069,866	46,605
Recorder of Deeds	400,929	422,429	404,425	18,004
Administrative services	447,270	429,570	328,070	101,500
Information management and technology office	2,073,697	2,061,280	1,765,964	295,316
Enterprise resource management office	755,301	759,301	549,937	209,364
Insurance	393,473	399,262	399,188	74
Human services fiscal operations	184,225	186,725	183,349	3,376
County buildings	3,737,909	5,252,771	4,174,981	1,077,790
Planning	823,446	841,146	818,824	22,322
Pooled reserves-program innovation, improvements and contingencies	1,852,076	1,083,484	—	1,083,484
Pooled reserves-contingencies	500,000	645,376	—	645,376
Debt retirement	2,672	2,689	1,811	878
Homestead	57,762	59,960	59,393	567
Uniform Parcel Identifier	94,361	102,361	100,007	2,354
Program subsidy	139,300	139,300	97,376	41,924
Total general government – administrative	<u>18,502,481</u>	<u>19,342,894</u>	<u>15,265,108</u>	<u>4,077,786</u>
General government – judicial:				
Building security	442,213	444,213	373,593	70,620
Courts	4,407,778	4,710,866	4,591,686	119,180
Court appointed advocate	225,575	236,575	229,248	7,327
District judges	3,374,392	3,312,693	3,147,917	164,776
Law library	235,814	235,814	228,384	7,430
Clerk of Court	730,885	694,760	661,922	32,838
Coroner	1,137,763	1,226,312	1,207,763	18,549

(continued)

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

**General Fund**

*For the year ended December 31, 2018*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

(continued)	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
<b>EXPENDITURES</b>				
Current (continued):				
General government - judicial (continued):				
Public defender	\$ 1,400,944	1,494,944	1,424,039	70,905
District Attorney	2,506,040	2,372,440	2,258,744	113,696
Prothonotary	611,818	590,818	525,735	65,083
Register of Wills	587,449	578,449	520,224	58,225
Sheriff	3,232,167	3,406,696	3,178,423	228,273
Total general government – judicial	18,892,838	19,304,580	18,347,678	956,902
Public safety:				
DA crime investigation	609,366	635,431	589,943	45,488
DA justice services	806,189	1,019,236	789,318	229,918
HAZMAT	222,425	249,240	191,443	57,797
Vector control	337,014	327,814	292,477	35,337
Fire training	17,266	17,266	13,887	3,379
Public safety	579,138	592,638	565,997	26,641
Total public safety	2,571,398	2,841,625	2,443,065	398,560
Corrections:				
County prison	14,101,566	13,764,336	13,425,647	338,689
Probation and parole	5,249,075	5,335,977	5,096,317	239,660
Total corrections	19,350,641	19,100,313	18,521,964	578,349
Human services	4,556,701	5,178,122	5,154,923	23,199
Culture and recreation	4,882,316	4,869,766	4,867,571	2,195
Conservation and development	1,752,096	1,780,246	1,122,848	657,398
Economic development	1,820,063	1,820,063	1,394,770	425,293
Total expenditures	72,328,534	74,237,609	67,117,927	7,119,682
Excess of revenues over expenditures	2,568,928	659,853	9,798,462	9,138,609
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	4,441,330	4,441,330	5,082,706	641,376
Transfers out	(11,990,391)	(12,090,391)	(11,064,990)	1,025,401
Proceeds from insurance recovery	—	—	8,729	8,729
Proceeds from sale of assets	—	—	17,122	17,122
Total other financing sources (uses)	(7,549,061)	(7,649,061)	(5,956,433)	1,692,628
Net change in fund balance	(4,980,133)	(6,989,208)	3,842,029	10,831,237
Fund balance, beginning of year	30,070,566	30,070,566	40,658,749	10,588,183
Fund balance, end of year	\$ 25,090,433	23,081,358	44,500,778	21,419,420

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, 2018*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
<b>REVENUES</b>				
Grants	\$ 14,650,897	14,755,047	14,687,077	(67,970)
County charges	1,673,060	1,705,060	1,664,513	(40,547)
Interest	2,000	2,000	21,647	19,647
Contributions and other	127,191	127,191	106,267	(20,924)
Total revenues	<u>16,453,148</u>	<u>16,589,298</u>	<u>16,479,504</u>	<u>(109,794)</u>
<b>EXPENDITURES</b>				
Current:				
Human services	17,012,065	17,140,933	16,978,380	162,553
Capital outlay	—	7,282	7,282	—
Total expenditures	<u>17,012,065</u>	<u>17,148,215</u>	<u>16,985,662</u>	<u>162,553</u>
Deficiency of revenues under expenditures	<u>(558,917)</u>	<u>(558,917)</u>	<u>(506,158)</u>	<u>52,759</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>558,917</u>	<u>558,917</u>	<u>515,347</u>	<u>43,570</u>
Total other financing sources	<u>558,917</u>	<u>558,917</u>	<u>515,347</u>	<u>43,570</u>
Net change in fund balance	<u>—</u>	<u>—</u>	<u>9,189</u>	<u>96,329</u>
Fund balance, beginning of year	<u>130,233</u>	<u>130,233</u>	<u>130,080</u>	<u>(153)</u>
Fund balance, end of year	<u>\$ 130,233</u>	<u>130,233</u>	<u>139,269</u>	<u>96,176</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, 2018*

**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	\$ 15,430,402	16,328,938	16,648,243	319,305
County charges	278,169	401,444	499,943	98,499
Total revenues	<u>15,708,571</u>	<u>16,730,382</u>	<u>17,148,186</u>	<u>417,804</u>
<b>EXPENDITURES</b>				
Current:				
Human services	19,232,404	20,254,215	20,249,426	4,789
Total expenditures	<u>19,232,404</u>	<u>20,254,215</u>	<u>20,249,426</u>	<u>4,789</u>
Deficiency of revenues under expenditures	<u>(3,523,833)</u>	<u>(3,523,833)</u>	<u>(3,101,240)</u>	<u>422,593</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,591,833	3,591,833	3,169,240	(422,593)
Transfers out	<u>(68,000)</u>	<u>(68,000)</u>	<u>(68,000)</u>	<u>—</u>
Total other financing sources (uses)	<u>3,523,833</u>	<u>3,523,833</u>	<u>3,101,240</u>	<u>(422,593)</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, 2018*

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	\$ 36,307,143	40,426,736	39,228,080	(1,198,656)
Interest	350	1,889	1,889	—
Total revenues	<u>36,307,493</u>	<u>40,428,625</u>	<u>39,229,969</u>	<u>(1,198,656)</u>
<b>EXPENDITURES</b>				
Current:				
Human services	36,307,493	40,428,625	39,229,969	1,198,656
Total expenditures	<u>36,307,493</u>	<u>40,428,625</u>	<u>39,229,969</u>	<u>1,198,656</u>
Excess of revenues over expenditures	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>OTHER FINANCING USES</b>				
Transfers out	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total other financing uses	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balance	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance, beginning of year	<u>8,185</u>	<u>8,185</u>	<u>8,185</u>	<u>—</u>
Fund balance, end of year	<u>\$ 8,185</u>	<u>8,185</u>	<u>8,185</u>	<u>—</u>

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

**REQUIRED SUPPLEMENTARY INFORMATION****EMPLOYEES' RETIREMENT PLAN SCHEDULES****COUNTY OF CUMBERLAND, PENNSYLVANIA****Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios  
Last 10 Years Available**

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

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.

<u>2017</u>	<u>2018</u>
5,309,011	4,139,378
14,522,698	14,949,775
-	-
(769,513)	(1,005,613)
-	11,064,623
<u>(10,428,840)</u>	<u>(10,551,987)</u>
8,633,356	18,596,176
195,923,227	204,556,583
<u>204,556,583</u>	<u>223,152,759</u>
3,805,364	2,854,381
3,352,587	3,551,808
28,128,035	(12,138,299)
(10,428,840)	(10,551,987)
<u>(208,237)</u>	<u>(253,043)</u>
24,648,909	(16,537,140)
<u>188,649,638</u>	<u>213,298,547</u>
<u>213,298,547</u>	<u>196,761,407</u>
<u>(8,741,964)</u>	<u>26,391,352</u>
104.27 %	88.17 %
54,909,779	55,755,116
(15.92) %	47.33 %

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

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

	<b>Schedule of County Contributions</b>			
	<b>Last 10 Years Available</b>			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
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	17 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	7.0%, 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**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
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.

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2018

2,854,381

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2,854,381

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-

55,755,116

5.12 %

1/1/2018

---

2018

(5.39) %

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

**December 31, 2018**

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>	<u>2018</u>
<b>OPEB liability</b>		
Service cost	\$ 58,180	80,243
Interest	56,911	53,243
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	63,493	69,840
Benefit payments, including refunds of member contributions	<u>(123,115)</u>	<u>(188,555)</u>
Net change in total OPEB liability	55,469	14,771
Total OPEB liability-beginning	<u>1,505,570</u>	<u>1,561,039</u>
Total OPEB liability-ending	<u>\$ 1,561,039</u>	<u>1,575,810</u>

**Notes to Schedule**

*Change of assumptions* . Changes of assumptions and other 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 %
2018	4.11

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, 2018**

**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, 2018, or on a fiscal year ended June 30, 2018. 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, 2018, follows:

	<u>General Fund</u>
Budgetary basis- net change in fund balance	\$ 3,842,029
Adjustments:	
To adjust revenues, expenditures and other financing sources/uses:	
Net fund budget-related revenues, expenditures and other financing sources/uses:	(108,890)
Fund balance effect from funds included in GAAP statements:	
Criminal justice and intermediate punishment	(5,671)
Offender supervision fund	<u>100,608</u>
GAAP basis - net change in fund balance	<u>\$ 3,828,076</u>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (unaudited) December 31, 2018**

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 \$2,009,075. 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***

---

#### **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***

---

**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, 2018*

**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	\$ 2,242,211	28,924	586,762	—	—	15,351	1,222,960
Investments	—	—	—	—	—	—	—
Restricted cash	—	—	—	—	—	—	—
Receivables:							
Taxes	—	—	—	—	—	—	—
Due from other governments	484,601	341,654	191,793	895	44,141	40,678	—
Accounts receivable	—	—	169,706	—	59,512	587	—
Due from other funds	—	—	—	1,276	139,665	1,217,000	—
Prepaid items	—	—	—	—	—	—	—
Total assets	<u>\$ 2,726,812</u>	<u>370,578</u>	<u>948,261</u>	<u>2,171</u>	<u>243,318</u>	<u>1,273,616</u>	<u>1,222,960</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 154,583	1,224	260,291	190	77,997	209,816	—
Accrued liabilities and withholdings	—	48,543	40,582	1,981	5,929	26,378	—
Remediation liability	—	—	—	—	—	—	—
Due to other funds	—	309,634	211,051	—	—	—	19,151
Due to other governments	—	—	—	—	—	—	1,190,504
Unearned revenue	—	—	237,777	—	40,987	31,473	—
Funds held as fiduciary	—	11,177	—	—	—	—	—
Total liabilities	<u>154,583</u>	<u>370,578</u>	<u>749,701</u>	<u>2,171</u>	<u>124,913</u>	<u>267,667</u>	<u>1,209,655</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue	—	—	—	—	—	—	—
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>FUND BALANCES</b>							
Nonspendable:							
Prepaid items	—	—	—	—	—	—	—
Loans receivable greater than one year	—	—	—	—	—	—	—
Restricted:							
Roads and bridge maintenance	2,572,229	—	—	—	—	—	—
Human services	—	—	194,184	—	118,405	1,005,949	—
Public safety	—	—	—	—	—	—	—
Row office automation	—	—	—	—	—	—	—
Marcellus shale	—	—	—	—	—	—	—
Conservation	—	—	—	—	—	—	—
Economic development and assistance	—	—	—	—	—	—	—
General obligation debt	—	—	—	—	—	—	—
Assigned:							
Human services	—	—	4,376	—	—	—	13,305
Capital projects	—	—	—	—	—	—	—
Economic development and assistance	—	—	—	—	—	—	—
Total fund balances	<u>2,572,229</u>	<u>—</u>	<u>198,560</u>	<u>—</u>	<u>118,405</u>	<u>1,005,949</u>	<u>13,305</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,726,812</u>	<u>370,578</u>	<u>948,261</u>	<u>2,171</u>	<u>243,318</u>	<u>1,273,616</u>	<u>1,222,960</u>

(continued)

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

*December 31, 2018*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

(unaudited)

	Special Revenue						
	Witness Assistance	ARD/DUI Program	Records Improvement	Recycling and Waste	Affordable Housing	Hotel Tax	Emergency Telephone
(continued)							
<b>ASSETS</b>							
Cash and cash equivalents	\$ 4,715	—	156,446	843,782	44,179	1,032,710	2,710,304
Investments	—	—	—	—	—	—	—
Restricted cash	—	—	—	—	—	—	—
Receivables:							
Taxes	—	—	—	—	—	134,778	—
Due from other governments	112,173	—	—	87,148	—	—	1,410,989
Accounts receivable	—	—	—	—	—	—	75
Due from other funds	45,410	20,453	6,262	—	—	—	—
Prepaid items	50	—	—	—	—	—	165,790
Total assets	<u>\$ 162,348</u>	<u>20,453</u>	<u>162,708</u>	<u>930,930</u>	<u>44,179</u>	<u>1,167,488</u>	<u>4,287,158</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 3,032	20,453	3,917	9,415	27,244	—	41,531
Accrued liabilities and withholdings	8,658	—	1,140	2,165	—	—	85,618
Remediation liability	—	—	—	—	—	—	—
Due to other funds	—	—	—	8,269	8,701	1,167,488	53,340
Due to other governments	—	—	—	—	—	—	—
Unearned revenue	—	—	—	—	—	—	—
Funds held as fiduciary	—	—	—	—	—	—	—
Total liabilities	<u>11,690</u>	<u>20,453</u>	<u>5,057</u>	<u>19,849</u>	<u>35,945</u>	<u>1,167,488</u>	<u>180,489</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue	—	—	—	—	—	—	—
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>FUND BALANCES</b>							
Nonspendable:							
Prepaid items	50	—	—	—	—	—	165,790
Loans receivable greater than one year	—	—	—	—	—	—	—
Restricted:							
Roads and bridge maintenance	—	—	—	—	—	—	—
Human services	—	—	—	—	—	—	—
Public safety	150,608	—	—	—	—	—	3,940,879
Row office automation	—	—	157,651	—	—	—	—
Marcellus shale	—	—	—	—	—	—	—
Conservation	—	—	—	911,081	—	—	—
Economic development and assistance	—	—	—	—	8,234	—	—
General obligation debt	—	—	—	—	—	—	—
Assigned:							
Human services	—	—	—	—	—	—	—
Capital projects	—	—	—	—	—	—	—
Economic development and assistance	—	—	—	—	—	—	—
Total fund balances	<u>150,658</u>	<u>—</u>	<u>157,651</u>	<u>911,081</u>	<u>8,234</u>	<u>—</u>	<u>4,106,669</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 162,348</u>	<u>20,453</u>	<u>162,708</u>	<u>930,930</u>	<u>44,179</u>	<u>1,167,488</u>	<u>4,287,158</u>

(Continued)

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

*December 31, 2018*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

(unaudited)

	<u>Special Revenue</u>			<u>Capital</u>	<u>Total</u>
	<u>CAEDC</u>	<u>Total</u>	<u>Debt</u>	<u>Projects</u>	<u>Nonmajor</u>
			<u>Service</u>	<u>Fund</u>	<u>Governmental</u>
					<u>Funds</u>
(continued)					
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,153,930	10,042,274	14,793	1,155,080	11,212,147
Investments	1,197,600	1,197,600	—	—	1,197,600
Restricted cash	407,104	407,104	—	—	407,104
Receivables:					
Taxes	—	134,778	—	—	134,778
Due from other governments	48,855	2,762,927	—	—	2,762,927
Accounts receivable	1,038,140	1,268,020	—	—	1,268,020
Due from other funds	474,491	1,904,557	—	—	1,904,557
Prepaid items	144,916	310,756	—	—	310,756
Total assets	\$ 4,465,036	18,028,016	14,793	1,155,080	19,197,889
<b>LIABILITIES</b>					
Accounts payable	\$ 333,372	1,143,065	—	16,418	1,159,483
Accrued liabilities and withholdings	—	220,994	—	—	220,994
Remediation liability	5,125	5,125	—	—	5,125
Due to other funds	—	1,777,634	—	—	1,777,634
Due to other governments	—	1,190,504	—	—	1,190,504
Unearned revenue	20,315	330,552	—	—	330,552
Funds held as fiduciary	—	11,177	—	—	11,177
Total liabilities	358,812	4,679,051	—	16,418	4,695,469
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	495,986	495,986	—	—	495,986
Total deferred inflows of resources	495,986	495,986	—	—	495,986
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid items	144,916	310,756	—	—	310,756
Loans receivable greater than one year	895,310	895,310	—	—	895,310
Restricted:					
Roads and bridge maintenance	—	2,572,229	—	—	2,572,229
Human services	—	1,318,538	—	—	1,318,538
Public safety	—	4,091,487	—	—	4,091,487
Row office automation	—	157,651	—	—	157,651
Marcellus shale	—	—	—	669,326	669,326
Conservation	—	911,081	—	—	911,081
Economic development and assistance	407,104	415,338	—	—	415,338
General obligation debt	—	—	14,793	—	14,793
Assigned:					
Human services	—	17,681	—	—	17,681
Capital projects	—	—	—	469,336	469,336
Economic development and assistance	2,162,908	2,162,908	—	—	2,162,908
Total fund balances	3,610,238	12,852,979	14,793	1,138,662	14,006,434
Total liabilities, deferred inflows of resources and fund balances	\$ 4,465,036	18,028,016	14,793	1,155,080	19,197,889

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

*For the year ended December 31, 2018*

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>REVENUES</b>							
Taxes	\$ —	—	—	—	—	—	—
Grants	1,056,044	2,273,093	3,919,221	135,128	689,149	2,630,492	—
County charges	1,063,036	17,268	473,892	—	82,784	565,781	—
Court costs, fines and forfeitures	—	12,028	—	—	—	217,059	—
Interest	8,877	1,730	3,178	—	10	—	9,964
Contributions and other	—	—	31,640	—	4,200	16,950	—
Total revenues	<u>2,127,957</u>	<u>2,304,119</u>	<u>4,427,931</u>	<u>135,128</u>	<u>776,143</u>	<u>3,430,282</u>	<u>9,964</u>
<b>EXPENDITURES</b>							
Current:							
General government – administrative	—	—	—	—	—	—	—
General government – judicial	—	3,333,951	—	—	—	—	—
Emergency telephone	—	—	—	—	—	—	—
Public works and enterprises	275,893	—	—	—	—	—	—
Human services	—	—	4,620,452	126,009	852,754	3,492,492	—
Economic development and assistance	—	—	—	—	—	—	—
Debt service:							
Principal retirement	—	—	—	—	—	—	—
Debt interest	—	—	—	—	—	—	—
Fiscal charges	—	—	—	—	—	—	—
Payment for refunding bond escrow	—	—	—	—	—	—	—
Capital outlay	983,877	42,235	23,553	—	—	—	—
Payments to other governments	2,561	—	—	—	—	—	—
Total expenditures	<u>1,262,331</u>	<u>3,376,186</u>	<u>4,644,005</u>	<u>126,009</u>	<u>852,754</u>	<u>3,492,492</u>	<u>—</u>
Excess (deficiency) of revenues over (under) expenditures	<u>865,626</u>	<u>(1,072,067)</u>	<u>(216,074)</u>	<u>9,119</u>	<u>(76,611)</u>	<u>(62,210)</u>	<u>9,964</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	—	1,072,067	208,145	79,062	88,181	309,295	—
Transfers out	—	—	—	(88,181)	—	(89,229)	—
Proceeds from refunding bond issued	—	—	—	—	—	—	—
Payment for refunding bond escrow	—	—	—	—	—	—	—
Premium on refunding bond issued	—	—	—	—	—	—	—
Proceeds received from line of credit	—	—	—	—	—	—	—
Proceeds from insurance recovery	187,502	—	—	—	—	—	—
Total other financing sources (uses)	<u>187,502</u>	<u>1,072,067</u>	<u>208,145</u>	<u>(9,119)</u>	<u>88,181</u>	<u>220,066</u>	<u>—</u>
Net changes in fund balances	1,053,128	—	(7,929)	—	11,570	157,856	9,964
Fund balances, beginning of year	1,519,101	—	206,489	—	106,835	848,093	3,341
Fund balances, end of year	<u>\$ 2,572,229</u>	<u>—</u>	<u>198,560</u>	<u>—</u>	<u>118,405</u>	<u>1,005,949</u>	<u>13,305</u>

(continued)

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

Nonmajor Governmental Funds

For the year ended December 31, 2018

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

(continued)	Special Revenue						
	Witness Assistance	ARD/DUI Program	Records Improvement	Recycling and Waste	Affordable Housing	Hotel Tax	Emergency Telephone
<b>REVENUES</b>							
Taxes	\$ —	—	—	—	—	2,178,798	—
Grants	386,564	—	—	334,196	—	—	—
County charges	33,515	286,668	154,880	310,821	184,472	—	5,713,151
Court costs, fines and forfeitures	2,054	—	—	—	—	—	—
Interest	—	—	60	2,281	390	4,415	21,383
Contributions and other	2,000	—	—	21,500	—	—	300
Total revenues	<u>424,133</u>	<u>286,668</u>	<u>154,940</u>	<u>668,798</u>	<u>184,862</u>	<u>2,183,213</u>	<u>5,734,834</u>
<b>EXPENDITURES</b>							
Current:							
General government – administrative	—	—	157,657	—	34,922	—	—
General government – judicial	—	123,840	—	—	—	—	—
Emergency telephone	—	—	—	—	—	—	4,907,131
Public works and enterprises	—	—	—	366,525	—	—	—
Human services	515,046	—	—	—	—	—	—
Economic development and assistance	—	—	—	—	—	43,553	—
Debt service:							
Principal retirement	—	—	—	—	—	—	—
Debt interest	—	—	—	—	—	—	—
Fiscal charges	—	—	—	—	—	—	—
Payment for refunding bond escrow	—	—	—	—	—	—	—
Capital outlay	—	—	—	256,872	—	—	9,023
Payments to other governments	—	—	—	—	157,500	—	11,392
Total expenditures	<u>515,046</u>	<u>123,840</u>	<u>157,657</u>	<u>623,397</u>	<u>192,422</u>	<u>43,553</u>	<u>4,927,546</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(90,913)</u>	<u>162,828</u>	<u>(2,717)</u>	<u>45,401</u>	<u>(7,560)</u>	<u>2,139,660</u>	<u>807,288</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	127,077	—	—	—	—	—	320,681
Transfers out	—	(162,828)	—	—	—	(2,139,660)	(757,240)
Proceeds from refunding bond issued	—	—	—	—	—	—	—
Payment for refunding bond escrow	—	—	—	—	—	—	—
Premium on refunding bond issued	—	—	—	—	—	—	—
Proceeds received from line of credit	—	—	—	—	—	—	—
Proceeds from insurance recovery	—	—	—	—	—	—	—
Total other financing sources (uses)	<u>127,077</u>	<u>(162,828)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(2,139,660)</u>	<u>(436,559)</u>
Net changes in fund balances	36,164	—	(2,717)	45,401	(7,560)	—	370,729
Fund balances, beginning of year	114,494	—	160,368	865,680	15,794	—	3,735,940
Fund balances, end of year	<u>\$ 150,658</u>	<u>—</u>	<u>157,651</u>	<u>911,081</u>	<u>8,234</u>	<u>—</u>	<u>4,106,669</u>

(continued)

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

**Nonmajor Governmental Funds**

*For the year ended December 31, 2018*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

(continued)	<u>Special Revenue</u>		Debt Service	Capital Projects Fund	Nonmajor Governmental Funds
	CAEDC	Total			
<b>REVENUES</b>					
Taxes	\$ —	2,178,798	—	—	2,178,798
Grants	175,436	11,599,323	—	370,785	11,970,108
County charges	331,721	9,217,989	—	—	9,217,989
Court costs, fines and forfeitures	—	231,141	—	—	231,141
Interest	25,973	78,261	—	12,338	90,599
Contributions and other	7,505	84,095	—	13,000	97,095
Total revenues	<u>540,635</u>	<u>23,389,607</u>	<u>—</u>	<u>396,123</u>	<u>23,785,730</u>
<b>EXPENDITURES</b>					
Current:					
General government – administrative	—	192,579	—	47,569	240,148
General government – judicial	—	3,457,791	—	—	3,457,791
Emergency telephone	—	4,907,131	—	—	4,907,131
Public works and enterprises	—	642,418	—	—	642,418
Human services	—	9,606,753	—	—	9,606,753
Economic development and assistance	2,961,299	3,004,852	—	—	3,004,852
Debt service:					
Principal retirement	—	—	4,602,347	—	4,602,347
Debt interest	—	—	875,290	—	875,290
Fiscal charges	—	—	144,552	—	144,552
Payment for refunding bond escrow	—	—	235,684	—	235,684
Capital outlay	1,338,595	2,654,155	—	15,720	2,669,875
Payments to other governments	—	171,453	—	—	171,453
Total expenditures	<u>4,299,894</u>	<u>24,637,132</u>	<u>5,857,873</u>	<u>63,289</u>	<u>30,558,294</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,759,259)</u>	<u>(1,247,525)</u>	<u>(5,857,873)</u>	<u>332,834</u>	<u>(6,772,564)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	2,234,265	4,438,773	5,713,321	—	10,152,094
Transfers out	—	(3,237,138)	—	—	(3,237,138)
Proceeds from refunding bond issued	—	—	12,140,000	—	12,140,000
Payment for refunding bond escrow	—	—	(13,075,429)	—	(13,075,429)
Premium on refunding bond issued	—	—	1,094,774	—	1,094,774
Proceeds received from line of credit	1,173,834	1,173,834	—	—	1,173,834
Proceeds from insurance recovery	—	187,502	—	—	187,502
Total other financing sources (uses)	<u>3,408,099</u>	<u>2,562,971</u>	<u>5,872,666</u>	<u>—</u>	<u>8,435,637</u>
Net changes in fund balances	(351,160)	1,315,446	14,793	332,834	1,663,073
Fund balances, beginning of year	3,961,398	11,537,533	—	805,828	12,343,361
Fund balances, end of year	\$ <u>3,610,238</u>	<u>12,852,979</u>	<u>14,793</u>	<u>1,138,662</u>	<u>14,006,434</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, 2018*

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:				
Liquid fuels tax	\$ 1,691,222	1,691,222	1,056,044	(635,178)
County charges	1,202,000	1,202,000	1,063,036	(138,964)
Interest	2,350	2,350	8,877	6,527
Total revenues	<u>2,895,572</u>	<u>2,895,572</u>	<u>2,127,957</u>	<u>(767,615)</u>
<b>EXPENDITURES</b>				
Current:				
Public works and enterprises	886,440	886,440	275,893	610,547
Capital outlay	2,520,147	2,517,586	983,877	1,533,709
Payments to other governments	—	2,561	2,561	—
Total expenditures	<u>3,406,587</u>	<u>3,406,587</u>	<u>1,262,331</u>	<u>2,144,256</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(511,015)</u>	<u>(511,015)</u>	<u>865,626</u>	<u>1,376,641</u>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from insurance recovery	—	—	187,502	187,502
Total other financing sources	<u>—</u>	<u>—</u>	<u>187,502</u>	<u>187,502</u>
Net change in fund balance	(511,015)	(511,015)	1,053,128	1,564,143
Fund balance, beginning of year	<u>1,182,132</u>	<u>1,182,132</u>	<u>1,519,101</u>	<u>336,969</u>
Fund balance, end of year	<u>\$ 671,117</u>	<u>671,117</u>	<u>2,572,229</u>	<u>1,901,112</u>

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

**Domestic Relations Office**

*For the year ended December 31, 2018*

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	\$ 2,379,892	2,379,892	2,273,093	(106,799)
County charges	2,900	2,900	17,268	14,368
Court costs, fines, and forfeitures	4,750	4,750	12,028	7,278
Interest	400	400	1,730	1,330
Total revenues	<u>2,387,942</u>	<u>2,387,942</u>	<u>2,304,119</u>	<u>(83,823)</u>
<b>EXPENDITURES</b>				
Current:				
General government – judicial	3,391,124	3,396,019	3,333,951	62,068
Capital outlay	62,515	57,620	42,235	15,385
Total expenditures	<u>3,453,639</u>	<u>3,453,639</u>	<u>3,376,186</u>	<u>77,453</u>
Deficiency of revenues under expenditures	<u>(1,065,697)</u>	<u>(1,065,697)</u>	<u>(1,072,067)</u>	<u>(6,370)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>1,065,697</u>	<u>1,065,697</u>	<u>1,072,067</u>	<u>6,370</u>
Total other financing sources	<u>1,065,697</u>	<u>1,065,697</u>	<u>1,072,067</u>	<u>6,370</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>

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

**Office of Aging**

*For the fiscal year ended June 30, 2018*

**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	\$ 3,837,904	4,071,992	4,018,857	(53,135)
County charges	261,300	248,929	292,043	43,114
Interest	700	700	2,067	1,367
Contributions and other	29,300	29,300	38,220	8,920
Total revenues	4,129,204	4,350,921	4,351,187	266
<b>EXPENDITURES</b>				
Current:				
Human services	4,415,533	4,656,473	4,534,820	121,653
Capital outlay	—	35,000	23,553	11,447
Total expenditures	4,415,533	4,691,473	4,558,373	133,100
Deficiency of revenues under expenditures	(286,329)	(340,552)	(207,186)	133,366
<b>OTHER FINANCING SOURCES</b>				
Transfers in	286,329	286,329	208,145	(78,184)
Total other financing sources	286,329	286,329	208,145	(78,184)
Net change in fund balance	—	(54,223)	959	55,182
Fund balance, beginning of year	247,217	247,217	247,217	—
Fund balance, end of year	\$ 247,217	192,994	248,176	55,182

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

**Human Services Development**

*For the fiscal year ended June 30, 2018*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
<b>REVENUES</b>				
Grants	\$ 129,187	129,187	129,187	—
Interest	50	50	—	(50)
Total revenues	129,237	129,237	129,187	(50)
<b>EXPENDITURES</b>				
Current:				
Human services	129,797	124,951	124,760	191
Total expenditures	129,797	124,951	124,760	191
Excess (deficiency) of revenues over (under) expenditures	(560)	4,286	4,427	141
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	79,203	79,203	79,062	(141)
Transfers out	(78,643)	(83,489)	(83,489)	—
Total other financing sources (uses)	560	(4,286)	(4,427)	(141)
Net change in fund balance	—	—	—	—
Fund balance, beginning of year	—	—	—	—
Fund balance, end of year	\$ —	—	—	—

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

**Food and Shelter**

*For the fiscal year ended June 30, 2018*

**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	\$ 702,258	702,258	704,926	2,668
County charges	142,540	142,540	86,803	(55,737)
Contributions and other	5,400	5,400	20	(5,380)
Interest	125	125	10	(115)
Total revenues	<u>850,323</u>	<u>850,323</u>	<u>791,759</u>	<u>(58,564)</u>
<b>EXPENDITURES</b>				
Current:				
Human services	<u>937,729</u>	<u>938,729</u>	<u>861,848</u>	<u>76,881</u>
Total expenditures	<u>937,729</u>	<u>938,729</u>	<u>861,848</u>	<u>76,881</u>
Deficiency of revenues under expenditures	<u>(87,406)</u>	<u>(88,406)</u>	<u>(70,089)</u>	<u>18,317</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	88,406	88,406	83,489	(4,917)
Transfers out	<u>(1,000)</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total other financing sources (uses)	<u>87,406</u>	<u>88,406</u>	<u>83,489</u>	<u>(4,917)</u>
Net change in fund balance	—	—	13,400	13,400
Fund balance, beginning of year	<u>100,909</u>	<u>100,909</u>	<u>100,909</u>	<u>—</u>
Fund balance, end of year	<u>\$ 100,909</u>	<u>100,909</u>	<u>114,309</u>	<u>13,400</u>

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

**Drug and Alcohol**

*For the fiscal year ended June 30, 2018*

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	\$ 2,033,848	2,446,517	2,233,489	(213,028)
County charges	489,542	489,542	565,584	76,042
Court costs, fines and forfeitures	165,100	165,100	215,252	50,152
Contributions and other	13,337	13,337	17,125	3,788
	<u>2,701,827</u>	<u>3,114,496</u>	<u>3,031,450</u>	<u>(83,046)</u>
<b>EXPENDITURES</b>				
Current:				
Human services	<u>2,977,808</u>	<u>3,372,886</u>	<u>3,180,784</u>	<u>192,102</u>
	<u>2,977,808</u>	<u>3,372,886</u>	<u>3,180,784</u>	<u>192,102</u>
Deficiency of revenues under expenditures	<u>(275,981)</u>	<u>(258,390)</u>	<u>(149,334)</u>	<u>109,056</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	310,860	310,860	325,612	14,752
Transfers out	<u>—</u>	<u>(17,591)</u>	<u>(17,591)</u>	<u>—</u>
	<u>310,860</u>	<u>293,269</u>	<u>308,021</u>	<u>14,752</u>
Net change in fund balance	34,879	34,879	158,687	123,808
Fund balance, beginning of year	<u>886,606</u>	<u>886,606</u>	<u>741,373</u>	<u>(145,233)</u>
Fund balance, end of year	<u>\$ 921,485</u>	<u>921,485</u>	<u>900,060</u>	<u>(21,425)</u>

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

**Fiscal Employer Agent**

*For the fiscal year ended June 30, 2018*

**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	\$ —	—	5,795	5,795
Total revenues	—	—	5,795	5,795
<b>EXPENDITURES</b>				
Current:				
Human services	—	—	—	—
Payments to other governments	—	—	—	—
Total expenditures	—	—	—	—
Excess of revenues over expenditures	—	—	5,795	5,795
Fund balance, beginning of year	—	—	561	561
Fund balance, end of year	\$ —	—	6,356	6,356

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

Witness Assistance

*For the year ended December 31, 2018*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
<b>REVENUES</b>				
Grants	\$ 387,021	491,535	386,564	(104,971)
County charges	30,000	30,000	33,515	3,515
Court, costs, fines and forfeitures	—	—	2,054	2,054
Contributions and other	—	—	2,000	2,000
Total revenues	417,021	521,535	424,133	(97,402)
<b>EXPENDITURES</b>				
Current:				
Human services	525,179	629,693	515,046	114,647
Total expenditures	525,179	629,693	515,046	114,647
Deficiency of revenues under expenditures	(108,158)	(108,158)	(90,913)	17,245
<b>OTHER FINANCING SOURCES</b>				
Transfers in	121,984	121,984	127,077	5,093
Total other financing sources	121,984	121,984	127,077	5,093
Net change in fund balance	13,826	13,826	36,164	22,338
Fund balance, beginning of year	—	—	114,494	114,494
Fund balance, end of year	\$ 13,826	13,826	150,658	136,832

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

**ARD/DUI Program**

*For the year ended December 31, 2018*

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	\$ 282,000	312,000	286,668	(25,332)
Total revenues	282,000	312,000	286,668	(25,332)
<b>EXPENDITURES</b>				
Current:				
General government – judicial	151,439	148,983	123,840	25,143
Total expenditures	151,439	148,983	123,840	25,143
Excess of revenues over expenditures	130,561	163,017	162,828	(189)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(130,561)	(163,017)	(162,828)	189
Total other financing sources (uses)	(130,561)	(163,017)	(162,828)	189
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, 2018*

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	\$ 152,000	152,000	154,880	2,880
Interest	50	50	59	9
Total revenues	<u>152,050</u>	<u>152,050</u>	<u>154,939</u>	<u>2,889</u>
<b>EXPENDITURES</b>				
Current:				
General government – administrative	188,495	188,495	157,656	30,839
Capital outlay	35,000	35,000	—	35,000
Total expenditures	<u>223,495</u>	<u>223,495</u>	<u>157,656</u>	<u>65,839</u>
Deficiency of revenues under expenditures	(71,445)	(71,445)	(2,717)	(62,950)
Fund balance, beginning of year	<u>150,000</u>	<u>150,000</u>	<u>160,368</u>	<u>10,368</u>
Fund balance, end of year	<u>\$ 78,555</u>	<u>78,555</u>	<u>157,651</u>	<u>(52,582)</u>

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

**Recycling and Waste**

*For the year ended December 31, 2018*

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	\$ 321,000	321,000	334,196	13,196
County charges	437,650	437,650	310,821	(126,829)
Interest	800	800	2,281	1,481
Contributions and other	23,000	23,000	21,500	(1,500)
	<u>782,450</u>	<u>782,450</u>	<u>668,798</u>	<u>(113,652)</u>
Total revenues				
<b>EXPENDITURES</b>				
Current:				
Public works and enterprises	532,573	530,173	366,525	163,648
Capital outlay	255,000	257,400	256,872	528
	<u>787,573</u>	<u>787,573</u>	<u>623,397</u>	<u>164,176</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	(5,123)	(5,123)	45,401	50,524
Fund balance, beginning of year	<u>752,550</u>	<u>752,550</u>	<u>865,680</u>	<u>113,130</u>
Fund balance, end of year	<u><u>\$ 747,427</u></u>	<u><u>747,427</u></u>	<u><u>911,081</u></u>	<u><u>163,654</u></u>

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

**Affordable Housing**

*For the year ended December 31, 2018*

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	\$ 195,000	195,000	184,472	(10,528)
Interest	100	100	390	290
Total revenues	<u>195,100</u>	<u>195,100</u>	<u>184,862</u>	<u>(10,238)</u>
<b>EXPENDITURES</b>				
Current:				
General government - administrative	37,689	37,689	34,922	2,767
Payments to other governments	157,500	157,500	157,500	—
Total expenditures	<u>195,189</u>	<u>195,189</u>	<u>192,422</u>	<u>2,767</u>
Deficiency of revenues under expenditures	(89)	(89)	(7,560)	(7,471)
Fund balance, beginning of year	<u>12,015</u>	<u>12,015</u>	<u>15,794</u>	<u>3,779</u>
Fund balance, end of year	<u>\$ 11,926</u>	<u>11,926</u>	<u>8,234</u>	<u>(3,692)</u>

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

**Hotel Tax**

*For the year ended December 31, 2018*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
<b>REVENUES</b>				
Taxes	\$ 1,990,000	2,430,000	2,178,798	(251,202)
Interest	1,050	1,050	4,415	3,365
Total revenues	1,991,050	2,431,050	2,183,213	(247,837)
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	39,800	48,600	43,553	5,047
Total expenditures	39,800	48,600	43,553	5,047
Excess of revenues over expenditures	1,951,250	2,382,450	2,139,660	(242,790)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1,951,250)	(2,382,450)	(2,139,660)	242,790
Total other financing sources (uses)	(1,951,250)	(2,382,450)	(2,139,660)	242,790
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**

**Emergency Telephone**

*For the fiscal year ended December 31, 2018*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
<b>REVENUES</b>				
County charges	\$ 5,672,217	5,672,217	5,713,151	40,934
Interest	1,500	1,500	21,383	19,883
Contributions and other	150	150	300	150
Total revenues	<u>5,673,867</u>	<u>5,673,867</u>	<u>5,734,834</u>	<u>60,967</u>
<b>EXPENDITURES</b>				
Current:				
Emergency telephone	5,336,526	5,335,192	4,907,131	428,061
Capital outlay	3,671,399	3,661,341	9,023	3,652,318
Payments to other governments	—	11,392	11,392	—
Total expenditures	<u>9,007,925</u>	<u>9,007,925</u>	<u>4,927,546</u>	<u>4,080,379</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,334,058)</u>	<u>(3,334,058)</u>	<u>807,288</u>	<u>4,141,346</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	591,302	591,302	320,681	(270,621)
Transfers out	<u>(757,244)</u>	<u>(757,244)</u>	<u>(757,240)</u>	<u>4</u>
Total other financing sources (uses)	<u>(165,942)</u>	<u>(165,942)</u>	<u>(436,559)</u>	<u>(270,617)</u>
Net change in fund balance	(3,500,000)	(3,500,000)	370,729	3,870,729
Fund balance, beginning of year	<u>3,678,000</u>	<u>3,678,000</u>	<u>3,735,940</u>	<u>57,940</u>
Fund balance, end of year	<u>\$ 178,000</u>	<u>178,000</u>	<u>4,106,669</u>	<u>3,928,669</u>

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

**Debt Service**

*For the year ended December 31, 2018*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
<b>REVENUES</b>				
Interest	\$ —	—	—	—
Total revenues	—	—	—	—
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	4,602,348	4,602,348	4,602,347	1
Debt interest	1,110,980	1,014,980	875,290	139,690
Fiscal charges	—	144,779	144,552	227
Payment for refunding bond escrow	—	235,792	235,684	108
Total expenditures	5,713,328	5,997,899	5,857,873	140,026
Deficiency of revenues under expenditures	(5,713,328)	(5,997,899)	(5,857,873)	140,026
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	5,713,328	5,713,328	5,713,321	(7)
Proceeds from refunding bond issued	—	12,265,000	12,140,000	(125,000)
Payment for refunding bond escrow	—	(13,075,429)	(13,075,429)	—
Premium on refunding bond issued	—	1,095,000	1,094,774	(226)
Total other financing sources (uses)	5,713,328	5,997,899	5,872,666	(125,233)
Net change in fund balance	—	—	14,793	14,793
Fund balance, beginning of year	—	—	—	—
Fund balance, end of year	\$ —	—	14,793	14,793

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

**Capital Projects**

*For the year ended December 31, 2018*

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	\$ 310,000	310,000	370,785	60,785
Interest	3,000	3,000	12,338	9,338
Contributions and other	—	—	13,000	13,000
Total revenues	<u>313,000</u>	<u>313,000</u>	<u>396,123</u>	<u>83,123</u>
<b>EXPENDITURES</b>				
Current expenditures	21,000	21,000	—	21,000
Capital outlay	979,790	979,790	63,289	916,501
Total expenditures	<u>1,000,790</u>	<u>1,000,790</u>	<u>63,289</u>	<u>937,501</u>
Excess (deficiency) of revenues over (under) expenditures	(687,790)	(687,790)	332,834	1,020,624
Fund balance, beginning of year	<u>928,363</u>	<u>928,363</u>	<u>805,828</u>	<u>(122,535)</u>
Fund balance, end of year	<u>\$ 240,573</u>	<u>240,573</u>	<u>1,138,662</u>	<u>898,089</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, 2018*

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	\$ 241,523	241,523	184,498	(57,025)
County charges	50	50	41	(9)
Interest	100	100	255	155
Total revenues	<u>241,673</u>	<u>241,673</u>	<u>184,794</u>	<u>(56,879)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>241,673</u>	<u>241,673</u>	<u>184,794</u>	<u>56,879</u>
Total expenditures	<u>241,673</u>	<u>241,673</u>	<u>184,794</u>	<u>56,879</u>
Deficiency of revenues under expenditures	—	—	—	—
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>

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

**Criminal Justice Planning**

*For the fiscal year ended June 30, 2018*

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	\$ 587,215	937,215	647,516	(289,699)
County charges	3,951	3,951	2,971	(980)
Contributions and other	—	25,000	5,152	(19,848)
Total revenues	<u>591,166</u>	<u>966,166</u>	<u>655,639</u>	<u>(310,527)</u>
<b>EXPENDITURES</b>				
Current:				
Human services	<u>1,012,131</u>	<u>1,428,454</u>	<u>1,028,976</u>	<u>399,478</u>
Total expenditures	<u>1,012,131</u>	<u>1,428,454</u>	<u>1,028,976</u>	<u>399,478</u>
Deficiency of revenues under expenditures	<u>(420,965)</u>	<u>(462,288)</u>	<u>(373,337)</u>	<u>88,951</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>420,965</u>	<u>462,288</u>	<u>374,049</u>	<u>(88,239)</u>
Total other financing sources	<u>420,965</u>	<u>462,288</u>	<u>374,049</u>	<u>(88,239)</u>
Net change in fund balance	—	—	712	712
Fund balance, beginning of year	<u>6,573</u>	<u>6,573</u>	<u>6,573</u>	<u>—</u>
Fund balance, end of year	<u>\$ 6,573</u>	<u>6,573</u>	<u>7,285</u>	<u>712</u>

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

**Offender Supervision**

*For the fiscal year ended June 30, 2018*

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	744,000	813,000	924,070	111,070
Total revenues	744,600	813,600	924,070	110,470
<b>EXPENDITURES</b>				
Current:				
Public safety	678,052	749,052	748,321	731
Total expenditures	678,052	749,052	748,321	731
Excess of revenues over expenditures	66,548	64,548	175,749	111,201
<b>OTHER FINANING SOURCES (USES)</b>				
Transfers out	(77,000)	(75,000)	(75,000)	—
Total other financing sources (uses)	(77,000)	(75,000)	(75,000)	—
Net change in fund balance	(10,452)	(10,452)	100,749	111,201
Fund balance, beginning of year	1,075,156	1,075,156	1,075,156	—
Fund balance, end of year	\$ 1,064,704	1,064,704	1,175,905	111,201

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

**STOP Grant**

*For the year ended December 31, 2018*

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	135,000	137,719	2,719
County charges	—	—	52	52
Interest	—	—	76	76
Total revenues	<u>125,000</u>	<u>135,000</u>	<u>137,847</u>	<u>2,847</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>267,454</u>	<u>287,454</u>	<u>281,344</u>	<u>6,110</u>
Total expenditures	<u>267,454</u>	<u>287,454</u>	<u>281,344</u>	<u>6,110</u>
Deficiency of revenues under expenditures	<u>(142,454)</u>	<u>(152,454)</u>	<u>(143,497)</u>	<u>8,957</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>142,454</u>	<u>152,454</u>	<u>143,497</u>	<u>(8,957)</u>
Total other financing sources	<u>142,454</u>	<u>152,454</u>	<u>143,497</u>	<u>(8,957)</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>

## **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 Care Self Insurance** – Used to account for the County's self-insured health insurance claims.

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

*December 31, 2018*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<u>Workers'</u> <u>Compensation</u>	<u>Health Care</u> <u>Self Insurance</u>	<u>Totals</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 182,698	1,195,967	1,378,665
Investments	1,492,300	—	1,492,300
Customer accounts receivable	2,600	37,050	39,650
Prepaid	—	2,354	2,354
Total current assets	<u>1,677,598</u>	<u>1,235,371</u>	<u>2,912,969</u>
Total assets	<u>1,677,598</u>	<u>1,235,371</u>	<u>2,912,969</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	2,700	2,975	5,675
Accrued payroll	—	1,038	1,038
Due to other funds	—	12,606	12,606
Unearned revenue	—	117	117
Self-insurance claims payable	<u>146,752</u>	<u>1,037,634</u>	<u>1,184,386</u>
Total current liabilities	<u>149,452</u>	<u>1,054,370</u>	<u>1,203,822</u>
Noncurrent liabilities:			
Due in more than one year:			
Self-insurance claims payable	<u>646,502</u>	<u>—</u>	<u>646,502</u>
Total noncurrent liabilities	<u>646,502</u>	<u>—</u>	<u>646,502</u>
Total liabilities	<u>795,954</u>	<u>1,054,370</u>	<u>1,850,324</u>
<b>NET POSITION</b>			
Unrestricted	<u>881,644</u>	<u>181,001</u>	<u>1,062,645</u>
Total net position	<u>\$ 881,644</u>	<u>181,001</u>	<u>1,062,645</u>

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

**Internal Service Funds**

*For the year ended December 31, 2018*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

**(unaudited)**

	<u>Workers'</u> <u>Compensation</u>	<u>Health Care</u> <u>Self Insurance</u>	<u>Totals</u>
Operating revenues:			
Charges for sales and services:			
County charges	\$ 274,944	13,390,076	13,665,020
Total operating revenues	<u>274,944</u>	<u>13,390,076</u>	<u>13,665,020</u>
Operating expenses:			
Patient/client services	153,418	13,928,516	14,081,934
Total operating expenses	<u>153,418</u>	<u>13,928,516</u>	<u>14,081,934</u>
Operating income (loss)	<u>121,526</u>	<u>(538,440)</u>	<u>(416,914)</u>
Nonoperating revenues:			
Interest income	24,837	8,135	32,972
Total nonoperating revenues	<u>24,837</u>	<u>8,135</u>	<u>32,972</u>
Change in net position	146,363	(530,305)	(383,942)
Total net position, beginning of year	735,281	711,306	1,446,587
Total net position, end of year	<u>\$ 881,644</u>	<u>181,001</u>	<u>1,062,645</u>

# COMBINING STATEMENT OF CASH FLOWS

Internal Service Funds

For the year ended December 31, 2018

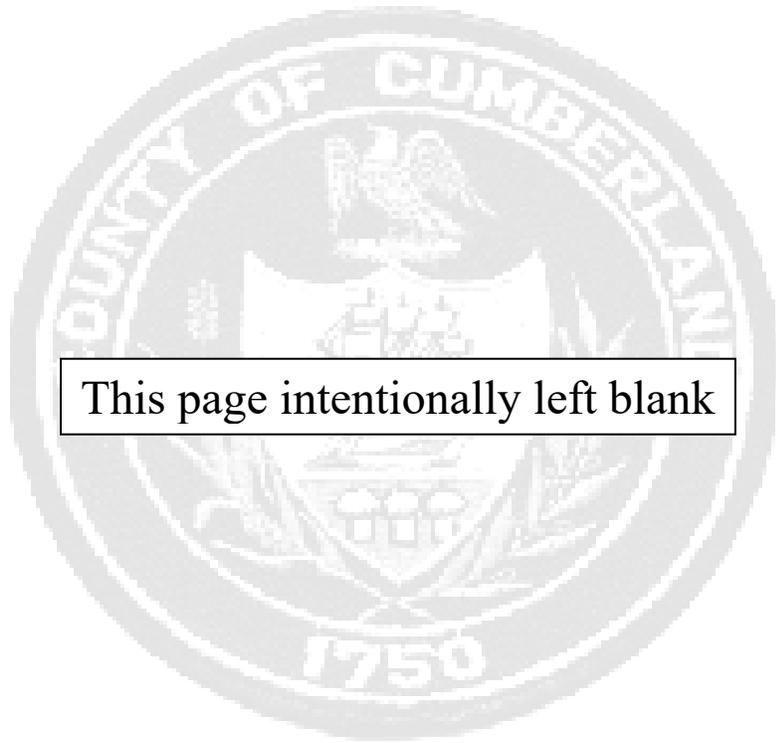
COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Workers' Compensation	Health Care Self Insurance	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received on county charges	\$ 274,055	14,113,055	14,387,110
Payments to vendors	(221,812)	(12,875,483)	(13,097,295)
Payments to employees	—	(49,740)	(49,740)
Net cash provided by operating activities	<u>52,243</u>	<u>1,187,832</u>	<u>1,240,075</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of investments	(143,695)	—	(143,695)
Gain on investments	23,737	8,135	31,872
Net cash provided by (used in) investing activities	<u>(119,958)</u>	<u>8,135</u>	<u>(111,823)</u>
Net increase in cash and cash equivalents	(67,715)	1,195,967	1,128,252
Cash and cash equivalents, January 1	250,413	—	250,413
Cash and cash equivalents, December 31	<u>\$ 182,698</u>	<u>1,195,967</u>	<u>1,378,665</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>			
Operating income (loss)	\$ 121,526	(538,440)	(416,914)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Changes in assets and liabilities in:			
Accounts receivable	—	(37,050)	(37,050)
Due from other funds	(889)	759,912	759,023
Prepaid	84,836	(2,354)	82,482
Accounts payable	199	(33,025)	(32,826)
Accrued liabilities and withholdings	(153,429)	1,038	(152,391)
Unearned revenues	—	117	117
Self-insurance debt-claims payable	—	1,037,634	1,037,634
Total adjustments	<u>(69,283)</u>	<u>1,726,272</u>	<u>1,656,989</u>
Net cash provided by operating activities	<u>\$ 52,243</u>	<u>1,187,832</u>	<u>1,240,075</u>

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

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



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## **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

	<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	\$ 16,332	46,786	169,429	620,138	1,142,269
Total assets	<u>\$ 16,332</u>	<u>46,786</u>	<u>169,429</u>	<u>620,138</u>	<u>1,142,269</u>
<b>LIABILITIES</b>					
Due to other governments	\$ —	—	—	127,239	10,514
Escrow and other liabilities	<u>16,332</u>	<u>46,786</u>	<u>169,429</u>	<u>492,899</u>	<u>1,131,755</u>
Total liabilities	<u>\$ 16,332</u>	<u>46,786</u>	<u>169,429</u>	<u>620,138</u>	<u>1,142,269</u>

<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>
1,750,552	7,116	4,714	1,541,466	283,563	13,606	41,769	5,637,740
<u>1,750,552</u>	<u>7,116</u>	<u>4,714</u>	<u>1,541,466</u>	<u>283,563</u>	<u>13,606</u>	<u>41,769</u>	<u>5,637,740</u>
1,750,552	7,116	4,714	15,235	8,465	—	—	1,923,835
<u>—</u>	<u>—</u>	<u>—</u>	<u>1,526,231</u>	<u>275,098</u>	<u>13,606</u>	<u>41,769</u>	<u>3,713,905</u>
<u>1,750,552</u>	<u>7,116</u>	<u>4,714</u>	<u>1,541,466</u>	<u>283,563</u>	<u>13,606</u>	<u>41,769</u>	<u>5,637,740</u>

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

**All Agency Funds**

*For the year ended December 31, 2018*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<b>Balance, January 1, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance, December 31, 2018</b>
<b>Prison Work Release</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,701	467,002	458,371	16,332
<b>LIABILITIES</b>				
Escrow	\$ 7,701	467,002	458,371	16,332
Total liabilities	\$ 7,701	467,002	458,371	16,332
<b>Prison Inmate Accounts</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 122,768	902,679	978,661	46,786
<b>LIABILITIES</b>				
Escrow	\$ 122,768	902,679	978,661	46,786
Total liabilities	\$ 122,768	902,679	978,661	46,786
<b>Perry County HealthChoices</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 33,047	982,408	846,026	169,429
<b>LIABILITIES</b>				
Escrow and other liabilities	\$ 33,047	982,408	846,026	169,429
Total liabilities	\$ 33,047	982,408	846,026	169,429

(continued)

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**All Agency Funds** *For the year ended December 31, 2018*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<b>Balance, January 1, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance, December 31, 2018</b>
(continued)				
<b>Clerk of Court</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 566,157	3,444,915	3,390,934	620,138
<b>LIABILITIES</b>				
Due to other governments	\$ 164,307	1,903,758	1,940,826	127,239
Escrow	401,850	1,541,157	1,450,108	492,899
Total liabilities	\$ 566,157	3,444,915	3,390,934	620,138
<b>Prothonotary</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,193,338	364,489	415,558	1,142,269
<b>LIABILITIES</b>				
Due to other governments	\$ 9,092	129,791	128,369	10,514
Escrow	1,184,246	234,698	287,189	1,131,755
Total liabilities	\$ 1,193,338	364,489	415,558	1,142,269
<b>Recorder of Deeds</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,748,157	35,236,709	35,234,314	1,750,552
<b>LIABILITIES</b>				
Due to other governments	\$ 1,748,157	35,236,709	35,234,314	1,750,552
Total liabilities	\$ 1,748,157	35,236,709	35,234,314	1,750,552

(continued)

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**All Agency Funds** *For the year ended December 31, 2018*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<b>Balance, January 1, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance, December 31, 2018</b>
(continued)				
<b>Treasurer</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,125	187,703	185,712	7,116
<b>LIABILITIES</b>				
Due to other governments	\$ 5,125	187,703	185,712	7,116
Total liabilities	\$ 5,125	187,703	185,712	7,116
<b>Register of Wills</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,119	23,934,910	23,935,315	4,714
<b>LIABILITIES</b>				
Due to other governments	\$ 5,119	23,934,910	23,935,315	4,714
Total liabilities	\$ 5,119	23,934,910	23,935,315	4,714
<b>Sheriff</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,518,405	7,094,075	8,071,014	1,541,466
<b>LIABILITIES</b>				
Due to other governments	\$ 15,156	221,069	220,990	15,235
Escrow	2,503,249	6,873,006	7,850,024	1,526,231
Total liabilities	\$ 2,518,405	7,094,075	8,071,014	1,541,466

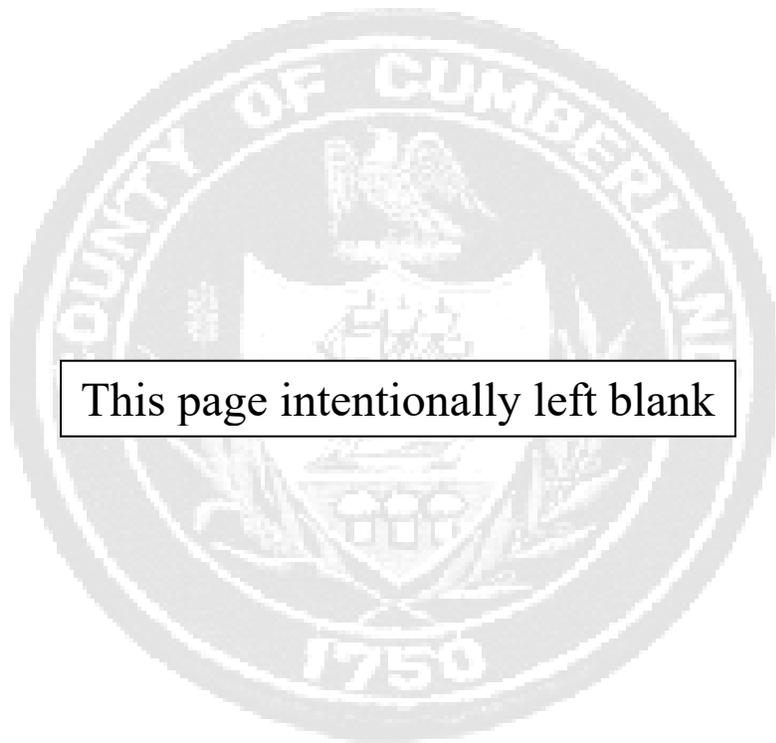
(continued)

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**All Agency Funds** *For the year ended December 31, 2018*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<b>Balance, January 1, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance, December 31, 2018</b>
(continued)				
<b>District Attorney</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 259,425	139,083	114,945	283,563
<b>LIABILITIES</b>				
Due to other governments	\$ 14,307	3	5,845	8,465
Escrow	245,118	139,080	109,100	275,098
Total liabilities	\$ 259,425	139,083	114,945	283,563
<b>Flexible Spending Account</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 15,871	87,198	89,463	13,606
<b>LIABILITIES</b>				
Escrow	\$ 15,871	87,198	89,463	13,606
Total liabilities	\$ 15,871	87,198	89,463	13,606
<b>Human Services Guardianship Accounts</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 39,077	145,970	143,278	41,769
<b>LIABILITIES</b>				
Escrow	\$ 39,077	145,970	143,278	41,769
Total liabilities	\$ 39,077	145,970	143,278	41,769
<b>Total All Agency Funds</b>				
<b>ASSETS</b>				
Cash and cash equivalents	\$ 6,514,190	72,987,141	73,863,591	5,637,740
<b>LIABILITIES</b>				
Due to other governments	\$ 1,961,263	61,613,943	61,651,371	1,923,835
Escrow and other liabilities	4,552,927	11,373,198	12,212,220	3,713,905
Total liabilities	\$ 6,514,190	72,987,141	73,863,591	5,637,740



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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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental activities				
Net invested in capital assets	\$ 23,171,314	23,210,201	25,321,465	26,848,932
Restricted	16,434,597	13,578,839	11,341,250	10,653,143
Unrestricted	18,005,779	24,309,827	25,663,371	22,076,410
Total governmental activities net position	<u>\$ 57,611,690</u>	<u>61,098,867</u>	<u>62,326,086</u>	<u>59,578,485</u>
Business-type activities				
Net invested in capital assets	\$ (403,424)	664,320	3,270,869	4,383,167
Restricted	-	-	-	-
Unrestricted	9,021,640	8,334,573	6,284,362	5,020,588
Total business-type activities net position	<u>\$ 8,618,216</u>	<u>8,998,893</u>	<u>9,555,231</u>	<u>9,403,755</u>
Primary government				
Net invested in capital assets	\$ 22,767,890	23,874,521	28,592,334	31,232,099
Restricted	16,434,597	13,578,839	11,341,250	10,653,143
Unrestricted	27,027,419	32,644,400	31,947,733	27,096,998
Total primary government net position	<u>\$ 66,229,906</u>	<u>70,097,760</u>	<u>71,881,317</u>	<u>68,982,240</u>

*As of the year ended indicated*

(unaudited)

2013	2014	2015	2016	2017	2018
27,357,708	30,386,044	34,018,215	36,791,935	44,481,499	49,481,224
8,345,285	8,832,346	10,851,199	12,085,563	13,675,898	19,408,754
<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>37,280,435</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>	<u>106,170,413</u>
4,675,435	1,768,189	2,269,224	2,975,768	3,720,244	4,270,322
-	-	-	-	-	-
<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>3,109,735</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>	<u>7,380,057</u>
32,033,143	32,154,233	36,287,439	39,767,703	48,201,743	53,751,546
8,345,285	8,832,346	10,851,199	12,085,563	13,675,898	19,408,754
<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>40,390,170</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>	<u>113,550,470</u>

## FINANCIAL TRENDS

### Changes in Net Position

COUNTY OF CUMBERLAND, PENNSYLVANIA  
(accrual basis of accounting)

	2009	2010	2011
<b>Expenses</b>			
<b>Governmental activities</b>			
General government - administrative	\$ 12,627,406	13,814,789	14,046,596
General government - judicial	16,100,981	16,658,597	17,814,045
Corrections (1)	-	-	-
Emergency telephone (2)	-	-	-
Public safety	17,366,885	19,253,729	20,794,098
Transportation services (2)	-	-	-
Roads and bridge maintenance	855,299	672,542	387,359
Recycling and waste management	514,416	380,137	458,016
Human services:			
Mental health/intellectual and developmental disabilities	27,708,562	18,141,649	16,928,959
HealthChoices - Cumberland County	27,042,052	28,601,028	27,491,594
Children and youth	12,839,074	12,342,876	13,417,768
Food and shelter	4,726,775	3,137,335	936,619
Office of aging	4,889,623	4,785,973	3,915,211
Other	3,973,504	5,051,374	6,143,289
Culture and recreation	227,443	108,217	67,799
Conservation	531,424	423,928	386,490
Community redevelopment and housing	218,714	212,555	220,815
Economic development and assistance	4,093,769	3,992,708	3,877,944
Interest on long-term debt	1,280,716	1,320,663	1,323,974
Indirect expenses	(531,008)	(613,073)	(635,931)
Total governmental activities expenses	<u>134,465,635</u>	<u>128,285,027</u>	<u>127,574,645</u>
<b>Business-type activities</b>			
County nursing home	23,833,449	24,806,003	25,737,338
Early Learning Center	483,456	479,681	532,003
Emergency telephone (2)	5,329,529	9,481,575	6,505,960
Hazardous materials protection (2)	247,389	194,317	228,067
Transportation services (2)	2,360,459	2,331,954	2,611,077
Indirect expenses	531,008	613,073	635,931
Total business-type activities expenses	<u>32,785,290</u>	<u>37,906,603</u>	<u>36,250,376</u>
Total primary government expenses	<u>\$ 167,250,925</u>	<u>166,191,630</u>	<u>163,825,021</u>
<b>Program revenues</b>			
<b>Governmental activities</b>			
Charges for services			
General government - administrative	\$ 4,325,427	3,952,398	3,972,749
General government - judicial	3,895,465	4,021,584	3,878,412
Corrections (1)	-	-	-
Emergency telephone (2)	-	-	-
Public safety	2,951,887	3,055,916	3,359,727
Transportation services (2)	-	-	-
Roads and bridge maintenance	-	7,272	49,773
Recycling and waste management	114,998	116,498	145,302
Human services	6,215,264	5,377,369	6,420,238
Culture and recreation	11,052	11,300	11,193
Conservation	35,915	54,341	26,799

*For the year ended indicated*

(unaudited)

2012	2013	2014	2015	2016	2017	2018
14,280,937	14,144,701	13,728,858	13,631,117	14,810,069	14,479,524	15,758,996
18,528,473	18,545,493	18,396,045	18,751,395	20,888,619	20,971,925	22,958,993
-	18,165,075	18,955,396	18,568,390	19,330,948	18,680,545	20,767,652
-	-	5,444,274	5,272,839	5,469,089	5,186,230	5,493,643
21,611,054	3,826,455	4,125,147	4,029,829	4,635,939	4,491,900	4,967,090
-	-	2,506,885	1,465,829	131,285	-	-
281,498	511,078	327,879	920,955	818,420	504,229	314,513
586,934	330,697	266,872	271,432	254,298	399,114	462,056
17,257,878	16,409,341	17,837,104	16,842,101	17,230,628	16,450,746	16,979,398
28,363,948	28,879,387	28,653,048	29,681,949	36,322,582	38,747,541	41,642,653
13,813,083	14,186,821	14,873,696	16,660,594	18,000,735	19,149,179	21,057,856
810,200	851,772	1,204,422	1,054,332	758,684	886,130	855,309
3,425,700	3,055,181	3,297,677	3,798,961	4,144,889	4,365,657	4,626,004
8,338,934	3,651,819	3,907,128	3,514,705	3,753,249	3,993,007	5,159,038
138,045	191,890	38,657	435,407	26,192	14,664	99,313
432,798	486,778	571,509	462,380	546,916	558,314	644,513
222,796	237,269	198,051	180,019	192,851	195,676	192,421
3,539,001	3,602,456	4,058,868	3,715,216	3,537,217	4,592,886	4,288,632
1,687,988	1,618,892	1,702,282	1,579,219	1,389,520	1,224,814	1,025,575
(641,105)	(716,180)	(676,395)	(560,442)	(635,987)	(660,484)	(659,621)
<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>	<u>166,634,034</u>
24,610,308	24,005,271	24,480,806	24,481,218	26,709,058	27,284,499	28,692,036
339,864	-	-	-	-	-	-
5,969,320	5,704,448	-	-	-	-	-
192,719	157,291	-	-	-	-	-
2,502,154	2,503,355	-	-	-	-	-
641,105	716,180	676,395	560,442	635,987	660,484	659,621
<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>29,351,657</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>	<u>195,985,691</u>
4,464,773	4,838,303	3,954,301	4,408,795	4,264,648	4,330,066	4,120,742
4,610,779	4,527,455	2,690,559	4,006,868	4,202,217	4,620,892	4,745,433
-	1,743,574	2,126,004	2,157,892	2,207,594	2,456,615	2,744,455
-	-	1,638,261	5,719,438	5,935,193	6,116,261	5,713,151
3,125,837	1,429,935	1,582,213	1,871,093	1,689,680	1,872,049	2,010,638
-	-	1,280,478	604,374	-	-	-
10,791	2,952	80	971,680	1,201,297	1,506,085	1,063,036
109,662	111,890	121,023	111,899	120,571	253,064	310,821
6,999,960	3,740,695	4,515,227	3,439,248	3,640,729	3,322,160	3,655,136
11,397	8,648	-	-	-	-	-
30,282	18,716	53,613	37,207	53,412	45,558	59,272
					(continued)	(continued)

## FINANCIAL TRENDS

### Changes in Net Position

COUNTY OF CUMBERLAND, PENNSYLVANIA  
(accrual basis of accounting)

	2009	2010	2011
(continued)			
<b>Program revenues</b>			
Community redevelopment and housing	235,154	214,505	197,915
Economic development and assistance	98,884	130,752	143,883
Operating grants and contributions			
General government - administrative	110,861	217,232	567,219
General government - judicial	2,650,047	2,883,864	2,943,449
Corrections (1)	-	-	-
Emergency telephone (2)	-	-	-
Public safety	1,235,751	1,856,181	1,637,737
Transportation services (2)	-	-	-
Roads and bridge maintenance	529,854	589,234	557,169
Recycling and waste management	160,115	75,312	67,821
Human services:			
Mental health/intellectual and developmental disabilities	26,936,260	17,436,659	14,306,924
HealthChoices - Cumberland County	27,040,563	28,634,245	27,489,782
Children and youth	10,658,021	9,927,394	10,726,676
Food and shelter	689,254	920,238	703,688
Office of aging	3,934,097	4,001,745	3,445,930
Other	2,953,656	2,796,894	2,777,210
Culture and recreation	163,881	-	-
Conservation	430,053	70,146	49,269
Economic development and assistance	2,535,722	2,308,941	1,994,012
Capital grants and contributions			
General government - administrative	-	571,757	638,503
General government - judicial	-	-	-
Public safety	22,749	27,099	21,602
Roads and bridge maintenance	-	8,752	61,649
Economic development and assistance	-	-	-
Total governmental activities program revenues	<u>97,934,930</u>	<u>89,267,628</u>	<u>86,194,631</u>
<b>Business-type activities</b>			
Charges for services			
County nursing home	23,592,054	25,259,305	25,276,933
Early Learning Center	406,814	414,613	429,812
Emergency telephone (2)	1,835,550	1,761,860	1,714,758
Hazardous materials protection (2)	58,096	50,500	47,450
Transportation services (2)	1,051,045	1,044,212	1,049,685
Operating grants and contributions			
County nursing home	22,612	23,045	159,868
Early Learning Center	32,355	39,215	43,492
Emergency telephone (2)	2,470,344	6,410,484	3,891,927
Hazardous materials protection (2)	33,361	71,630	23,548
Transportation services (2)	1,139,457	1,050,365	1,156,134
Capital grants and contributions			
Early Learning Center	-	-	-
Hazardous materials protection (2)	3,427	1,673	200,000
Transportation services (2)	433,123	13,585	611,271
Total business-type activities program revenues	<u>31,078,238</u>	<u>36,140,487</u>	<u>34,604,878</u>
Total primary government program revenues	<u>\$ 129,013,168</u>	<u>125,408,115</u>	<u>120,799,509</u>

*For the year ended indicated*

(unaudited)

2012	2013	2014	2015	2016	2017	2018
221,410	223,797	176,318	190,107	201,676	192,326	184,472
93,888	-	-	-	-	342,629	343,162
574,441	350,086	451,533	527,623	350,237	541,456	395,221
2,657,904	2,829,612	2,722,094	2,747,005	2,707,945	2,801,029	2,780,745
-	699,760	738,753	665,351	618,714	508,831	495,916
-	-	1,484,096	575,422	651	300	300
1,405,009	598,286	708,927	776,487	843,102	1,004,211	1,029,082
-	-	1,101,968	664,806	131,285	-	-
445,570	532,209	446,947	605,852	520,611	656,459	570,690
100,250	68,822	75,303	348,835	106,249	106,062	355,696
14,750,083	13,928,418	14,403,100	14,423,979	14,536,070	14,440,988	14,655,657
28,354,028	28,879,053	28,652,699	29,681,670	36,322,288	38,746,200	41,654,825
10,745,739	12,395,912	12,083,726	13,534,980	14,359,595	15,137,519	17,420,040
632,886	574,527	999,975	880,510	612,996	756,853	693,349
3,218,411	3,075,150	3,169,562	3,709,887	3,871,651	4,145,094	3,950,861
2,715,633	2,581,674	2,656,276	2,159,564	2,434,801	2,634,223	3,442,485
-	92,272	-	500,000	-	5,335	392
289,545	294,722	279,065	295,199	304,912	251,471	321,325
1,632,160	1,462,951	1,901,964	1,387,870	1,456,078	1,991,704	1,469,188
44,185	-	109,043	68,602	-	-	-
-	-	-	-	-	-	-
23,339	21,409	78,338	21,932	25,515	19,970	22,348
104,717	135,074	119,073	545,602	588,762	3,149,410	485,354
-	-	-	-	-	-	68,505
<u>87,372,679</u>	<u>85,165,902</u>	<u>90,320,519</u>	<u>97,639,777</u>	<u>103,308,479</u>	<u>111,954,820</u>	<u>114,762,297</u>
24,669,038	24,474,978	25,693,602	26,084,652	27,091,190	27,902,156	28,189,387
251,875	-	-	-	-	-	-
1,647,432	1,606,054	-	-	-	-	-
45,518	58,377	-	-	-	-	-
1,012,670	1,157,031	-	-	-	-	-
9,265	15,434	220,525	6,747	9,961	2,063	1,215
8,753	-	-	-	-	-	-
2,637,325	2,180,632	-	-	-	-	-
39,015	36,427	-	-	-	-	-
979,680	1,060,635	-	-	-	-	-
-	-	-	-	-	-	-
1,011	-	-	-	-	-	-
449,718	715,541	-	-	-	-	-
<u>31,751,300</u>	<u>31,305,109</u>	<u>25,914,127</u>	<u>26,091,399</u>	<u>27,101,151</u>	<u>27,904,219</u>	<u>28,190,602</u>
<u>119,123,979</u>	<u>116,471,011</u>	<u>116,234,646</u>	<u>123,731,176</u>	<u>130,409,630</u>	<u>139,859,039</u>	<u>142,952,899</u>

(continued)

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

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

	2009	2010	2011
(continued)			
Net expense:			
<b>Governmental activities</b>	\$ (36,530,705)	(39,017,399)	(41,380,014)
<b>Business-type activities</b>	(1,707,052)	(1,766,116)	(1,645,498)
Total primary government net expense	<u>\$ (38,237,757)</u>	<u>(40,783,515)</u>	<u>(43,025,512)</u>

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

**Governmental activities**

Taxes:

Real estate taxes	\$ 41,366,554	41,788,709	42,140,921
Per capita taxes	639,342	629,068	677,729
Hotel taxes	1,192,707	1,518,194	1,502,072

Special item

Unrestricted investment earnings	1,106,743	652,760	422,986
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Transfers	(1,545,538)	(2,084,155)	(2,136,475)
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Total governmental activities	<u>42,759,808</u>	<u>42,504,576</u>	<u>42,607,233</u>
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**Business-type activities**

Unrestricted investment earnings	166,853	62,638	65,361
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Transfers	1,545,538	2,084,155	2,136,475
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Total business-type activities	<u>1,712,391</u>	<u>2,146,793</u>	<u>2,201,836</u>
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Total primary government	<u>\$ 44,472,199</u>	<u>44,651,369</u>	<u>44,809,069</u>
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**Changes in Net Position**

<b>Governmental activities</b>	\$ 6,229,103	3,487,177	1,227,219
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<b>Business-type activities</b>	5,339	380,677	556,338
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Total primary government	<u>\$ 6,234,442</u>	<u>3,867,854</u>	<u>1,783,557</u>
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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)

2012	2013	2014	2015	2016	2017	2018
(45,305,483)	(42,813,023)	(49,096,884)	(42,636,450)	(48,297,664)	(42,276,777)	(51,871,737)
<u>(2,504,170)</u>	<u>(1,781,436)</u>	<u>756,926</u>	<u>1,049,739</u>	<u>(243,894)</u>	<u>(40,764)</u>	<u>(1,161,055)</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>	<u>(53,032,792)</u>
42,385,600	47,880,387	49,915,747	50,564,085	51,340,102	52,084,725	52,994,780
650,909	676,050	26,631	5,897	96	1,331	765
1,602,610	1,604,287	1,676,860	1,896,626	2,081,392	2,106,822	2,178,798
-	-	-	(378,887)	(706,760)	-	(220,978)
222,193	20,558	198,052	150,214	249,731	512,855	1,071,403
<u>(2,303,430)</u>	<u>(2,250,276)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>	<u>56,024,768</u>
49,264	-	4,744	3,657	3,596	6,570	18,245
<u>2,303,430</u>	<u>2,250,276</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>18,245</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>	<u>56,043,013</u>
(2,747,601)	5,117,983	2,720,406	9,601,485	4,666,897	12,428,956	4,153,031
<u>(151,476)</u>	<u>468,840</u>	<u>761,670</u>	<u>1,053,396</u>	<u>(240,298)</u>	<u>(34,194)</u>	<u>(1,142,810)</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>	<u>3,010,221</u>

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

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

	2009	2010	2011	2012
<b>General fund</b>				
Reserved	\$ 1,332,001	-	-	-
Unreserved	29,270,507	-	-	-
Nonspendable:				
Prepaid items	-	170,321	227,426	296,853
Restricted:				
Landfill closure	-	488,858	418,540	347,522
Farmland preservation	-	1,092,655	825,164	714,300
Offender supervision	-	564,467	564,847	681,358
Juvenile probation restitution funds	-	-	-	-
Criminal investigation	-	229,803	203,802	338,460
Register of Wills-Act 34	-	67,200	69,450	71,250
Coroner - Act 122	-	49,499	68,905	68,634
Veteran Affairs	-	-	-	-
Hoffer scholarship	-	16,723	16,256	15,812
Hazardous materials emergency planning	-	-	-	-
Row office automation	-	174,701	190,587	218,242
Marcellus Shale	-	-	-	199,719
Unrestricted:				
Assigned:				
Public safety	-	-	-	-
Future budgetary requirements	-	-	10,920,515	6,551,207
Capital projects	-	3,725,000	3,725,000	3,725,000
Risk liability	-	250,000	250,000	250,000
Farmland preservation	-	446,367	560,825	595,009
Prison canteen	-	66,732	177,895	226,059
Criminal justice planning	-	5,885	7,297	7,081
Unassigned	-	24,316,110	11,144,830	10,856,757
<b>Total general fund</b>	<b>\$ 30,602,508</b>	<b>31,664,321</b>	<b>29,371,339</b>	<b>25,163,263</b>
<b>All other governmental funds</b>				
Reserved	\$ -	-	-	-
Unreserved, reported in:				
Special revenue funds	6,865,274	-	-	-
Capital projects fund	8,569,764	-	-	-
Debt service fund	-	-	-	-
Nonspendable:				
Prepaid items	-	23,649	235,485	330,154
Loans receivable greater than one year	-	-	-	-
Restricted:				
Roads and bridge maintenance	-	635,004	955,530	1,207,397
Judicial services	-	55,920	287,665	-
Human services	-	952,567	1,474,155	726,499
Public safety	-	35,758	33,156	38,502
Row office automation	-	1,005,582	923,002	972,248
Conservation	-	1,670,258	1,461,610	1,093,589
Marcellus shale	-	-	-	335,543
Economic development and housing	-	1,920,788	2,190,163	2,597,397
Debt service	-	9,870	-	-
Capital projects	-	1,948,613	15,751,272	3,818,123
Unrestricted:				
Assigned:				
Capital projects	-	-	500,082	500,000
Transportation	-	-	-	-
Economic development and housing	-	-	-	-
Human services	-	891,930	297,941	55,409
Unassigned	-	(83,661)	4,694	(12,150)
<b>Total all other governmental funds</b>	<b>\$ 15,435,038</b>	<b>9,066,278</b>	<b>24,114,755</b>	<b>11,662,711</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)

2013	2014	2015	2016	2017	2018
-	-	-	-	-	-
-	-	-	-	-	-
353,803	240,956	387,486	339,389	375,395	418,519
275,863	203,492	130,438	56,443	-	-
270,217	318,409	437,718	658,973	943,857	1,054,979
658,158	675,229	989,446	1,058,353	1,184,513	1,285,121
-	18,920	27,402	33,818	31,493	18,243
821,979	747,271	672,896	540,179	399,283	290,393
72,750	74,025	74,925	75,450	76,500	77,325
48,022	33,861	35,061	38,589	55,988	74,807
50,000	-	-	-	-	-
13,615	10,503	-	-	-	-
-	14,098	25,813	27,504	16,975	9,131
252,211	153,201	128,260	144,142	206,084	291,614
348,659	324,283	375,815	351,338	391,489	421,532
-	-	-	-	429,953	913,778
3,686,704	4,252,825	3,888,647	2,693,969	4,980,133	5,655,783
3,725,000	3,725,000	3,725,000	3,725,000	4,831,870	5,646,596
250,000	250,000	250,000	250,000	250,000	250,000
546,947	603,101	613,274	628,860	641,748	715,000
314,835	425,502	473,203	557,861	669,358	744,493
3,944	3,947	5,047	4,123	6,076	405
17,148,138	19,493,060	22,744,035	26,734,235	26,720,906	28,171,978
28,840,845	31,567,683	34,984,466	37,918,226	42,211,621	46,039,697
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
11,916	115,233	165,182	157,018	323,866	311,556
-	-	-	-	1,056,268	895,310
1,168,695	1,376,674	809,135	1,079,875	1,519,101	2,572,229
-	-	-	-	-	-
553,974	996,026	973,405	1,292,477	1,292,477	1,452,441
36,974	39,660	2,688,735	3,606,138	3,697,867	4,091,487
744,951	511,936	320,125	337,731	160,368	157,651
931,598	842,633	777,915	832,962	865,680	911,081
600,259	134,664	396,917	500	298,541	669,326
20,864	-	10,125	19,035	432,493	415,338
-	-	-	-	-	14,793
1,177,907	697,246	7,171	500	2,708	-
500,000	500,000	500,000	500,000	504,579	469,336
-	420,524	-	-	-	-
-	-	-	-	2,317,132	2,162,908
388,851	34,343	67,822	59,481	7,533	17,681
(5,523)	(102,563)	-	-	-	-
6,130,466	5,566,376	6,716,532	7,885,717	12,478,613	14,141,137

## FINANCIAL TRENDS

### Changes in Fund Balances of Governmental Funds

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

	2009	2010	2011	2012
<b>Revenues:</b>				
Taxes	\$ 43,016,438	43,972,939	44,249,273	44,610,906
Licenses and permits	115,886	96,872	104,492	122,829
Grants	79,570,052	72,033,160	67,782,498	67,258,482
County charges	15,477,114	14,386,937	15,507,346	16,183,605
Court, costs, fines and forfeitures	1,970,159	1,968,327	2,182,893	2,435,785
Investment earnings	1,106,741	652,759	422,986	222,194
Payment in lieu of taxes	141,168	128,664	128,359	130,142
Contributions and other	670,539	441,878	397,790	454,101
Total revenues	<u>142,068,097</u>	<u>133,681,536</u>	<u>130,775,637</u>	<u>131,418,044</u>
<b>Expenditures:</b>				
Current:				
General government - administrative	9,470,786	10,419,194	10,779,834	10,851,620
General government - judicial	16,858,261	16,598,749	17,837,905	18,623,142
Corrections (1)	-	-	-	-
Public safety	15,525,396	18,098,141	19,313,626	19,595,172
Emergency telephone (2)	-	-	-	-
Public works and enterprises	1,167,927	863,974	686,114	757,449
Transportation (2)	-	-	-	-
Human services:				
Mental health/intellectual and developmental disabilities	27,883,589	18,367,330	17,226,078	17,460,022
Children and youth	12,975,471	12,492,268	13,605,024	14,064,911
HealthChoices - Cumberland County	27,042,053	28,601,026	27,491,595	28,363,948
Food and shelter	4,821,488	3,219,164	962,539	832,219
Office of aging	5,047,609	4,968,161	4,098,978	3,629,633
Drug and alcohol	3,043,704	3,012,234	2,844,349	3,340,669
Fiscal Employer Agent	-	1,250,455	2,453,634	3,079,857
General fund	705,617	643,881	744,325	710,743
Witness assistance	406,683	420,078	438,939	470,691
Human services development	274,963	230,470	209,799	146,452
Capital projects	211,299	-	-	-
Other	-	-	-	-
Culture and recreation	243,647	135,125	92,871	170,073
Conservation and development	525,300	433,154	379,522	384,628
Economic development and assistance	3,972,265	3,888,847	3,949,724	3,408,129
Debt service:				
Principal retirement	1,423,447	1,907,615	1,780,187	2,501,101
Debt interest	1,250,182	1,363,595	1,220,283	1,698,453
Fiscal charges	145,207	115,388	197,724	-
Payment to refunding bond escrow	-	-	-	-
Capital Outlay	14,029,489	9,574,735	7,766,720	14,259,834
Payments to other governments	289,677	424,159	370,994	1,592,960
Total expenditures	<u>147,314,060</u>	<u>137,027,743</u>	<u>134,450,764</u>	<u>145,941,706</u>
Excess (deficiency) of revenues over (under) expenditure:	<u>(5,245,963)</u>	<u>(3,346,207)</u>	<u>(3,675,127)</u>	<u>(14,523,662)</u>
<b>Other financing sources (uses):</b>				
Transfers in	8,849,334	10,011,522	12,367,178	11,980,877
Transfers out	(10,394,752)	(12,097,520)	(14,498,394)	(14,269,435)
Debt issued	9,656,482	9,850,000	18,000,000	152,100
Payment to refund bonds	(7,108,829)	(9,877,630)	-	-
Bond premium (discount)	92,084	152,888	561,838	-

2013	2014	2015	2016	2017	2018
50,104,058	51,491,496	52,645,000	53,488,317	54,250,290	55,180,037
148,860	185,585	195,612	216,698	207,437	224,858
68,165,204	71,866,816	73,829,762	79,475,324	86,503,597	89,572,920
13,031,309	16,605,675	20,424,530	20,364,725	21,548,112	21,154,482
2,686,728	2,288,064	2,629,286	2,469,085	2,886,027	3,191,324
20,558	165,456	131,984	236,531	502,008	1,038,432
126,630	134,637	133,151	131,075	155,472	241,053
480,560	447,672	412,660	447,672	513,776	348,755
<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>	<u>170,951,861</u>
11,048,718	10,946,238	11,199,523	12,377,168	11,287,449	11,375,971
18,585,289	18,381,527	18,873,288	20,302,969	20,823,087	21,367,304
17,186,818	17,555,792	17,490,930	17,644,252	17,525,468	18,420,395
2,757,154	2,995,701	2,961,102	3,275,383	3,291,043	3,508,200
-	4,606,338	4,567,837	4,545,142	4,786,398	4,907,131
765,921	521,391	1,037,277	879,227	606,179	642,418
-	2,201,417	1,341,181	131,285	-	-
16,620,557	18,001,412	17,052,397	17,288,997	16,680,764	16,894,059
14,425,663	15,082,777	16,975,067	18,107,927	19,472,049	20,909,415
28,879,386	28,653,048	29,681,950	36,322,582	38,747,541	41,658,403
869,959	1,209,950	1,104,063	771,121	909,102	852,754
3,261,904	3,385,571	3,874,498	4,228,387	4,516,737	4,620,452
2,799,298	2,943,133	2,694,853	2,701,553	2,840,279	3,492,492
29,692	310	-	-	-	-
803,362	924,334	781,586	946,037	1,133,095	1,428,155
446,175	443,565	497,410	515,377	512,110	515,046
105,501	115,332	133,890	124,278	135,544	126,009
-	-	-	-	-	-
-	-	-	-	-	-
192,933	3,593	483,877	2,278	5,770	2,678
404,532	445,748	382,018	409,951	274,327	588,404
3,525,295	3,981,712	3,638,216	3,537,217	4,579,358	4,399,622
2,680,175	4,623,934	4,714,186	4,723,520	4,430,875	4,602,347
1,600,423	1,720,603	1,598,116	1,393,222	1,238,913	875,290
18,295	39,226	-	133,654	-	144,552
-	-	-	-	-	235,684
4,375,453	2,457,080	4,346,320	2,449,417	8,987,660	5,174,925
367,243	367,473	295,169	340,429	368,173	266,088
<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>	<u>167,007,794</u>
<u>3,014,161</u>	<u>1,578,196</u>	<u>4,677,231</u>	<u>3,678,054</u>	<u>3,414,798</u>	<u>3,944,067</u>
8,568,427	13,226,813	14,030,811	12,228,090	14,448,532	13,806,860
(10,594,831)	(13,226,813)	(14,030,811)	(12,228,090)	(14,448,532)	(13,806,860)
2,474,252	2,365,000	238,231	11,470,000	1,591,703	13,313,834
(2,745,437)	(2,401,932)	-	(12,706,082)	-	(13,075,429)
296,152	76,644	-	1,370,948	-	1,094,774

(continued)

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

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

	2009	2010	2011	2012
(continued)				
<b>Other financing sources (uses):</b>				
Sale of assets	-	-	-	-
Insurance recovery	165,602	-	-	-
Capital leases	-	-	-	-
Total other financing sources (uses)	<u>1,259,921</u>	<u>(1,960,740)</u>	<u>16,430,622</u>	<u>(2,136,458)</u>
Special Item				
Discontinued operation	-	-	-	-
Total special item	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (3,986,042)</u>	<u>(5,306,947)</u>	<u>12,755,495</u>	<u>(16,660,120)</u>
Debt service as a percentage of noncapital expenditure:	%	2.01	2.57	2.37
				3.19

- (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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
-	4,897	-	8,969	3,315	17,123
482	5,884	30,364	58,558	-	196,231
-	-	-	-	-	-
<u>(2,000,955)</u>	<u>50,493</u>	<u>268,595</u>	<u>202,393</u>	<u>1,595,018</u>	<u>1,546,533</u>
-	-	(378,887)	-	-	-
-	-	(378,887)	-	-	-
<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>	<u>5,490,600</u>
3.36	4.56	4.46	4.08	3.67	3.38

**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)
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
2018	(2)	16,879,021,800	6,744,992,000	1,023,461,400	42,591,800	24,690,067,000	4,148,914,300	2.361	25,745,638,165	95.9

**Notes:**

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

	<u>County</u>	<u>Library</u>	<u>Total</u>
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
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
2018	2.195	0.166	2.361

\* Millage adjustment due to 5% cap for reassessment

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

	Year Taxes Are Payable									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>County Direct Rates</b>										
General	2.399	2.399	1.902	1.902	2.131	2.195	2.195	2.195	2.195	2.195
Library	0.18	0.18	0.143	0.143	0.143	0.143	0.143	0.143	0.166	0.166
<b>Total Direct Rate</b>	<u>2.579</u>	<u>2.579</u>	<u>2.045</u>	<u>2.045</u>	<u>2.274</u>	<u>2.338</u>	<u>2.338</u>	<u>2.338</u>	<u>2.361</u>	<u>2.361</u>
<b>School Districts</b>										
Big Spring	15.455	16.072	12.098	12.364	12.636	12.9771	13.2885	13.7004	14.0429	14.3238
Camp Hill	14.8	16.21	12.9577	13.1622	13.1622	13.7573	14.4828	15.4876	15.9367	16.3988
Carlisle Area	14.33	14.83	12.2606	12.3706	12.6056	12.9333	13.2436	13.6409	14.0365	14.4716
Cumberland Valley	9.964	10.252	8.57	8.715	8.715	8.898	9.067	9.284	9.516	9.744
East Pennsboro	12.899	12.899	10.309	10.5254	10.8295	11.2378	11.5749	11.8411	12.1963	12.3792
Mechanicsburg	14.29	14.7	12.168	12.289	12.289	12.535	12.535	12.8	13.056	13.3693
Shippensburg Area	13.21	13.55	10.01	10.22	10.4	10.6808	10.9475	11.089	11.2199	11.9117
South Middleton	11.38	11.55	8.9245	8.9245	9.0081	9.1549	9.3288	9.5526	10.2484	10.5621
West Shore Area	10.6	10.61	9	9.3	9.4	9.68	10.1988	10.9162	11.2014	11.6457
<b>Municipalities</b>										
Camp Hill	3.881	3.881	3.022	3.022	3.022	3.022	3.022	3.022	3.022	3.022
Carlisle	3.08	3.57	3.058	3.058	3.275	3.275	3.275	3.275	3.495	3.495
Cooke	1.5	2	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Dickinson	0.22*	0.22*	.084*	.084*	.084*	.084*	0.084*	0.084*	0.25*	0.25*
East Pennsboro	1.19	1.19	0.957	0.957	0.957	1.05	1.3	1.3	1.3	1.64
Hampden	0.18	0.18	0.156	0.156	0.156	0.156	0.156	0.156	0.156	0.156
Hopewell	-	-	-	-	-	-	-	-	-	-
Lemoyne	2.5	2.5	2.1	2.1	2.3	2.3	2.31	2.31	2.52	3.13
Lower Allen	2.5	2.5	1.23	2.05	2.45	2.45	2.45	2.45	2.45	3.03
Lower Frankford	0.18	0.18	0.0807	0.1211	0.1211	0.1211	0.3229	0.3229	0.3229	0.3229
Lower Mifflin	-	-	-	-	-	-	-	-	-	-
Mechanicsburg	3.0	3.25	2.58	2.58	2.58	3.08	3.33	3.33	3.33	3.83
Middlesex	0.87	1.2	0.998	1.22	1.22	1.38	1.53	1.53	1.53	1.85
Monroe	0.2	0.595	0.169	0.525	0.525	0.556	0.556	0.556	0.556	0.556
Mt. Holly Springs	1.944	1.966	1.374	1.613	2.036	2.312	2.38	2.38	2.755	2.755
Newburg	1.0	1.0	0.7	1.0	1.25	1.75	2	2	2	2.25
New Cumberland	2.6	3.6	2.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9
Newville	1.6657	2.0657	1.358	2.434	2.398	2.898	2.898	2.898	3.648	3.648
North Middleton	0.889	0.889	0.694	0.694	0.694	0.694	0.89	0.89	1.059	1.059
North Newton	0.14	0.14	0.1	-	-	-	-	-	-	-
Penn	0.061	0.061	0.0414	0.0414	-	-	-	-	-	-
Shippensburg Borough	2.85	3.6	2.26	2.6	2.6	2.6	2.72	2.72	2.72	2.89
Shippensburg Twp.	0.95	0.95	0.675	0.675	0.675	0.675	0.975	0.975	0.975	0.975
Shiremanstown	2.2	2.35	1.9	2.1	2.1	2.0	2.0	2.0	2.0	2.2

(continued)

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

*Last Ten Years*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Year Taxes Are Payable									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Municipalities (continued)</b>										
Silver Spring	1.034	1.034	0.8045	0.8045	0.8045	0.8045	1.3045	1.3045	1.3045	1.3045
Southampton	-	-	-	-	-	-	-	-	-	-
South Middleton	0.22*	0.22*	0.17*	0.17*	0.17*	0.17*	0.25*	0.25*	0.25*	.6*
South Newton	0.129	0.129	0.0933	0.0933	0.0933	0.0933	0.0933	0.0933	0.0933	0.0933
Upper Allen	1.25	1.532	1.2918	1.4	1.6	1.8	2.3	2.3	2.3	2.4
Upper Frankford	0.21128	0.21128	0.16095	0.16095	0.16095	0.16095	0.16095	0.16095	0.16095	0.16095
Upper Mifflin	-	-	-	-	-	-	-	-	-	-
West Pennsboro	0.2135	0.35	0.2576	0.5076	0.5076	0.5076	0.5076	0.5076	0.5076	0.5076
Wormleysburg	3.678	3.678	3.065	3.065	3.065	3.065	3.361	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**

*2009 and 2018 Tax Years*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	2009			2018		
	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	0.66 %
Allen Distribution	61,095,180	3	0.36	116,731,100	2	0.47
PR CC Limited Partnership	35,480,130	9	0.21	85,700,000	3	0.35
Goodman Carlisle LLC				73,175,000	4	0.30
Pennsylvania Blue Shield	56,987,300	5	0.34	72,584,100	5	0.29
Messiah Home				66,500,000	6	0.27
LIT Industrial LP	58,038,000	4	0.24	64,167,000	7	0.26
KTR PA Cent LLC				60,300,000	8	0.24
Cedar - Camp Hill LLC	36,600,000	8	0.22	56,718,200	9	0.23
CPUS Park 81 LP				53,800,000	10	0.22
Carlisle HMA, Inc.	65,328,360	2	0.39			
Carlisle Partners Bldg C LLC	37,440,000	7				
Keystone Lemoyne Partners	38,883,740	6	0.25			
DDRTC Carlisle Commons LLC	36,196,760	9	0.21			
Totals	\$ <u>524,414,470</u>		<u>2.80 %</u>	\$ <u>812,436,300</u>		<u>3.29 %</u>

Notes:

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

\$17,596,518,690

(2) Percentage based on total County taxable assessed valuation for 2018

\$24,690,067,000

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 of the Levy		Collections in Subsequent Years (3)	Total Collections to Date	
			Amount (2)	Percentage of Levy		Amount	Percentage of Levy
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	156,679	40,680,881	96.37	1,686,458	42,367,660	100.00
2013	47,826,059	158,801	46,395,766	97.01	1,587,002	47,981,440	100.00
2014	49,855,721	182,279	48,393,357	97.06	1,641,360	50,031,167	99.99
2015	50,454,280	210,949	49,036,480	97.19	1,624,487	50,660,967	99.99
2016	51,198,311	241,231	50,000,265	97.66	1,426,844	51,016,372	99.98
2017	51,956,631	202,398	50,774,924	97.73	982,694	N/A	99.23
2018	52,838,606	N/A	51,643,300	97.74	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
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	129,278	3,187,790	100.00
2013	3,208,510	11,697	3,113,381	97.04	106,689	3,219,981	100.00
2014	3,248,014	12,170	3,152,742	97.06	107,208	3,259,737	99.99
2015	3,287,007	13,930	3,194,639	97.19	106,020	3,300,251	99.99
2016	3,335,478	15,968	3,257,427	97.66	93,194	3,323,308	99.98
2017	3,929,292	14,873	3,839,923	97.73	73,202	N/A	99.21
2018	3,995,992	N/A	3,905,595	97.74	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			
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	289.58
2012	46,229,735	3,468,101	345,000	900,827	13,236,186	-	64,179,849	0.58	268.25
2013	46,839,735	715,000	229,597	13,440,053	-	-	61,224,385	0.54	253.97
2014	47,860,057	715,000	91,489	9,323,974	-	-	57,990,520	0.49	238.35
2015	43,051,024	715,000	223,748	8,113,581	-	-	52,103,353	0.42	212.00
2016	38,247,636	715,000	223,748	6,868,495	-	-	46,054,879	0.37	186.13
2017	33,816,543	715,000	962,128	5,584,091	-	-	41,077,762	0.32	164.81
2018	28,974,795	715,000	721,596	4,280,996	-	-	34,692,387	*	137.98

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>
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	288.50
2012	47,130,562	16,704,287	-	63,834,849	0.28	266.81
2013	60,279,788	715,000	-	60,994,788	0.27	253.02
2014	57,184,031	715,000	-	57,899,031	0.25	237.97
2015	51,164,605	715,000	-	51,879,605	0.22	211.09
2016	45,116,131	715,000	-	45,831,131	0.19	185.22
2017	39,400,634	715,000	-	40,115,634	0.16	160.95
2018	33,255,791	715,000	14,793	33,955,998	0.13	135.06

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

*December 31, 2018*

COUNTY OF CUMBERLAND, PENNSYLVANIA

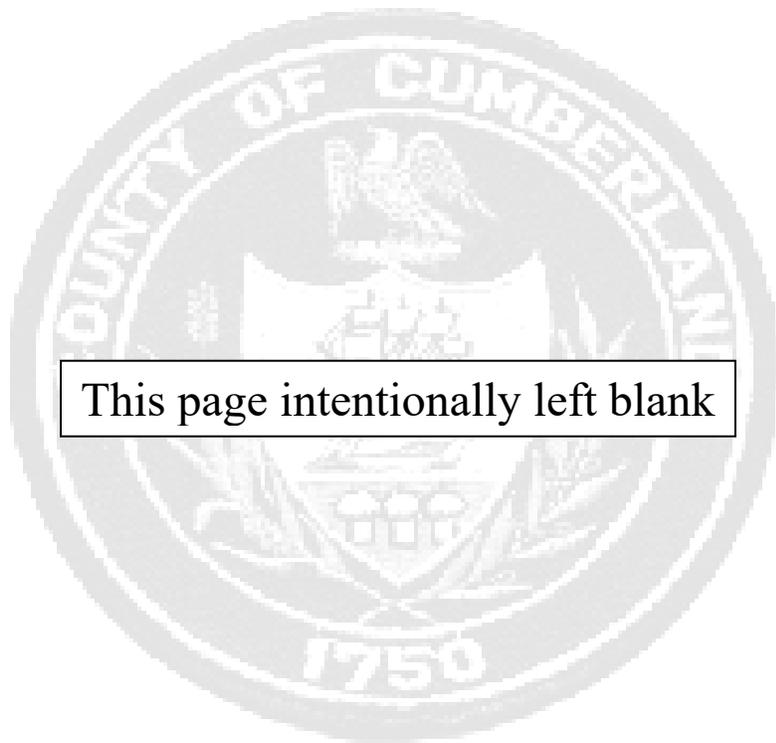
(unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
<b>School Districts:</b>			
Big Spring	\$ 46,585,000	100%	\$ 46,585,000
Camp Hill	20,589,371	100	20,589,371
Carlisle Area	55,175,000	100	55,175,000
Cumberland Valley	342,309,964	100	342,309,964
East Pennsboro	5,282,431	100	5,282,431
Mechanicsburg	53,592,000	100	53,592,000
*Shippensburg Area	19,204,000	61	* 11,714,440
South Middleton	35,585,000	100	35,585,000
*West Shore Area	146,729,000	55	* 80,700,950
<b>Total school districts</b>			<b>651,534,156</b>
<b>Municipalities:</b>			
Camp Hill Borough	2,500,646	100	2,500,646
Carlisle Borough	8,115,277	100	8,115,277
East Pennsboro Township	1,377,104	100	1,377,104
Hampden Township	20,187,837	100	20,187,837
Lemoyne Borough	18,008,317	100	18,008,317
Lower Allen Township	10,368,430	100	10,368,430
Mechanicsburg Borough	1,026,143	100	1,026,143
Middlesex Township	5,744,659	100	5,744,659
Monroe Township	770,542	100	770,542
Mt. Holly Springs Borough	2,131,109	100	2,131,109
Silver Spring Township	9,635,000	100	9,635,000
South Middleton Township	1,685,000	100	1,685,000
Upper Allen Township	8,015,000	100	8,015,000
Wormleysburg Borough	2,271,966	100	2,271,966
<b>Total municipalities</b>			<b>91,837,030</b>
<b>Subtotal overlapping debt</b>			<b>743,371,186</b>
<b>Total direct debt - County</b>			<b>31,431,238</b>
<b>Total direct and overlapping debt</b>			<b>\$ 774,802,424</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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt limit	\$ 489,555,684	483,492,830	471,646,512	462,737,838
Total net-debt applicable to limit	<u>57,850,000</u>	<u>54,283,464</u>	<u>68,405,105</u>	<u>63,791,789</u>
Net nonelectoral debt limit	<u>\$ 431,705,684</u>	<u>429,209,366</u>	<u>403,241,407</u>	<u>398,946,049</u>
Total net debt applicable to the limit as a percentage of debt limit	11.82 %	11.23	14.50	13.79

***Last Ten Years***

(unaudited)

2013	2014	2015	2016	2017	2018
468,846,437	481,164,681	498,487,522	519,866,331	543,230,061	566,717,651
<u>58,715,000</u>	<u>55,860,000</u>	<u>50,165,000</u>	<u>43,120,000</u>	<u>37,830,000</u>	<u>31,390,000</u>
<u><u>410,131,438</u></u>	<u><u>425,304,682</u></u>	<u><u>448,322,522</u></u>	<u><u>476,746,331</u></u>	<u><u>505,400,061</u></u>	<u><u>535,327,651</u></u>
12.52	11.61	10.06	8.29	6.96	5.54

**Legal Debt Margin Calculation for year ending 2018**

Borrowing base revenue:

2016	\$ 181,153,701
2017	189,157,129
2018	<u>196,406,821</u>
Total revenue (1)	<u><u>\$ 566,717,651</u></u>

**Debt Limit for General Obligation Debt**

Average borrowing base revenues	\$ 188,905,884
Debt limit percentage	<u>300%</u>
Debt limit	<u>566,717,652</u>
Total amount of debt applicable to debt limit	<u>31,390,000</u>
Legal debt margin	<u><u>\$ 535,327,652</u></u>

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

Average borrowing base revenues	\$ 188,905,884
Debt limit percentage	<u>400%</u>
Debt limit	<u>755,623,536</u>
Total amount of debt applicable to debt limit	<u>31,390,000</u>
Legal debt margin	<u><u>\$ 724,233,536</u></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)

<u>Year</u>	<u>Population</u>	<u>Total Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Median Household Income</u>	<u>School Enrollment (2)</u>	<u>Annual Average Unemployment Rate (1)</u>			
2009	232,483 (A)	\$ 9,672,843 (B)	\$ 41,353 (B)	\$ 60,285 (A)	35,352	6.6%			
2010	235,406 (A)	9,968,010 (B)	42,256 (B)	60,400 (A)	32,771	6.8			
2011	237,101 (A)	10,522,711 (B)	44,394 (B)	60,219 (A)	32,610	6.4			
2012	239,252 (C)	11,102,561 (B)	46,402 (B)	60,832 (A)	32,443	6.2			
2013	241,071 (A)	11,284,192 (B)	46,784 (B)	60,883 (A)	32,726	5.7			
2014	243,301 (A)	11,862,562 (B)	48,698 (B)	60,826 (A)	33,029	4.5			
2015	245,766 (A)	12,430,335 (B)	50,480 (B)	61,820 (A)	33,153	4.0			
2016	247,435 (A)	12,518,198 (B)	50,497 (B)	62,640 (A)	33,167	4.1			
2017	249,238 (A)	12,945,214 (B)	51,767 (B)	65,544 (A)	33,462	3.8			
2018	251,423 (A)	*	(B)	*	(B)	*	(A)	33,712	3.3

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**

*2009 and 2018 Years*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

<b>Employer</b>	<b>2009</b>			<b>2018</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment (3)</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment (3)</b>
U.S. Department of Defense:						
Naval Support Activity	-			4,240		
Carlisle Barracks	-			1,715		
Total	5,892 (1)	1	5%	5,955 (1)	1	5 %
Ahold Delhaize	3,201	3	3	3,455	2	4
Geisinger Holy Spirit Hospital	2,682	4	2	2,633	3	2
Highmark Blue Shield	3,793	2	3	255	4	0
Commonwealth of Pennsylvania	1,915 (2)	5	2	1,796 (2)	5	2
Cumberland Valley School District	1,194	8	1	1,549	6	1
Cumberland County Government	1,317	6	1	1,275	7	1
JFC Temps Inc.	-	-	-	1,412	8	1
Fry Communications	-	-	-	1,035 *	9	1
HP Enterprise Services	1,100	10	1			
Excel Logistics	-	-	-	1,000 *	10	1
Wal-Mart	1,300	7	1	-	-	-
West Shore School District	1,194	9	1	-	-	-
Total	<u>23,588</u>		<u>20%</u>	<u>20,365</u>		<u>17 %</u>

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	2009	2010	2011	2012
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General Government-Administrative				
Commissioners	8	8	9	8
Solicitors	3	4	4	3
Communications	-	-	-	-
Elections	7	6	6	6
Controller	16	16	16	15
Finance	10	10	10	10
Tax Claims	2	2	2	2
Treasurer	4	3	4	5
Tax collector administration	17	17	17	17
Human resources	7	6	6	7
Tax assessment	23	22	19	20
Recorder of deeds	7	7	7	8
Administrative services	2	3	3	3
Information management and technology	17	17	15	16
Enterprise resource management	3	3	3	3
Geographic information systems	2	2	2	1
Human service fiscal operations	2	2	2	2
Grant administration	3	2	2	2
County buildings	15	22	21	21
Planning	4	6	6	6
Domestic Relations	39	39	38	39
General Government-Judicial				
Building security	7	7	6	7
Courts	39	41	43	40
District judges	39	39	38	38
Clerk of court	12	12	11	13
Coroner	4	4	6	7
Public defender	13	13	12	15
District attorney	25	25	27	27
Prothonotary	8	9	8	9
Register of wills	6	7	7	8
Sheriff	34	35	34	35
Public safety				
District attorney-criminal investigation	4	4	4	5
District attorney-forensic lab	2	2	3	3
Victim witness services	9	9	9	8
Prison	106	115	115	115
Adult probation	36	36	37	37
Juvenile probation	27	27	26	26
Emergency management & communications	7	6	7	7
Emergency Telephone (1)	-	-	-	-
Hazardous Materials Protection (1)	-	-	-	-
Vector control	3	2	3	3
Transportation (1) (2)	-	-	-	-
Recycling and waste management	3	3	3	3
Human services:				
Mental health/intellectual and developmental disabilities	50	48	47	47
Children and youth	58	62	62	63
Office of aging	32	31	29	26
Community services	11	11	9	8
Drug and alcohol	18	16	20	20
Veteran's affairs	2	2	2	2
Culture and recreation	15	14	15	15
Conservation and development	7	6	6	6
<b>Business-type Activities</b>				
County nursing home	295	304	282	283
Emergency telephone (1)	44	44	43	45
Hazardous materials protection (1)	1	1	1	1
Transportation services (1)	25	28	24	27
<b>Total Primary Government</b>	<b>1133</b>	<b>1160</b>	<b>1131</b>	<b>1143</b>
<b>Component Unit:</b>				
Conservation district	8	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 Rabbitransit.

Source: County payroll records

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

*Last Ten Years*

	(unaudited)					
2013	2014	2015	2016	2017	2018	
9	9	9	9	9	9	8
4	4	4	4	4	4	3
-	-	-	-	-	-	3
6	6	6	6	6	6	5
16	16	16	16	16	15	15
10	8	10	10	10	10	11
2	2	2	2	2	2	2
5	5	5	5	6	5	5
17	17	16	16	16	16	15
7	8	8	7	9	9	10
20	19	18	18	18	18	18
7	6	7	7	7	7	7
3	3	2	1	3	3	1
16	14	15	14	14	14	15
2	3	3	3	3	3	3
2	2	2	2	2	2	2
2	2	2	2	2	2	2
2	3	5	6	8	8	6
21	20	20	23	23	23	21
5	5	5	5	5	5	5
39	39	39	38	39	39	38
7	7	6	7	7	7	7
42	44	46	45	50	49	49
38	36	39	38	39	39	39
13	11	12	13	13	12	12
7	7	6	7	8	9	9
15	16	15	15	18	17	17
27	26	28	26	26	29	29
9	8	9	9	9	8	8
6	8	7	7	7	7	7
36	36	38	38	39	41	41
6	5	6	6	5	7	7
3	3	3	4	5	5	5
9	9	9	9	9	8	8
117	118	119	119	118	118	118
38	37	38	39	37	37	37
25	26	26	25	26	26	26
6	4	8	8	8	8	8
-	47	46	45	44	43	43
-	-	-	-	-	-	-
4	3	3	3	3	3	3
-	28	-	-	-	-	-
2	1	1	1	1	2	2
46	47	46	47	47	46	46
62	67	65	66	75	73	73
26	29	30	29	27	29	29
6	6	6	6	6	6	6
19	19	18	20	20	18	18
2	2	2	2	2	2	2
14	13	14	14	14	15	15
6	6	6	6	6	6	6
284	270	276	268	264	253	253
46	-	-	-	-	-	-
1	-	-	-	-	-	-
28	-	-	-	-	-	-
<b>1145</b>	<b>1130</b>	<b>1122</b>	<b>1117</b>	<b>1133</b>	<b>1118</b>	
7	8	9	9	9	9	9

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

*Last Ten Years*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Governmental - type:</b>										
<b>General Government-administrative</b>										
<i>Fiscal affairs</i>										
Deed transfers	5,592	5,280	5,075	5,801	6,176	5,956	6,430	6,785	6,781	6,893
Mortgage recorded	14,784	13,124	12,042	13,354	13,206	9,298	10,032	10,701	9,866	9,148
Subdivision plans filed	192	152	141	115	133	147	155	143	152	130
Miscellaneous documents and instruments	22,245	19,922	21,184	21,184	20,852	14,617	16,200	16,864	16,142	15,083
Number of Document and Instruments eRecorded	N/A	N/A	N/A	9,201	15,174	11,967	15,990	16,662	17,890	17,851
Percentage eRecorded	N/A	N/A	N/A	23%	38%	40%	49%	48%	54%	57%
<i>Administration</i>										
General election information										
Registered voters	147,650	150,533	152,249	158,190	148,322	151,050	153,481	166,965	167,571	172,256
Votes cast	34,432	81,873	35,313	111,381	33,618	75,845	40,913	124,421	42,652	105,368
Percent of votes cast	23%	54%	23%	70%	23%	50%	27%	75%	25%	61%
<b>General Government-judicial</b>										
<i>Court services:</i>										
Criminal cases filed	3,478	3,720	3,651	3,629	3,603	3,786	3,540	4,159	4,240	3,552
Summary appeals	272	267	231	234	258	259	320	362	316	368
Juvenile delinquency	179	284	245	241	334	388	437	481	500	386
Juvenile dependency	168	112	144	210	221	231	285	233	199	237
Marriage license applications	1,203	1,143	1,169	1,203	1,148	1,317	1,255	1,267	1,208	1,229
Estates and wills probated	1,112	1,198	1,277	1,257	1,266	1,143	1,213	1,266	1,384	1,438
Orphans' court cases filed	105	84	108	87	90	82	106	99	86	100
Adoption cases	119	114	106	91	97	89	113	112	143	138
<i>Court administration:</i>										
Criminal jury trials	57	43	40	47	55	44	48	45	35	25
Criminal appointment of counsel	408	479	433	479	486	636	499	564	590	478
Hearings by domestic relations conference officers	3,556	3,403	2,843	2,729	3,670	3,748	3,492	3,928	3,477	3,480
<i>Sheriff:</i>										
Prisoner transports	3,671	3,790	3,949	3,817	4,235	4,284	4,079	4,611	4,806	4,583

(continued)

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

*Last Ten Years*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

(continued)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Public safety</b>										
<i>County prison:</i>										
Average daily population	377	394	399	381	389	422	401	415	454	413
Commitments to prison	3,077	3,174	3,387	3,098	3,054	3,319	3,383	3,228	3,603	3,602
Releases from prison	3,044	3,218	3,346	3,141	2,974	3,350	3,352	3,195	3,576	3,698
<i>Adult probation:</i>										
Average caseload	2,452	2,685	2,476	2,475	2,408	2,471	2,383	2,401	2,551	2,463
DUI-Intermediate Punishment Program										
Bed Days Saved at County Prison	12,856	11,422	8,813	7,263	8,554	11,312	13,912	11,136	10,453	15,592
Accelerated Rehabilitative Disposition/DUI Program	707	679	774	868	686	672	523	615	696	575
<i>Day Reporting Center:</i>										
Bed Days Saved at County Prison	7,704	6,967	6,957	6,469	5,712	6,443	6,073	5,765	5,082	4,977
<b>Human services</b>										
<i>Children and youth</i>										
Number of referrals	992	1,236	1,232	1,182	1,330	1,455	1,993	1,930	1,929	2,082
Clients receiving in-home services	434	343	370	392	439	625	833	864	777	752
Clients requiring placement	193	219	211	229	286	271	281	329	351	366
<i>Mental health services:</i>										
Number of out-patient hours	9,217	9,976	13,646	12,493	11,472	12,418	12,993	9,721	9,226	11,260
Number of out-patient consumers	502	538	596	567	585	542	414	207	119	93
In-patient days	520	585	687	274	189	470	507	468	35	0
Number of in-patient consumers	79	39	26	15	19	24	21	15	5	0
Residential days	23,665	51,619	55,626	54,193	57,265	58,276	56,113	59,162	63,176	60,958
Number of residential consumers	188	216	205	210	194	216	224	204	227	216
<i>HealthChoices:</i>										
In-patient psychiatric treatment										
Number of in-patient consumers	290	345	377	404	463	444	537	529	619	669
Number of in-patient days	5,215	5,609	6,293	6,920	7,809	8,519	10,800	9,208	11,822	13,428
Out-patient psychiatric treatment										
Number of out-patient consumers	2,823	3,219	3,432	3,627	3,806	4,082	4,537	5,794	6,535	6,791
Number of out-patient units	35,412	41,749	40,523	41,239	41,850	44,598	49,727	60,777	72,863	77,716

(continued)

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

*Last Ten Years*

COUNTY OF CUMBERLAND, PENNSYLVANIA (continued)	(unaudited)									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Children's residential and behavioral health rehabilitation										
Number of consumers	812	1,013	1,029	1,140	1,142	1,040	1,060	1,041	970	910
Number of units	811,357	780,442	791,221	849,765	807,612	665,898	602,368	554,345	473,245	467,748
Targeted case management										
Number of consumers	492	487	482	481	487	486	458	443	435	469
Number of units	89,652	92,796	89,158	81,779	67,978	50,997	57,743	57,844	55,088	54,652
Crisis Intervention										
Number of consumers	614	634	692	653	752	819	740	870	1,014	1,099
Number of units	9,265	8,909	8,247	7,636	10,182	11,236	5,841	7,234	8,494	9,031
<i>Intellectual and Developmental Disabilities</i>										
Number of consumers served	1,517	1,139	1,140	1,093	1,089	1,076	1,058	981	1,017	1,010
Number of transportation units	275,993	15,612	9,130	4,986	4,094	6,027	6,182	3,035	2,002	2,302
Number of residential units	3,534	2,380	2,264	1,922	1,827	2,277	2,648	2,529	2,588	2,493
Number of workshop/vocational units	624,149	71,641	48,572	44,039	53,779	52,614	58,072	54,203	37,641	58,293
<i>Office of aging:</i>										
Senior transportation trips	48,628	46,442	46,950	47,740	45,496	44,732	44,066	42,850	38,475	46,484
Information and assistance contracts	13,938	16,879	16,800	13,014	14,003	6,616	6,227	4,068	4,802	4,737
Congregate meals served	33,102	33,082	30,873	31,260	31,830	33,446	31,417	35,183	34,549	34,721
Adult day care days provided	4,765	4,945	4,508	2,907	1,072	1,707	3,124	4,175	3,278	2,967
Home delivered meals served	6,855	5,780	4,480	3,960	4,140	5,718	8,661	11,795	12,530	16,897
Maintenance/modification of homes	227	171	207	152	151	412	317	913	551	389
<i>Drug and alcohol:</i>										
Community-based outpatient treatment (in hours unless otherwise noted)										
Assessment/evaluations	965	708	707	700	754	692	547	303	471	419
Individual counseling	4,653	4,681	3,978	4,003	3,773	3,885	3,831	1,180	2,577	3,124
Intensive outpatient group	5,585	9,039	6,700	5,824	6,414	7,016	4,858	1,976	2,875	2,044
Group	2,532	2,520	2,640	2,350	2,726	3,137	2,972	1,375	1,911	2,069
Prison-based treatment and intervention service hours	1,237	3,474	2,481	1,508	2,260	1,971	2,470	3,083	4,201	2,401
Case management services										
Capital Region Maternal Assistance Program										
Intensive case management service clients	44	70	71	74	68	70	67	69	68	67

(continued)

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

*Last Ten Years*

COUNTY OF CUMBERLAND, PENNSYLVANIA (continued)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Business - type:</b>										
<b>Transportation *</b>										
One way trips	150,270	144,827	145,398	143,590	136,485	127,440	N/A	N/A	N/A	N/A
Mileage	728,131	723,666	748,410	757,171	726,916	758,722	N/A	N/A	N/A	N/A

Notes:

Source: Cumberland County departmental statistics and annual reports

N/A - not available

\* 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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<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 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 1601 Ritner Highway building	N/A	N/A	N/A	36,000	36,000	36,000	36,000	36,000	36,000	36,000
Square footage of 1615 Ritner Highway building MH/IDD	N/A	15,000								
Bureau of Elections										
Electronic voting machines	693	693	693	693	693	693	693	693	694	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	6,022	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	5,168	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	478	478	720	720	720	720	720	720
Square footage of the prison	109,617	109,617	145,064	145,064	178,410	178,410	178,410	178,410	178,410	178,410
<b>Conservation</b>										
Number of agricultural easements acquired	113	117	122	126	128	135	140	150	157	169
Acres in the agricultural easement program	13,867	14,333	14,825	15,311	15,437	16,144	16,750	17,236	17,977	19,051
Acres in agricultural secured areas	71,947	72,709	72,783	73,544	74,450	75,685	72,711	72,876	73,562	73,885
<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)

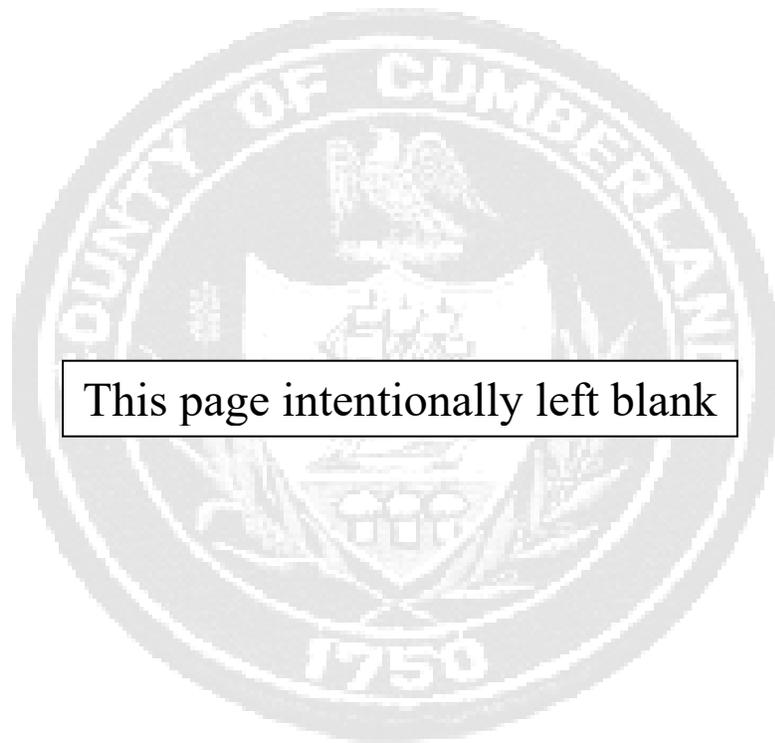
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Human Services</b>										
Square footage of human services building (including parking garage)	47,844	47,844	47,844	47,844	47,844	47,844	47,844	47,844	47,844	47,844
Square footage of Aging/Community Services	N/A	8,024	8,024	8,024	8,024	8,024	8,024	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	282	282	282
<b>Emergency telephone center</b>										
Square footage of the 911 center	10,024	10,024	24,233	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	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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