

# County of Cumberland, Pennsylvania

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended December 31, 2019

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



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ALFRED L. WHITCOMB, CONTROLLER

[www.ccpa.net](http://www.ccpa.net)



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



# COUNTY OF CUMBERLAND, PENNSYLVANIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2019

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

The cover photograph of the Children's Lake was taken in Boiling Springs, Cumberland County. Cover photograph is courtesy of Cumberland Valley Visitors Bureau.

# **Controller of Cumberland County**

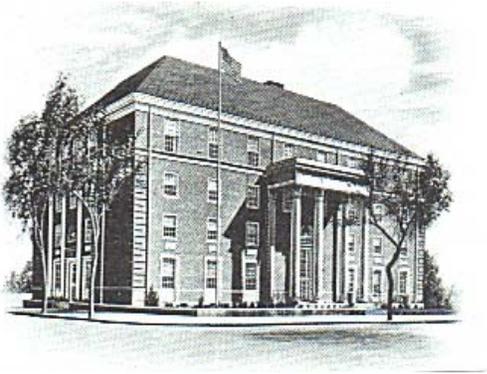
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SECOND DEPUTY CONTROLLER/  
AUDIT MANAGER

TINA L. MALICK  
ADMINISTRATIVE ASSISTANT

JAMES D. BOGAR  
SOLICITOR

June 24, 2020

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, 2019, 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, courts, prison, probation, road and bridge maintenance, Claremont Nursing and Rehabilitation Center and human services which include mental health and intellectual and developmental disabilities, children and youth, aging services and others.

Cumberland Area Economic Development Corporation (CAEDC) serves as the County's authorized agency charged with leveraging and promoting Cumberland Valley's economic development and tourism to drive economic growth, create jobs and improve residents quality of life. The CAEDC offers to existing and prospective businesses considering relocation; financing and funding solutions, development services, project planning and consulting, tourism grants and loans, travel planning and other services.

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 2019 population of 253,370. 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 is the fastest growing county, by population, in the state of Pennsylvania – growing 7.6% since the 2010 census. [*U.S. Census Bureau's Annual Estimates of Resident Populations of Counties in Pennsylvania: April 1, 2010 to July 1, 2019.*]

Cumberland County has the fastest growing, by population, municipality, Silver Spring Township, in the state of Pennsylvania. Silver Spring Township's population grew by 34% since the 2010 census. [*Pennsylvania State Data Center, May 2020 report.*]

Cumberland County offers its residents and visitors a rich history, quaint downtowns, exciting shopping opportunities, farmers markets, a thriving artistic community. The popular Carlisle Events car shows held throughout the year and the Army Heritage and Education Center, with its hands-on military displays, large and unique collection of military artifacts and special events, attract more visitors to Cumberland County each year.

The midway point of the Appalachian Trail is a ridge in Cumberland County. Cumberland County is home to the longest flat section of the trail. Ample trail parking in Cumberland County makes our section of the Appalachian Trail excellent for day hikes. Additionally, Cumberland County has many lakes and streams for fishing and boating and beautiful state parks with new amenities.

Cumberland County serves at 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., 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 by GASB 61 and 80, 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 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 four employers in the county and an affiliate of Amazon.

The County's five largest employers, in order from largest to smallest, are the U.S. Department of Defense – Naval Inventory Control Point and the U.S. Army's Carlisle Barracks, Amazon.com Services Inc., Giant Food Stores LLC, Commonwealth of Pennsylvania and Chewy Inc.. [Source: *Pennsylvania Department of Labor, Cumberland County Profile reflecting the fourth quarter of 2019.*]

Cumberland County ended 2019 with a December unemployment rate of 3.3 percent – tying for the 2nd lowest unemployment rate among Pennsylvania's 67 counties. In comparison, Pennsylvania's unemployment rate was 4.5 percent at December, 2019. [Source: *U.S. Department of Labor, Bureau of Labor Statistics, December, 2019 data, not seasonally adjusted.*]

Cumberland County per capita personal income was \$36,012; whereas the statewide average was \$32,889. Cumberland County median household income was \$68,895; whereas the statewide average was \$59,445. [Source: *U.S. Census Quickfacts reflecting 2018 data, as 2019 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;
- County average per capita and household incomes exceeding state averages;
- Ample jobs i.e. a low unemployment rate;
- Financially stable County government, earning a AAA bond rating;
- 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 proactively protect and expand their 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 20,000 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.

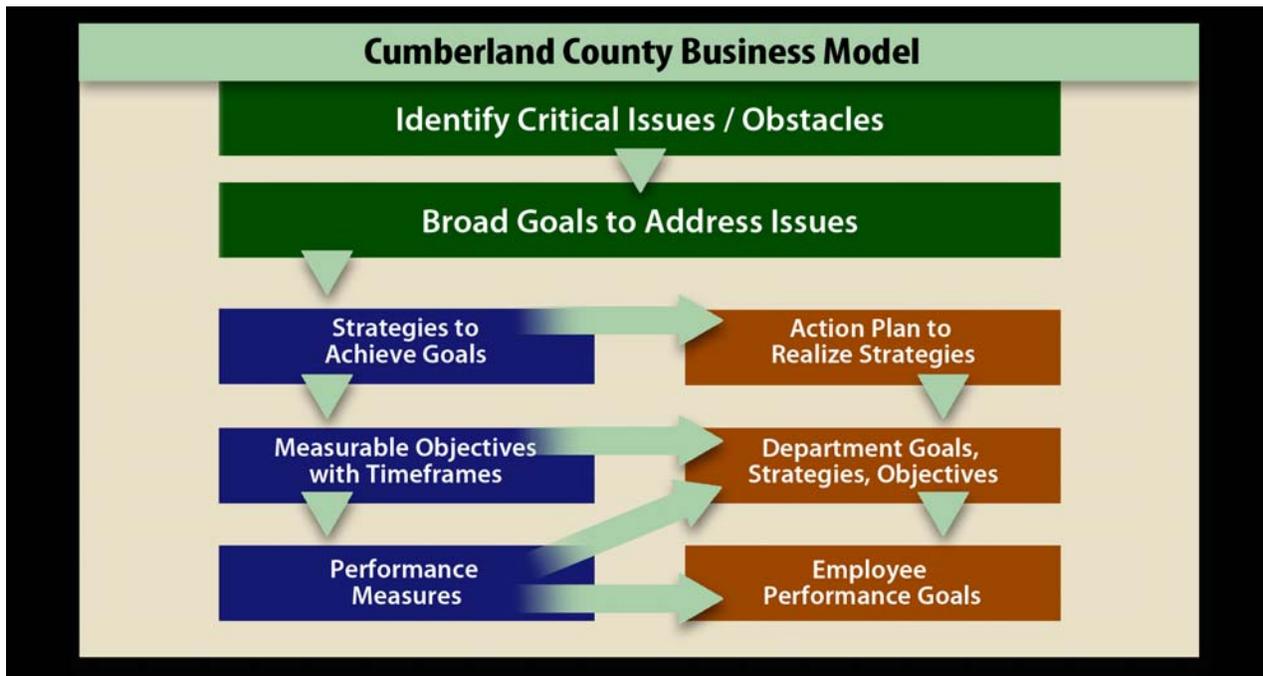
## Long-Term Strategy and Financial Planning

### ***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 of any county of its size in the Commonwealth, 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 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 self-finance (self-insurance) and to give employees the ability to pick the coverage that best suits their needs has begun.

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 business model below, the County is able to monitor changing conditions, adjust its focus, and update its 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 the merit based compensation 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 the Pennsylvania 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, 2018. This was the thirty first consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of

Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both 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, 2018. 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 sixteen 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**

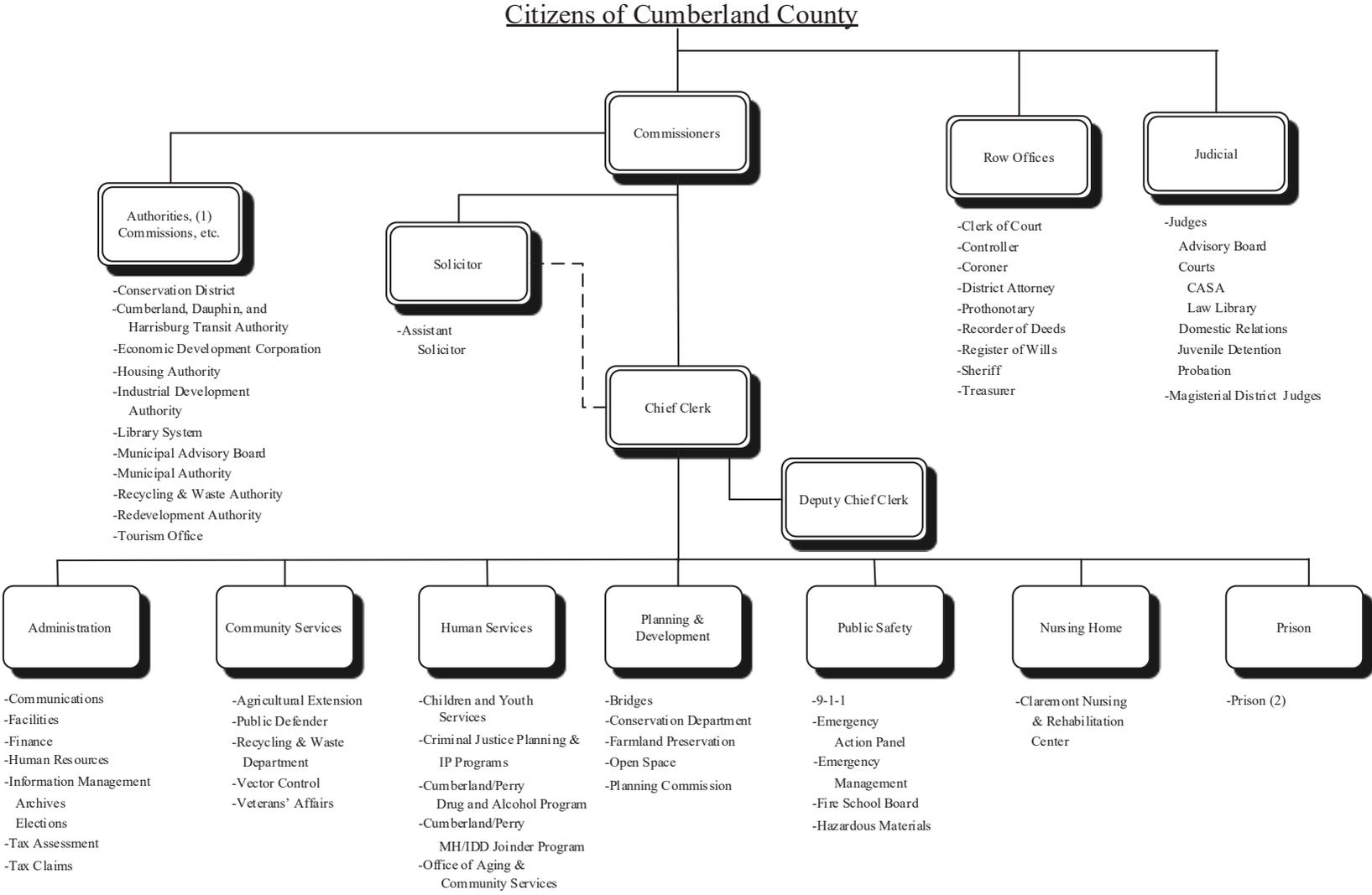
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2018**

*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, 2019

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

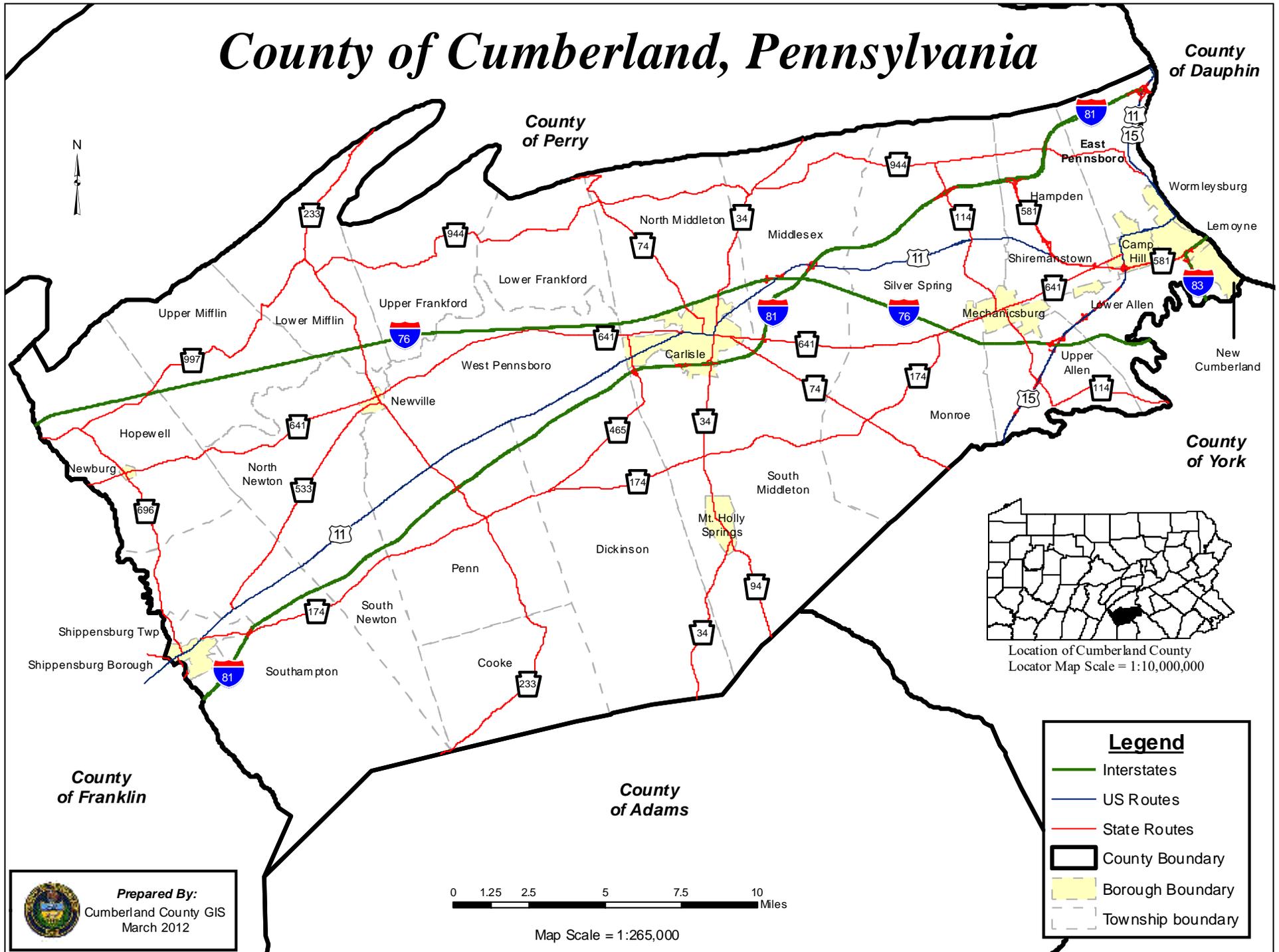
RECORDER OF DEEDS

Tammy Shearer

DISTRICT ATTORNEY

M.L. "Skip" Ebert

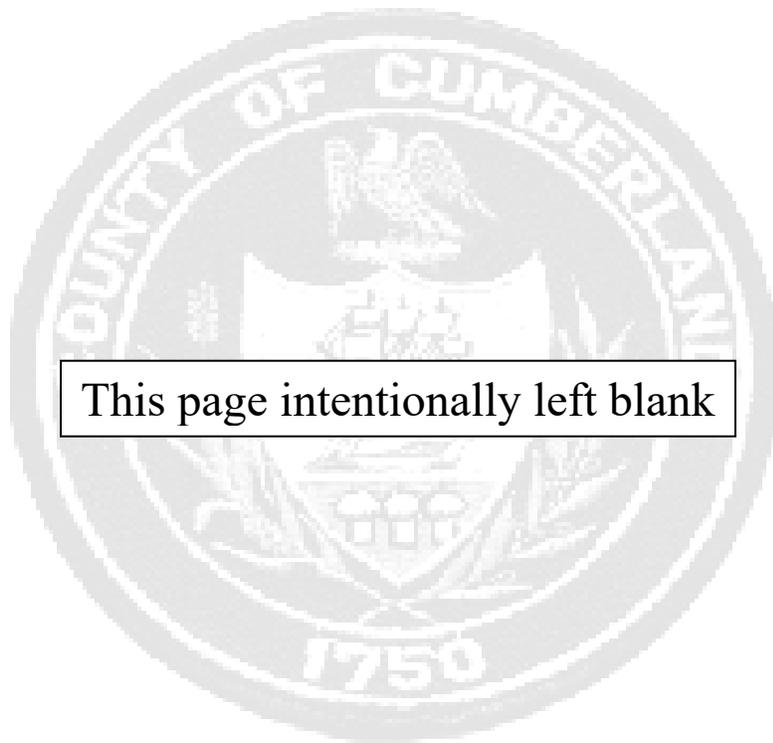
# County of Cumberland, Pennsylvania



Prepared By:  
Cumberland County GIS  
March 2012

0 1.25 2.5 5 7.5 10 Miles

Map Scale = 1:265,000



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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, 2019, 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As disclosed in Note 1 to the financial statements, the County adopted the provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 84, Fiduciary Activities as of January 1, 2019. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis, budgetary comparison information, the employees’ retirement plan schedules, and the other postemployment benefits plan schedules on pages 15-27 and 99-110 (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 them.



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, 2019. 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 \$121,731,326 (*net position*). Of this amount, \$42,769,894 (*unrestricted net position*) may be used to meet the County's general ongoing obligations to citizens and creditors, whereas an additional \$17,604,860 of *restricted net position* is available for funding specific activities benefiting the citizens.
- The government's total net position increased by \$8,180,856 in 2019, which represents approximately four percent of total expense, due to the reasons outlined in the following bullet.
- As of December 31, 2019, Cumberland County's governmental funds reported combined ending fund balances of \$64,224,140, an increase of \$4,043,306, due primarily to a temporary delay in several capital projects which include the Project 25 emergency radio and infrastructure project and election equipment. Minimal use of local funds for bridge construction and maintenance resulted in an increase in fund balance for this restricted purpose. Prepaid items increased due to a deposit for election equipment.
- Of Cumberland County's governmental fund balance, approximately 75 percent of the amount (\$48,214,449) is *available for spending* at the government's discretion (*unrestricted fund balance*).
- The County's general fund total fund balance was \$50,316,333 at the end of 2019, up 9% or \$4,276,636 which compares favorably to the budgeted 2019 drawdown of \$5.7 million.
- At the end of 2019, general fund unassigned fund balance was \$28,598,196 and assigned fund balance was \$16,611,241 for public safety, future budgetary requirements, capital projects, farmland preservation, prison canteen, risk liability, planning, and criminal justice programs.
- Cumberland County's total general obligation debt decreased by \$3,970,000. The County's debt decreased due to the payment of the scheduled principal payments.
- The County's bond rating was confirmed AAA in July 2018.
- The County preserved 1,031 acres of premium farmland in 2019 with 1,159 acres pending settlement at the end of 2019. In October 2019, the commissioner's enacted a resolution with the goal of preserving at least 30,000 acres of working farmland by 2030.
- The County is in the process of re-engineering workflows and business processes to improve efficiency, quality, and customer satisfaction.
- The County is reviewing services that require large infrastructure/overhead with neighboring counties to achieve better economies of scale.
- The County moved to self-insurance in 2018 and we have had an increase in health insurance costs in the initial start-up of this program. Retirement costs have also increased in 2019. The County fully funds the Actuarially Determined Contribution each year.
- The County has several major automation/technology projects. The automated timekeeping system was completed in 2019. New election equipment that has been certified by the U.S. Election Assistance Commission and the Pennsylvania Secretary of State was selected in 2019. The new election equipment will be fully implemented for the 2020 elections. Public Safety is in the process of updating the Computer Aided Dispatch system and is in the planning stages for the Project 25 emergency radio and infrastructure project.

### **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 is 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 is 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 *custodial funds*, to report resources held by the primary government in a custodial capacity. The accounting used for the pension trust and the custodial funds is much like that used for proprietary 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 97 of this report.

**Required supplementary information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* including budget to actual comparison schedules for the general fund and major special revenue funds and information concerning the County's progress in funding its obligation to provide pension and other postemployment benefits to its employees. The County adopts annual appropriated budgets for its funds. Budgetary comparison schedules have been provided for the general fund and each major special revenue fund to 99 through 110 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 \$121,731,326 at the close of the most recent calendar year.

Cumberland County's Net Position

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Assets:</b>						
Other assets	\$ 84,427,168	81,685,280	4,417,350	5,690,700	88,844,518	87,375,980
Capital assets	83,649,920	80,036,294	8,243,368	8,534,471	91,893,288	88,570,765
Total assets	168,077,088	161,721,574	12,660,718	14,225,171	180,737,806	175,946,745
<b>Deferred outflow of resources</b>	8,650,971	21,109,887	2,326,239	5,809,616	10,977,210	26,919,503
<b>Liabilities:</b>						
Long-term liabilities	34,236,679	54,428,992	3,250,569	9,506,920	37,487,248	63,935,912
Other liabilities	18,587,631	20,452,311	3,046,113	2,861,806	21,633,744	23,314,117
Total liabilities	52,824,310	74,881,303	6,296,682	12,368,726	59,120,992	87,250,029
<b>Deferred inflow of resources</b>	8,737,487	1,779,745	2,125,211	286,004	10,862,698	2,065,749
<b>Net position:</b>						
Net invested in capital assets	56,035,497	49,481,224	5,321,075	4,270,322	61,356,572	53,751,546
Restricted	17,604,860	19,408,754	-	-	17,604,860	19,408,754
Unrestricted	41,525,905	37,280,435	1,243,989	3,109,735	42,769,894	40,390,170
<b>Total net position</b>	\$ 115,166,262	106,170,413	6,565,064	7,380,057	121,731,326	113,550,470

Fifty 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.

Fifteen percent of the county's net position is legally restricted (\$17,604,860). The remaining balance of *unrestricted net position* (\$41,525,905) may be used to meet the government's ongoing obligations to citizens and creditors.

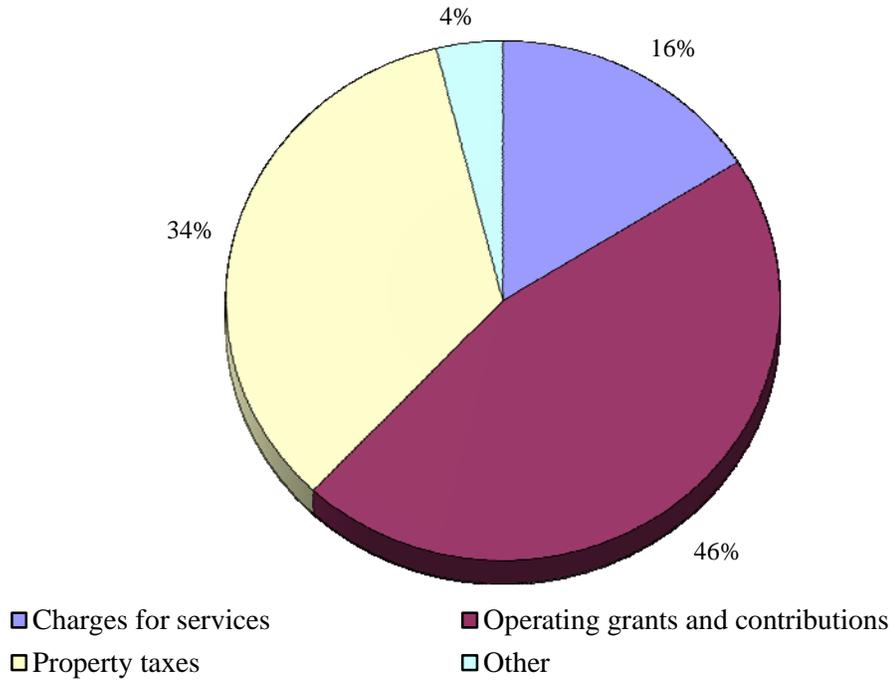
At the end of the current fiscal year, Cumberland County is able to report positive fund balances in all applicable categories of net position, both for the government as a whole and for its separate governmental activities.

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

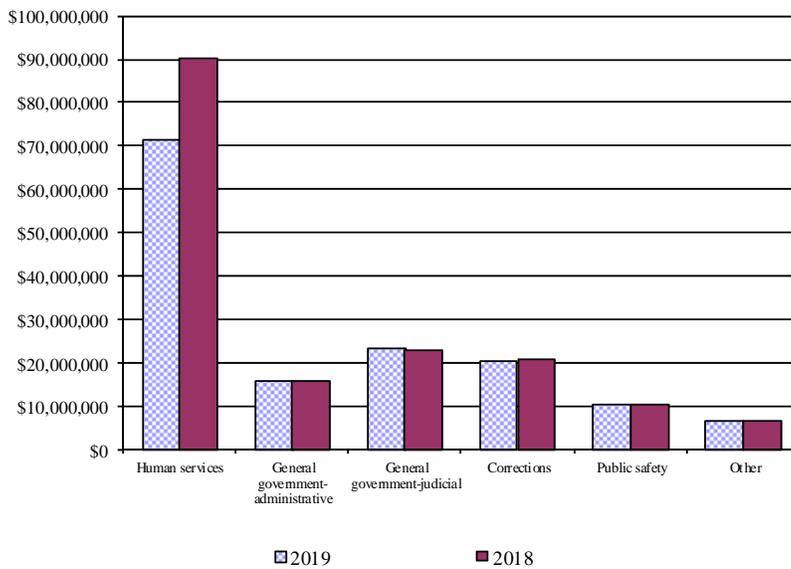
	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 25,290,754	24,950,318	27,665,684	28,189,387	52,956,438	53,139,705
Operating grants and contributions	72,267,504	89,235,772	6,461	1,215	72,273,965	89,236,987
Capital grants and contributions	2,623,444	576,207	-	-	2,623,444	576,207
General revenues:						
Property taxes	53,750,856	52,994,780	-	-	53,750,856	52,994,780
Other taxes	2,106,019	2,179,563	-	-	2,106,019	2,179,563
Unrestricted investment earnings	1,392,032	1,071,403	22,269	18,245	1,414,301	1,089,648
Total revenues	157,430,609	171,008,043	27,694,414	28,208,847	185,125,023	199,216,890
<b>Expenses:</b>						
General government-administrative	16,101,447	15,758,996	-	-	16,101,447	15,758,996
General government-judicial	23,525,229	22,958,993	-	-	23,525,229	22,958,993
Corrections	20,197,576	20,767,652	-	-	20,197,576	20,767,652
Emergency telephone	5,488,194	5,493,643	-	-	5,488,194	5,493,643
Public safety	4,825,274	4,967,090	-	-	4,825,274	4,967,090
Roads and bridge maintenance	626,877	314,513	-	-	626,877	314,513
Recycling and waste management	419,699	462,056	-	-	419,699	462,056
Human services	71,770,341	90,320,258	-	-	71,770,341	90,320,258
Culture and recreation	120,091	99,313	-	-	120,091	99,313
Conservation	648,319	644,513	-	-	648,319	644,513
Community redevelopment and housing	183,923	192,421	-	-	183,923	192,421
Economic development and assistance	4,241,101	4,288,632	-	-	4,241,101	4,288,632
Interest on long-term debt	1,080,800	1,025,575	-	-	1,080,800	1,025,575
Indirect expenses	(665,900)	(659,621)	665,900	659,621	-	-
Claremont Nursing and Rehabilitation Center	-	-	27,843,507	28,692,036	27,843,507	28,692,036
Total expenses	148,562,971	166,634,034	28,509,407	29,351,657	177,072,378	195,985,691
Special item	-	(220,978)	-	-	-	(220,978)
Increase (decrease) in net position	8,867,638	4,153,031	(814,993)	(1,142,810)	8,052,645	3,010,221
<b>Net position, beginning, as restated</b>	106,298,624	102,017,382	7,380,057	8,522,867	113,678,681	110,540,249
<b>Net position, ending</b>	\$ 115,166,262	106,170,413	6,565,064	7,380,057	121,731,326	113,550,470

**Governmental activities.** The following charts graphically depict the sources of revenue and functional expenses of governmental activities for the fiscal year ended December 31, 2019:

**Revenues by Source - Governmental Activities**



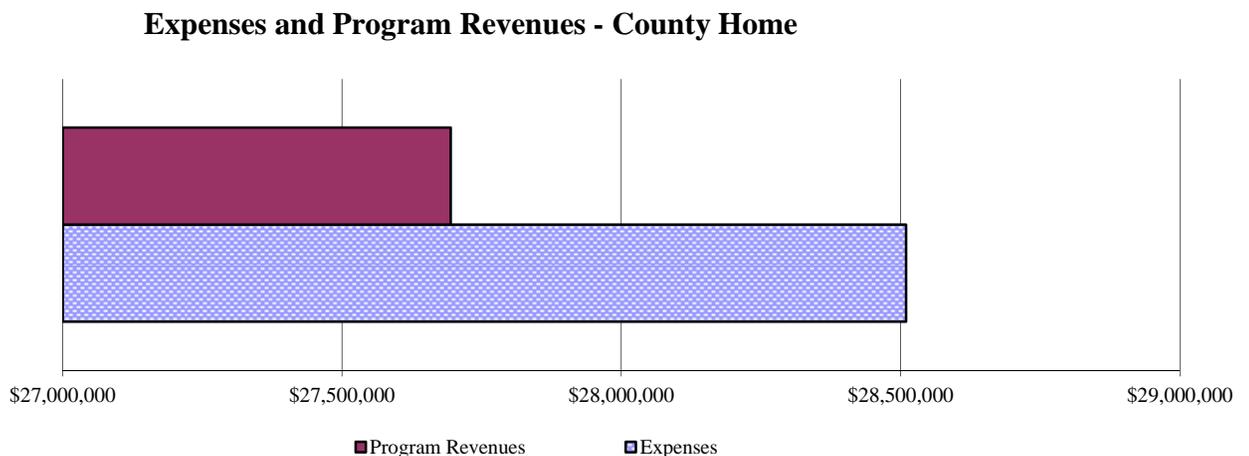
**Expense Comparison by Activity - Governmental Activities**



Governmental activities increased Cumberland County's net position by \$8,867,638. The primary changes in revenues and expenses are:

- Revenues decreased \$13,577,434. The majority of the change was in two areas.
  - Operating grants and contributions decreased \$16,968,268 mainly due to HealthChoices. The state entered into a single HealthChoices Behavioral Agreement with the Capital Area Behavioral Health Collaborative on behalf of the County as of July 1, 2019. Health Choices financial activity will no longer be reported by Cumberland County.
  - Capital grants and contributions increased \$2,047,237 due to the construction beginning on Orrs Bridge and increased engineering work for Wolf Bridge in 2019.
- Expenses decreased by \$18,071,063. The majority of the change was in two areas.
  - Human services decreased \$18,549,917. The majority of this is related to HealthChoices (see above).
  - Pension expense decreased \$1,836,681.

**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, 2019:



Business-type activities decreased Cumberland County's net position by \$814,993. The primary changes in revenues and expenses to the business are:

- Claremont Nursing and Rehabilitation charges for services decreased \$523,703 due a change in payor mix.
- Claremont Nursing and Rehabilitation expenses decreased 3% or \$842,250 due mainly to pension expense which decreased \$682,848.

**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 of 2019, Cumberland County's governmental funds reported combined ending fund balances of \$64,224,140 and an increase of \$4,043,306 in comparison to the prior year. Approximately 75 percent of the total amount (\$48,214,449) constitutes *unrestricted fund balance*, which is available for spending at the County's discretion. The remainder of the fund balance is *nonspendable* (\$1,831,552) or *restricted* (\$14,178,139) 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 farmland preservation, offender supervision, juvenile probation restitution funds, criminal investigation, Register of Wills-Act 34, Coroner-Act 122, roads and bridge maintenance, human services, hazardous materials emergency planning, public safety, row office automation, Marcellus shale, conservation and economic development and assistance.

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 \$28,598,196 while total fund balance was \$50,316,333. 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 (\$45,209,437) and total fund balance represents 77 percent and 86 percent, respectively, of total general fund expenditures.

The fund balance of Cumberland County's general fund increased by \$4,210,975 during the current year. In 2019, 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 1.6%, 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 \$804,009 or 0.98% 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, Prothonotary, Register of Wills, and Farmland Preservation increasing.

Actual general fund expenditures (including other financing uses) were under budget by \$13,540,501. The major items under budget were:

Elections	\$ 4,529,835
Transfers Out	\$ 2,551,000
Pooled Reserves	\$ 1,569,153
County Buildings	\$ 944,469
County Prison	\$ 635,314
Economic Development	\$ 455,818
Human Services	\$ 397,220

Elections were under budget due to the election equipment being received mid-January 2020 instead of December 2019. Transfers Out was under budget due to Emergency Telephone 911's tower replacement project being delayed and Children & Youth received their FY 2017/18 overmatch in 2019. 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 the relocation of the District Attorney lab and MDJ Beckley's office did not occur in 2019 as budgeted. County Prison was under budget due to funding available through the Drug & Alcohol fund for counseling services in 2019, a decrease in commissary sales, lower utility costs, and a prison construction project delayed into 2020. Economic Development is under budget due to turnover at the Redevelopment Authority which delayed project timing of their grants. 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, 2019, amounted to \$91,893,288 (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	
	2019	2018	2019	2018	2019	2018
Land	\$ 3,403,057	3,403,057	-	-	3,403,057	3,403,057
Buildings and systems	40,546,367	42,973,179	7,486,099	7,696,199	48,032,466	50,669,378
Improvements other than buildings	1,717,473	1,708,042	89,452	104,978	1,806,925	1,813,020
Machinery and equipment	6,253,428	6,330,739	667,817	733,294	6,921,245	7,064,033
Bridges	10,877,814	11,145,366	-	-	10,877,814	11,145,366
Construction in progress	9,594,876	4,062,000	-	-	9,594,876	4,062,000
Agricultural easements	11,256,905	10,413,911	-	-	11,256,905	10,413,911
Total	\$ 83,649,920	80,036,294	8,243,368	8,534,471	91,893,288	88,570,765

Total governmental activities net capital assets increased in 2019 by \$3,613,626. Governmental activities' construction in progress increased \$5,532,876 in 2019 as a result, primarily, of ongoing bridge replacement

projects, the emergency telephone software upgrade project, in addition to real estate acquisitions by the County's blended economic development component unit resulting in a \$5,098,730 increase.

Other major capital asset transactions included the purchase of twelve agriculture easements for \$842,994 by the Cumberland County Planning department.

Additionally, County buildings and bridges decreased \$2,426,812 and \$267,552, respectively, through depreciation for the calendar year of 2019.

Total business-type activities net capital assets decreased by \$291,103 in 2019 through capital assets depreciation of \$851,525, offset by capital asset purchases of \$560,422. The capital purchases included building system upgrades to the HVAC, fire and communication systems for \$497,530.

Additional information on Cumberland County's capital assets can be found in Note 7 on pages 77 through 79.

### **Debt Administration**

At the end of the current fiscal year, Cumberland County had net outstanding bonded debt of \$28,854,972. 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, 2019 and 2018 were:

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
General Obligation Bonds	\$ 25,925,383	28,974,796	2,929,589	4,280,996	28,854,972	33,255,792
General Obligation Notes	715,000	715,000	-	-	715,000	715,000
Total	\$ 26,640,383	29,689,796	2,929,589	4,280,996	29,569,972	33,970,792

Cumberland County's bonded debt decreased by \$4,400,820.

Principal payments paid in 2019 were \$3,970,000.

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 \$538,201,241 which is significantly in excess of Cumberland County's outstanding general obligation debt.

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

**Economic Factors and Next Year's Budget****Economic Conditions in 2019**

Economic indicators continued to improve in 2019 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 a prime location in the region's transportation corridors.

Cumberland County's December 2019 unemployment rate was 3.3% while the statewide and national rates were 4.5% and 3.5%, respectively. Neighboring counties also have a December 2019 unemployment rates significantly below the statewide and national averages. [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 7.6%, 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 3.31% of assessed values as of December 31, 2019.

**Next Year's Budget**

Cumberland County is in a stable, short-term financial situation as it entered the 2020 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 2023. 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 business-like as in the private sector.

Although a deficit was budgeted in 2019, the County made aggressive changes that increased the general fund's fund balance by \$4,188,728. This was done through a combination of revenue enhancements and cost-cutting measures.

In 2020, the General Fund budget shows a potential transfer of \$6,228,397 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 \$32.8 million and a projected transfer from reserves of \$1,752,506. 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 2020 budget include:

- Child protective cases
- Criminal Justice has implemented an Adult Mental Health Court, as well as, an Opioid Intervention Court successfully
- 7<sup>th</sup> Common Pleas Courtroom starting in 2020
- Current election equipment was decertified and is being replaced
- Nursing home regulations are changing and shifted towards managed care

- 9-1-1 radios and infrastructure
- Bridge infrastructure investments
- Investment in the 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

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

The County, in response to COVID-19 is continuing to monitor and adjust our operations to maintain government services with the least impact possible while keeping our constituents and staff safe within the federal and state guidelines during the COVID-19 pandemic. The pandemic is causing a continual changing environment both financially and operationally. County elected officials, judges, department heads, and staff are committed to assuring that we are adjusting to the short and long term impacts of the pandemic. This includes, changing our operations and adjusting service levels to meet the pandemic guidelines while also addressing the financial pressures. The County has coordinated plans at the department/program-level that include, but are not limited to, temporary staffing levels, working from home, rotating staff within the office, furloughs, recalling from furloughs, appropriate use of personal protection equipment depending on level of risk, monitoring revenues and funding, etc.

### **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, 2019*

**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	\$ 40,395,244	2,186,702	42,581,946	488,209	52,648
Investments	23,126,617	—	23,126,617	700,000	2,397,247
Receivables (net of allowance):					
Taxes	1,706,925	—	1,706,925	—	—
Due from other governments	13,043,163	—	13,043,163	100,173	—
Accounts receivable	1,151,318	2,694,465	3,845,783	13,155	—
Court costs and fines receivable	2,083,038	—	2,083,038	—	—
Notes receivable	—	—	—	—	628,590
Internal balances	680,707	(680,707)	—	—	—
Due from component unit	40,851	—	40,851	—	—
Prepaid items	1,920,453	39,144	1,959,597	—	1,046
Restricted assets:					
Cash and cash equivalents	231,404	177,746	409,150	—	6,027
Capital assets, not being depreciated:					
Land	3,403,057	—	3,403,057	—	—
Construction in progress	9,594,876	—	9,594,876	—	—
Agricultural easements	11,256,905	—	11,256,905	—	—
Capital assets, net of accumulated depreciation:					
Buildings and systems	40,546,367	7,486,099	48,032,466	3,482	—
Improvements other than buildings	1,717,473	89,452	1,806,925	—	—
Machinery and equipment	6,253,428	667,817	6,921,245	24,805	—
Bridges	10,877,814	—	10,877,814	—	—
Other assets	47,448	—	47,448	—	—
Total assets	<u>168,077,088</u>	<u>12,660,718</u>	<u>180,737,806</u>	<u>1,329,824</u>	<u>3,085,558</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred difference-expected and actual pension experience	2,571,143	685,375	3,256,518	32,230	—
Deferred difference-change of pension assumptions	5,323,275	1,418,995	6,742,270	66,728	—
Deferred difference-expected and actual OPEB experience	545,502	158,159	703,661	5,889	—
Deferred difference-OPEB assumptions	188,909	56,412	245,321	1,995	—
Deferred charges on refunding	22,142	7,298	29,440	—	—
Total deferred outflows of resources	<u>8,650,971</u>	<u>2,326,239</u>	<u>10,977,210</u>	<u>106,842</u>	<u>—</u>

(continued)

**STATEMENT OF NET POSITION**

*December 31, 2019*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

(continued)

**LIABILITIES**

Accounts payable and other current liabilities	9,322,220	1,131,216	10,453,436	1,419	135,558
Accrued payroll	1,522,648	389,044	1,911,692	15,366	—
Due to primary government	—	—	—	40,851	—
Due to other governments	1,190,317	—	1,190,317	—	—
Accrued interest payable	171,049	14,464	185,513	—	—
Unearned revenues	1,814,228	11,160	1,825,388	140,147	—
Resident funds payable	—	177,746	177,746	—	—
Noncurrent liabilities:					
Due in less than one year:					
Capital lease	240,532	—	240,532	—	—
Notes payable - CAEDC	464,842	—	464,842	—	2,324,796
General obligation bonds payable	2,318,021	1,271,979	3,590,000	—	—
Sick and vacation accrual	371,852	50,504	422,356	5,183	—
Workers' compensation and self insurance claims payable	1,171,922	—	1,171,922	—	—
Due in more than one year:					
Capital lease	240,532	—	240,532	—	—
Notes payable - CAEDC	1,175,188	—	1,175,188	—	—
General obligation bonds payable	23,607,363	1,657,610	25,264,973	—	—
General obligation notes payable	715,000	—	715,000	—	—
Sick and vacation accrual	3,604,797	351,459	3,956,256	50,086	—
Total OPEB liability	1,621,110	544,858	2,165,968	16,190	—
Net pension liability	2,613,411	696,642	3,310,053	32,760	—
Workers' compensation claims payable	659,278	—	659,278	—	—
Total liabilities	<u>52,824,310</u>	<u>6,296,682</u>	<u>59,120,992</u>	<u>302,002</u>	<u>2,460,354</u>

**DEFERRED INFLOWS OF RESOURCES**

Deferred revenue	473,628	—	473,628	—	—
Deferred amount on refunding	291,258	—	291,258	—	—
Deferred difference-expected and actual pension experience	744,883	198,559	943,442	9,337	—
Deferred difference-projected and actual pension earnings	<u>7,227,718</u>	<u>1,926,652</u>	<u>9,154,370</u>	<u>90,601</u>	<u>—</u>
Total deferred inflows of resources	<u>8,737,487</u>	<u>2,125,211</u>	<u>10,862,698</u>	<u>99,938</u>	<u>—</u>

**NET POSITION**

Net invested in capital assets	56,035,497	5,321,075	61,356,572	28,287	—
Restricted for:					
Conservation	2,332,963	—	2,332,963	995,271	—
Human services	1,589,755	—	1,589,755	—	—
Judicial services	173,940	—	173,940	—	—
Public safety	3,470,609	—	3,470,609	—	—
Emergency telephone	3,093,608	—	3,093,608	—	—
Records improvement	509,694	—	509,694	—	—
Economic development	1,649,301	—	1,649,301	—	664,401
Roads and bridges	4,784,990	—	4,784,990	—	—
Unrestricted	<u>41,525,905</u>	<u>1,243,989</u>	<u>42,769,894</u>	<u>11,168</u>	<u>(39,197)</u>
Total net position	<u>\$ 115,166,262</u>	<u>6,565,064</u>	<u>121,731,326</u>	<u>1,034,726</u>	<u>625,204</u>

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

**STATEMENT OF ACTIVITIES**

*For the year ended December 31, 2019*

**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	\$ 16,101,447	(2,200,136)	4,107,225	492,691	—	(9,301,395)	—	(9,301,395)	—	—
General government - judicial	23,525,229	107,468	4,790,761	2,972,107	—	(15,869,829)	—	(15,869,829)	—	—
Corrections	20,197,576	—	2,416,267	559,835	—	(17,221,474)	—	(17,221,474)	—	—
Emergency telephone	5,488,194	472,572	5,945,523	505	—	(14,738)	—	(14,738)	—	—
Public safety	4,825,274	—	1,900,834	1,162,602	160,718	(1,601,120)	—	(1,601,120)	—	—
Roads and bridge maintenance	626,877	37,611	1,363,154	679,240	2,462,726	3,840,632	—	3,840,632	—	—
Recycling and waste management	419,699	6,035	334,865	480,903	—	390,034	—	390,034	—	—
Human services:										
Mental health/intellectual and developmental disabilities	17,879,541	228,942	1,809,491	15,464,342	—	(834,650)	—	(834,650)	—	—
HealthChoices-Cumberland County	21,354,714	19,452	—	21,370,870	—	(3,296)	—	(3,296)	—	—
Children and youth	22,114,286	350,096	488,689	18,986,489	—	(2,989,204)	—	(2,989,204)	—	—
Food and shelter	880,848	31,690	90,253	755,054	—	(67,231)	—	(67,231)	—	—
Office of aging	4,347,858	167,785	574,424	3,591,370	—	(349,849)	—	(349,849)	—	—
Other	5,193,094	112,585	768,141	3,496,997	—	(1,040,541)	—	(1,040,541)	—	—
Culture and recreation	120,091	—	—	—	—	(120,091)	—	(120,091)	—	—
Conservation	648,319	—	87,335	383,554	—	(177,430)	—	(177,430)	—	—
Community redevelopment and housing	183,923	—	188,152	—	—	4,229	—	4,229	—	—
Economic development and assistance	4,241,101	—	425,640	1,870,945	—	(1,944,516)	—	(1,944,516)	—	—
Interest on long-term debt	1,080,800	—	—	—	—	(1,080,800)	—	(1,080,800)	—	—
Total governmental activities	149,228,871	(665,900)	25,290,754	72,267,504	2,623,444	(48,381,269)	—	(48,381,269)	—	—
Business-type activities:										
County nursing home	27,843,507	665,900	27,665,684	6,461	—	—	(837,262)	(837,262)	—	—
Total business-type activities	27,843,507	665,900	27,665,684	6,461	—	—	(837,262)	(837,262)	—	—
Total primary government	\$ 177,072,378	—	52,956,438	72,273,965	2,623,444	(48,381,269)	(837,262)	(49,218,531)	—	—
<b>Discretely presented component units:</b>										
Conservation District	\$ 1,320,586	—	369,064	966,304	—	—	—	—	14,782	—
Industrial Development Authority	183,849	—	146,302	70,000	—	—	—	—	—	32,453
Total discretely presented component units	\$ 1,504,435	—	515,366	1,036,304	—	—	—	—	14,782	32,453
General revenues:										
Real estate taxes						53,750,856	—	53,750,856	—	—
Per capita taxes						1,100	—	1,100	—	—
Hotel taxes						2,104,919	—	2,104,919	—	—
Unrestricted investment earnings						1,392,032	22,269	1,414,301	26,918	233
Total general revenues						57,248,907	22,269	57,271,176	26,918	233
Change in net position						8,867,638	(814,993)	8,052,645	41,700	32,686
Net position, beginning of year, as restated						106,298,624	7,380,057	113,678,681	993,026	592,518
Net position, end of year						\$ 115,166,262	6,565,064	121,731,326	1,034,726	625,204

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, 2019*

**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	\$ 24,709,514	3,414,687	300	8,768	11,151,690	39,284,959
Investments	20,500,000	—	—	—	1,221,486	21,721,486
Restricted cash	—	—	—	—	231,404	231,404
Receivables (net of allowance):						
Taxes	1,706,925	—	—	—	145,353	1,852,278
Due from other governments	514,601	388,040	7,677,197	—	3,384,085	11,963,923
Accounts receivable	560,526	26,592	—	—	1,460,193	2,047,311
Court costs and fines receivable	2,083,038	—	—	—	—	2,083,038
Due from other funds	7,707,862	81,660	—	—	1,610,738	9,400,260
Due from component unit	39,220	—	—	—	—	39,220
Prepaid items	1,524,014	780	—	—	306,758	1,831,552
Other assets	47,592	—	—	—	—	47,592
Total assets	<u>\$ 59,393,292</u>	<u>3,911,759</u>	<u>7,677,497</u>	<u>8,768</u>	<u>19,511,707</u>	<u>90,503,023</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 2,874,950	2,605,832	2,158,684	—	1,562,673	9,202,139
Accrued liabilities and withholdings	1,053,055	82,221	123,451	—	261,412	1,520,139
Due to other funds	1,582,540	—	5,301,391	8,746	1,934,143	8,826,820
Due to other governments	—	—	—	—	1,190,504	1,190,504
Unearned revenue	355,751	1,131,469	93,971	22	677,114	2,258,327
Funds held as fiduciary	—	—	—	—	21,541	21,541
Total liabilities	<u>5,866,296</u>	<u>3,819,522</u>	<u>7,677,497</u>	<u>8,768</u>	<u>5,647,387</u>	<u>23,019,470</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	3,210,663	—	—	—	48,750	3,259,413
Total deferred inflows of resources	<u>3,210,663</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>48,750</u>	<u>3,259,413</u>

(continued)

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

*December 31, 2019*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

(continued)

**FUND BALANCES**

Nonspendable:							
Prepaid items	\$	1,524,014	780	—	—	306,758	1,831,552
Restricted:							
Farmland preservation		803,394	—	—	—	—	803,394
Offender supervision		1,340,654	—	—	—	—	1,340,654
Juvenile probation restitution funds		18,226	—	—	—	—	18,226
Criminal investigation		315,007	—	—	—	—	315,007
Register of Wills-Act 34		78,000	—	—	—	—	78,000
Coroner - Act 122		97,558	—	—	—	—	97,558
Roads and bridge maintenance		—	—	—	—	3,598,794	3,598,794
Human services		—	91,457	—	—	1,537,929	1,629,386
Hazardous materials emergency planning		9,613	—	—	—	—	9,613
Public safety		—	—	—	—	3,091,843	3,091,843
Row office automation		339,315	—	—	—	170,380	509,695
Marcellus shale		581,115	—	—	—	1,044,443	1,625,558
Conservation		—	—	—	—	815,914	815,914
Economic development and assistance		—	—	—	—	244,497	244,497
Unrestricted:							
Assigned:							
Human services		—	—	—	—	32,844	32,844
Public safety		1,386,350	—	—	—	—	1,386,350
Future budgetary requirements		6,228,397	—	—	—	—	6,228,397
Capital projects		7,346,596	—	—	—	141,753	7,488,349
Economic development and assistance		—	—	—	—	2,830,415	2,830,415
Risk liability		250,000	—	—	—	—	250,000
Farmland preservation		715,000	—	—	—	—	715,000
Prison canteen		592,631	—	—	—	—	592,631
Planning		84,100	—	—	—	—	84,100
Criminal justice planning		8,167	—	—	—	—	8,167
Unassigned		28,598,196	—	—	—	—	28,598,196
Total fund balances		<u>50,316,333</u>	<u>92,237</u>	<u>—</u>	<u>—</u>	<u>13,815,570</u>	<u>64,224,140</u>
Total liabilities, deferred inflows of resources and fund balances	\$	<u>59,393,292</u>	<u>3,911,759</u>	<u>7,677,497</u>	<u>8,768</u>	<u>19,511,707</u>	<u>90,503,023</u>

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, 2019*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

Total fund balances-governmental funds	\$ 64,224,140
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.	83,649,920
Certain receivables are not available to pay for current period expenditures and, therefore, are deferred inflows of resources in the funds.	3,273,788
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.	22,142
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-expected and actual OPEB experience	545,502
Deferred difference-OPEB assumptions	188,909
Deferred difference-expected and actual pension experience	2,571,143
Deferred difference-change of pension assumptions	5,323,275
Internal service fund used by management to charge the costs of the self-insurance to individual funds:	
Workers' compensation	811,943
Self insurance fund	(80,874)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported at the fund level:	
Bonds payable	(23,892,285)
Notes payable	(2,355,030)
Net premium on bonds and notes	(2,033,098)
Sick and vacation payable	(3,976,649)
Net pension liability	(2,613,411)
Total OPEB liability	(1,621,110)
Capital lease	(481,064)
Accrued expenses are not due and payable in the current period and, therefore, are not reported in governmental funds.	(127,120)
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-projected and actual pension earnings	(7,227,718)
Deferred difference-expected and actual pension experience	(744,883)
Deferred amount on refunding	(291,258)
Net position of governmental activities	<u>\$ 115,166,262</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, 2019*

**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	\$ 53,803,221	—	—	—	2,104,919	55,908,140
Licenses and permits	211,694	—	—	—	—	211,694
Grants	3,902,134	15,464,342	18,985,756	21,370,870	14,943,338	74,666,440
County charges	9,653,688	1,681,667	488,689	—	9,918,895	21,742,939
Court costs, fines and forfeitures	2,647,545	—	—	—	224,318	2,871,863
Investment earnings	1,132,040	37,711	—	3,857	153,812	1,327,420
Payment in lieu of taxes	215,425	—	—	—	—	215,425
Contributions and other	135,017	127,824	733	—	104,769	368,343
Total revenues	<u>71,700,764</u>	<u>17,311,544</u>	<u>19,475,178</u>	<u>21,374,727</u>	<u>27,450,051</u>	<u>157,312,264</u>
<b>EXPENDITURES</b>						
Current:						
General government – administrative	11,806,440	—	—	—	506,773	12,313,213
General government – judicial	19,097,502	—	—	—	3,645,397	22,742,899
Corrections	18,415,675	—	—	—	—	18,415,675
Public safety	3,421,903	—	—	—	—	3,421,903
Emergency telephone	—	—	—	—	5,181,317	5,181,317
Public works and enterprises	—	—	—	—	651,567	651,567
Human services	1,510,535	17,909,006	22,233,879	21,374,166	9,724,291	72,751,877
Culture and recreation	64,700	—	—	—	—	64,700
Conservation and development	494,444	—	—	—	—	494,444
Economic development and assistance	1,254,198	—	—	—	3,116,716	4,370,914
Debt service:						
Principal retirement	—	—	—	—	3,064,035	3,064,035
Debt interest	—	—	—	—	1,118,362	1,118,362
Capital outlay	2,505,566	55,500	—	—	5,718,647	8,279,713
Payments for other governments	135,497	—	—	—	220,378	355,875
Total expenditures	<u>58,706,460</u>	<u>17,964,506</u>	<u>22,233,879</u>	<u>21,374,166</u>	<u>32,947,483</u>	<u>153,226,494</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,994,304</u>	<u>(652,962)</u>	<u>(2,758,701)</u>	<u>561</u>	<u>(5,497,432)</u>	<u>4,085,770</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	451,405	618,681	2,826,701	—	8,838,348	12,735,135
Transfers out	(9,299,421)	—	(68,000)	(8,746)	(3,523,922)	(12,900,089)
Issuance of line of credit	—	—	—	—	35,422	35,422
Proceeds from the sale of assets	913	—	—	—	750	1,663
Proceeds from insurance recovery	63,774	—	—	—	—	63,774
Loss from insurance recovery denial	—	—	—	—	(106,580)	(106,580)
Total other financing sources (uses)	<u>(8,783,329)</u>	<u>618,681</u>	<u>2,758,701</u>	<u>(8,746)</u>	<u>5,244,018</u>	<u>(170,675)</u>
Net change in fund balances	4,210,975	(34,281)	—	(8,185)	(253,414)	3,915,095
Fund balances, beginning of year, as restated	46,105,358	126,518	—	8,185	14,068,984	60,309,045
Fund balances, end of year	<u>\$ 50,316,333</u>	<u>92,237</u>	<u>—</u>	<u>—</u>	<u>13,815,570</u>	<u>64,224,140</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, 2019*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

Net change in fund balances-total governmental funds	\$	3,915,095
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. In the current period these amounts are:</p>		
Expenditures for capital assets		8,279,715
Depreciation expense		(4,634,982)
Retirement and sale of equipment		(31,107)
<p>Deferred outflows of resources not reported in the fund statements:</p>		
Deferred difference-expected and actual pension experience		1,472,638
Deferred difference-change in pension assumptions		(1,576,837)
Deferred difference-expected and actual OPEB experience		545,502
Deferred difference-OPEB assumptions		106,241
<p>The issuance of long-term debt (e.g., bonds, leases, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position:</p>		
Long term debt paid		3,064,034
Issuance of line of credit along with principal accretion on line of credit - CAEDC		(35,422)
Long term debt paid - CAEDC		136,835
<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>		
		52,069
<p>Deferred inflows of resources not reported in the fund statements:</p>		
Net premium on bonds and notes		307,213
Deferred amount on refunding		(5,144)
Deferred difference-projected and actual pension earnings		(20,203,332)
Deferred difference-expected and actual pension experience		249,364
<p>Post employment benefits are reflected on the statement of activities but are not considered a current expenditure for the fund statements:</p>		
OPEB		(466,159)
Pension		17,872,927
<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>		
		(54,422)
<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>		
		37,563
<p>Internal service funds are used by management to charge the cost of self-insurance claims to individual funds:</p>		
Workers' compensation		(69,794)
Health reimbursement arrangement		(94,359)
Change in net position of governmental activities	\$	<u><u>8,867,638</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, 2019*

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>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,186,702	1,110,286
Investments	—	1,343,053
Restricted cash:		
Patient funds	177,746	—
Accounts receivable (net of allowance):		
Patient accounts receivable	2,694,465	—
Customer accounts receivable	—	37,893
Due from other funds	—	127,484
Prepaid items	39,144	88,900
Total current assets	<u>5,098,057</u>	<u>2,707,616</u>
Noncurrent assets:		
Capital assets, net of depreciation	<u>8,243,368</u>	<u>—</u>
Total noncurrent assets	<u>8,243,368</u>	<u>—</u>
Total assets	<u>13,341,425</u>	<u>2,707,616</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred difference-expected and actual pension experience	685,375	—
Deferred difference-change of pension assumptions	1,418,995	—
Deferred changes of OPEB expected and actual pension experience	158,159	—
Deferred changes of OPEB assumptions	56,412	—
Deferred charge on refunding	7,298	—
Total deferred outflows of resources	<u>2,326,239</u>	<u>—</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	1,131,215	114,000
Accrued liabilities and withholdings		
Accrued payroll	389,044	2,510
Accrued interest	14,464	—
Due to other funds	694,591	6,333
Unearned revenue	11,160	127
Funds held as fiduciary	177,746	—
General obligation bonds payable	1,271,979	—
Sick and vacation accrual	50,504	—
Self-insurance claims payable	—	1,171,922
Total current liabilities	<u>3,740,703</u>	<u>1,294,892</u>
Noncurrent liabilities:		
Due in more than one year:		
General obligation bonds payable	1,657,610	—
Self-insurance claims payable	—	659,278
Total OPEB liability	544,858	—
Net pension liability	696,642	—
Sick and vacation accrual	351,459	—
Total noncurrent liabilities	<u>3,250,569</u>	<u>659,278</u>
Total liabilities	<u>6,991,272</u>	<u>1,954,170</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred difference-projected and actual pension earnings	1,926,652	—
Deferred difference-expected and actual pension experience	198,559	—
Total deferred inflows of resources	<u>2,125,211</u>	<u>—</u>
<b>NET POSITION</b>		
Net invested in capital assets	5,321,075	—
Unrestricted	1,230,106	753,446
Total net position	<u>\$ 6,551,181</u>	<u>753,446</u>
<b>Reconciliation of the Statement of Net Position - Proprietary Funds to the Statement of Activities:</b>		
Total net position-Proprietary Funds	\$ 6,551,181	
Adjustment to reflect the consolidation of workers' compensation activity related to business-type activities	8,133	
Adjustment to reflect the consolidation of health reimbursement arrangement activity related to the business-type activities.	5,750	
Net position of business-type activities	<u>\$ 6,565,064</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, 2019*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund</u>	
	<u>County Nursing Home</u>	<u>Internal Service Funds</u>
<b>OPERATING REVENUES</b>		
Charges for services:		
County charges	\$ 27,649,837	14,166,529
Rentals and other revenues	16,792	—
Total operating revenues	<u>27,666,629</u>	<u>14,166,529</u>
<b>OPERATING EXPENSES</b>		
Patient/client services	22,171,579	14,705,296
Depreciation	851,525	—
Administrative	5,353,161	—
Total operating expenses	<u>28,376,265</u>	<u>14,705,296</u>
Operating loss	<u>(709,636)</u>	<u>(538,767)</u>
<b>NONOPERATING REVENUES</b>		
Grants	5,516	—
Interest income	31,662	64,614
Total net nonoperating revenues	<u>37,178</u>	<u>64,614</u>
Loss before transfers	<u>(672,458)</u>	<u>(474,153)</u>
Transfer in	—	164,954
Change in net position	<u>(672,458)</u>	<u>(309,199)</u>
Net position, beginning of year	<u>7,223,639</u>	<u>1,062,645</u>
Net position, end of year	<u>\$ 6,551,181</u>	<u>753,446</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	\$ (672,458)
Adjustment to reflect the consolidation of workers' compensation activity related to the business-type activities.	(58,253)
Adjustment to reflect the consolidation of the self insurance fund activity related to the business-type activities.	(84,282)
Change in net position of business-type activities	<u>\$ (814,993)</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, 2019*

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<b>Business-type Activities</b>	<b>Governmental Activities</b>
	<b>Enterprise Fund</b>	
	<b>County Nursing Home</b>	<b>Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received on county charges	\$ 28,302,749	14,168,296
Payments to vendors	(8,837,954)	(14,546,611)
Payments to employees	(17,412,176)	(103,925)
Net cash provided by (used in) operating activities	<u>2,052,619</u>	<u>(482,240)</u>
<b>CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Grants	<u>5,516</u>	<u>—</u>
Net cash provided by non-capital and related financing activities	<u>5,516</u>	<u>—</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	(590,558)	—
Principal paid on capital debt	(1,351,407)	—
Premium paid on capital debt	10,003	—
Net cash used in capital and related financing activities	<u>(1,931,962)</u>	<u>—</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of investments	—	149,247
Investment income received	<u>22,269</u>	<u>64,614</u>
Net cash provided by investing activities	<u>22,269</u>	<u>213,861</u>
Net increase (decrease) in cash and cash equivalents	148,442	(268,379)
Cash and cash equivalents, January 1	2,216,006	1,378,665
Cash and cash equivalents, December 31	<u>\$ 2,364,448</u>	<u>1,110,286</u>

(continued)

# STATEMENT OF CASH FLOWS

## Proprietary Funds

*For the year ended December 31, 2019*

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Business-type Activities	Governmental Activities
	Enterprise Fund	
	County Nursing Home	Internal Service Funds
(continued)		
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>		
Operating income (loss)	\$ (709,636)	(538,767)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation expense	851,525	—
Changes in assets and liabilities in:		
Patient accounts receivable	730,046	1,758
Due from other funds	538,999	31,196
Prepaid items	11,039	(86,546)
Accounts payable	283,774	108,325
Accrued liabilities and withholdings	25,264	1,472
Unearned revenues	(101,795)	10
Funds held as fiduciary	(37,662)	—
Total OPEB liability	(53,806)	—
Net pension liability	514,871	—
Self-insurance claims payable	—	312
Total adjustments	2,762,255	56,527
Net cash provided by (used in) operating activities	\$ 2,052,619	(482,240)

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.

**Custodial Funds** – The County's custodial 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, 2019*

COUNTY OF CUMERLAND, PENNSYLVANIA

	<b>Pension Trust - Employees' Retirement Fund</b>	<b>Custodial Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 4,024,477	6,218,187
Investments:		
Negotiable bank certificates of deposit	5,488,222	—
U.S. government and agency securities	24,359,425	—
Corporate bonds and notes	24,845,613	—
Real estate trust fund	10,770,122	—
Asset backed securities	6,646,846	—
Equity securities	44,386,856	—
Mutual funds	110,351,886	—
Total investments	226,848,970	—
Accrued interest and dividends receivable	441,293	—
Total assets	231,314,740	6,218,187
<b>LIABILITIES</b>		
Due to other governments	—	1,927,499
Due to broker	110,789	—
Other liabilities	44,154	—
Total liabilities	154,943	1,927,499
<b>NET POSITION</b>		
Restricted for:		
Pensions	231,159,797	—
Individuals, organizations and other governments	—	4,290,688
	\$ 231,159,797	4,290,688

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

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION****Fiduciary Funds***For the year ended December 31, 2019***COUNTY OF CUMBERLAND, PENNSYLVANIA**

	<b>Pension Trust Employees' Retirement Fund</b>	<b>Custodial Funds</b>
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 3,856,188	—
Plan members	3,859,308	—
Total contributions	<u>7,715,496</u>	<u>—</u>
Investment income:		
Net appreciation in fair value of investments	32,114,265	—
Interest	1,691,569	—
Dividends	5,479,041	—
Total investment earnings	<u>39,284,875</u>	<u>—</u>
Less investment costs	531,898	—
Net investment earnings	<u>38,752,977</u>	<u>—</u>
Other governments:		
Fees, costs, fines and licenses	—	9,619,069
Taxes	—	61,995,709
Escrow	—	11,549,002
Total additions	<u>46,468,473</u>	<u>83,163,780</u>
<b>DEDUCTIONS</b>		
Benefits	10,863,581	—
Refunds of contributions	918,965	—
Administrative expenses	243,834	—
Other governments:		
Fees, costs, fines and licenses	—	9,619,069
Taxes	—	62,025,387
Escrow	—	11,369,367
Total deductions	<u>12,026,380</u>	<u>83,013,823</u>
Change in net position	34,442,093	149,957
Net position - beginning of the year, as restated	<u>196,717,704</u>	<u>4,140,731</u>
Net position - end of the year	<u>\$ 231,159,797</u>	<u>4,290,688</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 253,370 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 14 as amended by GASB 61 and 80.

***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 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 2019, the County paid CAT \$316,525. As a participant in the joint venture, the County's annual subsidy payment was \$301,644 in 2019. Additionally, the County paid \$14,881 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) DBA rabbittransit - a joint venture.

In 2015, Cumberland County joined CPTA appointing it the County's shared-ride provider. CPTA is governed by a nine-member board appointed by the sponsoring counties. The Cumberland County Commissioners appoint two members.

CPTA shared-ride service receives the vast majority of its funding 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 2019, the County's share of Agricultural Extension program expenses were \$363,964 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 fiduciary fund financial statements.

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 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 custodial 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. Custodial 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. The portion of cash held by custodial funds due to the County at year end is reported as assets of the appropriate County funds.

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

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

### **E. Interfund Eliminations**

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

### **F. Program Revenues**

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

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

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

Patient service revenue, including unbilled services, are reported at estimated net realizable amounts from patients, third-party payers, and others for services rendered, including estimated retroactive adjustments due to audits in subsequent years.

### **H. Operating and Nonoperating Revenues**

Proprietary funds distinguish operating revenues and expenses from nonoperating items.

Operating revenues consist principally of billings for medical care, pharmaceuticals and room and board at the County nursing home.

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

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

### **I. Deposits and Investments**

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

Cash also includes deposits in other kinds of short-term investment accounts or cash management pools that have the general characteristics of demand deposit accounts in that the County may deposit additional cash at any time and also effectively may withdraw cash at any time without prior notice or penalty.

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

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

#### **J. Prepaids**

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

#### **K. Restricted Assets and Related Liabilities**

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

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

Restricted cash in governmental activities consist of CAEDC grant monies designated for specific uses.

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 is 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.

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 acquisition 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 capital 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 five items that qualify for reporting in this category on the government-wide statement and proprietary fund statements of net position.

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

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

*Deferred difference-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 charges 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 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 four items that qualify for reporting in this category which are listed below along with their explanations.

*Deferred 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, 2019, deferred revenues related to the CAEDC was reported in the government-wide (\$473,628) statement of net position.

*Deferred amount 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 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.

The governmental funds balance sheet reports a separate section for deferred inflows of resources, as appropriate. This separate financial statement element represents unavailable revenues which are amounts earned but not received by the County. This reportable item in this category is listed below along with further description.

*Unavailable revenue* - Additionally, the general fund recognizes unavailable revenue in the governmental fund statements related to property taxes (\$1,221,925) and court costs and fines (\$1,988,738). They are recognized in the period that the amounts become available. Additionally, the CAEDC, a blended component unit reported as a non-major fund, received non-refundable payments (\$48,750) which are recognized as payments in advance of an exchange transaction and will be recognized in the appropriate measurement period.

**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 70 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 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.

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

### ***Unrestricted Fund Balance***

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

County Commissioners have not taken action to commit fund balance.

### ***Fund Balance Assignments***

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

Assignments have been established in the governmental fund as follows:

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

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

*Future budgetary requirements* – This assignment was established to fund future budgetary requirements for 2020.

*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 has determined that this pronouncement has no impact on its 2019 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 has implemented this pronouncement in 2019.

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 implementing this pronouncement in 2020.

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 has determined that this pronouncement has no impact on its 2019 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.

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement includes specific provisions about the following: 1) the effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports, 2) the reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers, and 3) terminology used to refer to derivative instruments. The requirements for these sections are effective upon issuance; 4) reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit plan or defined benefit OPEB plan, and 5) the applicability of Statements No. 73 and No. 74 to reporting assets accumulated for postemployment benefits. The requirements for these sections are effective for fiscal years beginning after June 15, 2020; 6) the applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements, and 7) the reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature. The requirements for these sections are effective for reporting period beginning after June 15, 2020; 8) the measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition. The requirements for this section are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020. Earlier application is encouraged and permitted by topic. The County is currently evaluating what effect, if any, the adoption of GASB 92 will have on the County's financial statements.

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). Some governments have entered into agreements in which variable payments made or received depend on an IBOR – most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference reform rate, LIBOR is expected to cease in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending December 31, 2021. All the other requirements for this Statement are effective for reporting periods beginning after June 15, 2020 and earlier application is encouraged. The County has not entered into lending agreements which depend on LIBOR.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset) for a period of time in an exchange or exchange-like transaction. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements for this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The County does not participate in any public-private or public-public partnerships or availability payment partnerships.

In May 2020, the GASB issued Statement No. 95 *Postponement of the Effective Dates of Certain Authoritative Guidance*. GASB No. 95 provides temporary relief to governments in light of the COVID-19 pandemic by postponing the effective dates of certain GASB pronouncements and related guidance. The pronouncements postponed by one year are GASB No. 83, 84 and 88 thru 93. Postponed for 18 months is GASB 87. Cumberland County has opted to not postpone implementation of GASB pronouncements and related guidance for the 2019 reporting period.

In May 2020, the GASB issued Statement No. 96 *Subscription-Based Information Technology Arrangements*. GASB No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements for this Statement are effective for fiscal years beginning after June 15, 2022. The County is currently evaluating what effect, if any, the adoption of GASB No. 96 will have on the County's financial statements.

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No 14 and No. 84, and a supersession of GASB Statement No. 32*. This statement will be effective in varying stages, with certain requirements that go into effect immediately and all other requirements becoming effective for the County beginning with its year ending December 31, 2022 (fiscal periods beginning after June 15, 2021). This Statement (1) increases consistency and comparability related to the reporting of fiduciary component units where a governing board does not exist and the primary government performs the duties that a governing board typically would perform; (2) mitigates costs associated with the reporting of certain defined contribution pension and OPEB plans and other employee benefit plans as fiduciary component units; and (3) enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan. The County is currently evaluating what effect, if any, the adoption of GASB 97 will have on the County’s financial statements.

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

The County restated its beginning net position for the governmental fund balance sheet, government-wide statement of net position and statement of fiduciary net position as a result of Governmental Accounting Standards Board Statement (GASB) No. 84, *Fiduciary Activities*. The resulting criterion from GASB 84 required the following:

- The inclusion of a portion of the Cumberland County District Attorney’s accounts previously recorded as an agency fund at the end of 2018 resulting in restatement in the governmental fund balance sheet and the government-wide statement of net position.
- The inclusion of tax sales surplus and revenues from the magisterial district justices resulting in a restatement of the statement of fiduciary net position.

Additionally, the externally audited blended special revenue fund, Cumberland Area Economic Development Corporation (CAEDC) restated its beginning fund balance for a grant payable accrual correction.

**Governmental Fund Balance Sheet**

	<b>General Fund</b>	<b>Mental Health/ Intellectual and Developmental Disabilities</b>	<b>Children and Youth</b>	<b>HealthChoices- Cumberland County</b>	<b>Nonmajor Funds</b>	<b>Total</b>
Fund balances, as previously reported, at December 31, 2018	\$ 46,039,697	126,518	-	8,185	14,006,434	60,180,834
Agency fund reclassification (GASB 84)	65,661	-	-	-	-	65,661
Prior year grant payable accrual correction CAEDC	-	-	-	-	62,550	62,550
Fund balances, as restated, as of December 31, 2018	<u>\$ 46,105,358</u>	<u>126,518</u>	<u>-</u>	<u>8,185</u>	<u>14,068,984</u>	<u>60,309,045</u>

**Government-wide Statement of Net Position**

	<b>Primary Government</b>			<b>Discretely Presented Component Units</b>	
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Conservation District</b>	<b>Industrial Development Authority</b>
Net position, as previously reported, at December 31, 2018	\$ 106,170,413	7,380,057	113,550,470	993,026	592,518
Agency fund reclassification (GASB 84)	65,661	-	65,661	-	-
Prior year grant payable accrual correction CAEDC	62,550	-	62,550	-	-
Net position, as restated, at December 31, 2018	<u>\$ 106,298,624</u>	<u>7,380,057</u>	<u>113,678,681</u>	<u>993,026</u>	<u>592,518</u>

**Statement of Fiduciary Net Position**

	<b>Pension Trust Employees' Retirement Fund</b>	<b>Custodial Funds</b>
Net position, as previously reported, at December 31, 2018	\$ 196,717,704	-
Agency fund reclassification (GASB 84)	-	4,025,841
Net position, as restated, at December 31, 2018	<u>\$ 196,717,704</u>	<u>4,025,841</u>

### 3. Deposits and Investments

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

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

#### A. Policies

*(1) Policies – non-pension investments* - Deposits and investments for the primary government and its discretely presented components units are governed by Pennsylvania law (County Code, Section 1706). Except for the County's pension trust fund (discussed below), the Commonwealth of Pennsylvania restricts the County's investments, including the County's workers' compensation self-insurance trust investments, to the following:

- U.S. Treasury bills,
- Obligations of the U.S. Government or its agencies or instrumentalities,
- Insured or collateralized time deposits with financial institutions,
- Shares of an investment company registered under the Investment Company Act of 1940, provided its investments are of the aforementioned types,
- Insured or collateralized certificates of deposit from financial institutions, and
- Commercial paper, defined in Section 1706 as investment grade corporate promissory obligations.

The County's investment policy, which governs its non-pension cash and investments, is consistent with the restrictions cited above and provides the following further restrictions on the County's investments:

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

(2) **Policies – pension investments** – The County Retirement Board, which according to law consists of the three Commissioners, Controller and Treasurer, oversees the investments of the pension trust fund in a fiduciary capacity. The Retirement Board has adopted an investment policy (“Pension Policy”) that governs the investments of the County’s pension trust fund. The Pension Policy establishes a target return of 7.0% for the pension trust fund and an objective of meeting or exceeding the pension plan’s assumed actuarial rate of return. The Pension Policy also establishes an objective of meeting or exceeding the annualized investment performance of the pension plan’s weighted asset-class benchmark indices.

The Pension Policy establishes targeted investment allocations of:

<u>Investment</u>	<u>Target</u>	<u>Benchmark</u>
Domestic equity	47%	Russell 3000
International equity	18%	MSCI ACWI ex U.S. (net)
Fixed income	29%	Barclay Intermediate Government Credit
Private real estate	5%	NCREIF ODCE Index
Cash	1%	ML 90-day T-Bill

The Pension Policy provides that initial investments and subsequent market value of investments held in the common stock of any one corporation may not exceed 5 percent and 8 percent, respectively, of the equity portion of any portfolio.

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

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

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

- To manage custodial credit risk, the Pension Policy requires that custodians and deposit administrators exercise fund safekeeping and securities settlement procedures by custodian participation in one or more appropriate securities depositories (e.g. Depository Trust Company, New York) and, as necessary, correspondent participation in other major depositories (e.g. the Federal Reserve System).
- In order to limit foreign currency exposure, hedging is permitted to protect against currency fluctuations for equity securities denominated in foreign currencies.
- To limit exposure to emerging markets and the associated risks, investments in emerging market equity securities are limited to 15 percent of the international equity portfolio at market value.
- Credit risk is managed by requiring that any single fixed income security be rated investment grade by two of the three major rating agencies. Commercial paper holdings shall be A1 or P1 or Prime.

- To limit concentration of credit risk, holdings of fixed income securities of any one issuer cannot exceed 5 percent of the total market value of the fixed income portfolio. Debt securities issued by the U.S. Treasury and Federal agencies are not subject to this restriction.
- Interest rate risk is managed by limiting duration to no more than 25 percent greater or 50 percent less than the effective duration of the portfolio benchmark. Holdings of zero coupon bonds (limited to U.S. Treasury securities) are capped at 20 percent of the fixed income portfolio. Range accrual notes, interest only and principal only securities are limited, as a group, to 20 percent of the fixed income portfolio.
- In regard to investments in mutual funds, the Pension Policy recognizes that, given the nature of mutual funds, the diversification limitations regarding both concentrations in individual securities and other objectives and specific requirements may at times be exceeded.

The Pension Policy prohibits the following transactions and purchases:

- Buying or short selling securities on margin and/or the use of any other form of leverage, including the lending of securities unless approved in writing in advance by the Board,
- Privately placed or otherwise unregistered securities except fixed income securities, issued under SEC Rule 144(a), which are demonstrably marketable and otherwise within guidelines,
- Investments in commodities or in any commodity contract, forward or futures trading activities, and all forms of portfolio hedging, excepting the use of stock options and/or currency hedges,
- Fixed income investments may not include deep discount or zero coupon (except U.S. Treasury) securities, tax exempt, derivative or synthetic securities such as collateralized debt obligation, credit default swaps, interest rate swaps and any total return swaps,
- The purchase of speculative or “naked” currency contracts undertaken without a demonstrable exposed investment position to be hedged in a specific currency, and
- Fixed income securities rated below investment grade by two of the three large rating agencies.

## B. Risks

### (1) Custodial Credit Risk

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

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

The Federal Deposit Insurance Corporation (FDIC) insures for each official government custodian up to \$250,000 of demand deposits per custodian per depository and, separately, up to \$250,000 of time and savings deposits per custodian per depository.

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

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

**Custodial credit risk – non-pension deposits** – As of December 31, 2019, \$62,336,918 of the County’s bank balance of \$65,925,468 was exposed to custodial credit risk as follows:

Uninsured and collateral held by the bank but not in the County’s name	\$ 622,898
Uninsured and collateral held by pledging bank’s trust department or agent but not in the County’s name	<u>61,714,020</u>
Total	<u>\$ 62,336,918</u>

**Custodial credit risk – fiduciary fund deposits** – Excluding the negotiable certificates of deposit held by the County’s Pension Fund as of December 31, 2019, \$3,397,434 of the County’s bank balance of its fiduciary funds of \$7,064,595 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, 2019, 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	\$ 1,343,053	852,861	490,191
Total debt securities	<u>1,343,053</u>	<u>852,861</u>	<u>490,191</u>
		64%	36%
Money market funds	<u>37,321</u>		
Total investments	<u>\$ 1,380,374</u>		

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

Of the non-pension investments above, \$37,321 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, \$1,343,052 are classified as investments on the statement of net position of the primary government.

**Interest rate risk – pension investments** – As of December 31, 2019, 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>Debt securities</b>					
Money market funds	\$ 4,024,477	4,024,477	—	—	—
Negotiable bank certificates of deposit	5,488,222	—	5,488,222	—	—
U.S. government securities	24,359,425	—	9,544,849	13,654,960	1,159,616
Corporate bonds and notes	24,845,613	1,435,977	13,387,057	10,022,579	—
Asset backed securities	6,646,846	—	5,139,493	1,432,652	74,701
<b>Total debt securities</b>	<b>65,364,583</b>	<b>5,460,454</b>	<b>33,559,621</b>	<b>25,110,191</b>	<b>1,234,317</b>
		8.4%	51.3%	38.4%	1.9%
<b>Other investments</b>					
Equity securities-U.S.	44,386,856				
Exchange traded fund - U.S.	10,514,117				
Equity mutual funds-U.S.	33,088,377				
Equity mutual funds-global	53,055,938				
Equity mutual funds-foreign	13,693,454				
Real estate trust fund	10,770,122				
<b>Total investments</b>	<b>\$ 230,873,447</b>				

The total pension trust fund investments of \$230,873,447 above, include \$4,024,477 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 as securities that are callable or subject to prepayment as with asset-backed securities. The pension trust fund holds the following amount of fixed income securities at December 31, 2019 that are highly sensitive to interest rate changes due to their risk of being called by the issuer and/or pre-paid by the underlying borrowers or mortgage holders: \$6,646,846 of asset backed securities and \$2,454,649 of corporate 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, 2019, is as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Quality Ratings*</u>
<u>Debt securities</u>		
Money market funds	\$ 37,321	Not rated
<u>Debt securities:</u>		
U.S. government	1,343,052	AAA
Total debt securities	<u>\$ 1,380,373</u>	

**Credit risk – pension investments** – Exposure to credit risk in the County pension trust fund at December 31, 2019, is as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Quality Ratings*</u>				
		<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BBB</u>	<u>BB</u>
<u>Debt securities</u>						
Money market funds	\$ 4,024,477	4,024,477	-	-	-	-
<u>Negotiable bank certificates</u>						
of deposit	5,488,222	-	5,488,222	-	-	-
U.S. government	24,359,425	-	24,359,425	-	-	-
Corporate bonds and notes	24,845,613	465,909	3,768,997	13,471,024	7,003,625	136,058
Asset backed securities	6,646,846	5,044,962	1,601,884	-	-	-
Total debt securities	<u>\$ 65,364,583</u>	<u>9,535,348</u>	<u>35,218,528</u>	<u>13,471,024</u>	<u>7,003,625</u>	<u>136,058</u>
		14.5%	54.0%	20.6%	10.7%	0.2%

\* 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.

***(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, 2019, 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 \$12,912,927 investment in foreign equity mutual funds as of December 31, 2019. The pension trust fund is also exposed to foreign currency risk through the foreign equity holdings, representing \$25,278,406, at December 31, 2019, of 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, 2019:

**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	\$ 4,024,477	4,024,477	-	-
Negotiable bank certificates of deposit	5,488,222	-	5,488,222	-
U.S. government securities	24,359,425	22,748,319	1,611,106	-
Corporate bonds and notes	24,845,613	-	24,328,459	517,154
Asset backed securities	6,646,846	-	6,143,869	502,977
Total debt securities	65,364,583	26,772,796	37,571,656	1,020,131
<u>Other investments</u>				
Equity securities - U.S.	44,386,856	44,161,351	225,505	-
Exchange traded fund - U.S.	10,514,117	10,514,117	-	-
Equity mutual funds - U.S.	33,088,377	33,088,377	-	-
Equity mutual funds - global	53,055,938	53,055,938	-	-
Equity mutual fund - foreign	13,693,454	13,693,454	-	-
Real estate trust fund	10,770,122	-	-	10,770,122
Total investments	\$ 230,873,447	181,286,033	37,797,161	11,790,253

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

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

Investments classified in Level 2 of the fair value hierarchy are valued using pricing data for securities with similar terms, conditions and characteristics.

The real estate trust fund is valued using significant unobservable inputs (Level 3). The real estate holdings in the trust's portfolio are valued using, as individually appropriate, the market, income or cost approach. Properties are appraised generally on an annual basis by professionally certified appraisers. The fair values of related mortgage loans payable are determined by an independent firm and are considered in arriving at the portfolio's valuation.

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 \$37,321 of mutual fund holdings which are valued based on market values of identical shares in active markets (Level 1).

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

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

The County is permitted by the County Code of the Commonwealth of Pennsylvania to levy real estate taxes up to 25 mills on every dollar of adjusted valuation for general County purposes exclusive of the requirements for the payment of interest and principal on bonded debt. For 2019, County real estate taxes were levied at the rate of 2.195 mills for general County purposes.

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

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

Cumberland County negotiates property tax abatement agreements on an individual basis. As of December 31, 2019, the County of Cumberland has a tax abatement agreement with one entity with one property.

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.

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

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

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

For the year ended December 31, 2019, 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 2019 Real Estate Taxes</u>
Wheelhouse Property, LLC	3	1,202,800	60%	1,584

Note: The County millage for 2019 was 2.195 mills

**6. Receivables**

Amounts due from other governments are primarily grants receivable from the Commonwealth of Pennsylvania as of December 31, 2019, which are expected to be collected within one year.

The County nursing home has \$2,694,465 in net patient accounts receivable as of December 31, 2019, 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 Human Services. The County nursing home recorded an allowance for doubtful accounts of \$656,466 against the gross patient accounts receivable. Of the County nursing home’s patient accounts receivable, \$116,895 is expected to be collected beyond one year.

Taxes receivable is reduced by an allowance for uncollectible accounts of \$738,607 for 2019 which is determined by a review of account status. Of the County’s delinquent taxes receivable, \$350,435 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, Court Administration and probation offices. The court costs and fines receivable as of December 31, 2019 is \$11,060,765. Of that balance, the County has recognized an allowance for doubtful accounts of \$8,977,727. Of the County’s court costs and fines receivable, \$56,340 is expected to be collected beyond one year.

**7. Capital Assets**

Capital asset activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Additions	Sales and Other Dispositions *	Ending Balance
<b>Governmental activities</b>				
Capital assets, not being depreciated:				
Land	\$ 3,403,057	—	—	3,403,057
Construction in progress	4,062,000	5,657,782	(124,906)	9,594,876
Agricultural easements	10,413,911	842,994	—	11,256,905
Total capital assets, not being depreciated	<u>17,878,968</u>	<u>6,500,776</u>	<u>(124,906)</u>	<u>24,254,838</u>
Capital assets, being depreciated:				
Buildings and systems	87,706,710	165,117	(1,310,665)	86,561,162
Improvements other than buildings	2,582,514	145,731	—	2,728,245
Machinery and equipment	22,850,109	1,592,997	(91,004)	24,352,102
Bridges	17,520,603	—	—	17,520,603
Total capital assets being depreciated	<u>130,659,936</u>	<u>1,903,845</u>	<u>(1,401,669)</u>	<u>131,162,112</u>
Less accumulated depreciation for:				
Buildings and systems	(44,733,531)	(2,562,688)	1,281,424	(46,014,795)
Improvements other than buildings	(874,472)	(136,300)	—	(1,010,772)
Machinery and equipment	(16,519,370)	(1,668,442)	89,138	(18,098,674)
Bridges	(6,375,237)	(267,552)	—	(6,642,789)
Total accumulated depreciation	<u>(68,502,610)</u>	<u>(4,634,982)</u>	<u>1,370,562</u>	<u>(71,767,030)</u>
Total capital assets, being depreciated, net	<u>62,157,326</u>	<u>(2,731,137)</u>	<u>(31,107)</u>	<u>59,395,082</u>
Governmental activities capital assets, net	<u>\$ 80,036,294</u>	<u>3,769,639</u>	<u>(156,013)</u>	<u>83,649,920</u>

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

**7. Capital Assets (continued)**

	Beginning Balance	Additions	Sales and Other Dispositions*	Ending Balance
<b>Business-type activities</b>				
Capital assets, not being depreciated:				
Construction in progress	\$ —	—	—	—
Total capital assets, not being depreciated	—	—	—	—
Capital assets, being depreciated:				
Buildings and systems	26,535,312	497,530	—	27,032,842
Improvements other than buildings	738,972	—	—	738,972
Machinery and equipment	2,505,415	62,892	—	2,568,307
Total capital assets, being depreciated	29,779,699	560,422	—	30,340,121
Less accumulated depreciation for:				
Buildings and systems	(18,839,113)	(707,630)	—	(19,546,743)
Improvements other than buildings	(633,994)	(15,526)	—	(649,520)
Machinery and equipment	(1,772,121)	(128,369)	—	(1,900,490)
Total accumulated depreciation	(21,245,228)	(851,525)	—	(22,096,753)
Total capital assets, being depreciated, net	8,534,471	(291,103)	—	8,243,368
Business-type activities capital assets, net	\$ 8,534,471	(291,103)	—	8,243,368

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

**7. Capital Assets (continued)**

Depreciation expense was charged to the functions/programs of the County in 2019 as follows:

**Governmental activities**

General government - administrative	\$	1,417,626
General government - judicial		371,501
Corrections		1,270,198
Emergency telephone		633,045
Public safety		463,632
Roads and bridge maintenance		267,552
Recycling and waste management		60,475
Human services:		
Mental health/intellectual and developmental disabilities		22,281
Children and youth		4,960
Food and shelter		9,625
Office of aging		24,665
Other		9,365
Culture and recreation		12,726
Conservation		58,234
Economic development and assistance		9,097
Governmental activities-depreciation expense	\$	<u><u>4,634,982</u></u>

**Business-type activities**

County nursing home	\$	<u>851,525</u>
Business-type activities-depreciation expense	\$	<u><u>851,525</u></u>

**8. Interfund and Transfer Accounts**

The composition of interfund balances at December 31, 2019, follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Children and Youth	\$ 5,301,391
	HealthChoices-Cumberland County	8,746
	County Nursing Home	694,591
	Non-major governmental funds	1,696,801
	Internal service fund	6,333
MH/IDD	General	81,660
Non-major governmental funds	General	1,373,396
	Non-major governmental funds	237,342
Internal service fund	General	127,484
Total		<u>\$ 9,527,744</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, 2019, follow:

	<u>Transfers in</u>					<u>Total</u>
	<u>General Fund</u>	<u>MH/IDD</u>	<u>Children and Youth</u>	<u>Govern- mental Non-major</u>	<u>Internal Service</u>	
Transfers out:						
General Fund	\$ -	609,935	2,826,701	5,697,831	164,954	9,299,421
Children and Youth	-	-	-	68,000	-	68,000
HealthChoices-Cumberland County	-	8,746	-	-	-	8,746
Governmental non-major funds	451,405	-	-	3,072,517	-	3,523,922
Total transfers out	<u>\$ 451,405</u>	<u>618,681</u>	<u>2,826,701</u>	<u>8,838,348</u>	<u>164,954</u>	<u>12,900,089</u>

**9. Long-term Liabilities**

The following is a summary of the changes in the County’s long-term liabilities for the year ended December 31, 2019:

<u>Liabilities</u>	Balance January 1, 2019	Additions	Reductions	Balance December 31, 2019	Due Within One Year
<b>Governmental activities</b>					
Bonds and notes payable:					
Bonds	\$ 26,634,484	-	2,742,199	23,892,285	2,308,021
Notes	715,000	-	-	715,000	-
Notes (CAEDC)	1,741,443	35,422	136,835	1,640,030	464,842
Net premium (discount) on bonds and notes	2,340,311	-	307,213	2,033,098	-
Total bonds and notes payable	<u>31,431,238</u>	<u>35,422</u>	<u>3,186,247</u>	<u>28,280,413</u>	<u>2,772,863</u>
Sick and vacation	3,918,286	4,486,002	4,427,639	3,976,649	371,852
Other postemployment benefit obligations	1,154,951	554,986	88,827	1,621,110	-
Net pension liability	20,486,338	-	17,872,927	2,613,411	-
Workers' compensation	793,254	45,226	129,280	709,200	49,922
Software licensing agreements	81,303	-	81,303	-	81,303
Capital Leases	<u>721,596</u>	<u>-</u>	<u>240,532</u>	<u>481,064</u>	<u>240,532</u>
Governmental activities long- term liabilities	<u>\$ 58,586,966</u>	<u>5,121,636</u>	<u>26,026,755</u>	<u>37,681,847</u>	<u>3,516,472</u>
<b>Business-type activities</b>					
Bonds payable:					
Bonds	\$ 4,040,516	-	1,227,801	2,812,715	1,271,979
Net premium (discount) on bonds	240,480	-	123,606	116,874	-
Total bonds payable	<u>4,280,996</u>	<u>-</u>	<u>1,351,407</u>	<u>2,929,589</u>	<u>1,271,979</u>
Sick and vacation	410,548	913,328	921,913	401,963	50,504
Other postemployment benefit obligations	409,703	160,909	25,754	544,858	-
Net pension liability	<u>5,683,764</u>	<u>-</u>	<u>4,987,122</u>	<u>696,642</u>	<u>-</u>
Business-type activities long-term liabilities	<u>\$ 10,785,011</u>	<u>1,074,237</u>	<u>7,286,196</u>	<u>4,573,052</u>	<u>1,322,483</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 general fund and special revenue 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, 2019.

All bonds and notes outstanding at December 31, 2019, 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 – 2013 issue	2% - 5%	2021	14,670,000	1,337,285	1,512,715
G.O. bonds – 2014 issue	2% - 2.25%	2024	4,865,000	—	1,300,000
G.O. bonds – 2016 issue	2% - 5%	2028	11,470,000	10,515,000	—
G.O. bonds – 2018 issue	1.4% - 3%	2031	12,140,000	12,040,000	—
Long-term debt at December 31, 2019				24,607,285	2,812,715
Premium/Discount on notes				2,033,098	116,874
Net long-term debt at December 31, 2019				\$ 26,640,383	2,929,589

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, 2019, of the 2013 bond issue, \$1,512,715 benefits the County nursing home, \$1,337,285 benefits the emergency telephone fund and therefore, repayment will be budgeted in the respective funds.

Of the outstanding balance at December 31, 2019, of the 2014 bond issue, \$1,300,000 benefits the County nursing home and therefore, repayment will be budgeted in the County nursing home.

Of the outstanding balance at December 31, 2019, of the 2016 bond issue, \$10,515,000 benefits the general fund, therefore, repayment will be budgeted in the general fund.

Of the outstanding balance at December 31, 2019, of the 2018 bond issue, \$12,040,000 benefits the general fund, therefore, repayment will be budgeted in the general fund.

The County’s December 31, 2019, net nonelectoral debt limit, and combined net nonelectoral debt and net lease rental debt limit are \$565,621,241 and \$726,741,656, 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, 2019, including interest payments, are as follows:

		Governmental A ctivities		Business - type A ctivities	
		Principal	Interest	Principal	Interest
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		2,140,000	455,450	270,000	3,038
2025-2029		10,535,000	1,105,125	—	—
2030-2031		2,460,000	74,400	—	—
Total	\$	24,607,285	4,625,424	2,812,715	118,522

**10. Leases**

**A. Operating Leases**

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

The County’s building leases contain scheduled rents payable. Building leases have expiration dates extending through 2025. Total expenses for building and office equipment leases were \$642,318 for the year ended December 31, 2019.

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, 2019:

Year Ending December 31	Lease Payments
2020	\$ 616,557
2021	498,411
2022	405,388
2023	357,535
2024	272,626
2025-2029	479,837
Total	\$ 2,630,354

**B. Capital Leases**

In previous years, agreements were entered into for the purchase of software licenses 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 \$120,266 along with accumulated depreciation of \$214,408 and \$180,399, respectively, in 2019.

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, 2019, were as follows:

	<b>Governmental Activities</b>
2020	240,532
2021	240,532
Present value of net minimum lease payments	\$ 481,064

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

The County reports the recognition in government-wide and proprietary fund financial statements of earned other postemployment benefits as part of the compensation package of active employees for services rendered. The cost and obligation for other postemployment benefits are required to be measured by an actuarial valuation.

**A. Plan Description**

Cumberland County sponsors and administers a postemployment benefits plan entitled Cumberland County Retiree Medical Plan (OPEB Plan). It is a single-employer plan that covers health insurance benefits where County retirees and their beneficiaries may continue to participate in the County’s health coverage. The County’s health coverage is provided through an insurance company. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

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

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

Membership of the OPEB Plan consisted of the following at January 1, 2019, the date of the latest actuarial valuation:

	<u>Primary Government</u>	<u>Component Unit</u>	<u>Total</u>
Retirees and beneficiaries receiving benefits	28	-	28
Retirees entitled to but not receiving benefits	-	-	-
Active employees	1,074	7	1,081
Total membership	<u>1,102</u>	<u>7</u>	<u>1,109</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 \$2,182,158 was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

**C. Actuarial Assumptions**

The total OPEB liabilities in the December 31, 2019, 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	2.74 percent
Healthcare cost trend rates	5.40 percent from 2019 to 2020 decreasing to an ultimate rate of 3.94 percent by 2075
Retirees' share of benefit-related costs	100 percent of projected health insurance premiums for retirees

The discount rate of 2.74 percent is based on the Bond Buyer General Obligation 20-year Municipal Bond Index at December 31, 2019.

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

The actuarial assumptions used in the December 31, 2019, 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, 2019</b>	\$ <u>1,575,810</u>
<b>Changes for the year:</b>	
Service cost	98,922
Interest	57,118
Changes in benefit terms	-
Difference between expected and actual experience	851,460
Changes in assumptions or other inputs	174,647
Benefit payments	<u>(575,799)</u>
<b>Net changes</b>	<u>606,348</u>
<b>Balance at December 31, 2019</b>	\$ <u><u>2,182,158</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 4.11 to 2.74 percent. Health care cost trend rates changed from 5.40 percent for 2019 to 3.94 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 (1.74 percent) or 1-percentage-point higher (3.74 percent) than the current discount rate:

	<b>1% Decrease (1.74%)</b>	<b>Discount Rate (2.74%)</b>	<b>1% Increase (3.74%)</b>
Primary government	\$ 2,323,868	2,165,968	2,016,081
Component unit	<u>16,382</u>	<u>16,190</u>	<u>14,212</u>
Total OPEB Liability	\$ <u><u>2,340,250</u></u>	<u><u>2,182,158</u></u>	<u><u>2,030,293</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 (4.4 percent decreasing to 2.94) or 1-percentage-point higher (6.4 percent decreasing to 5.94 percent)

	<b>1% Decrease (4.4% decreasing to 2.94%)</b>	<b>Healthcare Cost Trend Rates (5.4% decreasing to 3.94%)</b>	<b>1% Increase (6.4% decreasing to 4.94%)</b>
Primary government	\$ 1,927,297	2,165,968	2,449,635
Component unit	13,586	16,190	17,268
Total OPEB Liability	<u>\$ 1,940,883</u>	<u>2,182,158</u>	<u>2,466,903</u>

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

For the year ended December 31, 2019, the County recognized negative OPEB expense of \$241,390. At December 31, 2019, 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>
Expected and actual OPEB experience	\$ 703,661	5,889	709,550
Changes of OPEB assumptions	245,321	1,995	247,316
Total deferred outflow of resources	<u>\$ 948,982</u>	<u>7,884</u>	<u>956,866</u>

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

**Year ended December 31:**

	<b>Primary Government</b>	<b>Component Unit</b>	<b>Total</b>
2020	\$ 189,976	1,578	191,554
2021	189,976	1,578	191,554
2022	189,976	1,578	191,554
2023	189,974	1,578	191,552
2024	175,875	1,461	177,336
Thereafter	13,205	111	13,316
	<u>\$ 948,982</u>	<u>7,884</u>	<u>956,866</u>

**12. Cumberland County Retirement Plan**

**A. Summary of Significant Accounting Policies**

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

**B. Plan Description**

*Plan Administration*

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

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

*Plan Membership*

As of December 31, 2019, 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	678	3	681
Inactive plan members entitled to but not yet			
receiving benefits	150	1	151
Active employees	1,113	9	1,122
Total membership	<u>1,941</u>	<u>13</u>	<u>1,954</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 2019 was \$3,856,188 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 3, Deposits and Investments.

**Rate of return**

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 20.3 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, 2019, 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, 2019, the pension plan does not have any allocated insurance contracts that are excluded from pension plan assets.

**F. Reserves**

As of December 31, 2019, 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, 2019, were as follows:

	<u>Primary government</u>	<u>Component unit</u>	<u>Total</u>
Total pension liability	\$ 232,248,206	2,298,558	234,546,764
Plan fiduciary net position (allocated)	<u>228,938,153</u>	<u>2,265,798</u>	<u>231,203,951</u>
Net pension liability	\$ <u>3,310,053</u>	<u>32,760</u>	<u>3,342,813</u>
Plan fiduciary net position as a percentage of the total pension liability	98.57%	98.57%	98.57%

There is a \$44,154 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, 2019, 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, 2019, 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, 2019, (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 2019, the discount rate (long-term expected rate of return) used to measure the total pension liability is 7.0 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at equal monthly installments to fund the actuarially determined amounts. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods to determine the total net pension liability.

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

	<b>Increase/(Decrease)</b>		
	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability/(Asset)</b>
<b>Balances as of December 31, 2018</b>	\$ 223,152,759	196,761,407	26,391,352
<b>Changes for the year:</b>			
Service cost	4,407,505	-	4,407,505
Interest	15,736,110	-	15,736,110
Differences between expected and actual experience	3,032,936	-	3,032,936
Contributions-employer	-	3,856,188	(3,856,188)
Contributions-member	-	3,859,308	(3,859,308)
Net investment income	-	38,752,976	(38,752,976)
Benefit payments, including refunds of members contribution	(11,782,546)	(11,782,546)	-
Plan administration expense	-	(243,382)	243,382
<b>Net changes</b>	<b>11,394,005</b>	<b>34,442,544</b>	<b>(23,048,539)</b>
<b>Balances as of December 31, 2019</b>	<b>\$ 234,546,764</b>	<b>231,203,951</b>	<b>3,342,813</b>

***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	\$ 29,421,564	3,310,053	(19,713,716)
Component unit	291,185	32,760	(195,106)
Total net pension liability/ (asset)	<u>\$ 29,712,749</u>	<u>3,342,813</u>	<u>(19,908,822)</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, 2019, pension expense was \$6,580,639. Pension expense for the primary government and component unit was \$6,520,224 and \$60,415, respectively.

At December 31, 2019, 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-expected and actual experience	\$ 3,256,518	32,230	3,288,748
Deferred difference-change of pension assumptions	<u>6,742,270</u>	<u>66,728</u>	<u>6,808,998</u>
Total deferred outflows of resources	<u>\$ 9,998,788</u>	<u>98,958</u>	<u>10,097,746</u>

**Deferred inflows of resources:**

Deferred difference- projected and actual pension earnings	\$ 943,442	9,337	952,779
Deferred difference-expected and actual experience	<u>9,154,370</u>	<u>90,601</u>	<u>9,244,971</u>
Total deferred inflows of resources	<u>\$ 10,097,812</u>	<u>99,938</u>	<u>10,197,750</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:**

**Net deferred inflows (outflows) of resources:**

	<b>Primary Government</b>	<b>Component Unit</b>	<b>Total</b>
2020	\$ 821,984	8,237	830,221
2021	202,440	2,003	204,443
2022	2,821,955	27,929	2,849,884
2023	(4,004,391)	(39,630)	(4,044,021)
2024	58,988	481	59,469
	<u>\$ (99,024)</u>	<u>(980)</u>	<u>(100,004)</u>

At December 31, 2019, the County’s contributions were fully funded to the pension plan as required for the year.

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

**13. Litigation**

The County is involved in several lawsuits arising in the normal course of business. It is the County solicitor’s opinion that the aggregate amount of potential claims not covered by insurance resulting from actions against the County would not materially affect the financial position of the County at December 31, 2019.

**14. Commitments and Contingencies**

**Commitments**

The County has significant contractual commitments related to various construction projects. At December 31, 2019, the County’s commitments are as follows:

<b>Project</b>	<b>Expended Through December 31, 2019</b>	<b>Remaining Commitment</b>
County Bridge Replacement	\$5,647,950	\$5,153,358
Communication Software	768,006	1,106,893

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.

The communication software, in the County’s non-major funds, is funded with a special revenue surcharge.

**Grants**

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

**15. Self-Insurance****Workers' Compensation**

The County has established a workers' compensation fund (an internal service fund) to account for and finance its uninsured risks of loss due to employee claims. Under this program, the workers' compensation fund provides coverage for up to a maximum of \$500,000 for each individual worker's compensation occurrence, except for CNRC and prison employees where the maximum is \$600,000. The County purchases commercial insurance for claims in excess of coverage provided by the fund. Settled claims have not exceeded this commercial coverage in the last three years.

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

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, 2019, and December 31, 2018, were:

	Beginning of Year Liability	Provision for Claims		Claim Payments		End of Year Liability
		Current Year	Prior Years	Current Year	Prior Years	
2019	\$ 793,254	259,818	(214,591)	88,878	40,403	709,200
2018	\$ 946,683	590,445	(569,306)	137,307	37,261	793,254

**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 \$250,000 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.

	Beginning of Year Liability	Provision for Claims		Claim Payment		End of Year Liability
		Current Year	Prior Year	Current Year	Prior Year	
2019	\$ 1,037,634	15,543,328	(1,027,118)	14,421,328	10,516	1,122,000
2018	\$ -	13,918,281	8,164	12,880,647	8,164	1,037,634

**16. Subsequent Events**

*PA Infrastructure Bank Loan Agreement*

On February 10, 2020, the County Board of Commissioners approved Ordinance 2020-1 authorizing the County to enter into a loan agreement with the PA Infrastructure Bank (PIB) for a \$5,000,000 revenue note. The loan, for ten years with an interest rate of 2.625%, will fund the construction of the Sample Bridge in Silver Spring Township.

*COVID-19*

Subsequent to December 31, 2019, a global pandemic due to the spread of the Covid-19 coronavirus (COVID-19) caused the United States government to declare a national emergency. The pandemic has led to widespread voluntary and government-mandated closings of businesses resulting in significant job losses and unemployment. These closures and job losses have the potential to have a significant impact on all aspects of the County’s operations.

In addition, due to the temporary closure of all businesses that are not life sustaining, State and Federal tax revenues are also significantly decreased. This decrease could result in less grant money that is relied upon by local municipalities to fund specific services and projects. In addition, the County's own source revenue or derived revenues could be affected negatively. Overall, decreased funding could result in the County having to curtail or eliminate some services.

*Pension*

The negative events in the financial markets, as well as the general economic conditions in the United States and worldwide due to the COVID-19 pandemic, have decreased the investment values either directly invested in or tied-to the equity markets. These declines, at present, are expected to be temporary and not permanent; however the equity market recovery may take some time. The major resulting impact of the equity market's decline on the County's pension will be in the form of a decrease in retirement plan assets. As a result of the current market conditions, investments and their ratings may fluctuate in the near future.

## **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, 2019*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

**(unaudited)**

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
<b>REVENUES</b>				
Taxes:				
Real estate taxes	\$ 53,772,720	53,772,720	53,802,121	29,401
Per capita taxes	500	500	1,100	600
Library taxes	4,066,790	4,066,790	4,068,643	1,853
Licenses and permits	197,900	197,900	211,694	13,794
Grants	3,224,098	3,224,098	3,208,600	(15,498)
County charges	13,310,160	13,310,160	13,664,448	354,288
Court costs, fines, and forfeitures	1,504,297	1,504,297	1,663,878	159,581
Interest	586,550	586,550	1,129,623	543,073
Contributions and other	74,700	74,700	118,424	43,724
Payment in lieu of taxes	239,533	239,533	215,425	(24,108)
Total revenues	76,977,248	76,977,248	78,083,956	1,106,708
<b>EXPENDITURES</b>				
Current:				
General government – administrative:				
Commissioners	1,127,412	997,668	872,222	125,446
Solicitors	346,181	279,645	266,863	12,782
Elections	962,946	5,488,479	958,644	4,529,835
Controller	1,121,395	1,090,733	1,074,656	16,077
Finance office	917,891	1,052,196	1,032,341	19,855
Tax claims	238,315	240,996	220,906	20,090
Treasurer	337,454	346,985	332,143	14,842
Tax collectors administration	306,228	323,980	297,856	26,124
Personnel	686,545	717,878	696,649	21,229
Tax assessment	1,160,803	1,299,112	1,220,844	78,268
Recorder of Deeds	415,638	430,311	414,210	16,101
Administrative services	437,100	448,255	378,631	69,624
Information management and technology office	2,245,101	2,412,806	2,155,063	257,743
Enterprise resource management office	578,852	589,306	559,116	30,190
Insurance	410,016	410,016	401,927	8,089
Human services fiscal operations	191,555	198,458	195,266	3,192
County buildings	3,962,135	4,172,862	3,228,393	944,469
Planning	948,887	939,035	903,173	35,862
Pooled reserves-program innovation, improvements and contingencies	2,050,000	685,540	—	685,540
Pooled reserves-contingencies	550,000	883,613	—	883,613
Debt retirement	2,681	2,681	1,623	1,058
Homestead	59,756	61,756	61,229	527
Uniform Parcel Identifier	105,895	109,504	106,603	2,901
Program subsidy	139,300	139,300	89,889	49,411
Total general government – administrative	19,302,086	23,321,115	15,468,247	7,852,868
General government – judicial:				
Building security	445,331	447,544	411,927	35,617
Courts	4,901,270	5,042,978	4,854,095	188,883
Court appointed advocate	244,561	253,793	248,334	5,459
District judges	3,417,550	3,371,476	3,275,242	96,234
Law library	235,100	235,546	231,347	4,199
Clerk of Court	754,817	696,670	667,039	29,631
Coroner	1,164,684	1,211,589	1,165,560	46,029

(continued)

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

**General Fund**

*For the year ended December 31, 2019*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

**(unaudited)**

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
(continued)				
<b>EXPENDITURES</b>				
Current (continued):				
General government - judicial (continued):				
Public defender	\$ 1,595,935	1,555,914	1,545,171	10,743
District Attorney	2,500,902	2,658,591	2,541,050	117,541
Prothonotary	608,625	580,626	556,921	23,705
Register of Wills	605,636	594,706	532,100	62,606
Sheriff	3,516,624	3,695,754	3,482,204	213,550
Total general government – judicial	19,991,035	20,345,187	19,510,990	834,197
Public safety:				
DA crime investigation	628,058	682,300	593,273	89,027
DA justice services	981,197	1,239,891	1,042,275	197,616
HAZMAT	187,003	199,456	152,199	47,257
Vector control	262,941	307,153	283,142	24,011
Fire training	20,248	20,248	13,764	6,484
Public safety	628,533	661,581	607,110	54,471
Total public safety	2,707,980	3,110,629	2,691,763	418,866
Corrections:				
County prison	14,748,012	14,038,319	13,403,005	635,314
Probation and parole	5,294,039	5,323,137	5,227,734	95,403
Total corrections	20,042,051	19,361,456	18,630,739	730,717
Human services	5,167,691	5,136,940	4,739,720	397,220
Culture and recreation	5,040,959	5,082,471	5,064,450	18,021
Conservation and development	1,570,529	1,699,532	1,417,738	281,794
Economic development	1,710,016	1,710,016	1,254,198	455,818
Total expenditures	75,532,347	79,767,346	68,777,845	10,989,501
Excess of revenues over expenditures	1,444,901	(2,790,098)	9,306,111	12,096,209
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	5,077,490	5,077,490	4,710,104	(367,386)
Transfers out	(12,178,174)	(12,443,174)	(9,892,174)	2,551,000
Proceeds from insurance recovery	—	—	63,774	63,774
Proceeds from sale of assets	—	—	913	913
Total other financing sources (uses)	(7,100,684)	(7,365,684)	(5,117,383)	2,248,301
Net change in fund balance	(5,655,783)	(10,155,782)	4,188,728	14,344,510
Fund balance, beginning of year	33,096,833	33,096,833	44,500,778	11,403,945
Fund balance, end of year	\$ 27,441,050	22,941,051	48,689,506	25,748,455

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, 2019***

**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	\$ 14,667,097	15,923,667	14,696,865	(1,226,802)
County charges	1,730,033	1,715,956	1,582,199	(133,757)
Interest	12,000	12,000	35,077	23,077
Contributions and other	114,501	114,501	113,165	(1,336)
Total revenues	<u>16,523,631</u>	<u>17,766,124</u>	<u>16,427,306</u>	<u>(1,338,818)</u>
<b>EXPENDITURES</b>				
Current:				
Human services	17,093,067	18,280,060	16,958,951	1,321,109
Capital outlay	—	55,500	55,500	—
Total expenditures	<u>17,093,067</u>	<u>18,335,560</u>	<u>17,014,451</u>	<u>1,321,109</u>
Deficiency of revenues under expenditures	<u>(569,436)</u>	<u>(569,436)</u>	<u>(587,145)</u>	<u>(17,709)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>569,436</u>	<u>569,436</u>	<u>551,374</u>	<u>18,062</u>
Total other financing sources	<u>569,436</u>	<u>569,436</u>	<u>551,374</u>	<u>18,062</u>
Net change in fund balance	—	—	(35,771)	353
Fund balance, beginning of year	<u>112,314</u>	<u>112,314</u>	<u>139,269</u>	<u>26,955</u>
Fund balance, end of year	<u>\$ 112,314</u>	<u>112,314</u>	<u>103,498</u>	<u>27,308</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, 2019*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
<b>REVENUES</b>				
Grants	\$ 17,575,492	17,575,492	18,409,123	833,631
County charges	336,864	336,864	526,266	189,402
Contributions and other	—	—	157	157
Total revenues	17,912,356	17,912,356	18,935,546	1,023,190
<b>EXPENDITURES</b>				
Current:				
Human services	21,616,575	21,616,575	21,538,511	78,064
Total expenditures	21,616,575	21,616,575	21,538,511	78,064
Deficiency of revenues under expenditures	(3,704,219)	(3,704,219)	(2,602,965)	1,101,254
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,772,219	3,772,219	2,670,965	(1,101,254)
Transfers out	(68,000)	(68,000)	(68,000)	—
Total other financing sources (uses)	3,704,219	3,704,219	2,602,965	(1,101,254)
Net change in fund balance	—	—	—	—
Fund balance, beginning of year	—	—	—	—
Fund balance, end of year	\$ —	—	—	—

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

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

**HealthChoices-Cumberland County**

*For the fiscal year ended June 30, 2019*

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	45,593,821	42,952,744	(2,641,077)
Interest	1,000	2,217	5,900	3,683
Total revenues	36,308,143	45,596,038	42,958,644	(2,637,394)
<b>EXPENDITURES</b>				
Current:				
Human services	36,308,143	45,596,038	42,958,644	2,637,394
Total expenditures	36,308,143	45,596,038	42,958,644	2,637,394
Excess of revenues over expenditures	—	—	—	—
<b>OTHER FINANCING USES</b>				
Transfers out	—	—	—	—
Total other financing uses	—	—	—	—
Net change in fund balance	—	—	—	—
Fund balance, beginning of year	8,185	8,185	8,185	—
Fund balance, end of year	\$ 8,185	8,185	8,185	—

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 payroll	\$ 52,236,859	50,760,752	53,864,765
Net pension liability/(asset) as a percentage of covered 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>	<u>2019</u>
5,309,011	4,139,378	4,407,504
14,522,698	14,949,775	15,736,110
-	-	-
(769,513)	(1,005,613)	3,032,936
-	11,064,623	-
<u>(10,428,840)</u>	<u>(10,551,987)</u>	<u>(11,782,546)</u>
8,633,356	18,596,176	11,394,004
195,923,227	204,556,583	223,152,759
<u>204,556,583</u>	<u>223,152,759</u>	<u>234,546,763</u>
3,805,364	2,854,381	3,856,188
3,352,587	3,551,808	3,859,308
28,128,035	(12,138,299)	38,752,976
(10,428,840)	(10,551,987)	(11,782,546)
<u>(208,237)</u>	<u>(253,043)</u>	<u>(243,382)</u>
24,648,909	(16,537,140)	34,442,544
188,649,638	213,298,547	196,761,407
<u>213,298,547</u>	<u>196,761,407</u>	<u>231,203,951</u>
<u>(8,741,964)</u>	<u>26,391,352</u>	<u>3,342,812</u>
104.27 %	88.17 %	98.57 %
54,909,779	55,755,116	58,391,246
(15.92) %	47.33 %	5.72 %

**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 payroll	\$ 52,236,859	50,760,752	53,864,765	54,909,779
Contributions as a percentage of covered 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	16 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.

*December 31, 2019*

(unaudited)

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<u>2018</u>	<u>2019</u>
2,854,381	3,856,188
<u>2,854,381</u>	<u>3,856,188</u>
<u>-</u>	<u>-</u>
55,755,116	58,391,246

5.12 %      6.60 %

1/1/2018      1/1/2019

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<u>2018</u>	<u>2019</u>
(5.39) %	20.30 %

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

**December 31, 2019**

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>	<u>2019</u>
<b>OPEB liability</b>			
Service cost	\$ 58,180	80,243	98,922
Interest	56,911	53,243	57,118
Changes of benefit terms	-	-	-
Differences between expected and actual experience	-	-	851,460
Changes of assumptions	63,493	69,840	174,647
Benefit payments, including refunds of member contributions	<u>(123,115)</u>	<u>(188,555)</u>	<u>(575,799)</u>
Net change in total OPEB liability	55,469	14,771	606,348
Total OPEB liability-beginning	<u>1,505,570</u>	<u>1,561,039</u>	<u>1,575,810</u>
Total OPEB liability-ending	<u>\$ 1,561,039</u>	<u>1,575,810</u>	<u>2,182,158</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
2019	2.74

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, 2019**

**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, 2019, or on a fiscal year ended June 30, 2019. 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, 2019, follows:

	<u>General Fund</u>
Budgetary basis- net change in fund balance	\$ 4,188,728
Adjustments:	
To adjust revenues, expenditures and other financing sources/uses:	
Net fund budget-related revenues, expenditures and other financing sources/uses:	(91,265)
Fund balance effect from funds included in GAAP statements:	
Criminal justice and intermediate punishment	7,760
District attorney federal forfeiture account	50,219
Offender supervision fund	<u>55,533</u>
GAAP basis - net change in fund balance	<u>\$ 4,210,975</u>

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (unaudited) December 31, 2019**

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

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

During the year, there was one general fund supplemental appropriation enacted in the amount of \$4,500,000. 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, 2019*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

(unaudited)

	Special Revenue						Fiscal Employer Agent
	Liquid Fuels Tax	Domestic Relations Office	Office of Aging	Human Services Development	Food and Shelter	Drug and Alcohol	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 3,273,534	221,057	373,852	—	—	17,029	1,238,699
Investments	—	—	—	—	—	—	—
Restricted cash	—	—	—	—	—	—	—
Receivables:							
Taxes	—	—	—	—	—	—	—
Due from other governments	780,138	321,956	158,435	467	43,410	394,889	—
Accounts receivable	33,166	—	70,310	—	46,739	14,759	—
Due from other funds	—	—	—	2,563	194,778	1,074,080	—
Prepaid items	—	—	—	—	—	—	—
Total assets	<u>\$ 4,086,838</u>	<u>543,013</u>	<u>602,597</u>	<u>3,030</u>	<u>284,927</u>	<u>1,500,757</u>	<u>1,238,699</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 488,044	1,796	171,305	617	67,101	188,172	—
Accrued liabilities and withholdings	—	59,292	44,464	2,413	5,088	32,314	—
Due to other funds	—	460,384	132,937	—	—	—	19,151
Due to other governments	—	—	—	—	—	—	1,190,504
Unearned revenue	—	—	47,750	—	60,740	96,681	—
Funds held as fiduciary	—	21,541	—	—	—	—	—
Total liabilities	<u>488,044</u>	<u>543,013</u>	<u>396,456</u>	<u>3,030</u>	<u>132,929</u>	<u>317,167</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	—	—	—	—	—	—	—
Restricted:							
Roads and bridge maintenance	3,598,794	—	—	—	—	—	—
Human services	—	—	202,341	—	151,998	1,183,590	—
Public safety	—	—	—	—	—	—	—
Row office automation	—	—	—	—	—	—	—
Marcellus shale	—	—	—	—	—	—	—
Conservation	—	—	—	—	—	—	—
Economic development and assistance	—	—	—	—	—	—	—
General obligation debt	—	—	—	—	—	—	—
Assigned:							
Human services	—	—	3,800	—	—	—	29,044
Capital projects	—	—	—	—	—	—	—
Economic development and assistance	—	—	—	—	—	—	—
Total fund balances	<u>3,598,794</u>	<u>—</u>	<u>206,141</u>	<u>—</u>	<u>151,998</u>	<u>1,183,590</u>	<u>29,044</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,086,838</u>	<u>543,013</u>	<u>602,597</u>	<u>3,030</u>	<u>284,927</u>	<u>1,500,757</u>	<u>1,238,699</u>

(continued)

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

*December 31, 2019*

**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	\$ 5,133	—	143,535	725,549	73,983	955,179	1,908,555
Investments	—	—	—	—	—	—	—
Restricted cash	—	—	—	—	—	—	—
Receivables:							
Taxes	—	—	—	—	—	145,353	—
Due from other governments	140,894	—	—	115,283	—	—	1,415,758
Accounts receivable	—	—	—	1,049	—	—	—
Due from other funds	54,013	639	47,323	—	—	—	—
Prepaid items	2,400	—	—	—	—	—	186,861
Total assets	<u>\$ 202,440</u>	<u>639</u>	<u>190,858</u>	<u>841,881</u>	<u>73,983</u>	<u>1,100,532</u>	<u>3,511,174</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 6,430	639	19,880	17,870	51,975	—	108,579
Accrued liabilities and withholdings	15,354	—	598	2,439	—	—	99,450
Due to other funds	—	—	—	5,658	8,915	1,100,532	202,697
Due to other governments	—	—	—	—	—	—	—
Unearned revenue	—	—	—	—	—	—	—
Funds held as fiduciary	—	—	—	—	—	—	—
Total liabilities	<u>21,784</u>	<u>639</u>	<u>20,478</u>	<u>25,967</u>	<u>60,890</u>	<u>1,100,532</u>	<u>410,726</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	2,400	—	—	—	—	—	186,861
Restricted:							
Roads and bridge maintenance	—	—	—	—	—	—	—
Human services	—	—	—	—	—	—	—
Public safety	178,256	—	—	—	—	—	2,913,587
Row office automation	—	—	170,380	—	—	—	—
Marcellus shale	—	—	—	—	—	—	—
Conservation	—	—	—	815,914	—	—	—
Economic development and assistance	—	—	—	—	13,093	—	—
General obligation debt	—	—	—	—	—	—	—
Assigned:							
Human services	—	—	—	—	—	—	—
Capital projects	—	—	—	—	—	—	—
Economic development and assistance	—	—	—	—	—	—	—
Total fund balances	<u>180,656</u>	<u>—</u>	<u>170,380</u>	<u>815,914</u>	<u>13,093</u>	<u>—</u>	<u>3,100,448</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 202,440</u>	<u>639</u>	<u>190,858</u>	<u>841,881</u>	<u>73,983</u>	<u>1,100,532</u>	<u>3,511,174</u>

(Continued)

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

*December 31, 2019*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

(unaudited)

	<u>Special Revenue</u>		<u>Debt Service</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>CAEDC</u>	<u>Total</u>			
(continued)					
<b>ASSETS</b>					
Cash and cash equivalents	\$ 944,688	9,880,793	—	1,270,897	11,151,690
Investments	1,221,486	1,221,486	—	—	1,221,486
Restricted cash	231,404	231,404	—	—	231,404
Receivables:					
Taxes	—	145,353	—	—	145,353
Due from other governments	12,855	3,384,085	—	—	3,384,085
Accounts receivable	1,294,170	1,460,193	—	—	1,460,193
Due from other funds	230,832	1,604,228	—	6,510	1,610,738
Prepaid items	117,497	306,758	—	—	306,758
Total assets	\$ 4,052,932	18,234,300	—	1,277,407	19,511,707
<b>LIABILITIES</b>					
Accounts payable	\$ 352,923	1,475,331	—	87,342	1,562,673
Accrued liabilities and withholdings	—	261,412	—	—	261,412
Due to other funds	—	1,930,274	—	3,869	1,934,143
Due to other governments	—	1,190,504	—	—	1,190,504
Unearned revenue	471,943	677,114	—	—	677,114
Funds held as fiduciary	—	21,541	—	—	21,541
Total liabilities	824,866	5,556,176	—	91,211	5,647,387
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	48,750	48,750	—	—	48,750
Total deferred inflows of resources	48,750	48,750	—	—	48,750
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid items	117,497	306,758	—	—	306,758
Restricted:					
Roads and bridge maintenance	—	3,598,794	—	—	3,598,794
Human services	—	1,537,929	—	—	1,537,929
Public safety	—	3,091,843	—	—	3,091,843
Row office automation	—	170,380	—	—	170,380
Marcellus shale	—	—	—	1,044,443	1,044,443
Conservation	—	815,914	—	—	815,914
Economic development and assistance	231,404	244,497	—	—	244,497
General obligation debt	—	—	—	—	—
Assigned:					
Human services	—	32,844	—	—	32,844
Capital projects	—	—	—	141,753	141,753
Economic development and assistance	2,830,415	2,830,415	—	—	2,830,415
Total fund balances	3,179,316	12,629,374	—	1,186,196	13,815,570
Total liabilities, deferred inflows of resources and fund balances	\$ 4,052,932	18,234,300	—	1,277,407	19,511,707

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

*For the year ended December 31, 2019*

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	3,141,966	2,396,092	3,555,954	128,760	750,034	2,961,706	—
County charges	1,363,154	2,501	574,424	—	90,253	531,702	—
Court costs, fines and forfeitures	—	5,290	—	—	—	217,692	—
Interest	35,014	1,785	5,289	—	18	—	15,739
Contributions and other	—	—	35,415	—	5,020	17,403	—
Total revenues	<u>4,540,134</u>	<u>2,405,668</u>	<u>4,171,082</u>	<u>128,760</u>	<u>845,325</u>	<u>3,728,503</u>	<u>15,739</u>
<b>EXPENDITURES</b>							
Current:							
General government – administrative	—	—	—	—	—	—	—
General government – judicial	—	3,532,225	—	—	—	—	—
Emergency telephone	—	—	—	—	—	—	—
Public works and enterprises	290,356	—	—	—	—	—	—
Human services	—	—	4,426,580	130,352	889,545	3,547,963	—
Economic development and assistance	—	—	—	—	—	—	—
Debt service:							
Principal retirement	—	—	—	—	—	—	—
Debt interest	—	—	—	—	—	—	—
Capital outlay	3,116,633	7,794	—	—	—	—	—
Payments to other governments	—	—	—	—	—	—	—
Total expenditures	<u>3,406,989</u>	<u>3,540,019</u>	<u>4,426,580</u>	<u>130,352</u>	<u>889,545</u>	<u>3,547,963</u>	<u>—</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,133,145</u>	<u>(1,134,351)</u>	<u>(255,498)</u>	<u>(1,592)</u>	<u>(44,220)</u>	<u>180,540</u>	<u>15,739</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	—	1,134,351	263,079	79,405	77,813	352,303	—
Transfers out	—	—	—	(77,813)	—	(355,202)	—
Proceeds from sale of assets	—	—	—	—	—	—	—
Proceeds received from line of credit	—	—	—	—	—	—	—
Loss from insurance recovery denial	(106,580)	—	—	—	—	—	—
Total other financing sources (uses)	<u>(106,580)</u>	<u>1,134,351</u>	<u>263,079</u>	<u>1,592</u>	<u>77,813</u>	<u>(2,899)</u>	<u>—</u>
Net changes in fund balances	1,026,565	—	7,581	—	33,593	177,641	15,739
Fund balances, beginning of year, as restated	2,572,229	—	198,560	—	118,405	1,005,949	13,305
Fund balances, end of year	<u>\$ 3,598,794</u>	<u>—</u>	<u>206,141</u>	<u>—</u>	<u>151,998</u>	<u>1,183,590</u>	<u>29,044</u>

(continued)

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

*For the year ended December 31, 2019*

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	\$ —	—	—	—	—	2,104,919	—
Grants	499,365	—	—	460,903	—	—	114
County charges	38,713	283,052	157,425	334,115	188,152	—	5,945,523
Court costs, fines and forfeitures	1,336	—	—	—	—	—	—
Interest	3	—	96	4,536	630	5,683	37,317
Contributions and other	1,500	—	—	20,000	—	—	391
Total revenues	<u>540,917</u>	<u>283,052</u>	<u>157,521</u>	<u>819,554</u>	<u>188,782</u>	<u>2,110,602</u>	<u>5,983,345</u>
<b>EXPENDITURES</b>							
Current:							
General government – administrative	—	—	122,726	—	36,198	—	—
General government – judicial	—	113,172	—	—	—	—	—
Emergency telephone	—	—	—	—	—	—	5,181,317
Public works and enterprises	—	—	—	361,211	—	—	—
Human services	729,851	—	—	—	—	—	—
Economic development and assistance	—	—	—	—	—	42,070	—
Debt service:							
Principal retirement	—	—	—	—	—	—	—
Debt interest	—	—	—	—	—	—	—
Capital outlay	—	—	17,944	554,260	—	—	1,253,216
Payments to other governments	153	—	—	—	147,725	—	—
Total expenditures	<u>730,004</u>	<u>113,172</u>	<u>140,670</u>	<u>915,471</u>	<u>183,923</u>	<u>42,070</u>	<u>6,434,533</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(189,087)</u>	<u>169,880</u>	<u>16,851</u>	<u>(95,917)</u>	<u>4,859</u>	<u>2,068,532</u>	<u>(451,188)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	219,085	—	—	—	—	—	293,340
Transfers out	—	(169,880)	(4,122)	—	—	(2,068,532)	(848,373)
Proceeds from sale of assets	—	—	—	750	—	—	—
Proceeds received from line of credit	—	—	—	—	—	—	—
Loss from insurance recovery denial	—	—	—	—	—	—	—
Total other financing sources (uses)	<u>219,085</u>	<u>(169,880)</u>	<u>(4,122)</u>	<u>750</u>	<u>—</u>	<u>(2,068,532)</u>	<u>(555,033)</u>
Net changes in fund balances	29,998	—	12,729	(95,167)	4,859	—	(1,006,221)
Fund balances, beginning of year, as restated	150,658	—	157,651	911,081	8,234	—	4,106,669
Fund balances, end of year	<u>\$ 180,656</u>	<u>—</u>	<u>170,380</u>	<u>815,914</u>	<u>13,093</u>	<u>—</u>	<u>3,100,448</u>

(continued)

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

**Nonmajor Governmental Funds**

*For the year ended December 31, 2019*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

(continued)	<u>Special Revenue</u>		Debt Service	Capital Projects Fund	Nonmajor Governmental Funds
	CAEDC	Total			
<b>REVENUES</b>					
Taxes	\$ —	2,104,919	—	—	2,104,919
Grants	592,495	14,487,389	—	455,949	14,943,338
County charges	409,881	9,918,895	—	—	9,918,895
Court costs, fines and forfeitures	—	224,318	—	—	224,318
Interest	27,426	133,536	—	20,276	153,812
Contributions and other	25,040	104,769	—	—	104,769
Total revenues	<u>1,054,842</u>	<u>26,973,826</u>	<u>—</u>	<u>476,225</u>	<u>27,450,051</u>
<b>EXPENDITURES</b>					
Current:					
General government – administrative	—	158,924	—	347,849	506,773
General government – judicial	—	3,645,397	—	—	3,645,397
Emergency telephone	—	5,181,317	—	—	5,181,317
Public works and enterprises	—	651,567	—	—	651,567
Human services	—	9,724,291	—	—	9,724,291
Economic development and assistance	3,074,646	3,116,716	—	—	3,116,716
Debt service:					
Principal retirement	—	—	3,064,035	—	3,064,035
Debt interest	—	—	1,118,362	—	1,118,362
Capital outlay	670,480	5,620,327	—	98,320	5,718,647
Payments to other governments	—	147,878	—	72,500	220,378
Total expenditures	<u>3,745,126</u>	<u>28,246,417</u>	<u>4,182,397</u>	<u>518,669</u>	<u>32,947,483</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,690,284)</u>	<u>(1,272,591)</u>	<u>(4,182,397)</u>	<u>(42,444)</u>	<u>(5,497,432)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	2,161,390	4,580,766	4,167,604	89,978	8,838,348
Transfers out	—	(3,523,922)	—	—	(3,523,922)
Proceeds from sale of assets	—	750	—	—	750
Proceeds received from line of credit	35,422	35,422	—	—	35,422
Loss from insurance recovery denial	—	(106,580)	—	—	(106,580)
Total other financing sources (uses)	<u>2,196,812</u>	<u>986,436</u>	<u>4,167,604</u>	<u>89,978</u>	<u>5,244,018</u>
Net changes in fund balances	(493,472)	(286,155)	(14,793)	47,534	(253,414)
Fund balances, beginning of year, as restated	<u>3,672,788</u>	<u>12,915,529</u>	<u>14,793</u>	<u>1,138,662</u>	<u>14,068,984</u>
Fund balances, end of year	\$ <u>3,179,316</u>	<u>12,629,374</u>	<u>—</u>	<u>1,186,196</u>	<u>13,815,570</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, 2019*

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	\$ 8,274,674	8,274,674	3,141,966	(5,132,708)
County charges	1,202,000	1,202,000	1,363,154	161,154
Interest	5,400	5,400	35,014	29,614
Total revenues	<u>9,482,074</u>	<u>9,482,074</u>	<u>4,540,134</u>	<u>(4,941,940)</u>
<b>EXPENDITURES</b>				
Current:				
Public works and enterprises	1,243,596	1,244,071	290,356	953,715
Capital outlay	8,915,278	8,914,803	3,116,633	5,798,170
Total expenditures	<u>10,158,874</u>	<u>10,158,874</u>	<u>3,406,989</u>	<u>6,751,885</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(676,800)</u>	<u>(676,800)</u>	<u>1,133,145</u>	<u>1,809,945</u>
<b>OTHER FINANCING SOURCES</b>				
Loss from insurance recovery denial	<u>—</u>	<u>—</u>	<u>(106,580)</u>	<u>(106,580)</u>
Total other financing sources	<u>—</u>	<u>—</u>	<u>(106,580)</u>	<u>(106,580)</u>
Net change in fund balance	(676,800)	(676,800)	1,026,565	1,703,365
Fund balance, beginning of year	<u>2,049,996</u>	<u>2,049,996</u>	<u>2,572,229</u>	<u>522,233</u>
Fund balance, end of year	<u>\$ 1,373,196</u>	<u>1,373,196</u>	<u>3,598,794</u>	<u>2,225,598</u>

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

**Domestic Relations Office**

*For the year ended December 31, 2019*

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	\$ 2,446,653	2,446,653	2,396,092	(50,561)
County charges	2,440	2,440	2,501	61
Court costs, fines, and forfeitures	—	—	5,290	5,290
Interest	800	800	1,785	985
Total revenues	<u>2,449,893</u>	<u>2,449,893</u>	<u>2,405,668</u>	<u>(44,225)</u>
<b>EXPENDITURES</b>				
Current:				
General government – judicial	3,541,093	3,541,093	3,532,225	8,868
Capital outlay	9,500	9,500	7,794	1,706
Total expenditures	<u>3,550,593</u>	<u>3,550,593</u>	<u>3,540,019</u>	<u>10,574</u>
Deficiency of revenues under expenditures	<u>(1,100,700)</u>	<u>(1,100,700)</u>	<u>(1,134,351)</u>	<u>(33,651)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>1,100,700</u>	<u>1,100,700</u>	<u>1,134,351</u>	<u>33,651</u>
Total other financing sources	<u>1,100,700</u>	<u>1,100,700</u>	<u>1,134,351</u>	<u>33,651</u>
Net change in fund balance	—	—	—	—
Fund balance, beginning of year	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fund balance, end of year	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>

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

**Office of Aging**

*For the fiscal year ended June 30, 2019*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
<b>REVENUES</b>				
Grants	\$ 3,825,182	3,678,806	3,613,922	(64,884)
County charges	269,000	613,500	670,690	57,190
Interest	1,100	1,100	4,515	3,415
Contributions and other	29,300	29,300	36,866	7,566
	<u>4,124,582</u>	<u>4,322,706</u>	<u>4,325,993</u>	<u>3,287</u>
<b>EXPENDITURES</b>				
Current:				
Human services	<u>4,480,893</u>	<u>4,711,856</u>	<u>4,527,108</u>	<u>184,748</u>
	<u>4,480,893</u>	<u>4,711,856</u>	<u>4,527,108</u>	<u>184,748</u>
Deficiency of revenues under expenditures	<u>(356,311)</u>	<u>(389,150)</u>	<u>(201,115)</u>	<u>188,035</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>356,311</u>	<u>356,311</u>	<u>209,944</u>	<u>(146,367)</u>
	<u>356,311</u>	<u>356,311</u>	<u>209,944</u>	<u>(146,367)</u>
Net change in fund balance	—	(32,839)	8,829	41,668
Fund balance, beginning of year	<u>248,176</u>	<u>248,176</u>	<u>248,176</u>	<u>—</u>
Fund balance, end of year	<u>\$ 248,176</u>	<u>215,337</u>	<u>257,005</u>	<u>41,668</u>

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

**Human Services Development**

*For the fiscal year ended June 30, 2019*

**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	\$ 129,187	129,187	129,187	—
Total revenues	129,187	129,187	129,187	—
<b>EXPENDITURES</b>				
Current:				
Human services	131,909	127,277	127,126	151
Total expenditures	131,909	127,277	127,126	151
Excess (deficiency) of revenues over (under) expenditures	(2,722)	1,910	2,061	151
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	79,641	79,641	79,405	(236)
Transfers out	(76,919)	(81,551)	(81,466)	85
Total other financing sources (uses)	2,722	(1,910)	(2,061)	(151)
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, 2019*

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	\$ 712,253	712,253	685,744	(26,509)
County charges	120,940	120,940	95,008	(25,932)
Contributions and other	5,400	5,400	9,200	3,800
Interest	25	25	18	(7)
Total revenues	<u>838,618</u>	<u>838,618</u>	<u>789,970</u>	<u>(48,648)</u>
<b>EXPENDITURES</b>				
Current:				
Human services	<u>922,158</u>	<u>923,158</u>	<u>853,178</u>	<u>69,980</u>
Total expenditures	<u>922,158</u>	<u>923,158</u>	<u>853,178</u>	<u>69,980</u>
Deficiency of revenues under expenditures	<u>(83,540)</u>	<u>(84,540)</u>	<u>(63,208)</u>	<u>21,332</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	84,540	84,540	81,466	(3,074)
Transfers out	(1,000)	—	—	—
Total other financing sources (uses)	<u>83,540</u>	<u>84,540</u>	<u>81,466</u>	<u>(3,074)</u>
Net change in fund balance	—	—	18,258	18,258
Fund balance, beginning of year	<u>114,310</u>	<u>114,310</u>	<u>114,309</u>	<u>(1)</u>
Fund balance, end of year	<u>\$ 114,310</u>	<u>114,310</u>	<u>132,567</u>	<u>18,257</u>

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

**Drug and Alcohol**

*For the fiscal year ended June 30, 2019*

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	\$ 2,391,636	3,079,915	2,836,994	(242,921)
County charges	489,128	489,128	561,747	72,619
Court costs, fines and forfeitures	160,000	160,000	207,686	47,686
Contributions and other	16,537	16,537	16,378	(159)
	<u>3,057,301</u>	<u>3,745,580</u>	<u>3,622,805</u>	<u>(122,775)</u>
<b>EXPENDITURES</b>				
Current:				
Human services	<u>3,467,840</u>	<u>3,856,811</u>	<u>3,495,771</u>	<u>361,040</u>
	<u>3,467,840</u>	<u>3,856,811</u>	<u>3,495,771</u>	<u>361,040</u>
Deficiency of revenues under expenditures	<u>(410,539)</u>	<u>(111,231)</u>	<u>127,034</u>	<u>238,265</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	321,957	321,957	323,371	1,414
Transfers out	<u>—</u>	<u>(299,308)</u>	<u>(285,246)</u>	<u>14,062</u>
	<u>321,957</u>	<u>22,649</u>	<u>38,125</u>	<u>15,476</u>
Net change in fund balance	(88,582)	(88,582)	165,159	253,741
Fund balance, beginning of year	<u>940,848</u>	<u>940,848</u>	<u>900,060</u>	<u>(40,788)</u>
Fund balance, end of year	<u>\$ 852,266</u>	<u>852,266</u>	<u>1,065,219</u>	<u>212,953</u>

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

**Fiscal Employer Agent**

*For the fiscal year ended June 30, 2019*

**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	\$ —	—	13,629	13,629
Total revenues	—	—	13,629	13,629
<b>EXPENDITURES</b>				
Current:				
Human services	—	—	—	—
Payments to other governments	—	—	—	—
Total expenditures	—	—	—	—
Excess of revenues over expenditures	—	—	13,629	13,629
Fund balance, beginning of year	—	—	6,356	6,356
Fund balance, end of year	\$ —	—	19,985	19,985

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

Witness Assistance

*For the year ended December 31, 2019*

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	\$ 429,542	507,765	499,365	(8,400)
County charges	30,000	30,000	38,713	8,713
Court, costs, fines and forfeitures	300	300	1,336	1,036
Contributions and other	—	—	1,502	1,502
	<u>459,842</u>	<u>538,065</u>	<u>540,916</u>	<u>2,851</u>
<b>EXPENDITURES</b>				
Current:				
Human services	<u>711,409</u>	<u>789,632</u>	<u>730,003</u>	<u>59,629</u>
	<u>711,409</u>	<u>789,632</u>	<u>730,003</u>	<u>59,629</u>
Deficiency of revenues under expenditures	<u>(251,567)</u>	<u>(251,567)</u>	<u>(189,087)</u>	<u>62,480</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>265,311</u>	<u>265,311</u>	<u>219,085</u>	<u>(46,226)</u>
	<u>265,311</u>	<u>265,311</u>	<u>219,085</u>	<u>(46,226)</u>
Net change in fund balance	13,744	13,744	29,998	16,254
Fund balance, beginning of year	<u>150,700</u>	<u>150,700</u>	<u>150,658</u>	<u>(42)</u>
Fund balance, end of year	<u>\$ 164,444</u>	<u>164,444</u>	<u>180,656</u>	<u>16,212</u>

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

**ARD/DUI Program**

*For the year ended December 31, 2019*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
<b>REVENUES</b>				
County charges	\$ 312,000	312,000	283,052	(28,948)
Total revenues	312,000	312,000	283,052	(28,948)
<b>EXPENDITURES</b>				
Current:				
General government – judicial	152,320	142,118	113,172	28,946
Total expenditures	152,320	142,118	113,172	28,946
Excess of revenues over expenditures	159,680	169,882	169,880	(2)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(159,680)	(169,882)	(169,880)	2
Total other financing sources (uses)	(159,680)	(169,882)	(169,880)	2
Net change in fund balance	—	—	—	—
Fund balance, beginning of year	—	—	—	—
Fund balance, end of year	\$ —	—	—	—

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

**Records Improvement**

*For the year ended December 31, 2019*

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	157,425	5,425
Interest	50	50	96	46
Total revenues	<u>152,050</u>	<u>152,050</u>	<u>157,521</u>	<u>5,471</u>
<b>EXPENDITURES</b>				
Current:				
General government – administrative	206,077	206,077	122,726	83,351
Capital outlay	53,000	48,000	17,944	30,056
Total expenditures	<u>259,077</u>	<u>254,077</u>	<u>140,670</u>	<u>113,407</u>
Deficiency of revenues under expenditures	(107,027)	(102,027)	16,851	118,878
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	—	(5,000)	(4,122)	878
Total other financing sources (uses)	<u>—</u>	<u>(5,000)</u>	<u>(4,122)</u>	<u>878</u>
Net change in fund balance	(107,027)	(107,027)	12,729	119,756
Fund balance, beginning of year	<u>151,539</u>	<u>151,539</u>	<u>157,651</u>	<u>6,112</u>
Fund balance, end of year	<u>\$ 44,512</u>	<u>44,512</u>	<u>170,380</u>	<u>125,868</u>

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

**Recycling and Waste**

*For the year ended December 31, 2019*

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	\$ 438,000	438,000	460,903	22,903
County charges	337,580	337,580	334,115	(3,465)
Interest	900	900	4,536	3,636
Contributions and other	20,000	20,000	20,000	—
Total revenues	<u>796,480</u>	<u>796,480</u>	<u>819,554</u>	<u>23,074</u>
<b>EXPENDITURES</b>				
Current:				
Public works and enterprises	550,659	552,864	361,211	191,653
Capital outlay	661,400	659,195	554,260	104,935
Total expenditures	<u>1,212,059</u>	<u>1,212,059</u>	<u>915,471</u>	<u>296,588</u>
Excess of revenues over expenditures	<u>(415,579)</u>	<u>(415,579)</u>	<u>(95,917)</u>	<u>319,662</u>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from sale of assets	—	—	750	750
Total other financing sources	<u>—</u>	<u>—</u>	<u>750</u>	<u>750</u>
Net change in fund balance	(415,579)	(415,579)	(95,167)	320,412
Fund balance, beginning of year	808,800	808,800	911,081	102,281
Fund balance, end of year	<u>\$ 393,221</u>	<u>393,221</u>	<u>815,914</u>	<u>422,693</u>

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

**Affordable Housing**

*For the year ended December 31, 2019*

**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	\$ 190,000	190,000	188,152	(1,848)
Interest	350	350	630	280
Total revenues	<u>190,350</u>	<u>190,350</u>	<u>188,782</u>	<u>(1,568)</u>
<b>EXPENDITURES</b>				
Current:				
General government - administrative	37,373	37,373	36,198	1,175
Payments to other governments	152,750	152,750	147,725	5,025
Total expenditures	<u>190,123</u>	<u>190,123</u>	<u>183,923</u>	<u>6,200</u>
Deficiency of revenues under expenditures	227	227	4,859	4,632
Fund balance, beginning of year	<u>55,900</u>	<u>55,900</u>	<u>8,234</u>	<u>(47,666)</u>
Fund balance, end of year	<u>\$ 56,127</u>	<u>56,127</u>	<u>13,093</u>	<u>(43,034)</u>

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

**Hotel Tax**

*For the year ended December 31, 2019*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
<b>REVENUES</b>				
Taxes	\$ 2,100,000	2,200,000	2,104,919	(95,081)
Interest	2,650	2,650	5,683	3,033
Total revenues	2,102,650	2,202,650	2,110,602	(92,048)
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	42,000	54,000	42,070	11,930
Total expenditures	42,000	54,000	42,070	11,930
Excess of revenues over expenditures	2,060,650	2,148,650	2,068,532	(80,118)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(2,060,650)	(2,148,650)	(2,068,532)	80,118
Total other financing sources (uses)	(2,060,650)	(2,148,650)	(2,068,532)	80,118
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, 2019*

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	\$ 50	50	114	64
County charges	5,831,015	5,831,015	5,945,523	114,508
Interest	6,078	6,078	37,317	31,239
Contributions and other	257	257	391	134
<b>Total revenues</b>	<b>5,837,400</b>	<b>5,837,400</b>	<b>5,983,345</b>	<b>145,945</b>
<b>EXPENDITURES</b>				
Current:				
Emergency telephone	5,506,484	5,535,943	5,181,317	354,626
Capital outlay	4,976,041	4,856,604	1,253,216	3,603,388
Payments to other governments	—	—	—	—
<b>Total expenditures</b>	<b>10,482,525</b>	<b>10,392,547</b>	<b>6,434,533</b>	<b>3,958,014</b>
Deficiency of revenues under expenditures	(4,645,125)	(4,555,147)	(451,188)	4,103,959
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,667,584	1,667,584	293,340	(1,374,244)
Transfers out	(758,400)	(848,378)	(848,373)	5
<b>Total other financing sources (uses)</b>	<b>909,184</b>	<b>819,206</b>	<b>(555,033)</b>	<b>(1,374,239)</b>
<b>Net change in fund balance</b>	<b>(3,735,941)</b>	<b>(3,735,941)</b>	<b>(1,006,221)</b>	<b>2,729,720</b>
Fund balance, beginning of year	3,735,941	3,735,941	4,106,669	370,728
Fund balance, end of year	\$ —	—	3,100,448	3,100,448

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

Debt Service

*For the year ended December 31, 2019*

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	3,064,040	3,064,040	3,064,035	5
Debt interest	1,118,367	1,118,367	1,118,362	5
Total expenditures	4,182,407	4,182,407	4,182,397	10
Deficiency of revenues under expenditures	(4,182,407)	(4,182,407)	(4,182,397)	10
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	4,182,407	4,182,407	4,167,604	(14,803)
Total other financing sources (uses)	4,182,407	4,182,407	4,167,604	(14,803)
Net change in fund balance	—	—	(14,793)	(14,793)
Fund balance, beginning of year	—	—	14,793	14,793
Fund balance, end of year	\$ —	—	—	—

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

**Capital Projects**

*For the year ended December 31, 2019*

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	\$ 380,000	380,000	455,949	75,949
Interest	105,000	105,000	20,276	(84,724)
Contributions and other	5,000	5,000	—	(5,000)
Total revenues	<u>490,000</u>	<u>490,000</u>	<u>476,225</u>	<u>(13,775)</u>
<b>EXPENDITURES</b>				
Current expenditures	232,940	568,590	347,849	220,741
Capital outlay	430,000	146,350	98,320	48,030
Payments to other governments	—	73,000	72,500	500
Total expenditures	<u>662,940</u>	<u>787,940</u>	<u>518,669</u>	<u>269,271</u>
Deficiency of revenues under expenditures	<u>(172,940)</u>	<u>(297,940)</u>	<u>(42,444)</u>	<u>255,496</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	—	125,000	89,978	(35,022)
Total other financing sources (uses)	<u>—</u>	<u>125,000</u>	<u>89,978</u>	<u>(35,022)</u>
Excess (deficiency) of revenues over (under) expenditures	(172,940)	(172,940)	47,534	220,474
Fund balance, beginning of year	<u>1,121,266</u>	<u>1,121,266</u>	<u>1,138,662</u>	<u>17,396</u>
Fund balance, end of year	<u>\$ 948,326</u>	<u>948,326</u>	<u>1,186,196</u>	<u>237,870</u>

## **Other General Fund Budgetary Schedules**

***OTHER GENERAL FUND BUDGETARY SCHEDULES***  
***DESCRIPTION OF FUNDS***

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**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.

**District Attorney-Federal** – To account for equitable shared funds received directly from the U.S. Department of Justice and/or Treasury for special law enforcement purposes.

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

**Insurance Fraud Prevention Authority**

*For the fiscal year ended June 30, 2019*

**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	\$ 244,963	244,963	176,003	(68,960)
County charges	—	—	46	46
Interest	100	100	972	872
Total revenues	<u>245,063</u>	<u>245,063</u>	<u>177,021</u>	<u>(68,042)</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>245,063</u>	<u>245,063</u>	<u>177,021</u>	<u>68,042</u>
Total expenditures	<u>245,063</u>	<u>245,063</u>	<u>177,021</u>	<u>68,042</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>

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

**Criminal Justice Planning**

*For the fiscal year ended June 30, 2019*

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	\$ 505,783	505,783	447,894	(57,889)
County charges	44,063	44,063	3,541	(40,522)
Contributions and other	22,000	22,000	19,777	(2,223)
Total revenues	<u>571,846</u>	<u>571,846</u>	<u>471,212</u>	<u>(100,634)</u>
<b>EXPENDITURES</b>				
Current:				
Human services	1,281,854	1,308,708	1,245,542	63,166
Capital outlay	—	23,146	—	23,146
Total expenditures	<u>1,281,854</u>	<u>1,331,854</u>	<u>1,245,542</u>	<u>86,312</u>
Deficiency of revenues under expenditures	<u>(710,008)</u>	<u>(760,008)</u>	<u>(774,330)</u>	<u>(14,322)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>710,008</u>	<u>760,008</u>	<u>774,848</u>	<u>14,840</u>
Total other financing sources	<u>710,008</u>	<u>760,008</u>	<u>774,848</u>	<u>14,840</u>
Net change in fund balance	—	—	518	518
Fund balance, beginning of year	<u>7,285</u>	<u>7,285</u>	<u>7,285</u>	<u>—</u>
Fund balance, end of year	<u>\$ 7,285</u>	<u>7,285</u>	<u>7,803</u>	<u>518</u>

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

**Offender Supervision**

*For the fiscal year ended June 30, 2019*

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	816,000	816,000	910,834	94,834
Total revenues	816,600	816,600	910,834	94,234
<b>EXPENDITURES</b>				
Current:				
Public safety	687,017	687,017	707,001	(19,984)
Total expenditures	687,017	687,017	707,001	(19,984)
Excess of revenues over expenditures	129,583	129,583	203,833	74,250
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(75,000)	(75,000)	(75,000)	—
Total other financing sources (uses)	(75,000)	(75,000)	(75,000)	—
Net change in fund balance	54,583	54,583	128,833	74,250
Fund balance, beginning of year	1,175,904	1,175,904	1,175,905	1
Fund balance, end of year	\$ 1,230,487	1,230,487	1,304,738	74,251

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

**STOP Grant**

*For the year ended December 31, 2019*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

**(unaudited)**

	<u>Budget</u>		<u>Actual Amounts</u>	<u>Variance with Amended Budget</u>
	<u>Original</u>	<u>Amended</u>		
<b>REVENUES</b>				
Grants	\$ 125,000	125,000	125,000	—
County charges	—	—	54	54
Interest	—	—	68	68
Total revenues	<u>125,000</u>	<u>125,000</u>	<u>125,122</u>	<u>122</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	<u>176,377</u>	<u>176,377</u>	<u>163,402</u>	<u>12,975</u>
Total expenditures	<u>176,377</u>	<u>176,377</u>	<u>163,402</u>	<u>12,975</u>
Deficiency of revenues under expenditures	<u>(51,377)</u>	<u>(51,377)</u>	<u>(38,280)</u>	<u>13,097</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>51,377</u>	<u>51,377</u>	<u>38,280</u>	<u>(13,097)</u>
Total other financing sources	<u>51,377</u>	<u>51,377</u>	<u>38,280</u>	<u>(13,097)</u>
Net change in fund balance	—	—	—	—
Fund balance, beginning of year	—	—	—	—
Fund balance, end of year	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>

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

**District Attorney-Federal Forfeitures**      *For the fiscal year ended December 31, 2019*

**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	\$ —	—	77	77
Total revenues	—	—	77	77
<b>EXPENDITURES</b>				
Current:				
Human services	—	4,000	3,833	167
Total expenditures	—	4,000	3,833	167
Deficiency of revenues under expenditures	—	(4,000)	(3,756)	244
<b>OTHER FINANCING SOURCES</b>				
Transfers in	—	—	—	—
Total other financing sources	—	—	—	—
Net change in fund balance	—	(4,000)	(3,756)	244
Fund balance, beginning of year	—	—	53,975	53,975
Fund balance, end of year	\$ —	(4,000)	50,219	54,219

## **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, 2019*

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	\$ 37,321	1,072,965	1,110,286
Investments	1,343,053	—	1,343,053
Due from other funds	—	127,484	127,484
Customer accounts receivable	2,600	35,293	37,893
Prepaid	88,900	—	88,900
Total current assets	<u>1,471,874</u>	<u>1,235,742</u>	<u>2,707,616</u>
Total assets	<u>1,471,874</u>	<u>1,235,742</u>	<u>2,707,616</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	2,500	111,500	114,000
Accrued payroll	395	2,115	2,510
Due to other funds	6,333	—	6,333
Unearned revenue	—	127	127
Self-insurance claims payable	49,922	1,122,000	1,171,922
Total current liabilities	<u>59,150</u>	<u>1,235,742</u>	<u>1,294,892</u>
Noncurrent liabilities:			
Due in more than one year:			
Self-insurance claims payable	<u>659,278</u>	<u>—</u>	<u>659,278</u>
Total noncurrent liabilities	<u>659,278</u>	<u>—</u>	<u>659,278</u>
Total liabilities	<u>718,428</u>	<u>1,235,742</u>	<u>1,954,170</u>
<b>NET POSITION</b>			
Unrestricted	<u>753,446</u>	<u>—</u>	<u>753,446</u>
Total net position	<u>\$ 753,446</u>	<u>—</u>	<u>753,446</u>

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

**Internal Service Funds**

*For the year ended December 31, 2019*

**COUNTY OF CUMBERLAND, PENNSYLVANIA**

**(unaudited)**

	<b>Workers' Compensation</b>	<b>Health Care Self Insurance</b>	<b>Totals</b>
Operating revenues:			
Charges for sales and services:			
County charges	\$ 15,918	14,150,611	14,166,529
Total operating revenues	<u>15,918</u>	<u>14,150,611</u>	<u>14,166,529</u>
Operating expenses:			
Patient/client services	189,086	14,516,210	14,705,296
Total operating expenses	<u>189,086</u>	<u>14,516,210</u>	<u>14,705,296</u>
Operating loss	<u>(173,168)</u>	<u>(365,599)</u>	<u>(538,767)</u>
Nonoperating revenues:			
Interest income	44,970	19,644	64,614
Total nonoperating revenues	<u>44,970</u>	<u>19,644</u>	<u>64,614</u>
Loss before transfers	<u>(128,198)</u>	<u>(345,955)</u>	<u>(474,153)</u>
Transfer in	<u>—</u>	<u>164,954</u>	<u>164,954</u>
Change in net position	<u>(128,198)</u>	<u>(181,001)</u>	<u>(309,199)</u>
Total net position, beginning of year	881,644	181,001	1,062,645
Total net position, end of year	<u>\$ 753,446</u>	<u>—</u>	<u>753,446</u>

# COMBINING STATEMENT OF CASH FLOWS

Internal Service Funds

For the year ended December 31, 2019

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Workers' Compensation	Health Care Self Insurance	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received on county charges	\$ 15,918	14,152,378	14,168,296
Payments to vendors	(349,619)	(14,196,992)	(14,546,611)
Payments to employees	(5,893)	(98,032)	(103,925)
Net cash used in operating activities	<u>(339,594)</u>	<u>(142,646)</u>	<u>(482,240)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Sale of investments	149,247	—	149,247
Gain on investments	44,970	19,644	64,614
Net cash provided by investing activities	<u>194,217</u>	<u>19,644</u>	<u>213,861</u>
Net decrease in cash and cash equivalents	(145,377)	(123,002)	(268,379)
Cash and cash equivalents, January 1	182,698	1,195,967	1,378,665
Cash and cash equivalents, December 31	<u>\$ 37,321</u>	<u>1,072,965</u>	<u>1,110,286</u>
<b>Reconciliation of operating loss to net cash used by operating activities:</b>			
Operating loss	\$ (173,168)	(365,599)	(538,767)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Changes in assets and liabilities in:			
Accounts receivable	—	1,758	1,758
Due from other funds	6,333	24,863	31,196
Prepaid	(88,900)	2,354	(86,546)
Accounts payable	(200)	108,525	108,325
Accrued liabilities and withholdings	395	1,077	1,472
Unearned revenues	—	10	10
Self-insurance debt-claims payable	(84,054)	84,366	312
Total adjustments	<u>(166,426)</u>	<u>222,953</u>	<u>56,527</u>
Net cash used by operating activities	<u>\$ (339,594)</u>	<u>(142,646)</u>	<u>(482,240)</u>

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

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

## **Custodial Funds Combining Statements**

***CUSTODIAL FUNDS***  
***DESCRIPTION OF FUNDS***

---

**Custodial 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.

**Row Office Funds** – Used to account for the fees, fines, taxes, 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.

**Tax Sale Surplus** – Used to account for net proceeds from Judicial Tax Sales held by the Cumberland County Tax Claim Bureau.

**Deferred Taxes** – Used to account for municipal and school district taxes collected by the Cumberland County Tax Claim Bureau.

**Magisterial District Court Accounts** – Used to account for costs, fines and other monies collected by magisterial district courts that are subsequently disbursed to the County, other governments and other entities for whom they were collected.

**SUMMARY OF CUSTODIAL FUNDS**  
**Statement of Fiduciary Net Position**

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>Recorder of Deeds</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 12,853	122,870	—	714,186	998,629	1,615,297
Total assets	\$ 12,853	122,870	—	714,186	998,629	1,615,297
<b>LIABILITIES</b>						
Due to other governments	\$ —	—	—	146,446	9,825	1,615,297
Total liabilities	—	—	—	146,446	9,825	1,615,297
<b>Net Position</b>	\$ 12,853	122,870	—	567,740	988,804	—

(unaudited)

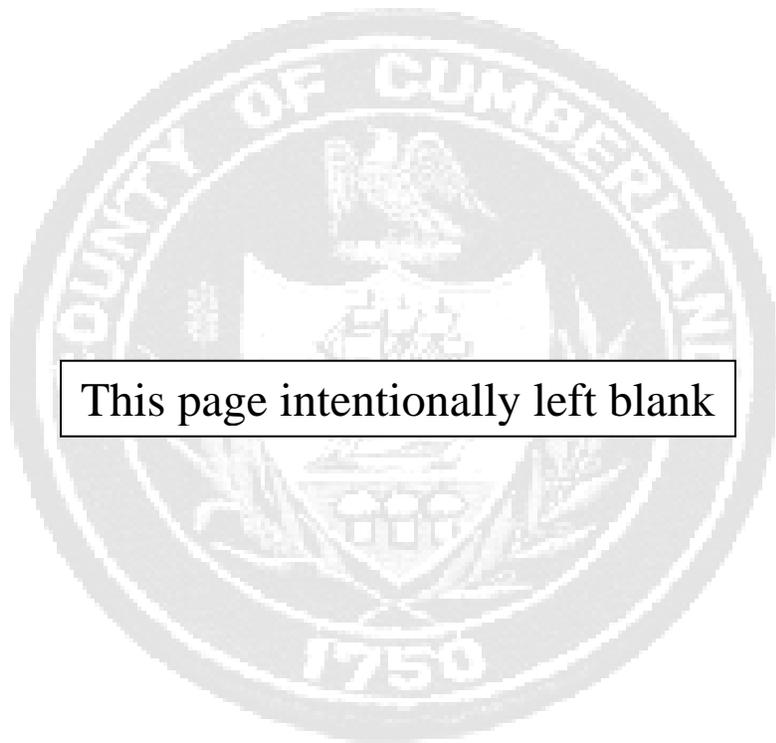
<b>Treasurer</b>	<b>Register of Wills</b>	<b>Sheriff</b>	<b>District Attorney</b>	<b>Flexible Spending Account</b>	<b>Human Services Guardianship Accounts</b>	<b>Tax Sale Surplus</b>	<b>Deferred Taxes</b>	<b>MDJ Accounts</b>	<b>Total</b>
7,334	9,926	1,783,379	269,762	25,089	41,424	367,892	187	249,359	6,218,187
7,334	9,926	1,783,379	269,762	25,089	41,424	367,892	187	249,359	6,218,187
7,334	9,926	15,216	—	—	—	—	—	123,455	1,927,499
7,334	9,926	15,216	—	—	—	—	—	123,455	1,927,499
—	—	1,768,163	269,762	25,089	41,424	367,892	187	125,904	4,290,688

**COMBINING STATEMENT OF CHANGES FIDUCIARY NET POSITION**  
**All Custodial Funds**

	<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>Recorder of Deeds</b>
<b>Additions</b>						
Other governments:						
Fees, costs, fines & licenses	\$ —	—	—	1,852,292	136,946	—
Taxes	—	—	—	—	—	33,463,466
Escrow	383,402	761,333	487,720	1,467,873	368,540	—
Total additions	<u>383,402</u>	<u>761,333</u>	<u>487,720</u>	<u>3,320,165</u>	<u>505,486</u>	<u>33,463,466</u>
<b>Deductions</b>						
Other governments:						
Fees, costs, fines & licenses	—	—	—	1,852,292	136,946	—
Taxes	—	—	—	—	—	33,463,466
Escrow	386,881	685,249	657,149	1,393,032	511,491	—
Total deductions	<u>386,881</u>	<u>685,249</u>	<u>657,149</u>	<u>3,245,324</u>	<u>648,437</u>	<u>33,463,466</u>
Net increase (decrease) in Fiduciary Net Position	(3,479)	76,084	(169,429)	74,841	(142,951)	—
Net position - beginning, as restated	16,332	46,786	169,429	492,899	1,131,755	—
Net position - ending	<u>\$ 12,853</u>	<u>122,870</u>	<u>—</u>	<u>567,740</u>	<u>988,804</u>	<u>—</u>

*For the year ended December 31, 2015*

Treasurer	Register of Wills	Sheriff	District Attorney	Flexible Spending Account	Human Services Guardianship Accounts	Tax Sale Surplus	Deferred Taxes	Magisterial District Court Accounts	Total
180,189	69,454	124,026	—	—	—	—	—	7,256,162	9,619,069
—	21,433,610	—	—	—	—	65,009	7,033,624	—	61,995,709
—	—	6,694,713	46,196	101,692	126,345	288,984	27,450	794,754	11,549,002
180,189	21,503,064	6,818,739	46,196	101,692	126,345	353,993	7,061,074	8,050,916	83,163,780
180,189	69,454	124,026	—	—	—	—	—	7,256,162	9,619,069
—	21,433,610	—	—	—	—	94,732	7,033,579	—	62,025,387
—	—	6,452,781	24,337	90,209	126,690	230,358	27,450	783,740	11,369,367
180,189	21,503,064	6,576,807	24,337	90,209	126,690	325,090	7,061,029	8,039,902	83,013,823
—	—	241,932	21,859	11,483	(345)	28,903	45	11,014	149,957
—	—	1,526,231	247,903	13,606	41,769	338,989	142	114,890	4,140,731
—	—	1,768,163	269,762	25,089	41,424	367,892	187	125,904	4,290,688



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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)**

	2010	2011	2012	2013
Governmental activities				
Net invested in capital assets	\$ 23,210,201	25,321,465	26,848,932	27,357,708
Restricted	13,578,839	11,341,250	10,653,143	8,345,285
Unrestricted	24,309,827	25,663,371	22,076,410	25,596,675
Total governmental activities net position	<u>\$ 61,098,867</u>	<u>62,326,086</u>	<u>59,578,485</u>	<u>61,299,668</u>
Business-type activities				
Net invested in capital assets	\$ 664,320	3,270,869	4,383,167	4,675,435
Restricted	-	-	-	-
Unrestricted	8,334,573	6,284,362	5,020,588	5,033,865
Total business-type activities net position	<u>\$ 8,998,893</u>	<u>9,555,231</u>	<u>9,403,755</u>	<u>9,709,300</u>
Primary government				
Net invested in capital assets	\$ 23,874,521	28,592,334	31,232,099	32,033,143
Restricted	13,578,839	11,341,250	10,653,143	8,345,285
Unrestricted	32,644,400	31,947,733	27,096,998	30,630,540
Total primary government net position	<u>\$ 70,097,760</u>	<u>71,881,317</u>	<u>68,982,240</u>	<u>71,008,968</u>

*As of the year ended indicated*

(unaudited)

2014	2015	2016	2017	2018	2019
30,386,044	34,018,215	36,791,935	44,481,499	49,481,224	56,035,497
8,832,346	10,851,199	12,085,563	13,675,898	19,408,754	17,604,860
<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>41,525,905</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>	<u>115,166,262</u>
1,768,189	2,269,224	2,975,768	3,720,244	4,270,322	5,321,075
-	-	-	-	-	-
<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>1,243,989</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>	<u>6,565,064</u>
32,154,233	36,287,439	39,767,703	48,201,743	53,751,546	61,356,572
8,832,346	10,851,199	12,085,563	13,675,898	19,408,754	17,604,860
<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>42,769,894</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>	<u>121,731,326</u>

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

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

	2010	2011	2012
<b>Expenses</b>			
<b>Governmental activities</b>			
General government - administrative	\$ 13,814,789	14,046,596	14,280,937
General government - judicial	16,658,597	17,814,045	18,528,473
Corrections (1)	-	-	-
Emergency telephone (2)	-	-	-
Public safety	19,253,729	20,794,098	21,611,054
Transportation services (2)	-	-	-
Roads and bridge maintenance	672,542	387,359	281,498
Recycling and waste management	380,137	458,016	586,934
Human services:			
Mental health/intellectual and developmental disabilities	18,141,649	16,928,959	17,257,878
HealthChoices - Cumberland County	28,601,028	27,491,594	28,363,948
Children and youth	12,342,876	13,417,768	13,813,083
Food and shelter	3,137,335	936,619	810,200
Office of aging	4,785,973	3,915,211	3,425,700
Other	5,051,374	6,143,289	8,338,934
Culture and recreation	108,217	67,799	138,045
Conservation	423,928	386,490	432,798
Community redevelopment and housing	212,555	220,815	222,796
Economic development and assistance	3,992,708	3,877,944	3,539,001
Interest on long-term debt	1,320,663	1,323,974	1,687,988
Indirect expenses	(613,073)	(635,931)	(641,105)
Total governmental activities expenses	<u>128,285,027</u>	<u>127,574,645</u>	<u>132,678,162</u>
<b>Business-type activities</b>			
County nursing home	24,806,003	25,737,338	24,610,308
Early Learning Center	479,681	532,003	339,864
Emergency telephone (2)	9,481,575	6,505,960	5,969,320
Hazardous materials protection (2)	194,317	228,067	192,719
Transportation services (2)	2,331,954	2,611,077	2,502,154
Indirect expenses	613,073	635,931	641,105
Total business-type activities expenses	<u>37,906,603</u>	<u>36,250,376</u>	<u>34,255,470</u>
Total primary government expenses	<u>\$ 166,191,630</u>	<u>163,825,021</u>	<u>166,933,632</u>
<b>Program revenues</b>			
<b>Governmental activities</b>			
Charges for services			
General government - administrative	\$ 3,952,398	3,972,749	4,464,773
General government - judicial	4,021,584	3,878,412	4,610,779
Corrections (1)	-	-	-
Emergency telephone (2)	-	-	-
Public safety	3,055,916	3,359,727	3,125,837
Transportation services (2)	-	-	-
Roads and bridge maintenance	7,272	49,773	10,791
Recycling and waste management	116,498	145,302	109,662
Human services	5,377,369	6,420,238	6,999,960
Culture and recreation	11,300	11,193	11,397
Conservation	54,341	26,799	30,282

*For the year ended indicated*

(unaudited)

2013	2014	2015	2016	2017	2018	2019
14,144,701	13,728,858	13,631,117	14,810,069	14,479,524	15,758,996	16,101,447
18,545,493	18,396,045	18,751,395	20,888,619	20,971,925	22,958,993	23,525,229
18,165,075	18,955,396	18,568,390	19,330,948	18,680,545	20,767,652	20,197,576
-	5,444,274	5,272,839	5,469,089	5,186,230	5,493,643	5,488,194
3,826,455	4,125,147	4,029,829	4,635,939	4,491,900	4,967,090	4,825,274
-	2,506,885	1,465,829	131,285	-	-	-
511,078	327,879	920,955	818,420	504,229	314,513	626,877
330,697	266,872	271,432	254,298	399,114	462,056	419,699
16,409,341	17,837,104	16,842,101	17,230,628	16,450,746	16,979,398	17,879,541
28,879,387	28,653,048	29,681,949	36,322,582	38,747,541	41,642,653	21,354,714
14,186,821	14,873,696	16,660,594	18,000,735	19,149,179	21,057,856	22,114,286
851,772	1,204,422	1,054,332	758,684	886,130	855,309	880,848
3,055,181	3,297,677	3,798,961	4,144,889	4,365,657	4,626,004	4,347,858
3,651,819	3,907,128	3,514,705	3,753,249	3,993,007	5,159,038	5,193,094
191,890	38,657	435,407	26,192	14,664	99,313	120,091
486,778	571,509	462,380	546,916	558,314	644,513	648,319
237,269	198,051	180,019	192,851	195,676	192,421	183,923
3,602,456	4,058,868	3,715,216	3,537,217	4,592,886	4,288,632	4,241,101
1,618,892	1,702,282	1,579,219	1,389,520	1,224,814	1,025,575	1,080,800
(716,180)	(676,395)	(560,442)	(635,987)	(660,484)	(659,621)	(665,900)
<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>	<u>148,562,971</u>
24,005,271	24,480,806	24,481,218	26,709,058	27,284,499	28,692,036	27,843,507
-	-	-	-	-	-	-
5,704,448	-	-	-	-	-	-
157,291	-	-	-	-	-	-
2,503,355	-	-	-	-	-	-
716,180	676,395	560,442	635,987	660,484	659,621	665,900
<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>28,509,407</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>	<u>177,072,378</u>
4,838,303	3,954,301	4,408,795	4,264,648	4,330,066	4,120,742	4,107,225
4,527,455	2,690,559	4,006,868	4,202,217	4,620,892	4,745,433	4,790,761
1,743,574	2,126,004	2,157,892	2,207,594	2,456,615	2,744,455	2,416,267
-	1,638,261	5,719,438	5,935,193	6,116,261	5,713,151	5,945,523
1,429,935	1,582,213	1,871,093	1,689,680	1,872,049	2,010,638	1,900,834
-	1,280,478	604,374	-	-	-	-
2,952	80	971,680	1,201,297	1,506,085	1,063,036	1,363,154
111,890	121,023	111,899	120,571	253,064	310,821	334,865
3,740,695	4,515,227	3,439,248	3,640,729	3,322,160	3,655,136	3,730,998
8,648	-	-	-	-	-	-
18,716	53,613	37,207	53,412	45,558	59,272	87,335

(continued)

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

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

	2010	2011	2012
(continued)			
<b>Program revenues</b>			
Community redevelopment and housing	214,505	197,915	221,410
Economic development and assistance	130,752	143,883	93,888
Operating grants and contributions			
General government - administrative	217,232	567,219	574,441
General government - judicial	2,883,864	2,943,449	2,657,904
Corrections (1)	-	-	-
Emergency telephone (2)	-	-	-
Public safety	1,856,181	1,637,737	1,405,009
Transportation services (2)	-	-	-
Roads and bridge maintenance	589,234	557,169	445,570
Recycling and waste management	75,312	67,821	100,250
Human services:			
Mental health/intellectual and developmental disabilities	17,436,659	14,306,924	14,750,083
HealthChoices - Cumberland County	28,634,245	27,489,782	28,354,028
Children and youth	9,927,394	10,726,676	10,745,739
Food and shelter	920,238	703,688	632,886
Office of aging	4,001,745	3,445,930	3,218,411
Other	2,796,894	2,777,210	2,715,633
Culture and recreation	-	-	-
Conservation	70,146	49,269	289,545
Economic development and assistance	2,308,941	1,994,012	1,632,160
Capital grants and contributions			
General government - administrative	571,757	638,503	44,185
General government - judicial	-	-	-
Public safety	27,099	21,602	23,339
Roads and bridge maintenance	8,752	61,649	104,717
Economic development and assistance	-	-	-
Total governmental activities program revenues	<u>89,267,628</u>	<u>86,194,631</u>	<u>87,372,679</u>
<b>Business-type activities</b>			
Charges for services			
County nursing home	25,259,305	25,276,933	24,669,038
Early Learning Center	414,613	429,812	251,875
Emergency telephone (2)	1,761,860	1,714,758	1,647,432
Hazardous materials protection (2)	50,500	47,450	45,518
Transportation services (2)	1,044,212	1,049,685	1,012,670
Operating grants and contributions			
County nursing home	23,045	159,868	9,265
Early Learning Center	39,215	43,492	8,753
Emergency telephone (2)	6,410,484	3,891,927	2,637,325
Hazardous materials protection (2)	71,630	23,548	39,015
Transportation services (2)	1,050,365	1,156,134	979,680
Capital grants and contributions			
Early Learning Center	-	-	-
Hazardous materials protection (2)	1,673	200,000	1,011
Transportation services (2)	13,585	611,271	449,718
Total business-type activities program revenues	<u>36,140,487</u>	<u>34,604,878</u>	<u>31,751,300</u>
Total primary government program revenues	<u>\$ 125,408,115</u>	<u>120,799,509</u>	<u>119,123,979</u>

*For the year ended indicated*

(unaudited)

2013	2014	2015	2016	2017	2018	2019
223,797	176,318	190,107	201,676	192,326	184,472	188,152
-	-	-	-	342,629	343,162	425,640
350,086	451,533	527,623	350,237	541,456	395,221	492,691
2,829,612	2,722,094	2,747,005	2,707,945	2,801,029	2,780,745	2,972,107
699,760	738,753	665,351	618,714	508,831	495,916	559,835
-	1,484,096	575,422	651	300	300	505
598,286	708,927	776,487	843,102	1,004,211	1,029,082	1,162,602
-	1,101,968	664,806	131,285	-	-	-
532,209	446,947	605,852	520,611	656,459	570,690	679,240
68,822	75,303	348,835	106,249	106,062	355,696	480,903
13,928,418	14,403,100	14,423,979	14,536,070	14,440,988	14,655,657	15,464,342
28,879,053	28,652,699	29,681,670	36,322,288	38,746,200	41,654,825	21,370,870
12,395,912	12,083,726	13,534,980	14,359,595	15,137,519	17,420,040	18,986,489
574,527	999,975	880,510	612,996	756,853	693,349	755,054
3,075,150	3,169,562	3,709,887	3,871,651	4,145,094	3,950,861	3,591,370
2,581,674	2,656,276	2,159,564	2,434,801	2,634,223	3,442,485	3,496,997
92,272	-	500,000	-	5,335	392	-
294,722	279,065	295,199	304,912	251,471	321,325	383,554
1,462,951	1,901,964	1,387,870	1,456,078	1,991,704	1,469,188	1,870,945
-	109,043	68,602	-	-	-	-
-	-	-	-	-	-	-
21,409	78,338	21,932	25,515	19,970	22,348	160,718
135,074	119,073	545,602	588,762	3,149,410	485,354	2,462,726
-	-	-	-	-	68,505	-
<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>	<u>100,181,702</u>
24,474,978	25,693,602	26,084,652	27,091,190	27,902,156	28,189,387	27,665,684
-	-	-	-	-	-	-
1,606,054	-	-	-	-	-	-
58,377	-	-	-	-	-	-
1,157,031	-	-	-	-	-	-
15,434	220,525	6,747	9,961	2,063	1,215	6,461
-	-	-	-	-	-	-
2,180,632	-	-	-	-	-	-
36,427	-	-	-	-	-	-
1,060,635	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
715,541	-	-	-	-	-	-
<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>27,672,145</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>	<u>127,853,847</u>

(continued)

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

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>
(continued)			
Net expense:			
<b>Governmental activities</b>	\$ (39,017,399)	(41,380,014)	(45,305,483)
<b>Business-type activities</b>	(1,766,116)	(1,645,498)	(2,504,170)
Total primary government net expense	<u>\$ (40,783,515)</u>	<u>(43,025,512)</u>	<u>(47,809,653)</u>

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

**Governmental activities**

Taxes:			
Real estate taxes	\$ 41,788,709	42,140,921	42,385,600
Per capita taxes	629,068	677,729	650,909
Hotel taxes	1,518,194	1,502,072	1,602,610
Special item	-	-	-
Unrestricted investment earnings	652,760	422,986	222,193
Transfers	(2,084,155)	(2,136,475)	(2,303,430)
Total governmental activities	<u>42,504,576</u>	<u>42,607,233</u>	<u>42,557,882</u>

**Business-type activities**

Unrestricted investment earnings	62,638	65,361	49,264
Transfers	2,084,155	2,136,475	2,303,430
Total business-type activities	<u>2,146,793</u>	<u>2,201,836</u>	<u>2,352,694</u>
Total primary government	<u>\$ 44,651,369</u>	<u>44,809,069</u>	<u>44,910,576</u>

**Changes in Net Position**

<b>Governmental activities</b>	\$ 3,487,177	1,227,219	(2,747,601)
<b>Business-type activities</b>	380,677	556,338	(151,476)
Total primary government	<u>\$ 3,867,854</u>	<u>1,783,557</u>	<u>(2,899,077)</u>

Notes:

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

*For the year ended indicated*

(unaudited)

2013	2014	2015	2016	2017	2018	2019
(42,813,023)	(49,096,884)	(42,636,450)	(48,297,664)	(42,276,777)	(51,871,737)	(48,381,269)
(1,781,436)	756,926	1,049,739	(243,894)	(40,764)	(1,161,055)	(837,262)
<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>	<u>(49,218,531)</u>
47,880,387	49,915,747	50,564,085	51,340,102	52,084,725	52,994,780	53,750,856
676,050	26,631	5,897	96	1,331	765	1,100
1,604,287	1,676,860	1,896,626	2,081,392	2,106,822	2,178,798	2,104,919
-	-	(378,887)	(706,760)	-	(220,978)	-
20,558	198,052	150,214	249,731	512,855	1,071,403	1,392,032
(2,250,276)	-	-	-	-	-	-
<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>	<u>57,248,907</u>
-	4,744	3,657	3,596	6,570	18,245	22,269
2,250,276	-	-	-	-	-	-
<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>22,269</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>	<u>57,271,176</u>
5,117,983	2,720,406	9,601,485	4,666,897	12,428,956	4,153,031	8,867,638
468,840	761,670	1,053,396	(240,298)	(34,194)	(1,142,810)	(814,993)
<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>	<u>8,052,645</u>

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

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

	2010	2011	2012	2013
<b>General fund</b>				
Nonspendable:				
Prepaid items	\$ 170,321	227,426	296,853	353,803
Restricted:				
Landfill closure	488,858	418,540	347,522	275,863
Farmland preservation	1,092,655	825,164	714,300	270,217
Offender supervision	564,467	564,847	681,358	658,158
Juvenile probation restitution funds	-	-	-	-
Criminal investigation	229,803	203,802	338,460	821,979
Register of Wills-Act 34	67,200	69,450	71,250	72,750
Coroner - Act 122	49,499	68,905	68,634	48,022
Veteran Affairs	-	-	-	50,000
Hoffer scholarship	16,723	16,256	15,812	13,615
Hazardous materials emergency planning	-	-	-	-
Row office automation	174,701	190,587	218,242	252,211
Marcellus Shale	-	-	199,719	348,659
Unrestricted:				
Assigned:				
Public safety	-	-	-	-
Future budgetary requirements	-	10,920,515	6,551,207	3,686,704
Capital projects	3,725,000	3,725,000	3,725,000	3,725,000
Risk liability	250,000	250,000	250,000	250,000
Farmland preservation	446,367	560,825	595,009	546,947
Prison canteen	66,732	177,895	226,059	314,835
Planning	-	-	-	-
Criminal justice planning	5,885	7,297	7,081	3,944
Unassigned	24,316,110	11,144,830	10,856,757	17,148,138
Total general fund	\$ 31,664,321	29,371,339	25,163,263	28,840,845
<b>All other governmental funds</b>				
Nonspendable:				
Prepaid items	\$ 23,649	235,485	330,154	11,916
Loans receivable greater than one year	-	-	-	-
Restricted:				
Roads and bridge maintenance	635,004	955,530	1,207,397	1,168,695
Judicial services	55,920	287,665	-	-
Human services	952,567	1,474,155	726,499	553,974
Public safety	35,758	33,156	38,502	36,974
Row office automation	1,005,582	923,002	972,248	744,951
Conservation	1,670,258	1,461,610	1,093,589	931,598
Marcellus shale	-	-	335,543	600,259
Economic development and housing	1,920,788	2,190,163	2,597,397	20,864
Debt service	9,870	-	-	-
Capital projects	1,948,613	15,751,272	3,818,123	1,177,907
Unrestricted:				
Assigned:				
Capital projects	-	500,082	500,000	500,000
Transportation	-	-	-	-
Economic development and housing	-	-	-	-
Human services	891,930	297,941	55,409	388,851
Unassigned	(83,661)	4,694	(12,150)	(5,523)
Total all other governmental funds	\$ 9,066,278	24,114,755	11,662,711	6,130,466

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)

2014	2015	2016	2017	2018	2019
240,956	387,486	339,389	375,395	418,519	1,524,014
203,492	130,438	56,443	-	-	-
318,409	437,718	658,973	943,857	1,054,979	803,394
675,229	989,446	1,058,353	1,184,513	1,285,121	1,340,654
18,920	27,402	33,818	31,493	18,243	18,226
747,271	672,896	540,179	399,283	290,393	315,007
74,025	74,925	75,450	76,500	77,325	78,000
33,861	35,061	38,589	55,988	74,807	97,558
-	-	-	-	-	-
10,503	-	-	-	-	-
14,098	25,813	27,504	16,975	9,131	9,613
153,201	128,260	144,142	206,084	291,614	339,315
324,283	375,815	351,338	391,489	421,532	581,115
-	-	-	429,953	913,778	1,386,350
4,252,825	3,888,647	2,693,969	4,980,133	5,655,783	6,228,397
3,725,000	3,725,000	3,725,000	4,831,870	5,646,596	7,346,596
250,000	250,000	250,000	250,000	250,000	250,000
603,101	613,274	628,860	641,748	715,000	715,000
425,502	473,203	557,861	669,358	744,493	592,631
-	-	-	-	-	84,100
3,947	5,047	4,123	6,076	405	8,167
19,493,060	22,744,035	26,734,235	26,720,906	28,171,978	28,598,196
<u>31,567,683</u>	<u>34,984,466</u>	<u>37,918,226</u>	<u>42,211,621</u>	<u>46,039,697</u>	<u>50,316,333</u>
115,233	165,182	157,018	323,866	311,556	307,538
-	-	-	1,056,268	895,310	-
1,376,674	809,135	1,079,875	1,519,101	2,572,229	3,598,794
-	-	-	-	-	-
996,026	973,405	1,292,477	1,292,477	1,452,441	1,629,386
39,660	2,688,735	3,606,138	3,697,867	4,091,487	3,091,843
511,936	320,125	337,731	160,368	157,651	170,380
842,633	777,915	832,962	865,680	911,081	815,914
134,664	396,917	500	298,541	669,326	1,044,443
-	10,125	19,035	432,493	415,338	244,497
-	-	-	-	14,793	-
697,246	7,171	500	2,708	-	-
500,000	500,000	500,000	504,579	469,336	141,753
420,524	-	-	-	-	-
-	-	-	2,317,132	2,162,908	2,830,415
34,343	67,822	59,481	7,533	17,681	32,844
(102,563)	-	-	-	-	-
<u>5,566,376</u>	<u>6,716,532</u>	<u>7,885,717</u>	<u>12,478,613</u>	<u>14,141,137</u>	<u>13,907,807</u>

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

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

	2010	2011	2012	2013
<b>Revenues:</b>				
Taxes	\$ 43,972,939	44,249,273	44,610,906	50,104,058
Licenses and permits	96,872	104,492	122,829	148,860
Grants	72,033,160	67,782,498	67,258,482	68,165,204
County charges	14,386,937	15,507,346	16,183,605	13,031,309
Court, costs, fines and forfeitures	1,968,327	2,182,893	2,435,785	2,686,728
Investment earnings	652,759	422,986	222,194	20,558
Payment in lieu of taxes	128,664	128,359	130,142	126,630
Contributions and other	441,878	397,790	454,101	480,560
Total revenues	<u>133,681,536</u>	<u>130,775,637</u>	<u>131,418,044</u>	<u>134,763,907</u>
<b>Expenditures:</b>				
Current:				
General government - administrative	10,419,194	10,779,834	10,851,620	11,048,718
General government - judicial	16,598,749	17,837,905	18,623,142	18,585,289
Corrections (1)	-	-	-	17,186,818
Public safety	18,098,141	19,313,626	19,595,172	2,757,154
Emergency telephone (2)	-	-	-	-
Public works and enterprises	863,974	686,114	757,449	765,921
Transportation (2)	-	-	-	-
Human services:				
Mental health/intellectual and developmental disabilities	18,367,330	17,226,078	17,460,022	16,620,557
Children and youth	12,492,268	13,605,024	14,064,911	14,425,663
HealthChoices - Cumberland County	28,601,026	27,491,595	28,363,948	28,879,386
Food and shelter	3,219,164	962,539	832,219	869,959
Office of aging	4,968,161	4,098,978	3,629,633	3,261,904
Drug and alcohol	3,012,234	2,844,349	3,340,669	2,799,298
Fiscal Employer Agent	1,250,455	2,453,634	3,079,857	29,692
General fund	643,881	744,325	710,743	803,362
Witness assistance	420,078	438,939	470,691	446,175
Human services development	230,470	209,799	146,452	105,501
Culture and recreation	135,125	92,871	170,073	192,933
Conservation and development	433,154	379,522	384,628	404,532
Economic development and assistance	3,888,847	3,949,724	3,408,129	3,525,295
Debt service:				
Principal retirement	1,907,615	1,780,187	2,501,101	2,680,175
Debt interest	1,363,595	1,220,283	1,698,453	1,600,423
Fiscal charges	115,388	197,724	-	18,295
Payment to refunding bond escrow	-	-	-	-
Capital Outlay	9,574,735	7,766,720	14,259,834	4,375,453
Payments to other governments	424,159	370,994	1,592,960	367,243
Total expenditures	<u>137,027,743</u>	<u>134,450,764</u>	<u>145,941,706</u>	<u>131,749,746</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,346,207)</u>	<u>(3,675,127)</u>	<u>(14,523,662)</u>	<u>3,014,161</u>
<b>Other financing sources (uses):</b>				
Transfers in	10,011,522	12,367,178	11,980,877	8,568,427
Transfers out	(12,097,520)	(14,498,394)	(14,269,435)	(10,594,831)
Debt issued	9,850,000	18,000,000	152,100	2,474,252
Payment to refund bonds	(9,877,630)	-	-	(2,745,437)
Bond premium (discount)	152,888	561,838	-	296,152

2014	2015	2016	2017	2018	2019
51,491,496	52,645,000	53,488,317	54,250,290	55,180,037	55,908,140
185,585	195,612	216,698	207,437	224,858	211,694
71,866,816	73,829,762	79,475,324	86,503,597	89,572,920	74,666,440
16,605,675	20,424,530	20,364,725	21,548,112	21,154,482	21,742,939
2,288,064	2,629,286	2,469,085	2,886,027	3,191,324	2,871,863
165,456	131,984	236,531	502,008	1,038,432	1,327,420
134,637	133,151	131,075	155,472	241,053	215,425
447,672	412,660	447,672	513,776	348,755	368,343
143,185,401	150,401,985	156,829,427	166,566,719	170,951,861	157,312,264
10,946,238	11,199,523	12,377,168	11,287,449	11,375,971	12,313,213
18,381,527	18,873,288	20,302,969	20,823,087	21,367,304	22,742,899
17,555,792	17,490,930	17,644,252	17,525,468	18,420,395	18,415,675
2,995,701	2,961,102	3,275,383	3,291,043	3,508,200	3,421,903
4,606,338	4,567,837	4,545,142	4,786,398	4,907,131	5,181,317
521,391	1,037,277	879,227	606,179	642,418	651,567
2,201,417	1,341,181	131,285	-	-	-
18,001,412	17,052,397	17,288,997	16,680,764	16,894,059	17,909,006
15,082,777	16,975,067	18,107,927	19,472,049	20,909,415	22,233,879
28,653,048	29,681,950	36,322,582	38,747,541	41,658,403	21,374,166
1,209,950	1,104,063	771,121	909,102	852,754	889,545
3,385,571	3,874,498	4,228,387	4,516,737	4,620,452	4,426,580
2,943,133	2,694,853	2,701,553	2,840,279	3,492,492	3,547,963
310	-	-	-	-	-
924,334	781,586	946,037	1,133,095	1,428,155	1,510,535
443,565	497,410	515,377	512,110	515,046	729,851
115,332	133,890	124,278	135,544	126,009	130,352
3,593	483,877	2,278	5,770	2,678	64,700
445,748	382,018	409,951	274,327	588,404	494,444
3,981,712	3,638,216	3,537,217	4,579,358	4,399,622	4,370,914
4,623,934	4,714,186	4,723,520	4,430,875	4,602,347	3,064,035
1,720,603	1,598,116	1,393,222	1,238,913	875,290	1,118,362
39,226	-	133,654	-	144,552	-
-	-	-	-	235,684	-
2,457,080	4,346,320	2,449,417	8,987,660	5,174,925	8,279,713
367,473	295,169	340,429	368,173	266,088	355,875
141,607,205	145,724,754	153,151,373	163,151,921	167,007,794	153,226,494
1,578,196	4,677,231	3,678,054	3,414,798	3,944,067	4,085,770
13,226,813	14,030,811	12,228,090	14,448,532	13,806,860	12,735,135
(13,226,813)	(14,030,811)	(12,228,090)	(14,448,532)	(13,806,860)	(12,900,089)
2,365,000	238,231	11,470,000	1,591,703	13,313,834	35,422
(2,401,932)	-	(12,706,082)	-	(13,075,429)	-
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)**

	2010	2011	2012	2013
(continued)				
<b>Other financing sources (uses):</b>				
Sale of assets	-	-	-	-
Insurance recovery	-	-	-	482
Loss from insurance recovery denial	-	-	-	-
Total other financing sources (uses)	<u>(1,960,740)</u>	<u>16,430,622</u>	<u>(2,136,458)</u>	<u>(2,000,955)</u>
<b>Special Item</b>				
Discontinued operation	-	-	-	-
Total special item	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (5,306,947)</u>	<u>12,755,495</u>	<u>(16,660,120)</u>	<u>1,013,206</u>
Debt service as a percentage of noncapital expenditures	%	2.66	2.37	3.19
			3.19	3.36

- (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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
4,897	-	8,969	3,315	17,123	1,663
5,884	30,364	58,558	-	196,231	63,774
-	-	-	-	-	(106,580)
<u>50,493</u>	<u>268,595</u>	<u>202,393</u>	<u>1,595,018</u>	<u>1,546,533</u>	<u>(170,675)</u>
-	(378,887)	-	-	-	-
-	(378,887)	-	-	-	-
<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>	<u>3,915,095</u>
4.56	4.46	4.08	3.67	3.62	2.89

**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)
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	(2)	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
2019	(2)	17,117,877,600	6,899,463,600	1,021,525,800	42,551,600	25,081,418,600	4,196,267,200	2.361	26,796,387,393	93.6

**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>
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
2019	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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>County Direct Rates</b>										
General	2.399	1.902	1.902	2.131	2.195	2.195	2.195	2.195	2.195	2.195
Library	0.18	0.143	0.143	0.143	0.143	0.143	0.143	0.166	0.166	0.166
<b>Total Direct Rate</b>	<b>2.579</b>	<b>2.045</b>	<b>2.045</b>	<b>2.274</b>	<b>2.338</b>	<b>2.338</b>	<b>2.338</b>	<b>2.361</b>	<b>2.361</b>	<b>2.361</b>
<b>School Districts</b>										
Big Spring	16.072	12.098	12.364	12.636	12.9771	13.2885	13.7004	14.0429	14.3238	14.6461
Camp Hill	16.21	12.9577	13.1622	13.1622	13.7573	14.4828	15.4876	15.9367	16.3988	16.8415
Carlisle Area	14.83	12.2606	12.3706	12.6056	12.9333	13.2436	13.6409	14.0365	14.4716	14.9057
Cumberland Valley	10.252	8.57	8.715	8.715	8.898	9.067	9.284	9.516	9.744	9.968
East Pennsboro	12.899	10.309	10.5254	10.8295	11.2378	11.5749	11.8411	12.1963	12.3792	12.3792
Mechanicsburg	14.7	12.168	12.289	12.289	12.535	12.535	12.8	13.056	13.3693	13.7302
Shippensburg Area	13.55	10.01	10.22	10.4	10.6808	10.9475	11.089	11.2199	11.9117	11.7884
South Middleton	11.55	8.9245	8.9245	9.0081	9.1549	9.3288	9.5526	10.2484	10.5621	10.8182
West Shore Area	10.61	9	9.3	9.4	9.68	10.1988	10.9162	11.2014	11.6457	11.9487
<b>Municipalities</b>										
Camp Hill	3.881	3.022	3.022	3.022	3.022	3.022	3.022	3.022	3.022	3.022
Carlisle	3.57	3.058	3.058	3.275	3.275	3.275	3.275	3.495	3.495	3.495
Cooke	2	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Dickinson	0.22*	.084*	.084*	.084*	.084*	0.084*	0.084*	0.25*	0.25*	0.25*
East Pennsboro	1.19	0.957	0.957	0.957	1.05	1.3	1.3	1.3	1.64	1.64
Hampden	0.18	0.156	0.156	0.156	0.156	0.156	0.156	0.156	0.156	0.156
Hopewell	-	-	-	-	-	-	-	-	-	-
Lemoyne	2.5	2.1	2.1	2.3	2.3	2.31	2.31	2.52	3.13	3.13
Lower Allen	2.5	1.23	2.05	2.45	2.45	2.45	2.45	2.45	3.03	3.03
Lower Frankford	0.18	0.0807	0.1211	0.1211	0.1211	0.3229	0.3229	0.3229	0.3229	0.3483
Lower Mifflin	-	-	-	-	-	-	-	-	-	-
Mechanicsburg	3.25	2.58	2.58	2.58	3.08	3.33	3.33	3.33	3.83	3.83
Middlesex	1.2	0.998	1.22	1.22	1.38	1.53	1.53	1.53	1.85	2.08
Monroe	0.595	0.169	0.525	0.525	0.556	0.556	0.556	0.556	0.556	0.577
Mt. Holly Springs	1.966	1.374	1.613	2.036	2.312	2.38	2.38	2.755	2.755	2.88
Newburg	1.0	0.7	1.0	1.25	1.75	2	2	2	2.25	2.5
New Cumberland	3.6	2.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9
Newville	2.0657	1.358	2.434	2.398	2.898	2.898	2.898	3.648	3.648	3.898
North Middleton	0.889	0.694	0.694	0.694	0.694	0.89	0.89	1.059	1.059	1.092
North Newton	0.14	0.1	-	-	-	-	-	-	-	-
Penn	0.061	0.0414	0.0414	-	-	-	-	-	-	-
Shippensburg Borough	3.6	2.26	2.6	2.6	2.6	2.72	2.72	2.72	2.89	3
Shippensburg Twp.	0.95	0.675	0.675	0.675	0.675	0.975	0.975	0.975	0.975	0.975
Shiremanstown	2.35	1.9	2.1	2.1	2.0	2.0	2.0	2.0	2.2	2.2

(continued)

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

*Last Ten Years*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<u>Year Taxes Are Payable</u>									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Municipalities (continued)</b>										
Silver Spring	1.034	0.8045	0.8045	0.8045	0.8045	1.3045	1.3045	1.3045	1.3045	1.3045
Southampton	-	-	-	-	-	-	-	-	-	-
South Middleton	0.22*	0.17*	0.17*	0.17*	0.17*	0.25*	0.25*	0.25*	.6*	.6*
South Newton	0.129	0.0933	0.0933	0.0933	0.0933	0.0933	0.0933	0.0933	0.0933	0.0933
Upper Allen	1.532	1.2918	1.4	1.6	1.8	2.3	2.3	2.3	2.4	2.4
Upper Frankford	0.21128	0.16095	0.16095	0.16095	0.16095	0.16095	0.16095	0.16095	0.16095	0.16095
Upper Mifflin	-	-	-	-	-	-	-	-	-	-
West Pennsboro	0.35	0.2576	0.5076	0.5076	0.5076	0.5076	0.5076	0.5076	0.5076	0.5076
Wormleysburg	3.678	3.065	3.065	3.065	3.065	3.361	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
Middlesex	South Middleton

Source: County Board of Assessment

**REVENUE CAPACITY  
Principal Property Taxpayers**

*2010 and 2019 Tax Years*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	2010			2019		
	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	0.56 %	\$ 162,760,900	1	0.65 %
Allen Distribution	61,095,180	3	0.35	116,731,100	2	0.46
PR CC Limited Partnership	35,480,130	7	0.21	85,700,000	3	0.34
Goodman Carlisle LLC				73,175,000	4	0.29
Highmark Blue Shield	56,987,300	5	0.32	72,584,100	5	0.29
Exeter				70,948,200	6	0.28
Messiah Home				66,500,000	7	0.27
LIT Industrial LP	58,038,000	4	0.33	64,167,000	8	0.26
KTR PA Cent LLC				60,300,000	9	0.24
Cedar - Camp Hill LLC	36,600,000	6	0.21	56,718,200	10	0.23
Carlisle HMA, Inc.	65,328,360	2	0.37			
Carlisle Partners Bldg C LLC	32,431,000	8	0.18			
Keystone Lemoyne Partners	21,134,560	10	0.12			
DDRTC Carlisle Commons LLC	29,188,350	9	0.17			
Totals	\$ <u>494,647,880</u>		<u>2.82 %</u>	\$ <u>829,584,500</u>		<u>3.31 %</u>

Notes:

(1) Percentage based on total County taxable assessed valuation for 2010

\$17,596,518,690

(2) Percentage based on total County taxable assessed valuation for 2019

\$25,081,418,600

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
2010	\$ 41,704,856	\$ 163,743	\$ 40,291,169	96.61%	\$ 1,575,747	\$ 41,866,643	100.00%
2011	41,994,227	177,111	40,629,283	96.75	1,540,553	42,168,836	100.00
2012	42,213,193	156,604	40,680,881	96.37	1,687,472	42,367,660	100.00
2013	47,826,059	158,716	46,395,766	97.01	1,587,390	47,981,440	100.00
2014	49,855,721	182,228	48,393,357	97.06	1,643,157	50,031,167	100.00
2015	50,454,280	210,868	49,036,480	97.19	1,626,108	50,662,588	99.99
2016	51,198,311	241,080	50,000,265	97.66	1,433,325	51,016,372	99.99
2017	51,956,631	199,783	50,774,924	97.73	1,366,971	N/A	99.97
2018	52,838,606	184,325	51,643,300	97.74	996,247	N/A	99.28
2019	53,627,315	N/A	52,459,267	97.82	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
2010	\$ 3,129,169	\$ 12,294	\$ 3,022,092	96.58%	\$ 118,398	\$ 3,141,390	100.00%
2011	3,157,081	20,809	3,054,797	96.76	122,967	3,177,764	100.00
2012	3,173,665	14,283	3,058,563	96.37	129,279	3,187,790	100.00
2013	3,208,510	11,692	3,113,381	97.04	106,715	3,219,981	100.00
2014	3,248,014	12,167	3,152,742	97.06	107,321	3,259,737	100.00
2015	3,287,007	13,925	3,194,639	97.19	106,104	3,300,251	99.99
2016	3,335,478	15,958	3,257,427	97.66	93,632	3,323,308	99.99
2017	3,929,292	14,692	3,839,923	97.73	102,882	N/A	99.97
2018	3,995,992	13,691	3,905,595	97.74	74,425	N/A	99.26
2019	4,055,639	N/A	3,967,304	97.82	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	Notes Payable-CAEDC	Capital Leases	General Obligation Bonds	General Obligation Notes	Capital Leases			
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	640,804	962,128	5,584,091	-	-	41,718,566	0.32	167.38
2018	28,974,795	715,000	1,741,443	721,596	4,280,996	-	-	36,433,830	0.26	144.91
2019	25,925,383	715,000	1,640,030	481,064	2,929,589	-	-	31,691,066	*	125.08

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>
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
2019	28,854,972	715,000	-	29,569,972	0.11	116.71

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

*December 31, 2019*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

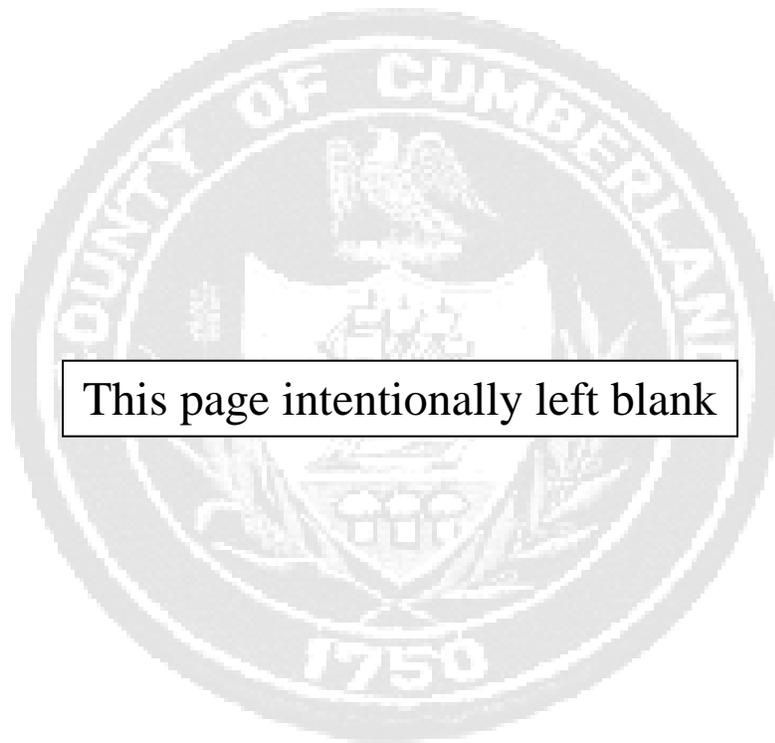
Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
<b>School Districts:</b>			
Big Spring	\$ 43,255,000	100%	\$ 43,255,000
Camp Hill	26,308,087	100	26,308,087
Carlisle Area	59,099,878	100	59,099,878
Cumberland Valley	340,105,766	100	340,105,766
East Pennsboro	26,493,717	100	26,493,717
Mechanicsburg	63,562,000	100	63,562,000
*Shippensburg Area	14,324,950	61	* 8,738,220
South Middleton	33,665,000	100	33,665,000
*West Shore Area	62,446,406	55	* 34,345,523
<b>Total school districts</b>			<b>635,573,191</b>
<b>Municipalities:</b>			
Camp Hill Borough	20,745,001	100	20,745,001
Carlisle Borough	8,621,340	100	8,621,340
East Pennsboro Township	44,170,000	100	44,170,000
Hampden Township	24,803,966	100	** 24,803,966
Lemoyne Borough	17,499,638	100	17,499,638
Lower Allen Township	9,958,421	100	9,958,421
Mechanicsburg Borough	1,026,886	100	1,026,886
Middlesex Township	5,662,773	100	5,662,773
Monroe Township	749,031	100	749,031
Mt. Holly Springs Borough	1,971,580	100	1,971,580
Shippensburg Township	201,787	100	201,787
Silver Spring Township	0	100	** 0
South Middleton Township	1,375,000	100	1,375,000
Upper Allen Township	8,170,000	100	8,170,000
Wormleysburg Borough	1,957,943	100	1,957,943
<b>Total municipalities</b>			<b>146,913,366</b>
<b>Subtotal overlapping debt</b>			<b>782,486,557</b>
<b>Total direct debt - County</b>			<b>28,761,477</b>
<b>Total direct and overlapping debt</b>			<b>\$ 811,248,034</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.

\*\* 2019 Debt currently not available



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

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt limit	\$ 483,492,830	471,646,512	462,737,838	468,846,437
Total net-debt applicable to limit	<u>54,283,464</u>	<u>68,405,105</u>	<u>63,791,789</u>	<u>58,715,000</u>
Net nonelectoral debt limit	<u>\$ 429,209,366</u>	<u>403,241,407</u>	<u>398,946,049</u>	<u>410,131,438</u>
Total net debt applicable to the limit as a percentage of debt limit	11.23 %	14.50	13.79	12.52

***Last Ten Years***

(unaudited)

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
481,164,681	498,487,522	519,866,331	543,230,061	566,717,651	565,621,241
<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>27,420,000</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>	<u><u>538,201,241</u></u>
11.61	10.06	8.29	6.96	5.54	4.85

**Legal Debt Margin Calculation for year ending 2019**

Borrowing base revenue:

2017	\$ 189,157,129
2018	196,406,821
2019	<u>180,057,291</u>
Total revenue (1)	<u><u>\$ 565,621,241</u></u>

**Debt Limit for General Obligation Debt**

Average borrowing base revenues	\$ 188,540,414
Debt limit percentage	<u>300%</u>
Debt limit	<u>565,621,241</u>
Total amount of debt applicable to debt limit	<u>27,420,000</u>
Legal debt margin	<u><u>\$ 538,201,241</u></u>

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

Average borrowing base revenues	\$ 188,540,414
Debt limit percentage	<u>400%</u>
Debt limit	<u>754,161,656</u>
Total amount of debt applicable to debt limit	<u>27,420,000</u>
Legal debt margin	<u><u>\$ 726,741,656</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>
2010	235,406 (A)	\$ 9,979,514 (B)	\$ 42,304 (B)	\$ 60,400 (A)	32,771	6.8%
2011	237,101 (A)	10,537,322 (B)	44,442 (B)	60,219 (A)	32,610	6.4
2012	239,252 (A)	11,110,203 (B)	46,437 (B)	60,832 (A)	32,443	6.2
2013	241,071 (C)	11,298,706 (B)	46,869 (B)	60,883 (A)	32,726	5.7
2014	243,301 (A)	11,888,899 (B)	48,865 (B)	60,826 (A)	33,029	4.5
2015	245,766 (A)	12,466,534 (B)	50,725 (B)	61,820 (A)	33,153	4.0
2016	247,435 (A)	12,569,724 (B)	50,800 (B)	62,640 (A)	33,167	4.1
2017	249,238 (A)	13,135,692 (B)	52,703 (B)	65,544 (A)	33,462	3.8
2018	251,423 (A)	13,863,738 (B)	55,141 (B)	68,895 (A)	33,712	3.3
2019	253,370 (A)	*	(B) *	(B) *	(A) 34,120	3.4

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  
 (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 2019 Years*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

Employer	2010			2019		
	Employees	Rank	Percentage of Total County Employment (3)	Employees	Rank	Percentage of Total County Employment (3)
U.S. Department of Defense:						
Naval Support Activity	-			4,477		
Carlisle Barracks	-			1,715 *		
Total	4,463 (1)	1	5%	6,192 (1)	1	5 %
Ahold Delhaize	3,450	3	3	3,455 *	2	3
Geisinger Holy Spirit Hospital	2,682	4	2	2,392	3	2
Highmark Blue Shield	3,359	2	3	2,455 *	4	2
Commonwealth of Pennsylvania	1,762 (2)	5	2	1,775 (2)	5	1
Cumberland Valley School District	1,250	7	1	1,605	6	1
Cumberland County Government	1,336	6	1	1,257	7	1
JFC Temps Inc.	-	-	-	1,412 *	8	1
Fry Communications	859	10	-	1,035 *	9	1
Dickinson College	1,044	8	1	-	-	-
Excel Logistics	859	9	-	1,000 *	10	1
Total	<u>21,064</u>		<u>18%</u>	<u>22,578</u>		<u>18 %</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	2010	2011	2012	2013
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General Government-Administrative				
Commissioners	8	9	8	9
Solicitors	4	4	3	4
Communications	-	-	-	-
Elections	6	6	6	6
Controller	16	16	15	16
Finance	10	10	10	10
Tax Claims	2	2	2	2
Treasurer	3	4	5	5
Tax collector administration	17	17	17	17
Human resources	6	6	7	7
Tax assessment	22	19	20	20
Recorder of deeds	7	7	8	7
Administrative services	3	3	3	3
Information management and technology	17	15	16	16
Enterprise resource management	3	3	3	2
Geographic information systems	2	2	1	2
Human service fiscal operations	2	2	2	2
Grant administration	2	2	2	2
County buildings	22	21	21	21
Planning	6	6	6	5
Domestic Relations	39	38	39	39
General Government-Judicial				
Building security	7	6	7	7
Courts	41	43	40	42
District judges	39	38	38	38
Clerk of court	12	11	13	13
Coroner	4	6	7	7
Public defender	13	12	15	15
District attorney	25	27	27	27
Prothonotary	9	8	9	9
Register of wills	7	7	8	6
Sheriff	35	34	35	36
Public safety				
District attorney-criminal investigation	4	4	5	6
District attorney-forensic lab	2	3	3	3
Victim witness services	9	9	8	9
Prison	115	115	115	117
Adult probation	36	37	37	38
Juvenile probation	27	26	26	25
Emergency management & communications	6	7	7	6
Emergency Telephone (1)	-	-	-	-
Hazardous Materials Protection (1)	-	-	-	-
Vector control	2	3	3	4
Transportation (1) (2)	-	-	-	-
Recycling and waste management	3	3	3	2
Human services:				
Mental health/intellectual and developmental disabilities	48	47	47	46
Children and youth	62	62	63	62
Office of aging	31	29	26	26
Community services	11	9	8	6
Drug and alcohol	16	20	20	19
Veteran's affairs	2	2	2	2
Culture and recreation	14	15	15	14
Conservation and development	6	6	6	6
<b>Business-type Activities</b>				
County nursing home	304	282	283	284
Emergency telephone (1)	44	43	45	46
Hazardous materials protection (1)	1	1	1	1
Transportation services (1)	28	24	27	28
<b>Total Primary Government</b>	<b>1160</b>	<b>1131</b>	<b>1143</b>	<b>1145</b>
<b>Component Unit:</b>				
Conservation district	8	8	8	7

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

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

Source: County payroll records

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

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

*Last Ten Years*

<b>(unaudited)</b>					
2014	2015	2016	2017	2018	2019
9	9	9	9	8	7
4	4	4	4	3	3
-	-	-	-	3	3
6	6	6	6	5	7
16	16	16	15	15	15
8	10	10	10	11	11
2	2	2	2	2	2
5	5	6	5	5	5
17	16	16	16	15	15
8	8	7	9	10	10
19	18	18	18	18	19
6	7	7	7	7	7
3	2	1	3	1	1
14	15	14	14	15	14
3	3	3	3	3	3
2	2	2	2	2	3
2	2	2	2	2	2
3	5	6	8	6	7
20	20	23	23	21	22
5	5	5	5	5	5
39	39	38	39	38	39
7	6	7	7	7	7
44	46	45	50	49	52
36	39	38	39	39	38
11	12	13	13	12	12
7	6	7	8	9	10
16	15	15	18	17	16
26	28	26	26	29	26
8	9	9	9	8	9
8	7	7	7	7	8
36	38	38	39	41	38
5	6	6	5	7	8
3	3	4	5	5	6
9	9	9	9	8	10
118	119	119	118	118	123
37	38	39	37	37	37
26	26	25	26	26	26
4	8	8	8	8	5
47	46	45	44	43	44
-	-	-	-	-	-
3	3	3	3	3	2
28	-	-	-	-	-
1	1	1	1	2	2
47	46	47	47	46	48
67	65	66	75	73	76
29	30	29	27	29	24
6	6	6	6	6	5
19	18	20	20	18	18
2	2	2	2	2	3
13	14	14	14	15	14
6	6	6	6	6	6
270	276	268	264	253	242
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>1130</b>	<b>1122</b>	<b>1117</b>	<b>1133</b>	<b>1118</b>	<b>1,115</b>
8	9	9	9	9	9

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

*Last Ten Years*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental - type:</b>										
<b>General Government-administrative</b>										
<i>Fiscal affairs</i>										
Deed transfers	5,280	5,075	5,801	6,176	5,956	6,430	6,785	6,781	6,893	6,783
Mortgage recorded	13,124	12,042	13,354	13,206	9,298	10,032	10,701	9,866	9,148	9,528
Subdivision plans filed	152	141	115	133	147	155	143	152	130	152
Miscellaneous documents and instruments	19,922	21,184	21,184	20,852	14,617	16,200	16,864	16,142	15,083	15,239
Number of Document and Instruments eRecorded	N/A	N/A	9,201	15,174	11,967	15,990	16,662	17,890	17,851	20,598
Percentage eRecorded	N/A	N/A	23%	38%	40%	49%	48%	54%	57%	65%
<i>Administration</i>										
General election information										
Registered voters	150,533	152,249	158,190	148,322	151,050	153,481	166,965	167,571	172,256	175,047
Votes cast	81,873	35,313	111,381	33,618	75,845	40,913	124,421	42,652	105,368	55,187
Percent of votes cast	54%	23%	70%	23%	50%	27%	75%	25%	61%	32%
<b>General Government-judicial</b>										
<i>Court services:</i>										
Criminal cases filed	3,720	3,651	3,629	3,603	3,786	3,540	4,159	4,240	3,552	3,610
Summary appeals	267	231	234	258	259	320	362	316	368	395
Juvenile delinquency	284	245	241	334	388	437	481	500	386	476
Juvenile dependency	112	144	210	221	231	285	233	199	237	175
Marriage license applications	1,143	1,169	1,203	1,148	1,317	1,255	1,267	1,208	1,229	1,134
Estates and wills probated	1,198	1,277	1,257	1,266	1,143	1,213	1,266	1,384	1,438	1,355
Orphans' court cases filed	84	108	87	90	82	106	99	86	100	96
Adoption cases	114	106	91	97	89	113	112	143	138	102
<i>Court administration:</i>										
Criminal jury trials	43	40	47	55	44	48	45	35	25	26
Criminal appointment of counsel	479	433	479	486	636	499	564	590	478	-
Hearings by domestic relations conference officers	3,403	2,843	2,729	3,670	3,748	3,492	3,928	3,477	3,480	3,188
<i>Sheriff:</i>										
Prisoner transports	3,790	3,949	3,817	4,235	4,284	4,079	4,611	4,806	4,583	3,794

(continued)

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

*Last Ten Years*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

(continued)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Public safety</b>										
<i>County prison:</i>										
Average daily population	394	399	381	389	422	401	415	454	413	356
Commitments to prison	3,174	3,387	3,098	3,054	3,319	3,383	3,228	3,603	3,602	3,523
Releases from prison	3,218	3,346	3,141	2,974	3,350	3,352	3,195	3,576	3,698	3,530
<i>Adult probation:</i>										
Average caseload	2,685	2,476	2,475	2,408	2,471	2,383	2,401	2,551	2,463	2,350
DUI-Intermediate Punishment Program										
Bed Days Saved at County Prison	11,422	8,813	7,263	8,554	11,312	13,912	11,136	10,453	15,592	14,834
Accelerated Rehabilitative Disposition/DUI Program	679	774	868	686	672	523	615	696	575	607
<i>Day Reporting Center:</i>										
Bed Days Saved at County Prison	6,967	6,957	6,469	5,712	6,443	6,073	5,765	5,082	4,977	5,247
<b>Human services</b>										
<i>Children and youth</i>										
Number of referrals	1,236	1,232	1,182	1,330	1,455	1,993	1,930	1,929	2,082	2,038
Clients receiving in-home services	343	370	392	439	625	833	864	777	752	674
Clients requiring placement	219	211	229	286	271	281	329	351	366	349
<i>Mental health services:</i>										
Number of out-patient hours	9,976	13,646	12,493	11,472	12,418	12,993	9,721	9,226	11,260	9,337
Number of out-patient consumers	538	596	567	585	542	414	207	119	93	102
In-patient days	585	687	274	189	470	507	468	35	-	-
Number of in-patient consumers	39	26	15	19	24	21	15	5	-	-
Residential days	51,619	55,626	54,193	57,265	58,276	56,113	59,162	63,176	60,958	61,735
Number of residential consumers	216	205	210	194	216	224	204	227	216	197
<i>HealthChoices:</i>										
In-patient psychiatric treatment										
Number of in-patient consumers	345	377	404	463	444	537	529	619	669	637
Number of in-patient days	5,609	6,293	6,920	7,809	8,519	10,800	9,208	11,822	13,428	13,370
Out-patient psychiatric treatment										
Number of out-patient consumers	3,219	3,432	3,627	3,806	4,082	4,537	5,794	6,535	6,791	6,800
Number of out-patient units	41,749	40,523	41,239	41,850	44,598	49,727	60,777	72,863	77,716	80,251

(continued)

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

*Last Ten Years*

COUNTY OF CUMBERLAND, PENNSYLVANIA (continued)	(unaudited)									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Children's residential and behavioral health rehabilitation										
Number of consumers	1,013	1,029	1,140	1,142	1,040	1,060	1,041	970	910	935
Number of units	780,442	791,221	849,765	807,612	665,898	602,368	554,345	473,245	467,748	468,700
Targeted case management										
Number of consumers	487	482	481	487	486	458	443	435	469	431
Number of units	92,796	89,158	81,779	67,978	50,997	57,743	57,844	55,088	54,652	52,408
Crisis Intervention										
Number of consumers	634	692	653	752	819	740	870	1,014	1,099	1,080
Number of units	8,909	8,247	7,636	10,182	11,236	5,841	7,234	8,494	9,031	8,280
<i>Intellectual and Developmental Disabilities</i>										
Number of consumers served	1,139	1,140	1,093	1,089	1,076	1,058	981	1,017	1,010	997
Number of transportation units	15,612	9,130	4,986	4,094	6,027	6,182	3,035	2,002	2,302	2,304
Number of residential units	2,380	2,264	1,922	1,827	2,277	2,648	2,529	2,588	2,493	2,525
Number of workshop/vocational units	71,641	48,572	44,039	53,779	52,614	58,072	54,203	37,641	58,293	58,620
<i>Office of aging:</i>										
Senior transportation trips	46,442	46,950	47,740	45,496	44,732	44,066	42,850	38,475	46,484	42,223
Information and assistance contracts	16,879	16,800	13,014	14,003	6,616	6,227	4,068	4,802	4,737	4,460
Congregate meals served	33,082	30,873	31,260	31,830	33,446	31,417	35,183	34,549	34,721	33,058
Adult day care days provided	4,945	4,508	2,907	1,072	1,707	3,124	4,175	3,278	2,967	2,485
Home delivered meals served	5,780	4,480	3,960	4,140	5,718	8,661	11,795	12,530	16,897	17,943
Maintenance/modification of homes	171	207	152	151	412	317	913	551	389	187
<i>Drug and alcohol:</i>										
Community-based outpatient treatment (in hours unless otherwise noted)										
Assessment/evaluations	708	707	700	754	692	547	303	471	419	371
Individual counseling	4,681	3,978	4,003	3,773	3,885	3,831	1,180	2,577	3,124	2,132
Intensive outpatient group	9,039	6,700	5,824	6,414	7,016	4,858	1,976	2,875	2,044	2,899
Group	2,520	2,640	2,350	2,726	3,137	2,972	1,375	1,911	2,069	1,393
Prison-based treatment and intervention service hours	3,474	2,481	1,508	2,260	1,971	2,470	3,083	4,201	2,401	2,949
Case management services										
Capital Region Maternal Assistance Program										
Intensive case management service clients	70	71	74	68	70	67	69	68	67	65

(continued)

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

*Last Ten Years*

COUNTY OF CUMBERLAND, PENNSYLVANIA (continued)	(unaudited)									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Business - type:</b>										
<b>Transportation *</b>										
One way trips	144,827	145,398	143,590	136,485	127,440	N/A	N/A	N/A	N/A	N/A
Mileage	723,666	748,410	757,171	726,916	758,722	N/A	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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<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	36,000	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	15,000							
Bureau of Elections										
Electronic voting machines	693	693	693	693	693	693	693	694	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)	6,022	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)	5,168	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	478	478	720	720	720	720	720	720	720
Square footage of the prison	109,617	145,064	145,064	178,410	178,410	178,410	178,410	178,410	178,410	178,410
<b>Conservation</b>										
Number of agricultural easements acquired	117	122	126	128	135	140	150	157	169	181
Acres in the agricultural easement program	14,333	14,825	15,311	15,437	16,144	16,750	17,236	17,977	19,051	20,009
Acres in agricultural secured areas	72,709	72,783	73,544	74,450	75,685	72,711	72,876	73,562	73,885	74,313
<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)

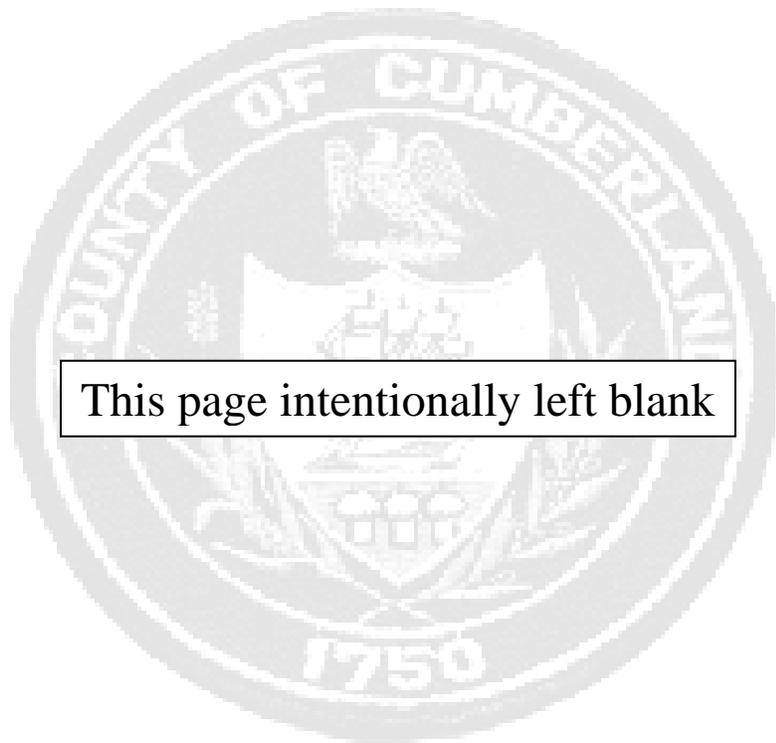
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Human Services</b>										
Square footage of human services building (including parking garage)	47,844	47,844	47,844	47,844	47,844	47,844	47,844	47,844	47,844	47,844
Square footage of Aging/Community Services	8,024	8,024	8,024	8,024	8,024	8,024	8,024	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	282	282	282	282
<b>Emergency telephone center</b>										
Square footage of the 911 center	10,024	24,233	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	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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