

County of Cumberland, Pennsylvania

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended December 31, 2020

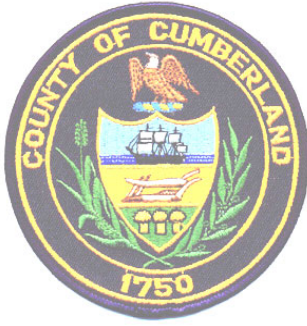


PREPARED BY THE OFFICE OF THE CONTROLLER
ALFRED L. WHITCOMB, CONTROLLER

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Alfred L. Whitcomb
Controller



COUNTY OF CUMBERLAND, PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2020

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COUNTY OF CUMBERLAND, PENNSYLVANIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2020

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PHOTOGRAPHY CREDITS

The cover photograph of the Old Courthouse Square was taken in Carlisle, Cumberland County. Cover photograph is courtesy of Cumberland Valley Visitors Bureau.

Controller of Cumberland County

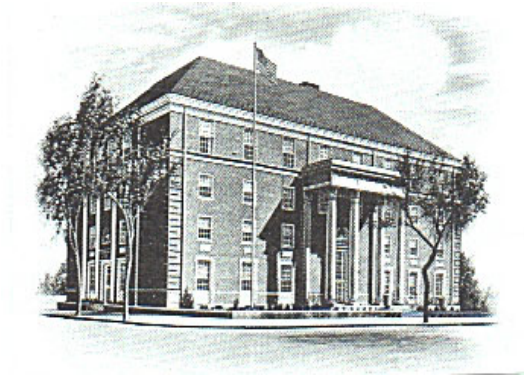
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FIRST DEPUTY CONTROLLER

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SECOND DEPUTY CONTROLLER/
AUDIT MANAGER

TINA L. MALICK
ADMINISTRATIVE ASSISTANT

JAMES D. BOGAR
SOLICITOR

June 24, 2021

TO: THE CITIZENS AND COMMISSIONERS 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 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 Comprehensive Annual Financial Report in accordance with U.S. generally accepted accounting principles (GAAP). The Comprehensive Annual Financial Report'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 Comprehensive Annual Financial Report: 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.
- More easily compare financial activities and net positions between counties.

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, 2020, 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 resident's 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 2020 population of 255,857. It is the 16th most populous county in the state and ranks 41st of 67 counties in size.

Cumberland County is the fastest growing county, by population, in the state of Pennsylvania – growing an estimated 8.7% since the 2010 census. [*U.S. Census Bureau's Annual Estimates of Resident Populations of Counties in Pennsylvania: April 1, 2010 to July 1, 2020, as the official 2020 Census count is unavailable at time of publication.*]

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

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

Budgets are legally adopted for all County governmental funds, except for the Cumberland Area Economic Development Corporation and the Industrial Development Authority; both legally separate entities.

Information Useful in Assessing the County's Economic Condition

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 five employers in the county.

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, Ahold Delhaize, Highmark Blue Shield, Penn State Health Holy Spirit Hospital and the Commonwealth of Pennsylvania.

Cumberland County ended 2020 with a December unemployment rate of 4.9 percent. In comparison, Pennsylvania's unemployment rate was 7.1 percent at December, 2020. *[Source: St. Louis Federal Reserve Bank, December, 2020 data, not seasonally adjusted.]*

Cumberland County per capita personal income was \$37,500; whereas the statewide average was \$34,352. Cumberland County median household income was \$71,269; whereas the statewide average was \$61,744. *[Source: U.S. Census Quickfacts reflecting 2019 data, as 2020 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; indicated by one of the lowest unemployment rates among Pennsylvania counties;
- Financially stable County government, maintaining a AAA bond rating;
- Cumberland Area Economic Development Corp. partnerships with school districts, healthcare, the professions, small businesses, agribusiness, tourism, manufacturing and construction industries and transportation/warehousing to spur economic development throughout the Cumberland Valley;
- 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 notably the lowest among comparably-sized counties in Pennsylvania. Among the twelve third-class counties in Pennsylvania, Cumberland County offers the lowest property taxes per capita.

Long-Term Financial Planning

Covid-19 Impacts

Due to various impacts caused by COVID-19, Cumberland County is in a stable, yet changeable, short term financial situation as the County enters 2021. Stable in the sense that current revenues and expenses are in rough equilibrium and changeable due to the higher than usual number of variables that exist due to impacts of COVID-19 on revenues, the increased direct and indirect costs associated with the pandemic, and the unpredictable Coronavirus Aid, Relief, and Economic Security (CARES) Act monies that may be received by the County.

Structural Considerations and Response

Beyond the pandemic, the County continues to face the structural imbalance between natural growth in the real estate market and other revenues versus the increasing expenditures related to continued pressures to provide additional services in a fast-growing county, the tight labor market, and other increasing costs. In response, the County has extra measures in place, both operationally and financially, to review and analyze early indicators to timely adjust to the changing circumstances.

The County has been able to successfully navigate its structural challenges without an increase in the County's real estate tax rate in the past seven years – an achievement attributable to:

- Slowing the growth in short- and long-term costs, particularly in the area of salaries and benefits
- Prudent borrowing and savvy debt management
- Incentivizing staff to improve cost efficiency
- The benefits of population growth in a strong and stable local economy

Claremont Nursing and Rehabilitation Center – Potential Ownership Transition

In October 2020, the County contracted with a consultant to help evaluate the potential sale and transition of Claremont Nursing and Rehabilitation Center to third-party ownership. The Commissioners' primary objective is the long-term viability of the facility for its residents. The dynamic regulatory environment of the long-term care industry makes it difficult for local governments to continue to own and successfully operate long-term care facilities. Cumberland County is one of the few remaining county-owned long-term care facilities in Pennsylvania. The evaluative process continues. A final decision regarding a transition to new ownership has not yet been made.

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 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 establishing 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 enterprise resource planning 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 metrics 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. Cumberland County compares favorably against such regional and state-wide benchmarks.

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, 2019. This was the thirty second consecutive year that Cumberland County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Award for Outstanding Achievement in Popular Annual Financial Reporting

The 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, 2019. 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 seventeen 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, 2020. This is the thirteenth 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,

A handwritten signature in black ink, appearing to read "Alfred L. Whitcomb", written in a cursive style.

Alfred L. Whitcomb
Controller



Government Finance Officers Association

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

Presented to

**County of Cumberland
Pennsylvania**

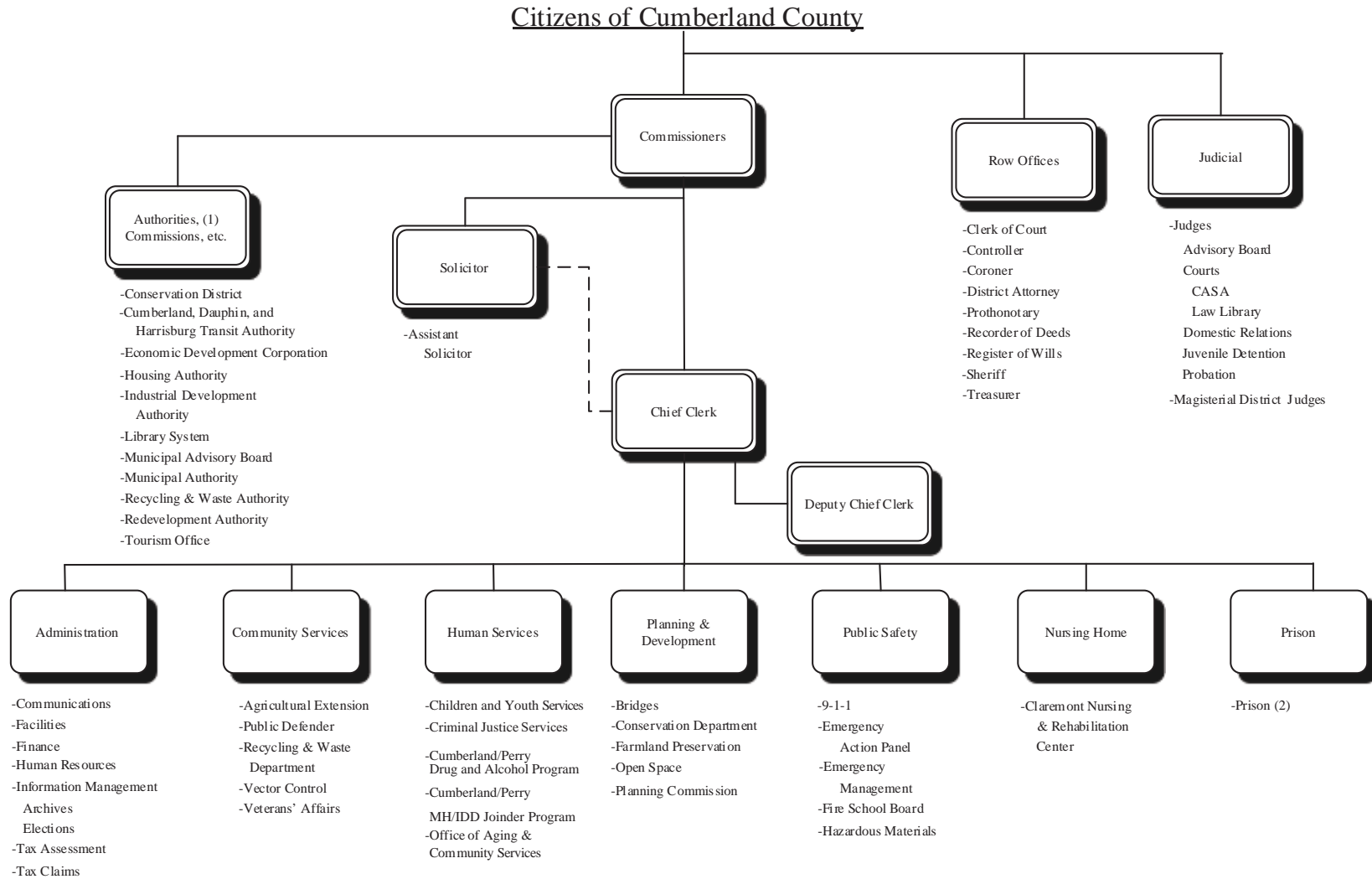
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

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, 2020

COMMISSIONERS

Gary Eichelberger, Chairman
Jean Foschi
Vincent D. DiFilippo

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
Honorable Carrie E. Hyams
Honorable Matt Smith

TREASURER

Kelly Neiderer

SHERIFF

Ronny R. Anderson

CONTROLLER

Alfred L. Whitcomb

REGISTER OF WILLS

Lisa M. Grayson

CORONER

Charles E. Hall

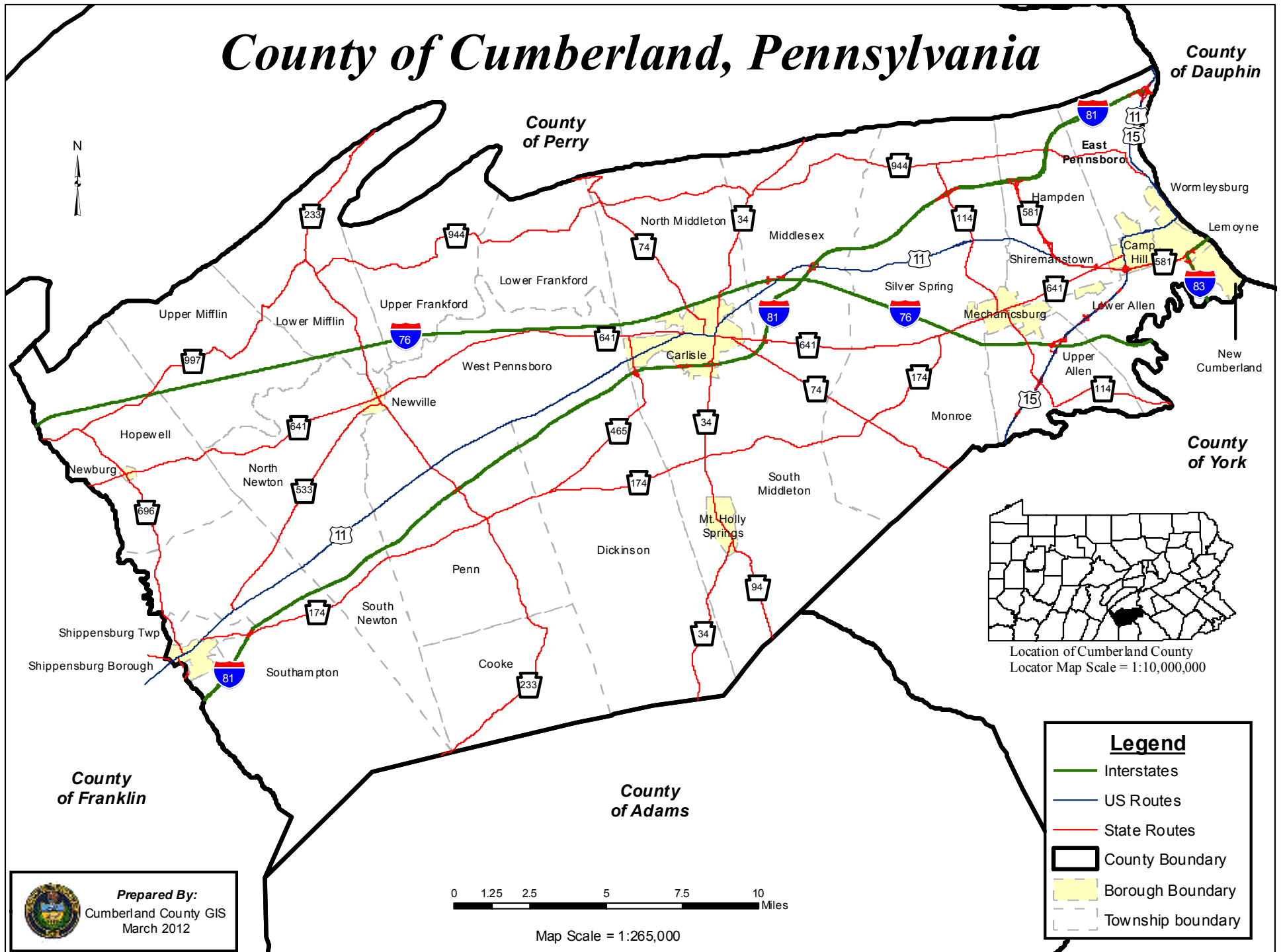
RECORDER OF DEEDS

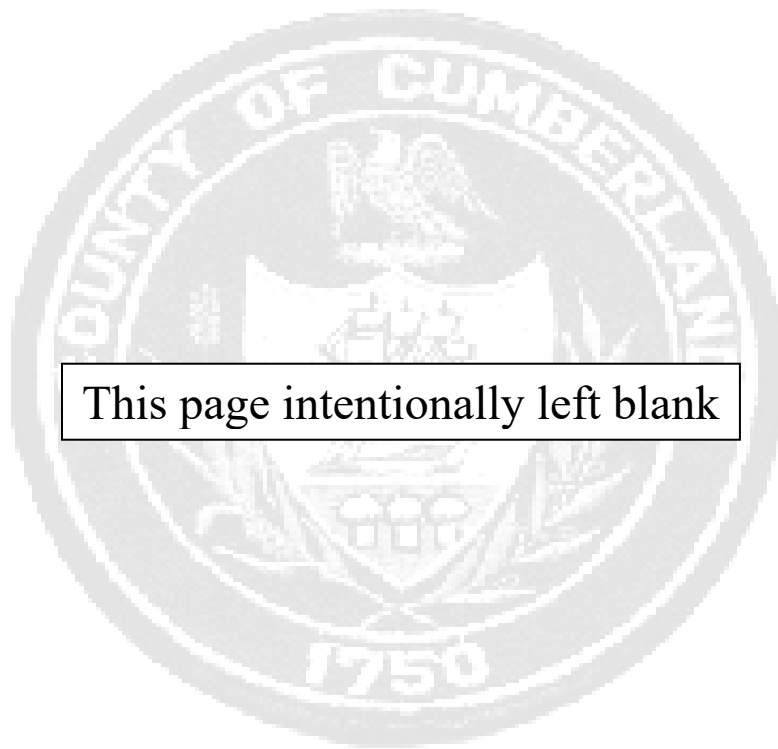
Tammy Shearer

DISTRICT ATTORNEY

M.L. "Skip" Ebert

County of Cumberland, Pennsylvania





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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, 2020, 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, 2020, 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. 87, *Leases* as of January 1, 2020. 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 15-28 and 101-113 (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.



Camp Hill, Pennsylvania
June 23, 2021

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, 2020. 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 and deferred outflows of resources of Cumberland County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$148,940,356 (*net position*). Of this amount, \$53,310,677 (*unrestricted net position*) may be used to meet the County's general ongoing obligations to citizens and creditors, whereas an additional \$19,690,572 of *restricted net position* is available for funding specific activities benefiting the citizens.
- The government's total net position increased by \$27,306,932 in 2020, which represents approximately sixteen percent of total expense, due to the reasons outlined in the following bullet.
- As of December 31, 2020, Cumberland County's governmental funds reported combined ending fund balances of \$70,617,579, an increase of \$6,386,564, due primarily to the future budgetary requirement. Minimal use of local funds for bridge construction and maintenance resulted in an increase in fund balance for this restricted purpose, since the COVID-19 pandemic delayed planned projects.
- Of Cumberland County's governmental fund balance, approximately 72 percent of the amount (\$51,009,967) is *available for spending* at the government's discretion (*unrestricted fund balance*).
- The County's general fund total fund balance was \$53,386,058 at the end of 2020, up 6 percent or \$3,069,725 which compares favorably to the budgeted 2020 drawdown of \$6.2 million.
- At the end of 2020, general fund unassigned fund balance was \$26,223,935 and assigned fund balance was \$22,461,027 for public safety, future budgetary requirements, capital projects, farmland preservation, prison canteen, risk liability, planning, stimulus, criminal justice programs, and technological improvements.
- Cumberland County's total general obligation debt decreased by \$3,590,000. The County's debt decreased due to the payment of the scheduled principal payments. In 2020, the County issued a general obligation note for \$5,000,000 to fund the construction of Sample Bridge.
- The County's bond rating was confirmed AAA in July 2018.
- The County preserved 573 acres of premium farmland in 2020 with 1,209 acres pending settlement at the end of 2020. In October 2019, the commissioner's enacted a resolution with the goal of preserving at least 30,000 acres of working farmland by 2030.
- Retirement costs have also increased in 2020. The County fully funds the Actuarially Determined Contribution each year.
- The County has several major automation/technology projects. New election equipment that has been certified by the U.S. Election Assistance Commission and the Pennsylvania Secretary of State was implemented for the 2020 elections. Public Safety is in the planning stages for the Project 25 emergency radio and infrastructure project. New budgeting software was purchased in 2020 to be implemented for the 2022 budget year.
- In October 2020, the County contracted with the Susquehanna Group Advisors to help evaluate the potential sale and transition of Claremont Nursing and Rehabilitation Center into a privately-owned facility. The primary objective is the long-term viability of Claremont and the County is committed to maintaining a high level of care for our residents and providing a positive work environment for our employees today and into the future.
- In March 2020, the CARES Act was signed into law establishing the Coronavirus Relief Fund which offsets necessary expenditures incurred due to the COVID-19 public health emergency. Cumberland County was awarded \$22.9 million of funding which was allocated to small businesses, non-profit organizations, behavioral health, municipalities, and County government projects.

Overview of the Financial Statements

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

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

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

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

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

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

The government-wide financial statements can be found on pages 30 through 33 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 37 and 39 of this report.

The County maintains twenty-one 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 and children and youth 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 35, 36 and 38 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 41 through 44 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 46 and 47 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 49 through 99 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 which can be found on pages 101 through 113 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 \$148,940,356 at the close of the most recent calendar year.

Cumberland County's Net Position

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Assets:						
Other assets	\$ 100,898,363	84,427,168	9,604,992	4,417,350	110,503,355	88,844,518
Capital assets	98,044,554	83,649,920	7,777,110	8,243,368	105,821,664	91,893,288
Total assets	198,942,917	168,077,088	17,382,102	12,660,718	216,325,019	180,737,806
Deferred outflows of resources	7,360,252	8,650,971	1,811,937	2,326,239	9,172,189	10,977,210
Liabilities:						
Long-term liabilities	35,420,229	34,236,679	2,359,865	3,250,569	37,780,094	37,487,248
Other liabilities	20,851,979	18,587,631	1,705,057	3,046,113	22,557,036	21,633,744
Total liabilities	56,272,208	52,824,310	4,064,922	6,296,682	60,337,130	59,120,992
Deferred inflows of resources	13,092,534	8,737,487	3,127,188	2,125,211	16,219,722	10,862,698
Net position:						
Net investment in capital assets	69,736,180	56,035,497	6,202,927	5,321,075	75,939,107	61,356,572
Restricted	19,690,572	17,604,860	-	-	19,690,572	17,604,860
Unrestricted	47,511,675	41,525,905	5,799,002	1,243,989	53,310,677	42,769,894
Total net position	\$ 136,938,427	115,166,262	12,001,929	6,565,064	148,940,356	121,731,326

Fifty-one 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.

Thirteen percent of the county's net position is legally restricted (\$19,690,572). The remaining balance of *unrestricted net position* (\$53,310,677) may be used to meet the government's ongoing obligations to citizens and creditors.

Deferred inflows of resources increased \$5,357,024 predominantly due to pension earnings (\$5,941,858) exceeding expectations in 2020 leading to the deferral of those gains.

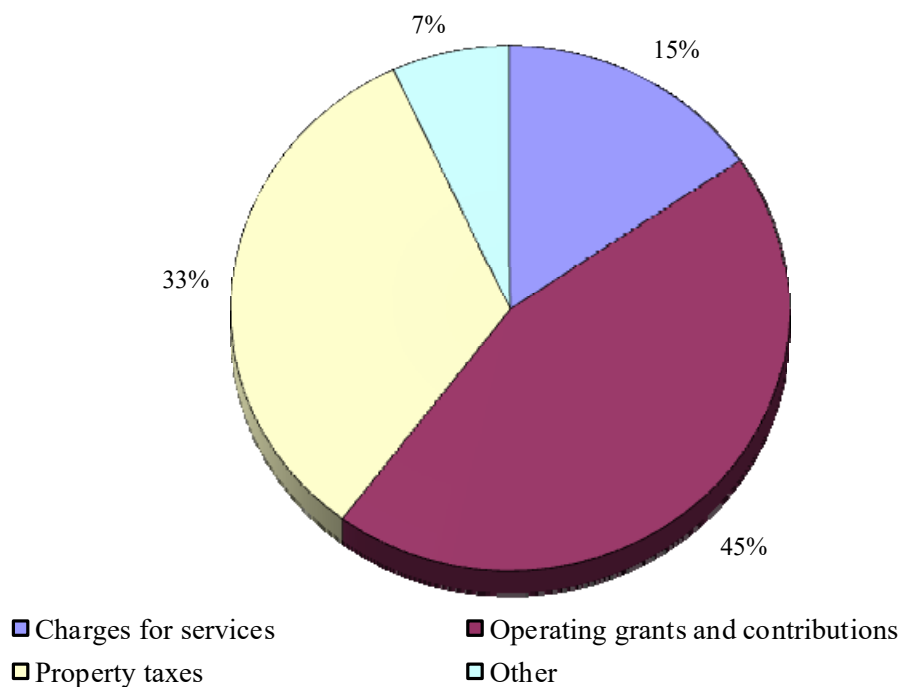
At the end of the current fiscal year, Cumberland County is able to report positive fund balances in all applicable categories of net position, both for the government as a whole and for its separate governmental activities.

Cumberland County's Change in Net Position

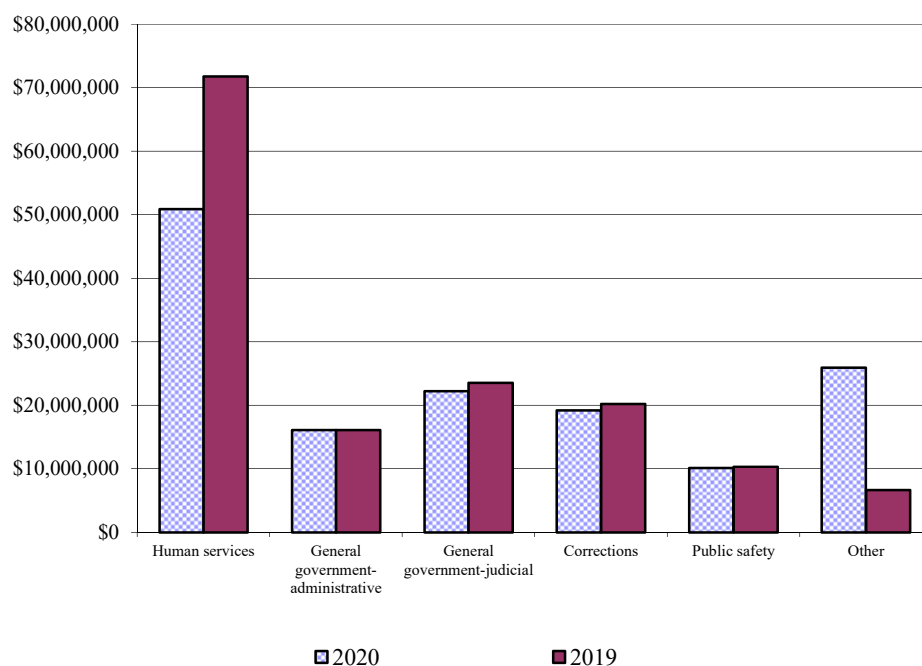
	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 25,853,892	25,290,754	29,352,205	27,665,684	55,206,097	52,956,438
Operating grants and contributions	74,566,742	72,267,504	2,816,588	6,461	77,383,330	72,273,965
Capital grants and contributions	9,581,155	2,623,444	-	-	9,581,155	2,623,444
General revenues:						
Property taxes	54,950,607	53,750,856	-	-	54,950,607	53,750,856
Other taxes	1,185,249	2,106,019	-	-	1,185,249	2,106,019
Unrestricted investment earnings	652,135	1,392,032	18,726	22,269	670,861	1,414,301
Total revenues	166,789,780	157,430,609	32,187,519	27,694,414	198,977,299	185,125,023
Expenses:						
General government-administrative	16,075,398	16,101,447	-	-	16,075,398	16,101,447
General government-judicial	22,217,708	23,525,229	-	-	22,217,708	23,525,229
Corrections	19,210,033	20,197,576	-	-	19,210,033	20,197,576
Emergency telephone	5,216,318	5,488,194	-	-	5,216,318	5,488,194
Public safety	4,894,269	4,825,274	-	-	4,894,269	4,825,274
Roads and bridge maintenance	501,690	626,877	-	-	501,690	626,877
Recycling and waste management	485,829	419,699	-	-	485,829	419,699
Human services	50,852,406	71,770,341	-	-	50,852,406	71,770,341
Culture and recreation	107,848	120,091	-	-	107,848	120,091
Conservation	829,763	648,319	-	-	829,763	648,319
Community redevelopment and housing	168,812	183,923	-	-	168,812	183,923
Economic development and assistance	23,492,855	4,241,101	-	-	23,492,855	4,241,101
Interest on long-term debt	936,503	1,080,800	-	-	936,503	1,080,800
Indirect expenses	(585,220)	(665,900)	585,220	665,900	-	-
Claremont Nursing and Rehabilitation Center	-	-	26,680,935	27,843,507	26,680,935	27,843,507
Total expenses	144,404,212	148,562,971	27,266,155	28,509,407	171,670,367	177,072,378
Transfer	(515,501)	-	515,501	-	-	-
Increase (decrease) in net position	21,870,067	8,867,638	5,436,865	(814,993)	27,306,932	8,052,645
Net position, beginning, as restated	115,068,360	106,298,624	6,565,064	7,380,057	121,633,424	113,678,681
Net position, ending	\$ 136,938,427	115,166,262	12,001,929	6,565,064	148,940,356	121,731,326

Governmental activities. The following charts graphically depict the sources of revenue and functional expenses of governmental activities for the fiscal year ended December 31, 2020:

Revenues by Source - Governmental Activities



Expense Comparison by Activity - Governmental Activities

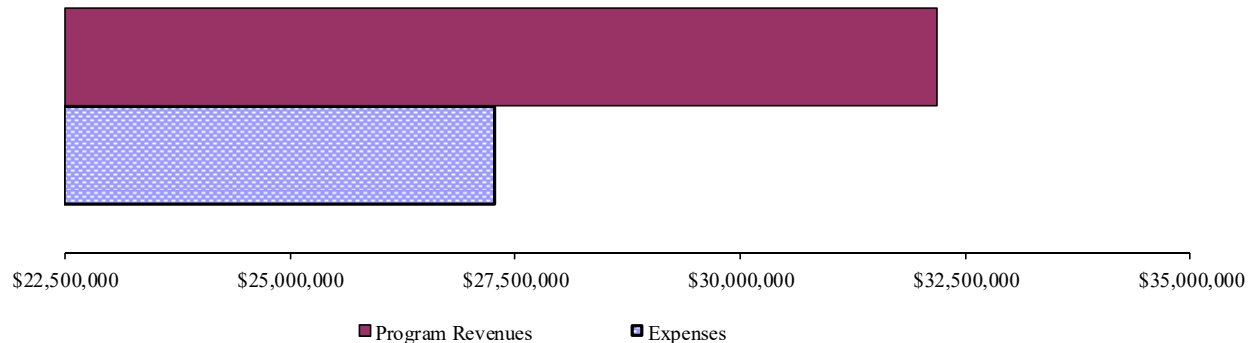


Governmental activities increased Cumberland County's net position by \$21,870,067. The primary changes in revenues and expenses are:

- Revenues decreased \$9,359,171. The majority of the change was in two areas.
 - Operating grants and contributions increased \$2,299,238 mainly due to CARES Act increasing \$22.9 million and HealthChoices decreasing \$21.4 million. The CARES Act provided funding which offset necessary expenditures incurred due to the COVID-19 public health crisis. In addition to funding eligible County projects and expenditures, the County provided grants to businesses, non-profit organizations, and municipalities. 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. HealthChoices financial activity will no longer be reported by Cumberland County.
 - Capital grants and contributions increased \$6,957,711 due to the construction of Orrs, Wolf, and Kunkle Bridges. State grant funding was received to help offset the cost of the new voting machines.
- Expenses decreased by \$4,158,759. The majority of the change was in three areas.
 - Economic development and assistance increased \$19,251,754 due to the CARES Act funding (see above).
 - Human services decreased \$20,917,935. The majority of this is related to HealthChoices (see above).
 - Pension expense decreased \$5,076,779.

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, 2020:

Expenses and Program Revenues - County Home



Business-type activities increased Cumberland County's net position by \$5,436,865. The primary changes in revenues and expenses to the business are:

- Claremont Nursing and Rehabilitation revenues increased due to the timing change of revenue from the Intergovernmental Transfer when the County began Managed Medicaid on January 1. The timing change increased the revenue by \$3,823,028.
- Revenues also increased \$3,092,610 for CARES Act/stimulus funding to offset the revenue loss and costs of the COVID-19 pandemic
 - \$2,812,167 CARES Act monies provided to nursing home facilities
 - County CARES Act monies \$280,443

- The average daily census decreased by 27 days to 230 contributing to a revenue decrease of \$2,501,840.
- Claremont Nursing and Rehabilitation Center expenses decreased 4 percent or \$1,243,252 due mainly to a pension expense decrease of \$1,335,816.

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 2020, Cumberland County's governmental funds reported combined ending fund balances of \$70,617,579; and an increase of \$6,393,439 in comparison to the prior year. Approximately 72 percent of the total amount (\$51,009,967) constitutes *unrestricted fund balance*, which is available for spending at the County's discretion. The remainder of the fund balance is *nonspendable* (\$2,366,780) or *restricted* (\$17,240,832) 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 \$26,223,935 while total fund balance was \$53,386,058. 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 (\$48,684,962) and total fund balance represents 57 percent and 62 percent, respectively, of total general fund expenditures.

The fund balance of Cumberland County's general fund increased by \$3,069,725 during the current year. In 2020, the County was faced with the pandemic like the rest of the world. The commissioners, courts, elected officials, and county departments immediately sprang into action by completely transforming operations to remote working, as much as possible, and creating safe on-site work environments based on the CDC and PA Department of Health guidelines for the areas that could not work remote. The County received CARES Act stimulus funding that offset the additional costs associated with the pandemic. Because of the uncertainty at the beginning of the pandemic, the Commissioners implemented cost savings measures in areas that did not impede the safety of our staff and residents and continued encouraging re-engineering workflows, business processes, and updating our technology to allow for remote work, remote meetings, and other improvements that allowed us to continue providing services during the pandemic. We did not see a material decline in our normal revenue during 2020. Our real estate tax base increased by about 1.4 percent and, our collection of receivables improved.

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 \$1,834,112 or 2.13 percent over the amended budget. Transfers in was over budget due to the County Relief Block Grant and receiving CARES Act money due to the COVID-19 pandemic. Grant revenue was over budget due to the Redevelopment Authority grants that pass through the County. Interest revenue was under budget due to a decrease in the certificate of deposit and savings account rates. County charges were overall under budget due to decreases in prison room and board, Magisterial District Justice fines, and court costs and fines. Recorder of Deeds and Register of Wills revenues increased.

Actual general fund expenditures (including other financing uses) were under budget by \$12,198,211. The major items under budget were:

Transfers out	\$ 3,548,069
County prison	\$ 1,772,927
Information management and technology office	\$ 863,338
Conservation and development	\$ 798,333
County buildings	\$ 676,436
Elections	\$ 661,774
Courts	\$ 577,390
Hazmat	\$ 435,857

Transfers out was under budget because the transfer out to capital funds did not occur due to delays in the 911 radio project and to children and youth. Children and youth budgets are developed on a two year cycle and our 2020 budget was developed in 2018 based on current expenditures at that time. In 2020, our spending decreased in some areas and remained level in others due to the COVID-19 pandemic. The County prison was under budget due to the decrease in the number of inmates which reduced dietary costs, while transportation costs decreased due to the pandemic and no work release inmates going out. Capital projects were also delayed due to the pandemic and limited access to the building. The Information management and technology office was under budget since the normal network equipment and lifecycle replacements were placed on hold due to COVID-19. Because of COVID-19 and stay at home orders, the County redirected IMTO staff time to the purchase of laptops, equipment, software, and other technology purchased through CARES Act funding so that the County could adapt to the changing technology demands of remote work. Conservation and development was under budget due to delayed farmland preservation and open space projects because of the pandemic. County Buildings was under budget due to the pandemic and delayed capital projects because the buildings were closed to the public. Elections was under budget due to lower expenses for the voting machine project. Courts was under budget due to the pandemic and delayed trials. Hazmat was under budget due to

the Hazmat vehicle that was ordered in 2020 but not received until 2021. 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, 2020, amounted to \$105,821,664 (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	
		2020	2019	2020	2019	2020	2019
Land	\$	2,900,407	3,403,057	-	-	2,900,407	3,403,057
Buildings and systems		38,238,196	40,546,367	6,765,615	7,486,099	45,003,811	48,032,466
Leased buildings		900,380	-	-	-	900,380	-
Improvements other than buildings		1,577,994	1,717,473	75,798	89,452	1,653,792	1,806,925
Machinery and equipment		9,727,495	6,253,428	935,697	667,817	10,663,192	6,921,245
Bridges		20,482,509	10,877,814	-	-	20,482,509	10,877,814
Construction in progress		12,388,384	9,594,876	-	-	12,388,384	9,594,876
Agricultural easements		11,829,189	11,256,905	-	-	11,829,189	11,256,905
Total	\$	98,044,554	83,649,920	7,777,110	8,243,368	105,821,664	91,893,288

Total governmental activities net capital assets increased in 2020 by \$14,394,634.

Governmental activities' bridges increased \$9,604,695 in 2020 as a result of the capitalization of bridge replacement projects.

Governmental construction in progress increased \$17,470,310 while being offset by \$14,676,802 in capitalizations. Construction in process increased primarily, as a result, of the ongoing bridge replacement projects, the emergency telephone software upgrade project, a new justice service lab and equipment, and technological updates, leading to a net increase of \$2,793,508.

Governmental machinery and equipment increased \$3,474,067 primarily from the capitalization of the new election equipment. Also, GASB 87 led to the recognition of leased buildings resulting in the restatement of the beginning balances of capital assets and accumulated depreciation by \$3,095,849 and \$1,818,435, respectively.

Additionally, County buildings decreased by \$2,308,171 as a result of depreciation.

Total business-type activities net capital assets decreased by \$466,258 in 2020. The nursing home incurred depreciation of \$871,777, offset by capital asset purchases of \$405,519. The capital purchases included sanitation upgrades of \$255,235.

Additional information on Cumberland County's capital assets can be found in Note 7 on pages 79 through 81.

Debt Administration

At the end of the current fiscal year, Cumberland County had net outstanding bonded debt of \$24,907,438. The County's net general obligation notes total \$5,715,000. 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, 2020 and 2019 were:

		Governmental activities		Business-type activities		Total	
		2020	2019	2020	2019	2020	2019
General Obligation Bonds	\$	23,331,883	25,925,383	1,575,555	2,929,589	24,907,438	28,854,972
General Obligation Notes		5,715,000	715,000	-	-	5,715,000	715,000
Total	\$	29,046,883	26,640,383	1,575,555	2,929,589	30,622,438	29,569,972

Cumberland County's bonded debt decreased by \$1,052,466.

Principal payments paid in 2020 were \$3,590,000.

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 \$508,555,811 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 83 through 86 of this report.

Economic Factors and Next Year's Budget

Economic Conditions in 2020

Economic indicators declined in 2020 attributable to the COVID-19 pandemic; however the County's diverse economy has fared better than national and state averages, in part, because of its significant base of Federal and state employers and prime location in the region's transportation corridors.

Cumberland County's December unemployment rate was 4.5% while the statewide and national rates were 7.1% and 6.7%, respectively. Neighboring counties, with the exception of Dauphin, also have unemployment rates significantly below the statewide and national averages. County residents benefit from an array of employment opportunities based in the private sector as well as local, state, and Federal governments. [Source: For Cumberland County and Pennsylvania unemployment rates; Department of Labor, PAWORKSTATS, not seasonally adjusted.]

Cumberland County remains the fastest growing County in the Commonwealth growing, 7.4%, versus 0.7% 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 2.73% of assessed values as of December 31, 2020.

Next Year's Budget

Due to various impacts caused by COVID-19, Cumberland County is in a stable, yet changeable, short-term financial situation as we enter the 2021 budget cycle. Stable in the sense that current revenues and expenses are in rough equilibrium and changeable due to the higher than usual number of variables that exist due to impacts of COVID-19 on revenues, the increased direct and indirect costs associated with the pandemic, and the inestimable amount of Coronavirus Aid, Relief, and Economic Security (CARES) Act monies that may be received by the County.

Beyond the pandemic, the County continues to face the structural imbalance between natural growth in the real estate market and other revenues versus the increasing expenditures related to continued pressures to provide additional services in a fast-growing County, the tight labor market, the opioid epidemic and other increasing costs. We expect these pressures to be increased due to the pandemic, but we are not yet able to predict the full impact on 2021 and beyond. The County has put extra measures in place, both operationally and financially, to review and analyze early indicators to adjust quickly to the changing circumstances. The forecast contains multiple obstacles and question marks. With all things considered, the County can take satisfaction with its financial situation in 2021. The success the County has had over the past seven years in balancing the budget without a real estate tax increase can be attributed to: slowing the growth in short- and long-term costs, particularly in the area of salaries and benefits; prudent borrowing and savvy debt management; incentivizing staff to improve cost efficiency; and the benefits of population growth and economic recovery.

Although a deficit was budgeted for 2020, the County made aggressive changes that increased the general fund's fund balance by \$3,069,725. This was done through a combination of revenue enhancements and cost-cutting measures.

In 2021, the General Fund budget shows a potential transfer of \$11,877,030 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 \$29.4 million and a projected transfer from reserves of \$4,507,323. 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 2021 budget include:

- Child protective cases
- Criminal Justice has successfully implemented an Adult Mental Health Court as well as an Opioid Intervention Court
- Nursing home potential sale in 2021
- 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.

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, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Primary Government			Discretely Presented Component Units	
	Governmental Activities	Business-type Activities	Total	Conservation District	Industrial Development Authority
ASSETS					
Cash and cash equivalents	\$ 74,324,382	3,988,855	78,313,237	729,579	387,970
Investments	3,866,760	—	3,866,760	500,000	—
Receivables (net of allowance):					
Taxes	2,148,032	—	2,148,032	—	—
Due from other governments	9,479,822	3,456	9,483,278	249,711	—
Accounts receivable	1,003,738	3,186,523	4,190,261	—	—
Court costs and fines receivable	1,985,441	—	1,985,441	—	—
Notes receivable	—	—	—	—	797,981
Internal balances	(444,335)	444,335	—	—	—
Due from component unit	80,887	—	80,887	—	—
Prepaid items	1,403,247	56,278	1,459,525	677	1,074
Other assets	54,138	—	54,138	—	—
Restricted assets:					
Cash and cash equivalents	281,217	255,893	537,110	—	16,748
Capital assets, not being depreciated:					
Land	2,900,407	—	2,900,407	—	—
Construction in progress	12,388,384	—	12,388,384	—	—
Agricultural easements	11,829,189	—	11,829,189	—	—
Capital assets, net of accumulated depreciation:					
Buildings and systems	38,238,196	6,765,615	45,003,811	3,091	—
Leased buildings	900,380	—	900,380	—	—
Improvements other than buildings	1,577,994	75,798	1,653,792	—	—
Machinery and equipment	9,727,495	935,697	10,663,192	13,877	—
Bridges	20,482,509	—	20,482,509	—	—
Net pension asset	6,715,034	1,669,652	8,384,686	86,405	—
Total assets	198,942,917	17,382,102	216,325,019	1,583,340	1,203,773
DEFERRED OUTFLOWS OF RESOURCES					
Deferred difference-expected and actual pension experience	2,667,872	663,350	3,331,222	34,329	—
Deferred difference-change of pension assumptions	3,710,777	922,662	4,633,439	47,748	—
Deferred difference-expected and actual OPEB experience	737,450	171,246	908,696	8,530	—
Deferred difference-OPEB assumptions	229,558	53,307	282,865	2,655	—
Deferred charges on refunding	14,595	1,372	15,967	—	—
Total deferred outflows of resources	7,360,252	1,811,937	9,172,189	93,262	—

(continued)

STATEMENT OF NET POSITION

December 31, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(continued)

	Primary Government			Discretely Presented Component Units	
	Governmental Activities	Business-type Activities	Total	Conservation District	Industrial Development Authority
LIABILITIES					
Accounts payable and other current liabilities	9,973,550	805,649	10,779,199	1,237	525,879
Accrued payroll	2,066,445	485,824	2,552,269	24,957	—
Due to primary government	—	—	—	80,887	—
Due to other governments	1,194,927	—	1,194,927	—	—
Accrued interest payable	153,815	6,851	160,666	—	—
Unearned revenues	2,450,460	1,015	2,451,475	270,919	—
Resident funds payable	—	255,893	255,893	—	—
Noncurrent liabilities:					
Due in less than one year:					
General obligation bonds payable	2,464,264	745,736	3,210,000	—	—
Notes payable:					
Direct borrowing	443,389	—	443,389	—	—
CAEDC	15,142	—	15,142	—	—
Sick and vacation accrual	440,271	58,897	499,168	7,115	—
Self insurance claims payable	881,000	—	881,000	—	—
Workers' compensation	158,573	—	158,573	—	—
Capital lease	240,532	—	240,532	—	—
Leases	369,611	—	369,611	—	—
Due in more than one year:					
General obligation bonds payable	20,867,619	829,819	21,697,438	—	—
Notes payable:					
Direct borrowing	4,556,611	—	4,556,611	—	—
General obligation notes payable	715,000	—	715,000	—	—
CAEDC	1,359,484	—	1,359,484	—	—
Sick and vacation accrual	4,238,837	399,073	4,637,910	68,424	—
Total OPEB liability	2,050,542	476,165	2,526,707	23,720	—
Workers' compensation claims payable	756,343	—	756,343	—	—
Leases	875,793	—	875,793	—	—
Total liabilities	56,272,208	4,064,922	60,337,130	477,259	525,879
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue	250,000	—	250,000	—	—
Deferred amount on refunding	265,558	—	265,558	—	—
Deferred difference-expected and actual pension experience	486,877	121,059	607,936	6,265	—
Deferred difference-projected and actual pension earnings	12,090,099	3,006,129	15,096,228	155,568	—
Total deferred inflows of resources	13,092,534	3,127,188	16,219,722	161,833	—

(continued)

STATEMENT OF NET POSITION*December 31, 2020***COUNTY OF CUMBERLAND, PENNSYLVANIA**

(continued)

	Primary Government			Discretely Presented Component Units	
	Governmental Activities	Business-type Activities	Total	Conservation District	Industrial Development Authority
NET POSITION					
Net investment in capital assets	\$ 69,736,180	6,202,927	75,939,107	16,968	—
Restricted for:					
Conservation	2,402,311	—	2,402,311	1,004,808	—
Human services	2,142,795	—	2,142,795	—	—
Judicial services	288,028	—	288,028	—	—
Public safety	3,340,872	—	3,340,872	—	—
Emergency telephone	2,605,468	—	2,605,468	—	—
Records improvement	578,576	—	578,576	—	—
Economic development	2,391,966	—	2,391,966	—	563,844
Roads and bridges	5,940,556	—	5,940,556	—	—
Unrestricted	47,511,675	5,799,002	53,310,677	15,734	114,050
Total net position	\$ <u>136,938,427</u>	<u>12,001,929</u>	<u>148,940,356</u>	<u>1,037,510</u>	<u>677,894</u>

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

STATEMENT OF ACTIVITIES

For the year ended December 31, 2020

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
Primary government:										
Governmental activities:										
General government - administrative	\$ 16,075,398	(2,234,538)	4,814,928	658,349	2,661,988	(5,705,595)	—	(5,705,595)	—	—
General government - judicial	22,217,708	107,008	4,366,473	3,153,891	—	(14,804,352)	—	(14,804,352)	—	—
Corrections	19,210,033	—	2,133,024	620,375	—	(16,456,634)	—	(16,456,634)	—	—
Emergency telephone	5,216,318	548,879	6,284,881	207,759	—	727,443	—	727,443	—	—
Public safety	4,894,269	—	1,737,098	1,312,045	165,250	(1,679,876)	—	(1,679,876)	—	—
Roads and bridge maintenance	501,690	37,090	1,313,500	523,576	6,753,917	8,052,213	—	8,052,213	—	—
Recycling and waste management	485,829	5,716	311,341	110,518	—	(69,686)	—	(69,686)	—	—
Human services:										
Mental health/intellectual and developmental disabilities	19,560,312	231,692	2,377,117	17,014,719	—	(400,168)	—	(400,168)	—	—
Children and youth	21,695,225	376,041	448,299	18,711,407	—	(2,911,560)	—	(2,911,560)	—	—
Food and shelter	795,672	34,519	2,570	824,283	—	(3,338)	—	(3,338)	—	—
Office of aging	3,670,046	192,098	335,743	3,374,529	—	(151,872)	—	(151,872)	—	—
Other	5,131,151	116,275	747,875	3,311,690	—	(1,187,861)	—	(1,187,861)	—	—
Culture and recreation	107,848	—	—	4,279	—	(103,569)	—	(103,569)	—	—
Conservation	829,763	—	42,448	344,869	—	(442,446)	—	(442,446)	—	—
Community redevelopment and housing	168,812	—	233,416	—	—	64,604	—	64,604	—	—
Economic development and assistance	23,492,855	—	705,179	24,394,453	—	1,606,777	—	1,606,777	—	—
Interest on long-term debt	936,503	—	—	—	—	(936,503)	—	(936,503)	—	—
Total governmental activities	144,989,432	(585,220)	25,853,892	74,566,742	9,581,155	(34,402,423)	—	(34,402,423)	—	—
Business-type activities:										
County nursing home	26,680,935	585,220	29,352,205	2,816,588	—	—	4,902,638	4,902,638	—	—
Total business-type activities	26,680,935	585,220	29,352,205	2,816,588	—	—	4,902,638	4,902,638	—	—
Total primary government	\$ 171,670,367	—	55,206,097	77,383,330	9,581,155	(34,402,423)	4,902,638	(29,499,785)	—	—
Discretely presented component units:										
Conservation District	\$ 1,075,654	—	281,397	781,727	—	—	—	—	(12,530)	—
Industrial Development Authority	1,197,276	—	82,627	1,167,252	—	—	—	—	—	52,603
Total discretely presented component units	\$ 2,272,930	—	364,024	1,948,979	—	—	—	—	(12,530)	52,603
General revenues:										
Real estate taxes						54,950,607	—	54,950,607	—	—
Per capita taxes						682	—	682	—	—
Hotel taxes						1,184,567	—	1,184,567	—	—
Unrestricted investment earnings						652,135	18,726	670,861	15,314	87
Transfers						(515,501)	515,501	—	—	—
Total general revenues						56,272,490	534,227	56,806,717	15,314	87
Change in net position						21,870,067	5,436,865	27,306,932	2,784	52,690
Net position, beginning of year, as restated						115,068,360	6,565,064	121,633,424	1,034,726	625,204
Net position, end of year						\$ 136,938,427	12,001,929	148,940,356	1,037,510	677,894

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

MAJOR GOVERNMENTAL FUNDS

DESCRIPTION OF FUNDS

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. Children and youth also preserves, support and strengthens families as well as identifies alternative care, a safe environment and a permanent home for those children unable to remain in their home.

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, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

	General Fund	Mental Health/ Intellectual and Developmental Disabilities	Children and Youth	Nonmajor Funds	Total
ASSETS					
Cash and cash equivalents	\$ 53,588,576	3,577,196	300	13,046,587	70,212,659
Investments	750,000	—	—	2,623,124	3,373,124
Restricted cash	—	—	—	281,217	281,217
Receivables (net of allowance):					
Taxes	2,148,033	—	—	83,624	2,231,657
Due from other governments	1,139,088	503,439	2,439,752	4,338,712	8,420,991
Accounts receivable	472,805	33,920	—	1,410,663	1,917,388
Court costs and fines receivable	1,985,441	—	—	—	1,985,441
Due from other funds	2,998,161	—	—	2,108,325	5,106,486
Due from component unit	97,510	—	—	—	97,510
Prepaid items	1,077,859	9,805	—	221,606	1,309,270
Other assets	54,282	—	—	—	54,282
Total assets	\$ 64,311,755	4,124,360	2,440,052	24,113,858	94,990,025
LIABILITIES					
Accounts payable	\$ 3,848,552	1,645,884	1,368,498	3,102,856	9,965,790
Accrued liabilities and withholdings	1,408,252	124,497	172,045	358,283	2,063,077
Due to other funds	1,838,822	1,134,812	795,188	1,275,153	5,043,975
Due to other governments	4,423	—	—	1,190,504	1,194,927
Unearned revenue	244,577	1,119,109	104,321	1,043,945	2,511,952
Funds held as fiduciary	148,180	—	—	11,654	159,834
Total liabilities	7,492,806	4,024,302	2,440,052	6,982,395	20,939,555
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	3,432,891	—	—	—	3,432,891
Total deferred inflows of resources	3,432,891	—	—	—	3,432,891

(continued)

BALANCE SHEET
Governmental Funds

December 31, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(continued)

	General Fund	Mental Health/ Intellectual and Developmental Disabilities	Children and Youth	Nonmajor Funds	Total
FUND BALANCES					
Nonspendable:					
Prepaid items	\$ 1,077,859	9,805	—	1,279,116	2,366,780
Restricted:					
Farmland preservation	1,040,557	—	—	—	1,040,557
Offender supervision	1,288,648	—	—	—	1,288,648
Juvenile probation restitution funds	18,278	—	—	—	18,278
Criminal investigation	167,959	—	—	—	167,959
Register of Wills-Act 34	78,300	—	—	—	78,300
Coroner - Act 122	100,920	—	—	—	100,920
Roads and bridge maintenance	—	—	—	6,498,952	6,498,952
Human services	—	90,253	—	1,621,813	1,712,066
Hazardous materials emergency planning	29,363	—	—	—	29,363
Public safety	—	—	—	2,570,601	2,570,601
Row office automation	320,660	—	—	239,261	559,921
Marcellus shale	578,552	—	—	1,353,725	1,932,277
Conservation	—	—	—	883,684	883,684
Economic development and assistance	—	—	—	359,306	359,306
Unrestricted:					
Assigned:					
Human services	—	—	—	45,513	45,513
Public safety	1,386,350	—	—	—	1,386,350
Future budgetary requirements	11,877,030	—	—	—	11,877,030
Capital projects	6,625,000	—	—	104,583	6,729,583
Economic development and assistance	—	—	—	2,174,909	2,174,909
Risk liability	250,000	—	—	—	250,000
Farmland preservation	715,000	—	—	—	715,000
Prison canteen	663,201	—	—	—	663,201
Stimulus	620,478	—	—	—	620,478
Planning assistance	73,634	—	—	—	73,634
Technological improvements	242,532	—	—	—	242,532
Criminal justice planning	7,802	—	—	—	7,802
Unassigned	26,223,935	—	—	—	26,223,935
Total fund balances	53,386,058	100,058	—	17,131,463	70,617,579
Total liabilities, deferred inflows of resources and fund balances	\$ 64,311,755	4,124,360	2,440,052	24,113,858	94,990,025

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, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

Total fund balances-governmental funds	\$ 70,617,579
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.	98,044,554
Certain receivables are not available to pay for current period expenditures and, therefore, are deferred inflows of resources in the funds.	3,447,266
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.	14,595
Net pension asset resulting from pension assets being greater than pension liability	6,715,034
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	737,450
Deferred difference-OPEB assumptions	229,558
Deferred difference-expected and actual pension experience	2,667,872
Deferred difference-change of pension assumptions	3,710,777
Internal service fund used by management to charge the costs of the self-insurance to individual funds:	
Workers' compensation	512,893
Self insurance fund	1,882,319
Long-term liabilities are not due and payable in the current period and, therefore, are not reported at the fund level:	
Bonds payable	(21,574,264)
Notes payable	(7,089,626)
Net premium on bonds and notes	(1,757,619)
Sick and vacation payable	(4,679,108)
Total OPEB liability	(2,050,542)
Leases	(1,245,404)
Capital lease	(240,532)
Accrued expenses are not due and payable in the current period and, therefore, are not reported in governmental funds.	(161,841)
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	(12,090,099)
Deferred difference-expected and actual pension experience	(486,877)
Deferred amount on refunding	(265,558)
Net position of governmental activities	\$ <u>136,938,427</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, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

	General Fund	Mental Health/ Intellectual and Developmental Disabilities	Children and Youth	Nonmajor Funds	Total
REVENUES					
Taxes	\$ 54,664,180	—	—	1,184,567	55,848,747
Licenses and permits	240,697	—	—	—	240,697
Grants	30,125,948	17,014,719	18,709,702	18,067,347	83,917,716
County charges	9,529,117	2,267,615	448,299	10,179,949	22,424,980
Court costs, fines and forfeitures	2,584,581	—	—	222,123	2,806,704
Investment earnings	465,867	42,183	—	107,297	615,347
Payment in lieu of taxes	206,961	—	—	—	206,961
Contributions and other	166,847	109,502	1,705	76,441	354,495
Total revenues	97,984,198	19,434,019	19,159,706	29,837,724	166,415,647
EXPENDITURES					
Current:					
General government – administrative	13,055,564	—	—	162,547	13,218,111
General government – judicial	19,198,954	—	—	3,738,740	22,937,694
Corrections	18,707,539	—	—	—	18,707,539
Public safety	3,698,037	—	—	—	3,698,037
Emergency telephone	—	—	—	5,785,032	5,785,032
Public works and enterprises	—	—	—	508,856	508,856
Human services	1,638,519	20,037,774	22,473,501	9,351,860	53,501,654
Culture and recreation	126,617	—	—	—	126,617
Conservation and development	635,056	—	—	—	635,056
Economic development and assistance	19,987,190	—	—	2,325,943	22,313,133
Debt service:					
Principal retirement	—	—	—	3,436,200	3,436,200
Debt interest	—	—	—	953,737	953,737
Capital outlay	7,058,994	—	—	12,096,280	19,155,274
Payments for other governments	1,330,981	—	—	201,359	1,532,340
Total expenditures	85,437,451	20,037,774	22,473,501	38,560,554	166,509,280
Excess (deficiency) of revenues over (under) expenditures	12,546,747	(603,755)	(3,313,795)	(8,722,830)	(93,633)
OTHER FINANCING SOURCES (USES)					
Transfers in	416,096	611,576	3,382,543	8,015,669	12,425,884
Transfers out	(10,195,110)	—	(68,748)	(2,279,223)	(12,543,081)
Proceeds from the sale of assets	18,258	—	—	942,680	960,938
Proceeds from lease liability	275,725	—	—	—	275,725
Proceeds from issuance of long term note	—	—	—	5,000,000	5,000,000
Proceeds from issuance of long term debt	—	—	—	199,722	199,722
Insurance recovery	8,009	—	—	153,000	161,009
Total other financing sources (uses)	(9,477,022)	611,576	3,313,795	12,031,848	6,480,197
Net change in fund balances	3,069,725	7,821	—	3,309,018	6,386,564
Fund balances, beginning of year, as restated	50,316,333	92,237	—	13,822,445	64,231,015
Fund balances, end of year	\$ 53,386,058	100,058	—	17,131,463	70,617,579

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, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

Net change in fund balances-total governmental funds	\$	6,386,564
<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		19,155,273
Depreciation expense		(4,877,825)
Retirement and sale of equipment		(925,160)
Transfer of capital purchases		(235,068)
<p>Deferred outflows of resources not reported in the fund statements:</p>		
Deferred difference-expected and actual pension experience		96,729
Deferred difference-change in pension assumptions		(1,612,498)
Deferred difference-expected and actual OPEB experience		191,948
Deferred difference-OPEB assumptions		40,649
Deferred difference-deferred charges on refunding		(7,547)
<p>The issuance of long-term debt (e.g., bonds, leases, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position:</p>		
Issuance of note payable		(5,000,000)
Long term debt paid		2,971,065
Issuance of line of credit along with principal accretion on line of credit - CAEDC		(199,751)
Long term debt paid - CAEDC		465,155
Issuance of lease agreement		(275,725)
<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>		
		173,478
<p>Deferred inflows of resources not reported in the fund statements:</p>		
Net premium on bonds and notes		275,479
Deferred amount on refunding		25,700
Deferred difference-projected and actual pension earnings		(4,862,381)
Deferred difference-expected and actual pension experience		258,006
<p>Post employment benefits are reflected on the statement of activities but are not considered a current expenditure for the fund statements:</p>		
OPEB		(429,432)
Pension		9,328,444
<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>		
		(754,410)
<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>		
		17,231
<p>Internal service funds are used by management to charge the cost of self-insurance claims to individual funds:</p>		
Workers' compensation		(299,050)
Health reimbursement arrangement		1,963,193
Change in net position of governmental activities	\$	<u><u>21,870,067</u></u>

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

MAJOR PROPRIETARY FUNDS
DESCRIPTION OF FUNDS

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 282-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, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Business-type Activities Enterprise Fund County Nursing Home	Governmental Activities Internal Service Funds
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,988,855	4,111,723
Investments	—	493,636
Restricted cash:		
Patient funds	255,893	—
Accounts receivable (net of allowance):		
Patient accounts receivable	3,189,980	—
Customer accounts receivable	—	60,053
Due from other funds	10,930	—
Prepaid items	56,278	93,974
Total current assets	7,501,936	4,759,386
Noncurrent assets:		
Net pension asset	1,669,652	—
Capital assets, net of depreciation	7,777,110	—
Total noncurrent assets	9,446,762	—
Total assets	16,948,698	4,759,386
DEFERRED OUTFLOWS OF RESOURCES		
Deferred difference-expected and actual pension experience	663,350	—
Deferred difference-change of pension assumptions	922,662	—
Deferred changes of OPEB expected and actual pension experience	171,246	—
Deferred changes of OPEB assumptions	53,307	—
Deferred charge on refunding	1,372	—
Total deferred outflows of resources	1,811,937	—
LIABILITIES		
Current liabilities:		
Accounts payable	805,649	6,252
Accrued liabilities and withholdings		
Accrued payroll	485,824	3,367
Accrued interest	6,851	—
Due to other funds	—	73,441
Unearned revenue	1,015	25,046
Funds held as fiduciary	255,893	—
General obligation bonds payable	745,736	—
Sick and vacation accrual	58,897	—
Self-insurance claims payable	—	1,039,573
Total current liabilities	2,359,865	1,147,679
Noncurrent liabilities:		
Due in more than one year:		
General obligation bonds payable	829,819	—
Self-insurance claims payable	—	756,343
Total OPEB liability	476,165	—
Sick and vacation accrual	399,073	—
Total noncurrent liabilities	1,705,057	756,343
Total liabilities	4,064,922	1,904,022
DEFERRED INFLOWS OF RESOURCES		
Deferred difference-projected and actual pension earnings	3,006,129	—
Deferred difference-expected and actual pension experience	121,059	—
Total deferred inflows of resources	3,127,188	—
NET POSITION		
Net investment in capital assets	6,202,927	—
Unrestricted	5,365,598	2,855,364
Total net position	\$ 11,568,525	2,855,364
Reconciliation of the Statement of Net Position - Proprietary Funds to the Statement of Activities:		
Total net position-Proprietary Funds	\$ 11,568,525	
Adjustment to reflect the consolidation of workers' compensation activity related to business-type activities	(148,933)	
Adjustment to reflect the consolidation of health reimbursement arrangement activity related to the business-type activities.	582,337	
Net position of business-type activities	\$ 12,001,929	
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, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Business-type Activities	Governmental Activities
	Enterprise Fund	
	County Nursing Home	Internal Service Funds
OPERATING REVENUES		
Charges for services:		
County charges	\$ 29,345,523	16,060,142
Rentals and other revenues	7,647	—
Total operating revenues	29,353,170	16,060,142
OPERATING EXPENSES		
Patient/client services	21,796,330	13,833,096
Depreciation	871,777	—
Administrative	5,037,369	—
Total operating expenses	27,705,476	13,833,096
Operating income	1,647,694	2,227,046
NONOPERATING REVENUES		
Grants	2,815,623	1,322
Interest income	38,524	36,788
Total net nonoperating revenues	2,854,147	38,110
Income before contributions and transfers	4,501,841	2,265,156
Contributed capital	235,068	—
Transfer in	280,435	1,716
Transfer out	—	(164,954)
Change in net position	5,017,344	2,101,918
Net position, beginning of year	6,551,181	753,446
Net position, end of year	\$ 11,568,525	2,855,364

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

Change in net position of enterprise funds	\$ 5,017,344
Adjustment to reflect the consolidation of workers' compensation activity related to the business-type activities.	(157,066)
Adjustment to reflect the consolidation of the self insurance fund activity related to the business-type activities.	576,587
Change in net position of business-type activities	\$ 5,436,865

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, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Business-type Activities	Governmental Activities
	Enterprise Fund	
	County	Internal
	Nursing Home	Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received on county charges	\$ 28,848,292	16,108,667
Payments to vendors	(10,112,051)	(13,872,793)
Payments to employees	(18,464,350)	(122,458)
Net cash provided by operating activities	271,891	2,113,416
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES		
Transfer from other funds	280,433	1,716
Grants	2,815,623	16
Net cash provided by non-capital and related financing activities	3,096,056	1,732
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(405,519)	—
Contributed capital	235,068	—
Principal paid on capital debt	(1,271,979)	—
Interest paid on capital debt	(45,217)	—
Net cash used in capital and related financing activities	(1,487,647)	—
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of investments	—	849,417
Investment income received	—	36,872
Net cash provided by investing activities	—	886,289
Net increase in cash and cash equivalents	1,880,300	3,001,437
Cash and cash equivalents, January 1	2,364,448	1,110,286
Cash and cash equivalents, December 31	\$ 4,244,748	4,111,723

(continued)

STATEMENT OF CASH FLOWS

Proprietary Funds

For the year ended December 31, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Business-type Activities	Governmental Activities
	Enterprise Fund	
	County	Internal
	Nursing Home	Service Funds
(continued)		
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 1,647,694	2,227,046
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	871,777	—
Changes in assets and liabilities in:		
Patient accounts receivable	(495,515)	(20,939)
Due from other funds	(705,521)	29,639
Prepaid items	(17,134)	(5,074)
Accounts payable	(325,568)	(107,748)
Accrued liabilities and withholdings	152,787	857
Unearned revenues	(10,145)	24,919
Funds held as fiduciary	78,147	—
Total OPEB liability	(78,676)	—
Net pension liability	(845,955)	—
Self-insurance claims payable	—	(35,284)
Total adjustments	(1,375,803)	(113,630)
Net cash provided by operating activities	\$ 271,891	2,113,416

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, 2020*****COUNTY OF CUMERLAND, PENNSYLVANIA**

	Pension Trust - Employees' Retirement Fund	Custodial Funds
ASSETS		
Cash and cash equivalents	\$ 4,699,254	6,546,726
Investments:		
Brokered bank certificates of deposit	2,222,829	—
U.S. government and agency securities	26,542,075	—
U.S. government inflation indexed securities	1,859,278	—
Corporate bonds and notes	27,326,701	—
Real estate trust fund	10,815,093	—
Asset backed securities	5,614,820	—
Equity securities	19,848,379	—
Exchanged traded funds	31,115,948	—
Mutual funds	122,938,535	—
Total investments	248,283,658	—
Accrued interest and dividends receivable	306,062	—
Total assets	253,288,974	6,546,726
LIABILITIES		
Due to other governments	—	3,350,667
Other liabilities	46,927	—
Total liabilities	46,927	3,350,667
NET POSITION		
Restricted for:		
Pensions	253,242,047	—
Individuals, organizations and other governments	—	3,196,059
	\$ 253,242,047	3,196,059

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, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Pension Trust Employees' Retirement Fund	Custodial Funds
ADDITIONS		
Contributions:		
Employer	\$ 4,202,702	—
Plan members	4,144,052	—
Total contributions	8,346,754	—
Investment income:		
Net appreciation in fair value of investments	21,189,978	—
Interest	1,300,013	—
Dividends	4,166,888	—
Total investment earnings	26,656,879	—
Less investment costs	463,156	—
Net investment earnings	26,193,723	—
Other governments:		
Fees, costs, fines and licenses	—	7,132,296
Taxes	—	84,980,833
Escrow	—	7,311,158
Total additions	34,540,477	99,424,287
DEDUCTIONS		
Benefits	11,495,260	—
Refunds of contributions	720,188	—
Administrative expenses	242,779	—
Other governments:		
Fees, costs, fines and licenses	—	7,132,297
Taxes	—	84,967,087
Escrow	—	8,419,532
Total deductions	12,458,227	100,518,916
Change in net position	22,082,250	(1,094,629)
Net position - beginning of the year	231,159,797	4,290,688
Net position - end of the year	\$ 253,242,047	3,196,059

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 2020, the County paid CAT \$365,145. As a participant in the joint venture, the County's annual subsidy payment was \$349,520 in 2020. Additionally, the County paid \$15,625 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 2020, the County's share of Agricultural Extension program expenses was \$339,616 and is 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, and children and youth) 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 expenditures for specified purposes. The mental health and intellectual and developmental disabilities fund and children and youth fund are special revenues presented as major funds.

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.

The children and youth fund accounts for monies received from various federal, state and local sources to protect the safety and welfare of children. Children and youth also preserves, supports and strengthens families as well as identifies alternative care, a safe environment and a permanent home for those children unable to remain in their home.

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 fees are 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*, and *children and youth 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 consists 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. Leases

The County is a lessee for non-cancellable leases of building office space. A lease liability and an intangible right-to-use lease asset is recognized in the government-wide financial statements.

Individual lease liabilities with an initial, individual value of \$50,000 or more are recognized.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Q. 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 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 a result of 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, 2020, deferred revenues related to the CAEDC was reported in the government-wide (\$250,000) 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-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.

Deferred difference-projected and actual pension earnings – This is the net value 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.

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. The reportable item in this category is listed below with its description.

Unavailable revenue - Additionally, the general fund recognizes unavailable revenue in the governmental fund statements related to property taxes (\$1,495,035) and court costs and fines (\$1,937,856). They are recognized in the period that the amounts become available.

R. 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.

S. 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 70 days of general fund operating expenditures and transfers out with a target of 100 days of average budgeted general fund total expenditures. The Government Finance Officer Association recommends 60 days.

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 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.

The 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 – Monies assigned to fund future human service expenditures.

Public safety – Monies assigned to fund future public safety expenditures.

Future budgetary requirements – Monies assigned to fund future budgetary requirements for 2021.

Capital projects – Monies assigned to fund future capital projects in the County.

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

Risk liability – Monies assigned to mitigate potential budgetary shortfalls in the provision of prisoner healthcare.

Farmland preservation – This assignment was to set aside cash and investments to satisfy future obligations related to the purchase of development rights of Cumberland County farmland.

Prison canteen – This assignment is for prisoner welfare expenditures from commissions earned from the operation of the prison canteen.

Stimulus – Monies assigned to provide future economic assistance to the County's increased technological needs.

Planning – Monies assigned to provide municipality's financial assistance in defining their entities planning documents.

Technology – Monies assigned to assist in the County's ongoing technological and communication needs.

Criminal justice planning – Monies from grants, restitution and contributions assigned 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 a 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.

T. Net Position

Governmental Activities, 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 investment in capital assets; restricted net position; and unrestricted net position.

Net investment 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 investment in capital assets and restricted net position.

U. 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.

V. New Accounting Pronouncements

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

In June 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 June 15, 2021, per GASB

No. 95, and earlier application is encouraged. The County has implemented this pronouncement in the current year.

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, 2019, per GASB No. 95, and earlier application is encouraged. The County has implemented this pronouncement in the current year.

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 has implemented this pronouncement in the current year.

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 notes. 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, 2021, per GASB No. 95. 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, 2021, per GASB No. 95; 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, 2021, per GASB No. 95; 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, 2021, per GASB No. 95. 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, 2021, per GASB No. 95, 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*. The primary objective of this Statement is to provide 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. The pronouncement postponed by 18 months is GASB 87. Cumberland County has opted to not postpone implementation of GASB pronouncements and related guidance for the 2020 reporting period.

In May 2020, the GASB issued Statement No. 96 *Subscription-Based Information Technology Arrangements*. This Statement 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*. The primary objectives of this Statement are to (1) increase 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) mitigate costs associated with the reporting of certain defined contribution pension and OPEB plans and other employee benefit plans as fiduciary component units; and (3) enhance 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 requirements of the Statement will be effective in varying stages, with certain requirements that go into effect immediately and all other requirements becoming effective for fiscal years beginning after June 15, 2021. 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 government-wide statement of net position as a result of Governmental Accounting Standards Board Statement (GASB) No. 87, *Leases*. The resulting criterion from GASB 87 required the inclusion of lease liability and underlying asset associated with the nonfinancial, right to use assets resulting in the government-wide statement of 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

	General Fund	Mental Health/ Intellectual and Developmental Disabilities	Children and Youth	Nonmajor Funds	Total
Fund balances, as previously reported, at December 31, 2019	\$ 50,316,333	92,237	-	13,815,570	64,224,140
Prior year grant payable accrual correction CAEDC	-	-	-	6,875	6,875
Fund balances, as restated, as of December 31, 2019	<u>\$ 50,316,333</u>	<u>92,237</u>	<u>-</u>	<u>13,822,445</u>	<u>64,231,015</u>

Government-wide Statement of Net Position

	Primary Government			Discretely Presented Component Units	
	Governmental Activities	Business-type Activities	Total	Conservation District	Industrial Development Authority
Net position, as previously reported, at December 31, 2019	\$ 115,166,262	6,565,064	121,731,326	1,034,726	625,204
Lease, net, asset and liability (GASB 87)	(104,777)	-	(104,777)	-	-
Prior year grant payable accrual correction CAEDC	6,875	-	6,875	-	-
Net position, as restated, at December 31, 2019	<u>\$ 115,068,360</u>	<u>6,565,064</u>	<u>121,633,424</u>	<u>1,034,726</u>	<u>625,204</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 to which the County's deposits and investments are subject. 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, the Controller and the 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 percent for the pension trust fund and an objective of meeting or exceeding the pension plan’s assumed actuarial rate of return. The Pension Policy also establishes an objective of meeting or exceeding the annualized investment performance of the pension plan’s weighted asset-class benchmark indices.

The Pension Policy establishes targeted investment allocations of:

Investment	Target	Benchmark
Domestic equity	47%	Russell 3000
International equity	18%	MSCI ACWI ex U.S. (net)
Fixed income	29%	Barclay 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 fair 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 fair 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 fair 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, 2020, \$81,448,987 of the County’s bank balance of \$85,069,340 was exposed to custodial credit risk as follows:

Uninsured and collateral held by the bank but not in the County’s name	\$ 296,225
Uninsured and collateral held by pledging bank’s trust department or agent but not in the County’s name	<u>81,152,762</u>
Total	<u>\$ 81,448,987</u>

Custodial credit risk – fiduciary fund deposits – Excluding the brokered certificates of deposit held by the County’s Pension Fund as of December 31, 2020, \$4,218,660 of the County’s bank balance of its fiduciary funds of \$5,844,574 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, 2020, the County had debt securities with the following maturities/duration:

Workers' Compensation Fund Investments

Investment Type	Investment Maturities (in years)	
	Fair Value	Less than 1
Debt securities		
U.S. government	\$ 493,636	493,636
	<u>493,636</u>	<u>493,636</u>
		100%
Money market funds	<u>410,044</u>	
Total investments	<u>\$ 903,680</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, \$410,044 of short-term, liquid investments, along with bank depository account balances, 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, \$493,636 are classified as investments on the statement of net position of the primary government.

Interest rate risk – pension investments – As of December 31, 2020, the County’s pension trust fund had the following investments:

Pension Trust Fund Investments					
Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1-5	6-10	More than 10
<u>Debt securities</u>					
Money market mutual funds	\$ 3,632,274	3,632,274	—	—	—
U.S. agencies short-term discount notes	1,066,980	1,066,980	—	—	—
Brokered bank certificates of deposit	2,222,829	—	2,222,829	—	—
U.S. government securities	26,244,113	3,268,101	13,153,085	9,162,397	660,530
U.S. government inflation indexed securities	1,859,278	—	1,202,704	656,574	—
U.S. agencies securities	297,962	—	—	297,962	—
Corporate bonds and notes	27,326,701	4,997	16,001,746	10,462,986	856,972
Asset backed securities	5,614,820	—	4,652,660	795,151	167,009
Total debt securities	68,264,957	7,972,352	37,233,024	21,375,070	1,684,511
		11.7%	54.5%	31.3%	2.5%
<u>Other investments</u>					
Equity securities-U.S.	19,848,379				
Exchange traded fund - U.S.	31,115,948				
Equity mutual funds-U.S.	40,337,819				
Equity mutual funds-global	61,237,069				
Equity mutual funds-foreign	21,363,647				
Real estate trust fund	10,815,093				
Total investments	\$ 252,982,912				

The total pension trust fund investments of \$252,982,912, include \$4,699,254 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 \$5,614,820 of asset backed securities and \$4,379,633 of corporate securities of fixed

income securities at December 31, 2020, 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: U.S. government securities of \$26,244,113 include \$1,015,209 of mortgage backed Federal National Mortgage Association (Fannie Mae) securities which are subject to prepayment risk, as well.

(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, 2020, is as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Quality Ratings*</u>
<u>Debt securities</u>		
Money market funds	\$ 410,044	AAA
U.S. government	493,636	AAA
Total investments	<u>\$ 903,680</u>	

Credit risk – pension investments – Exposure to credit risk in the County pension trust fund at December 31, 2020, is as follows:

<u>Investment Type</u>	<u>Credit Quality Ratings*</u>				
	<u>Fair Value</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BBB</u>
<u>Debt securities</u>					
Money market mutual funds	\$ 3,632,274	3,632,274	-	-	-
U.S. agencies short-term discount notes	1,066,980	1,066,980	-	-	-
Brokered bank certificates of deposit	2,222,829	-	2,222,829	-	-
U.S. government securities	26,244,113	-	26,244,113	-	-
U.S. government inflation indexed securities	1,859,278	-	1,859,278	-	-
U.S. agencies securities	297,962	-	297,962	-	-
Corporate bonds and notes	27,326,701	-	3,135,789	12,810,802	11,380,110
Asset backed securities	5,614,820	5,351,442	263,378	-	-
Total debt securities	<u>\$ 68,264,957</u>	<u>10,050,696</u>	<u>34,023,349</u>	<u>12,810,802</u>	<u>11,380,110</u>
		14.7%	49.8%	18.8%	16.7%

* Standard & Poors rating or equivalent

Brokered bank certificates of deposits 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, 2020, 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 \$20,487,737 investment in foreign equity mutual funds as of December 31, 2020. The pension trust fund is also exposed to foreign currency risk through the foreign equity holdings of global equity mutual funds of \$29,999,687 at December 31, 2020. Exposure by currency denomination is unavailable.

C. Fair Value Measurement***Pension Investments***

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, 2020:

Pension Trust Fund Investments

Investment Types	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Debt securities</u>				
Money market mutual funds	\$ 3,632,274	3,632,274	-	-
U.S. agencies short-term discount notes	1,066,980	1,066,980	-	-
Brokered bank certificates of deposit	2,222,829	-	2,222,829	-
U.S. government securities	26,244,113	25,228,907	1,015,207	-
U.S. government inflation indexed securities	1,859,278	1,859,278	-	-
U.S. agencies	297,962	297,962	-	-
Corporate bonds and notes	27,326,701	-	27,043,885	282,816
Asset backed securities	5,614,820	-	5,104,251	510,569
Total debt securities	68,264,957	32,085,401	35,386,172	793,385
<u>Other investments</u>				
Equity securities - U.S.	19,848,379	19,848,379	-	-
Exchange traded fund - U.S.	31,115,948	31,115,948	-	-
Equity mutual funds - U.S.	40,337,819	40,337,819	-	-
Equity mutual funds - global	61,237,069	61,237,069	-	-
Equity mutual fund - foreign	21,363,647	21,363,647	-	-
Real estate trust fund	10,815,093	-	-	10,815,093
Total investments	\$ 252,982,912	173,902,862	-	10,815,093

Money market mutual 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.

Non-pension investments

The investments in the County's workers' compensation self-insurance internal service fund are all Level 1, which are valued using prices quoted in active markets for identical securities.

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 2020, 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, 2020, the County of Cumberland has a tax abatement agreement with one entity with one property.

The 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 property has an established five year declining tax assessment percentages of 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 agreement 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, 2020, 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 2020 Real Estate Taxes</u>
Wheelhouse Property, LLC	5	1,202,800	40%	1,056

Note: The County millage for 2020 was 2.195 mills

6. Receivables

Amounts due from other governments are primarily grants receivable from the Commonwealth of Pennsylvania as of December 31, 2020, which are expected to be collected within one year.

The County nursing home has \$3,189,980 in net patient accounts receivable as of December 31, 2020, 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 \$567,717 against the gross patient accounts receivable. Of the County nursing home's patient accounts receivable, \$103,689 is expected to be collected beyond one year.

Taxes receivable is reduced by an allowance for uncollectible accounts of \$738,607 for 2020 which is determined by a review of account status. Of the County's delinquent taxes receivable, \$331,811 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, 2020, is \$10,262,776. Of that balance, the County has recognized an allowance for doubtful accounts of \$8,277,333. Of the County's court costs and fines receivable, \$117,521 is expected to be collected beyond one year.

7. Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

	Beginning Balance, as restated	Additions	Sales and Other Dispositions *	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 3,403,057	—	(502,650)	2,900,407
Construction in progress	9,594,876	17,470,310	(14,676,802)	12,388,384
Agricultural easements	11,256,905	572,284	—	11,829,189
Total capital assets, not being depreciated	24,254,838	18,042,594	(15,179,452)	27,117,980
Capital assets, being depreciated:				
Buildings and systems	86,561,162	193,327	(804,378)	85,950,111
Leased buildings	3,095,849	—	—	3,095,849
Improvements other than buildings	2,728,245	—	—	2,728,245
Machinery and equipment	24,352,102	5,078,942	(1,076,621)	28,354,423
Bridges	17,520,603	9,972,402	(902,149)	26,590,856
Total capital assets being depreciated	134,257,961	15,244,671	(2,783,148)	146,719,484
Less accumulated depreciation for:				
Buildings and systems	(46,014,795)	(2,501,498)	804,378	(47,711,915)
Leased buildings	(1,818,435)	(377,034)	—	(2,195,469)
Improvements other than buildings	(1,010,772)	(139,479)	—	(1,150,251)
Machinery and equipment	(18,098,674)	(1,492,107)	963,853	(18,626,928)
Bridges	(6,642,789)	(367,707)	902,149	(6,108,347)
Total accumulated depreciation	(73,585,465)	(4,877,825)	2,670,380	(75,792,910)
Total capital assets, being depreciated, net	60,672,496	10,366,846	(112,768)	70,926,574
Governmental activities capital assets, net	\$ 84,927,334	28,409,440	(15,292,220)	98,044,554

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

7. Capital Assets (continued)

	Beginning Balance	Additions	Sales and Other Dispositions*	Ending Balance
Business-type activities				
Capital assets, not being depreciated:				
Construction in progress	\$ —	—	—	—
Total capital assets, not being depreciated	—	—	—	—
Capital assets, being depreciated:				
Buildings and systems	27,032,842	—	—	27,032,842
Improvements other than buildings	738,972	—	—	738,972
Machinery and equipment	2,568,307	405,519	—	2,973,826
Total capital assets, being depreciated	30,340,121	405,519	—	30,745,640
Less accumulated depreciation for:				
Buildings and systems	(19,546,743)	(720,484)	—	(20,267,227)
Improvements other than buildings	(649,520)	(13,654)	—	(663,174)
Machinery and equipment	(1,900,490)	(137,639)	—	(2,038,129)
Total accumulated depreciation	(22,096,753)	(871,777)	—	(22,968,530)
Total capital assets, being depreciated, net	8,243,368	(466,258)	—	7,777,110
Business-type activities capital assets, net	\$ 8,243,368	(466,258)	—	7,777,110

* 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 2020 as follows:

Governmental activities

General government - administrative	\$	1,490,883
General government - judicial		622,300
Corrections		1,289,437
Emergency telephone		407,026
Public safety		499,427
Roads and bridge maintenance		367,707
Recycling and waste management		66,792
Human services:		
Mental health/intellectual and developmental disabilities		22,281
Children and youth		4,960
Food and shelter		5,777
Office of aging		19,726
Other		5,305
Culture and recreation		12,726
Conservation		56,387
Economic development and assistance		7,091
Governmental activities-depreciation expense	\$	<u><u>4,877,825</u></u>

Business-type activities

County nursing home	\$	<u>871,777</u>
Business-type activities-depreciation expense	\$	<u><u>871,777</u></u>

8. Interfund and Transfer Accounts

The composition of interfund balances at December 31, 2020, follows:

Receivable Fund	Payable Fund	Amount
General	Children and Youth	\$ 795,188
	MH/IDD	1,134,812
	Non-major governmental funds	994,720
	Internal service fund	73,441
Non-major governmental funds	General	1,827,892
	Non-major governmental funds	280,433
County nursing home	General	10,930
Total		<u>\$ 5,117,416</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, 2020, follow:

	Transfers in						Total
	General Fund	MH/IDD	Children and Youth	Governmental Non-major	County nursing home	Internal Service	
Transfers out:							
General Fund	\$ -	611,554	3,382,543	5,918,862	280,435	1,716	10,195,110
Children and Youth	-	-	-	68,748	-	-	68,748
Governmental non-major funds	251,142	22	-	2,028,059	-	-	2,279,223
Internal service funds	164,954	-	-	-	-	-	164,954
Total transfers out	<u>\$ 416,096</u>	<u>611,576</u>	<u>3,382,543</u>	<u>8,015,669</u>	<u>280,435</u>	<u>1,716</u>	<u>12,708,035</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, 2020:

<u>Liabilities</u>	<u>Balance January 1, 2020, restated</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2020</u>	<u>Due Within One Year</u>
Governmental activities					
Bonds and notes payable:					
Bonds	\$ 23,892,285	-	2,318,021	21,574,264	2,464,264
CAEDC Notes	1,640,030	199,731	465,135	1,374,626	15,142
Net premium (discount) on bonds and notes	2,033,098	-	275,479	1,757,619	-
Total bonds and notes payable	27,565,413	199,731	3,058,635	24,706,509	2,479,406
Direct borrowing:					
Notes	715,000	5,000,000	-	5,715,000	443,389
Sick and vacation	3,976,649	4,559,534	3,857,075	4,679,108	440,271
Other postemployment benefit obligations	1,621,110	685,258	255,826	2,050,542	-
Net pension liability (asset)	2,613,411	-	9,328,455	(6,715,044)	-
Workers' compensation	709,200	514,115	308,399	914,916	158,573
Capital lease	481,064	-	240,532	240,532	240,532
Leases - restated	1,382,191	275,725	412,512	1,245,404	369,611
Governmental activities long- term liabilities	\$ <u>39,064,038</u>	<u>11,234,363</u>	<u>17,461,434</u>	<u>32,836,967</u>	<u>4,131,782</u>
Business-type activities					
Bonds payable:					
Bonds	\$ 2,812,715	-	1,271,979	1,540,736	745,736
Net premium (discount) on bonds	116,874	-	82,055	34,819	-
Total bonds payable	2,929,589	-	1,354,034	1,575,555	745,736
Sick and vacation	401,963	850,122	794,115	457,970	58,897
Other postemployment benefit obligations	544,858	128,162	196,855	476,165	-
Net pension liability (asset)	696,642	-	2,366,294	(1,669,652)	-
Business-type activities long-term liabilities	\$ <u>4,573,052</u>	<u>978,284</u>	<u>4,711,298</u>	<u>840,038</u>	<u>804,633</u>

For the governmental activities, bonds are exclusively liquidated by the general fund transferring amounts to the debt service fund for principal and interest payments.

For notes payable, the CAEDC has funded the repayment of the outstanding balances, but the 2020 issued note of \$5,000,000 will be liquidated by the liquid fuels special revenue fund.

For sick and vacation liabilities, the general fund normally liquidates 60 percent, and the Children and Youth, MHIDD and Department of Aging liquidate 8 percent, 4 percent and 3 percent, respectively.

For the net pension liabilities, , the general fund normally liquidates 50 percent, and the Children and Youth, MHIDD and Department of Aging liquidate 7 percent, 5 percent and 4 percent, respectively.

For other post-employment benefit obligations, the general fund normally liquidates 50 percent, and the Children and Youth, MHIDD and Department of Aging liquidate 7 percent, 5 percent and 3 percent, respectively.

Lease and capital lease obligations are primarily funded 100 percent by the general fund.

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, 2020.

All bonds and notes outstanding at December 31, 2020, except for the CAEDC note, 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
General obligation bonds:					
G.O. bonds – 2013 issue	2% - 5%	2021	14,670,000	619,264	490,736
G.O. bonds – 2014 issue	2% - 2.25%	2024	4,865,000	—	1,050,000
G.O. bonds – 2016 issue	2% - 5%	2028	11,470,000	9,540,000	—
G.O. bonds – 2018 issue	1.4% - 3%	2031	12,140,000	11,415,000	—
Total general obligation bonds			43,145,000	21,574,264	1,540,736
Notes from direct borrowing:					
Hornbaker note	5.857%	2022	715,000	715,000	—
PA infrastructure bank note	2.625%	2030	5,000,000	5,000,000	—
Total direct borrowing			5,715,000	5,715,000	—
Long-term debt at December 31, 2020				27,289,264	1,540,736
Premium/Discount on notes				1,757,619	34,819
Net long-term debt at December 31, 2020				\$ 29,046,883	1,575,555

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, 2020, of the 2013 bond issue, \$490,736 benefits the County nursing home, \$619,264 benefits the emergency telephone fund and therefore, repayment will be budgeted in the respective funds.

Of the outstanding balance at December 31, 2020, of the 2014 bond issue, \$1,050,000 benefits the County nursing home and therefore, repayment will be budgeted in the County nursing home.

Of the outstanding balance at December 31, 2020, of the 2016 bond issue, \$9,540,000 benefits the general fund, therefore, repayment will be budgeted in the general fund.

Of the outstanding balance at December 31, 2020, of the 2018 bond issue, \$11,415,000 benefits the general fund, therefore, repayment will be budgeted in the general fund.

In 2020, the County issued general obligation note, series 2020 to fund the construction of Sample Bridge. Of the 2020 issue, \$5,000,000 benefits the County bridge program, therefore, repayment will be budgeted in liquid fuels fund.

The County's 2020 direct borrowing in the amount of \$5,000,000 from the Commonwealth of Pennsylvania (PennDOT) is evidenced by a Loan Agreement, dated October 1st, 2020. The terms of which provide that upon the occurrence of an event of default the loan shall be accelerated, and PennDOT may withhold all or part of the County's liquid fuels tax allocation under the Liquid Fuels Municipal Allocation Law.

Events of Default under the Loan Agreement include: (i) the County fails to pay principal within ten days of when due; (ii) the County fails to observe a term of the Loan Agreement; (iii) the County makes a materially false or erroneous statement, certificate, report, representation, or warranty in connection with the loan; (iv) the proceeds of the loan are used for purposes other than the project described in the Loan Agreement; (v) the County becomes insolvent, enters bankruptcy, or has a receiver appointed on its behalf. An event of default shall not occur until after the expiration of a thirty-day cure period.

The County's 2003 direct borrowing in the amount of \$716,328 from Paul E. and Grace M. Hornbaker is evidenced by an installment purchase agreement dated March 20th, 2003. There are no terms that, in the event of default, the loan shall be accelerated, or any revenue funds encumbered to relieve the debt.

The County's December 31, 2020, net nonelectoral debt limit, and combined net nonelectoral debt and net lease rental debt limit are \$537,385,811 and \$687,684,416, 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, 2020, including interest payments, are as follows:

		Governmental-type activities				Business-type Activities	
		Bonds		Notes from direct borrowing		Bonds	
		Principal	Interest	Principal	Interest	Principal	Interest
2021	\$	2,464,264	766,310	443,389	170,187	745,736	28,840
2022		1,935,000	659,325	1,170,104	158,471	260,000	13,975
2023		2,040,000	559,950	467,129	104,619	265,000	8,725
2024		2,140,000	455,450	479,472	92,276	270,000	3,038
2025		2,230,000	364,725	492,141	79,608	—	—
2026-2030		9,515,000	796,050	2,662,765	195,977	—	—
2031		1,250,000	18,750	—	—	—	—
Total	\$	21,574,264	3,620,560	5,715,000	801,138	1,540,736	54,578

10. Leases

The County leases building space for certain County and magisterial district judge offices. These terms range from five to ten years.

The County's building leases contain scheduled rents payable. Building leases have expiration dates extending through 2025.

The following is a schedule of future minimum lease payments for leases with initial or remaining terms in excess of one year as of December 31, 2020

		Governmental Activities	
		Principal	Interest
2021	\$	369,611	26,097
2022		292,888	19,495
2023		283,200	13,762
2024		217,720	7,962
2025		81,985	4,951
Total	\$	1,245,404	72,267

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:

	Primary Government	Component Unit	Total
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 \$2,550,427 was measured as of December 31, 2020.

The calculations were based on an actuarial valuation as of January 1, 2019. Update procedures were used by the actuary to roll forward the total OPEB liability to the measurement date.

C. Actuarial Assumptions

The total OPEB liabilities at December 31, 2020, were 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	2.12 percent
Healthcare cost trend rates	5.40 percent from 2020 to 2021 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 2.12 percent is based on the Bond Buyer General Obligation 20-year Municipal Bond Index at December 31, 2020.

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

The actuarial assumptions are 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

	Total OPEB Liability
Balance at January 1, 2020	\$ 2,182,158
Changes for the year:	
Service cost	103,260
Interest	58,290
Changes in benefit terms	-
Difference between expected and actual experience	419,503
Changes in assumptions or other inputs	105,418
Benefit payments	<u>(318,202)</u>
Net changes	368,269
Balance at December 31, 2020	\$ 2,550,427

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 2.74 to 2.12 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 (1.12 percent) or 1-percentage-point higher (3.12 percent) than the current discount rate:

	1% Decrease (1.12%)	Discount Rate (2.12%)	1% Increase (3.12%)
Primary government	\$ 2,697,939	2,526,707	2,359,376
Component unit	25,326	23,720	22,148
Total OPEB Liability	<u>\$ 2,723,265</u>	<u>2,550,427</u>	<u>2,381,524</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 4.94 percent)

	1% Decrease (4.4% decreasing to 2.94%)	Healthcare Cost Trend Rates (5.4% decreasing to 3.94%)	1% Increase (6.4% decreasing to 4.94%)
Primary government	\$ 2,226,281	2,526,707	2,883,822
Component unit	20,899	23,720	27,071
Total OPEB Liability	<u>\$ 2,247,180</u>	<u>2,550,427</u>	<u>2,910,893</u>

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

For the year ended December 31, 2020, the County recognized negative OPEB expense of \$122,399. At December 31, 2020, the County reported deferred outflows of resources related to OPEB from the following sources:

Deferred outflows of resources:

	Primary Government	Component Unit	Total
Expected and actual OPEB experience	\$ 908,696	8,530	917,226
Changes of OPEB assumptions	282,865	2,655	285,520
Total deferred outflow of resources	<u>\$ 1,191,561</u>	<u>11,185</u>	<u>1,202,746</u>

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

Year ended December 31:

	Primary Government	Component Unit	Total
2020	\$ 276,446	2,595	279,041
2021	276,446	2,595	279,041
2022	276,444	2,595	279,039
2023	262,360	2,463	264,823
2024	92,933	872	93,805
Thereafter	6,932	65	6,997
	<u>\$ 1,191,561</u>	<u>11,185</u>	<u>1,202,746</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, 2020, employee membership data related to the pension plan was as follows:

	<u>Primary Government</u>	<u>Component Unit</u>	<u>Total</u>
Inactive plan members or beneficiaries			
currently receiving benefits	701	3	704
Inactive plan members entitled to but not yet			
receiving benefits	156	4	160
Active employees	1,093	9	1,102
Total membership	<u>1,950</u>	<u>16</u>	<u>1,966</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 2020 was \$4,202,702 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, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.77 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, 2020, 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, 2020, the pension plan does not have any allocated insurance contracts that are excluded from pension plan assets.

F. Reserves

As of December 31, 2020, 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 Asset

The components of net pension asset at December 31, 2020, were as follows:

	Primary government	Component unit	Total
Total pension liability	\$ 242,320,741	2,497,142	244,817,883
Plan fiduciary net position (allocated)	250,705,427	2,583,547	253,288,974
Net pension asset	<u>\$ (8,384,686)</u>	<u>(86,405)</u>	<u>(8,471,091)</u>
Plan fiduciary net position as a percentage of the total pension asset	103.46%	103.46%	103.46%

There is a \$46,927 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, 2020, 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, 2020, 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, 2020, (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 2020, 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 (Asset)**

	Increase/(Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balances as of December 31, 2019	\$ 234,546,763	231,203,951	3,342,812
Changes for the year:			
Service cost	4,524,592	-	4,524,592
Interest	16,422,452	-	16,422,452
Differences between expected and actual experience	1,539,523	-	1,539,523
Contributions-employer	-	4,202,702	(4,202,702)
Contributions-member	-	4,144,052	(4,144,052)
Net investment income	-	26,193,723	(26,193,723)
Benefit payments, including refunds of members contribution	(12,215,447)	(12,215,447)	-
Plan administration expense	-	(240,007)	240,007
Net changes	10,271,120	22,085,023	(11,813,903)
Balances as of December 31, 2020	\$ 244,817,883	253,288,974	(8,471,091)

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.

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
Primary government	\$ 22,144,978	(8,384,686)	(33,632,501)
Component unit	228,206	(86,405)	(346,587)
Total net pension liability/ (asset)	<u>\$ 22,373,184</u>	<u>(8,471,091)</u>	<u>(33,979,088)</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, 2020, pension expense was \$108,056. Pension expense for the primary government and component unit was \$106,954 and \$1,102, respectively.

At December 31, 2020, 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:

	Primary Government	Component Unit	Total
Deferred difference-expected and actual pension experience	\$ 3,331,222	34,329	3,365,551
Deferred difference-change of pension assumptions	<u>4,633,439</u>	<u>47,748</u>	<u>4,681,187</u>
Total deferred outflows of resources	<u>\$ 7,964,661</u>	<u>82,077</u>	<u>8,046,738</u>

Deferred inflows of resources:

Deferred difference- projected and actual pension earnings	\$ 15,096,228	155,568	15,251,796
Deferred difference-expected and actual pension experience	<u>607,936</u>	<u>6,265</u>	<u>614,201</u>
Total deferred inflows of resources	<u>\$ 15,704,164</u>	<u>161,833</u>	<u>15,865,997</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:

	Primary		
	Government	Component Unit	Total
2021	\$ (1,502,334)	(15,482)	(1,517,816)
2022	1,116,123	11,502	1,127,625
2023	(5,707,464)	(58,816)	(5,766,280)
2024	(1,645,828)	(16,960)	(1,662,788)
	<u>\$ (7,739,503)</u>	<u>(79,756)</u>	<u>(7,819,259)</u>

At December 31, 2020, 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, 2020.

14. Commitments and Contingencies

Commitments

The County has significant contractual commitments related to various construction projects. At December 31, 2020, the County's commitments are as follows:

Project	Expended Through December 31, 2020	Remaining Commitment
County Bridge Replacement	\$16,209,145	\$3,133,113
Communication Software	1,748,526	172,998

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. In 2020, the County borrowed \$5,000,000 from the Commonwealth of Pennsylvania's Infrastructure Bank to fund future bridge projects.

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, 2020, and December 31, 2019, were:

		Provision for Claims		Claim Payments		
	Beginning of Year Liability	Current Year	Prior Years	Current Year	Prior Years	End of Year Liability
2020	\$ 709,200	300,532	213,583	79,601	228,798	914,916
2019	\$ 793,254	259,818	(214,591)	88,878	40,403	709,200

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.

		Provision for Claims		Claim Payment		
	Beginning of Year Liability	Current Year	Prior Year	Current Year	Prior Year	End of Year Liability
2020 \$	1,122,000	14,439,558	(1,114,131)	13,558,558	7,869	881,000
2019 \$	1,037,634	15,543,328	(1,027,118)	14,421,328	10,516	1,122,000

16. Subsequent Events

Claremont Nursing and Rehabilitation Center

In late 2020, the Cumberland County Commissioners engaged a consultant to explore with them a sale of the County-owned Claremont Nursing and Rehabilitation Center. Negotiations with a final vendor are currently underway. A final decision has not yet been made by the Commissions regarding a sale of the facility.

COVID-19

In the first half of 2021, Cumberland County continued to operate under Pennsylvania Governor Wolf's COVID-19 Disaster Declaration which curtailed the opening or full opening of many businesses and organizations in the state as well as in Cumberland County.

The resulting job losses and financial and other stresses on residents has contributed to, County management believes, delays by some residents requesting public services that the County provides. This anticipated partial backlog of requests for County services, in conjunction with current hiring challenges experienced by many of the County's service providers as a result of the region's tight labor market in the 2nd quarter of 2021 presents service delivery challenges that the County hopes may resolve in the 2nd half of 2021.

In the 2nd quarter of 2021, the County received the first installment, approximately \$24 million, of the American Rescue Plan to help mitigate the impacts of the pandemic in the County.

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, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget			Variance with
	Original	Amended	Actual Amounts	Amended Budget
REVENUES				
Taxes:				
Real estate taxes	\$ 54,643,697	54,643,697	54,663,498	19,801
Per capita taxes	550	550	682	132
Library taxes	4,132,594	4,132,594	4,136,103	3,509
Licenses and permits	205,800	205,800	240,697	34,897
Grants	5,618,682	6,154,586	6,491,127	336,541
County charges	13,517,272	13,517,272	13,415,068	(102,204)
Court costs, fines, and forfeitures	1,581,097	1,581,097	1,662,535	81,438
Interest	1,165,750	1,165,750	429,825	(735,925)
Contributions and other	231,891	231,891	166,816	(65,075)
Payment in lieu of taxes	205,715	205,715	206,961	1,246
Total revenues	81,303,048	81,838,952	81,413,312	(425,640)
EXPENDITURES				
Current:				
General government – administrative:				
Commissioners	1,167,444	1,137,344	852,282	285,062
Solicitors	313,861	314,960	283,618	31,342
Elections	1,109,829	6,012,087	5,350,313	661,774
Controller	1,118,359	1,121,914	1,165,111	(43,197)
Finance office	1,095,149	1,468,599	1,421,947	46,652
Tax claims	238,047	238,047	208,008	30,039
Treasurer	351,941	355,576	367,269	(11,693)
Tax collectors administration	335,027	335,027	319,385	15,642
Personnel	782,686	783,861	745,226	38,635
Tax assessment	1,239,644	1,266,210	1,144,878	121,332
Recorder of Deeds	444,117	444,117	422,698	21,419
Administrative services	447,359	421,401	416,833	4,568
Information management and technology office	2,914,071	2,914,071	2,050,733	863,338
Enterprise resource management office	609,123	609,133	591,726	17,407
Insurance	465,050	465,050	446,347	18,703
Human services fiscal operations	201,775	201,782	214,217	(12,435)
County buildings	3,549,596	3,631,687	2,955,251	676,436
Planning	955,374	1,000,939	935,493	65,446
Pooled reserves-program innovation, improvements and contingencies	2,250,000	64,786	—	64,786
Pooled reserves-contingencies	550,000	2	—	2
Debt retirement	2,200	2,200	1,575	625
Homestead	59,756	63,995	63,398	597
Uniform Parcel Identifier	111,511	111,529	107,737	3,792
Program subsidy	139,300	139,300	126,783	12,517
Total general government – administrative	20,451,219	23,103,617	20,190,828	2,912,789
General government – judicial:				
Building security	437,296	437,321	430,828	6,493
Courts	7,230,716	7,356,224	6,778,834	577,390
Court appointed advocate	256,574	259,957	273,039	(13,082)
District judges	1,530,725	1,527,606	1,336,859	190,747
Law library	244,255	247,497	242,705	4,792
Clerk of Court	782,094	790,444	683,120	107,324
Coroner	1,203,161	1,314,867	1,358,366	(43,499)

(continued)

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

General Fund

For the year ended December 31, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
(continued)				
EXPENDITURES				
Current (continued):				
General government - judicial (continued):				
Public defender	\$ 1,597,091	1,637,841	1,604,083	33,758
District Attorney	2,578,838	2,626,115	2,563,869	62,246
Prothonotary	605,637	648,637	527,387	121,250
Register of Wills	618,175	618,175	559,544	58,631
Sheriff	3,814,192	3,951,996	3,514,122	437,874
Total general government - judicial	20,898,754	21,416,680	19,872,756	1,543,924
Public safety:				
DA crime investigation	663,787	725,055	700,371	24,684
DA justice services	1,050,796	1,597,848	1,342,470	255,378
Hazmat	198,523	619,673	183,816	435,857
Vector control	291,844	291,844	248,360	43,484
Fire training	19,777	19,777	14,875	4,902
Public safety	657,355	983,683	842,142	141,541
Total public safety	2,882,082	4,237,880	3,332,034	905,846
Corrections:				
County prison	15,022,136	15,038,333	13,265,406	1,772,927
Probation and parole	5,643,238	5,708,586	5,442,133	266,453
Total corrections	20,665,374	20,746,919	18,707,539	2,039,380
Human services	4,864,393	5,303,571	5,224,861	78,710
Culture and recreation	5,186,006	5,227,516	5,169,192	58,324
Conservation and development	2,051,080	2,165,824	1,367,491	798,333
Economic development	1,710,050	1,710,050	1,397,214	312,836
Total expenditures	78,708,958	83,912,057	75,261,915	8,650,142
Excess (deficiency) of revenues over expenditures	2,594,090	(2,073,105)	6,151,397	8,224,502
OTHER FINANCING SOURCES (USES)				
Transfers in	4,691,975	4,691,975	6,649,735	1,957,760
Transfers out	(13,514,462)	(14,083,266)	(10,535,197)	3,548,069
Proceeds from sale of assets	—	—	18,258	18,258
Proceeds from right to use assets	—	—	275,725	275,725
Proceeds from insurance recovery	—	—	8,009	8,009
Total other financing sources (uses)	(8,822,487)	(9,391,291)	(3,583,470)	5,807,821
Net change in fund balance	(6,228,397)	(11,464,396)	2,567,927	14,032,323
Fund balance, beginning of year	34,511,428	34,511,428	48,689,506	14,178,078
Fund balance, end of year	\$ 28,283,031	23,047,032	51,257,433	28,210,401

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, 2020*

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Grants	\$ 15,704,570	17,649,030	17,123,476	(525,554)
County charges	1,794,828	2,158,202	2,201,281	43,079
Interest	12,000	12,000	45,393	33,393
Contributions and other	116,856	112,380	111,209	(1,171)
Total revenues	17,628,254	19,931,612	19,481,359	(450,253)
EXPENDITURES				
Current:				
Human services	18,217,272	20,547,503	20,090,456	457,047
Total expenditures	18,217,272	20,547,503	20,090,456	457,047
Deficiency of revenues under expenditures	(589,018)	(615,891)	(609,097)	6,794
OTHER FINANCING SOURCES				
Transfers in	589,018	615,891	609,776	6,115
Total other financing sources	589,018	615,891	609,776	6,115
Net change in fund balance	—	—	679	12,909
Fund balance, beginning of year	103,500	103,500	103,498	(2)
Fund balance, end of year	\$ 103,500	103,500	104,177	12,907

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

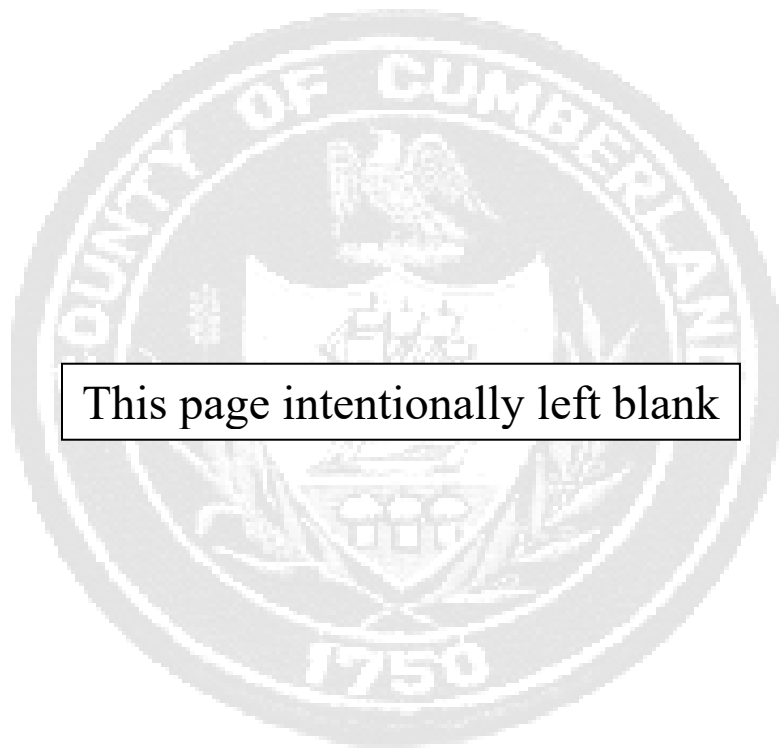
For the fiscal year ended June 30, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual	Variance with
	Original	Amended	Amounts	Amended Budget
REVENUES				
Grants	\$ 18,754,775	18,754,775	18,363,901	(390,874)
County charges	451,527	451,527	443,988	(7,539)
Contributions and other	—	—	608	608
Total revenues	19,206,302	19,206,302	18,808,497	(397,805)
EXPENDITURES				
Current:				
Human services	23,361,515	23,361,515	22,495,268	866,247
Total expenditures	23,361,515	23,361,515	22,495,268	866,247
Deficiency of revenues under expenditures	(4,155,213)	(4,155,213)	(3,686,771)	468,442
OTHER FINANCING SOURCES (USES)				
Transfers in	4,223,213	4,223,213	3,754,771	(468,442)
Transfers out	(68,000)	(68,000)	(68,000)	—
Total other financing sources (uses)	4,155,213	4,155,213	3,686,771	(468,442)
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.



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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
Pension liability			
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
Plan fiduciary net position			
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.

December 31, 2020

(unaudited)

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
5,309,011	4,139,378	4,407,504	4,524,592
14,522,698	14,949,775	15,736,110	16,422,452
-	-	-	-
(769,513)	(1,005,613)	3,032,936	1,539,523
-	11,064,623	-	-
<u>(10,428,840)</u>	<u>(10,551,987)</u>	<u>(11,782,546)</u>	<u>(12,215,447)</u>
8,633,356	18,596,176	11,394,004	10,271,120
195,923,227	204,556,583	223,152,759	234,546,763
<u>204,556,583</u>	<u>223,152,759</u>	<u>234,546,763</u>	<u>244,817,883</u>
3,805,364	2,854,381	3,856,188	4,202,702
3,352,587	3,551,808	3,859,308	4,144,052
28,128,035	(12,138,299)	38,752,976	26,193,722
(10,428,840)	(10,551,987)	(11,782,546)	(12,215,447)
<u>(208,237)</u>	<u>(253,043)</u>	<u>(243,382)</u>	<u>(240,006)</u>
24,648,909	(16,537,140)	34,442,544	22,085,023
188,649,638	213,298,547	196,761,407	231,203,951
<u>213,298,547</u>	<u>196,761,407</u>	<u>231,203,951</u>	<u>253,288,974</u>
<u>(8,741,964)</u>	<u>26,391,352</u>	<u>3,342,812</u>	<u>(8,471,091)</u>
104.27 %	88.17 %	98.57 %	103.46 %
54,909,779	55,755,116	58,391,246	59,660,040
(15.92) %	47.33 %	5.72 %	(14.20) %

REQUIRED SUPPLEMENTARY INFORMATION
EMPLOYEES' RETIREMENT PLAN SCHEDULES

COUNTY OF CUMBERLAND, PENNSYLVANIA

Schedule of County Contributions				
Last 10 Years Available				
	<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	15 years
Asset valuation method	Fair 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 %	15.15 %

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, 2020

(unaudited)

<u>2018</u>	<u>2019</u>	<u>2020</u>
2,854,381	3,856,188	4,202,702
<u>2,854,381</u>	<u>3,856,188</u>	<u>4,202,702</u>
<u>-</u>	<u>-</u>	<u>-</u>
55,755,116	58,391,246	59,660,040
5.12 %	6.60 %	7.04 %

1/1/2018	1/1/2019	1/1/2020
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<u>2018</u>	<u>2019</u>	<u>2020</u>
(5.39) %	20.30 %	11.77 %

REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS PLAN SCHEDULES

December 31, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

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

	2017	2018	2019	2020
OPEB liability				
Service cost	\$ 58,180	80,243	98,922	103,260
Interest	56,911	53,243	57,118	58,290
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	-	851,460	419,503
Changes of assumptions	63,493	69,840	174,647	105,418
Benefit payments, including refunds of member contributions	(123,115)	(188,555)	(575,799)	(318,202)
Net change in total OPEB liability	55,469	14,771	606,348	368,269
Total OPEB liability-beginning	1,505,570	1,561,039	1,575,810	2,182,158
Total OPEB liability-ending	\$ 1,561,039	1,575,810	2,182,158	2,550,427

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
2020	2.12

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.

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, 2020, or on a fiscal year ended June 30, 2020. 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, 2020, follows:

	<u>General Fund</u>
Budgetary basis- net change in fund balance	\$ 2,567,927
Adjustments:	
To adjust revenues, expenditures and other financing sources/uses:	
Net fund budget-related revenues, expenditures and other financing sources/uses:	(161,018)
Fund balance effect from funds included in GAAP statements:	
Criminal justice and intermediate punishment	(365)
District attorney federal forfeiture account	(31)
Offender supervision fund	(52,006)
Demolition-blighted property fund	94,740
CARES Act	<u>620,478</u>
GAAP basis - net change in fund balance	<u>\$ 3,069,725</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (unaudited) December 31, 2020

A reconciliation of the net change in fund balance for Mental Health/Intellectual and Developmental Disabilities (MH/IDD), a major special revenue fund, from a budget basis to a GAAP basis is provided below as a result of differing fiscal year end reporting dates.

	<u>MH/IDD</u>
Budgetary basis- net change in fund balance as of June 30, 2020	\$ 679
Adjustments for timing difference between fiscal years:	
Revenue	(47,340)
Expenditures	52,682
Other financing sources	<u>1,800</u>
GAAP basis - net change in fund balance as of December 31, 2020	<u>\$ 7,821</u>

A reconciliation of the net change in fund balance for Children and Youth, a major special revenue fund, from a budget basis to a GAAP basis is provided below as a result of differing fiscal year end reporting dates.

	<u>Children and Youth</u>
Budgetary basis- net change in fund balance as of June 30, 2020	\$ -
Adjustments for timing difference between fiscal years:	
Revenue	(351,209)
Expenditures	(21,767)
Other financing sources	<u>372,976</u>
GAAP basis - net change in fund balance as December 31, 2020	<u>\$ -</u>

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

1. During the months of February and March for fiscal budgets, and July and August for calendar funds, each department reviews current and prior year financial information to develop budget projections for the upcoming fiscal year. These projections often are developed in consultation with the County Finance Office. The results are submitted by each department in a standard format to the County Finance Office as a preliminary budget proposal.
2. The County Finance Office reviews all submissions and consults with departments as needed to substantiate the basis for requests and to refine the budget projections. The County Finance Office makes necessary adjustments to department submissions and compiles the data for presentation to the Board of County Commissioners, which occurs during a public hearing process.
3. The County Finance Office and the Chief Clerk develop a revenue projection and financing strategy in support of the proposed budget. A preliminary budget including revenue and expenditure projections is submitted to the County Commissioners for consideration.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (unaudited) December 31, 2020

4. The final budget is presented to the County Commissioners and after proper public notice is placed on display for a period of 20 days in accordance with the County Code. The County Commissioners adopt the budget after the necessary inspection period by enacting a formal budget resolution. The resulting budget is published in written form.
5. The County Commissioners may at any time, by resolution, make supplemental appropriations for any lawful purpose from any funds on hand. These funds include amounts estimated to be received within the fiscal year and not otherwise appropriated as well as the proceeds of any borrowing authorized by law. The County Commissioners may authorize the transfer of all or part of any unencumbered balances. The County Commissioners must approve changes to overall appropriations at the fund level. Therefore, the legal level of budgetary responsibility is by fund.

During the year, there were three general fund supplemental budget resolutions which increased appropriations and revenues in the amount of \$5,771,904 and \$535,904, respectively. 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.

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.

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, 2020

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
ASSETS							
Cash and cash equivalents	\$ 4,228,399	217,980	509,940	—	—	14,386	31,921
Investments	—	—	—	—	—	—	1,200,000
Restricted cash	—	—	—	—	—	—	—
Receivables:							
Taxes	—	—	—	—	—	—	—
Due from other governments	1,460,678	384,448	342,142	2,291	3,411	363,213	—
Accounts receivable	957	—	88,209	—	2	—	2,296
Due from other funds	—	—	92	3,284	353,388	1,177,484	—
Prepaid items	—	—	51	—	—	—	—
Total assets	<u>\$ 5,690,034</u>	<u>602,428</u>	<u>940,434</u>	<u>5,575</u>	<u>356,801</u>	<u>1,555,083</u>	<u>1,234,217</u>
LIABILITIES							
Accounts payable	\$ 1,255,778	938	99,185	1,044	118,735	213,008	—
Accrued liabilities and withholdings	—	81,153	57,767	4,439	6,375	48,264	—
Due to other funds	—	508,683	71,915	92	—	—	—
Due to other governments	—	—	—	—	—	—	1,190,504
Unearned revenue	—	—	498,409	—	101,498	13,498	—
Funds held as fiduciary	—	11,654	—	—	—	—	—
Total liabilities	<u>1,255,778</u>	<u>602,428</u>	<u>727,276</u>	<u>5,575</u>	<u>226,608</u>	<u>274,770</u>	<u>1,190,504</u>
FUND BALANCES							
Nonspendable:							
Prepaid items	—	—	51	—	—	—	—
Restricted:							
Roads and bridge maintenance	4,434,256	—	—	—	—	—	—
Human services	—	—	211,307	—	130,193	1,280,313	—
Public safety	—	—	—	—	—	—	—
Row office automation	—	—	—	—	—	—	—
Marcellus shale	—	—	—	—	—	—	—
Conservation	—	—	—	—	—	—	—
Economic development and assistance	—	—	—	—	—	—	—
Assigned:							
Human services	—	—	1,800	—	—	—	43,713
Capital projects	—	—	—	—	—	—	—
Economic development and assistance	—	—	—	—	—	—	—
Total fund balances	<u>4,434,256</u>	<u>—</u>	<u>213,158</u>	<u>—</u>	<u>130,193</u>	<u>1,280,313</u>	<u>43,713</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,690,034</u>	<u>602,428</u>	<u>940,434</u>	<u>5,575</u>	<u>356,801</u>	<u>1,555,083</u>	<u>1,234,217</u>

(continued)

COMBINING BALANCE SHEET
Nonmajor Governmental Funds

December 31, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Special Revenue						
	Witness Assistance	ARD/DUI Program	Records Improvement	Recycling and Waste	Affordable Housing	Hotel Tax	Emergency Telephone
(continued)							
ASSETS							
Cash and cash equivalents	\$ 5,134	—	132,005	429,265	104,983	575,794	1,545,747
Investments	—	—	—	400,000	—	—	—
Restricted cash	—	—	—	—	—	—	—
Receivables:							
Taxes	—	—	—	—	—	83,624	—
Due from other governments	118,083	—	—	102,217	—	—	1,434,550
Accounts receivable	—	—	—	1,163	—	—	—
Due from other funds	108,737	287	108,807	—	—	—	72,492
Prepaid items	2,400	—	—	—	—	—	135,251
Total assets	<u>\$ 234,354</u>	<u>287</u>	<u>240,812</u>	<u>932,645</u>	<u>104,983</u>	<u>659,418</u>	<u>3,188,040</u>
LIABILITIES							
Accounts payable	\$ 433	287	403	20,426	15,799	—	383,700
Accrued liabilities and withholdings	21,058	—	1,148	5,168	—	—	132,911
Due to other funds	—	—	—	23,367	11,095	659,418	—
Due to other governments	—	—	—	—	—	—	—
Unearned revenue	—	—	—	—	—	—	176,040
Funds held as fiduciary	—	—	—	—	—	—	—
Total liabilities	<u>21,491</u>	<u>287</u>	<u>1,551</u>	<u>48,961</u>	<u>26,894</u>	<u>659,418</u>	<u>692,651</u>
FUND BALANCES							
Nonspendable:							
Prepaid items	2,400	—	—	—	—	—	135,251
Restricted:							
Roads and bridge maintenance	—	—	—	—	—	—	—
Human services	—	—	—	—	—	—	—
Public safety	210,463	—	—	—	—	—	2,360,138
Row office automation	—	—	239,261	—	—	—	—
Marcellus shale	—	—	—	—	—	—	—
Conservation	—	—	—	883,684	—	—	—
Economic development and assistance	—	—	—	—	78,089	—	—
Assigned:							
Human services	—	—	—	—	—	—	—
Capital projects	—	—	—	—	—	—	—
Economic development and assistance	—	—	—	—	—	—	—
Total fund balances	<u>212,863</u>	<u>—</u>	<u>239,261</u>	<u>883,684</u>	<u>78,089</u>	<u>—</u>	<u>2,495,389</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 234,354</u>	<u>287</u>	<u>240,812</u>	<u>932,645</u>	<u>104,983</u>	<u>659,418</u>	<u>3,188,040</u>

(Continued)

COMBINING BALANCE SHEET
Nonmajor Governmental Funds

December 31, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

		Special Revenue					Total
		HealthChoices- Cumberland County	CAEDC	Total	Debt Service	Capital Projects Fund	Nonmajor Governmental Funds
(continued)							
ASSETS							
Cash and cash equivalents	\$	583	1,258,710	9,054,847	—	3,991,740	13,046,587
Investments		—	1,023,124	2,623,124	—	—	2,623,124
Restricted cash		—	281,217	281,217	—	—	281,217
Receivables:							
Taxes		—	—	83,624	—	—	83,624
Due from other governments		—	52,187	4,263,220	—	75,492	4,338,712
Accounts receivable		—	1,307,429	1,400,056	—	10,607	1,410,663
Due from other funds		—	280,341	2,104,912	—	3,413	2,108,325
Prepaid items		—	83,904	221,606	—	—	221,606
Total assets	\$	<u>583</u>	<u>4,286,912</u>	<u>20,032,606</u>	<u>—</u>	<u>4,081,252</u>	<u>24,113,858</u>
LIABILITIES							
Accounts payable	\$	—	434,872	2,544,608	—	558,248	3,102,856
Accrued liabilities and withholdings		—	—	358,283	—	—	358,283
Due to other funds		583	—	1,275,153	—	—	1,275,153
Due to other governments		—	—	1,190,504	—	—	1,190,504
Unearned revenue		—	254,500	1,043,945	—	—	1,043,945
Funds held as fiduciary		—	—	11,654	—	—	11,654
Total liabilities		<u>583</u>	<u>689,372</u>	<u>6,424,147</u>	<u>—</u>	<u>558,248</u>	<u>6,982,395</u>
FUND BALANCES							
Nonspendable:							
Prepaid items		—	1,141,414	1,279,116	—	—	1,279,116
Restricted:							
Roads and bridge maintenance		—	—	4,434,256	—	2,064,696	6,498,952
Human services		—	—	1,621,813	—	—	1,621,813
Public safety		—	—	2,570,601	—	—	2,570,601
Row office automation		—	—	239,261	—	—	239,261
Marcellus shale		—	—	—	—	1,353,725	1,353,725
Conservation		—	—	883,684	—	—	883,684
Economic development and assistance		—	281,217	359,306	—	—	359,306
Assigned:							
Human services		—	—	45,513	—	—	45,513
Capital projects		—	—	—	—	104,583	104,583
Economic development and assistance		—	2,174,909	2,174,909	—	—	2,174,909
Total fund balances		<u>—</u>	<u>3,597,540</u>	<u>13,608,459</u>	<u>—</u>	<u>3,523,004</u>	<u>17,131,463</u>
Total liabilities, deferred inflows of resources and fund balances	\$	<u>583</u>	<u>4,286,912</u>	<u>20,032,606</u>	<u>—</u>	<u>4,081,252</u>	<u>24,113,858</u>

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

Nonmajor Governmental Funds

For the year ended December 31, 2020

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
REVENUES							
Taxes	\$ —	—	—	—	—	—	—
Grants	7,277,492	2,442,534	3,351,671	118,974	821,445	2,761,346	—
County charges	1,313,500	1,767	335,743	—	2,570	512,092	—
Court costs, fines and forfeitures	—	3,975	—	—	—	217,684	—
Investment earnings	24,785	988	2,357	—	4	—	14,669
Contributions and other	—	—	22,859	—	2,838	16,133	—
Total revenues	8,615,777	2,449,264	3,712,630	118,974	826,857	3,507,255	14,669
EXPENDITURES							
Current:							
General government – administrative	—	—	—	—	—	—	—
General government – judicial	—	3,651,856	—	—	—	—	—
Emergency telephone	—	—	—	—	—	—	—
Public works and enterprises	150,503	—	—	—	—	—	—
Human services	—	—	3,977,643	165,198	842,301	3,575,272	—
Economic development and assistance	—	—	—	—	—	—	—
Debt service:							
Principal retirement	—	—	—	—	—	—	—
Debt interest	—	—	—	—	—	—	—
Capital outlay	7,609,242	—	—	—	—	—	—
Payments to other governments	20,570	—	—	—	—	1,012	—
Total expenditures	7,780,315	3,651,856	3,977,643	165,198	842,301	3,576,284	—
Excess (deficiency) of revenues over (under) expenditures	835,462	(1,202,592)	(265,013)	(46,224)	(15,444)	(69,029)	14,669
OTHER FINANCING SOURCES (USES)							
Transfers in	—	1,202,592	272,030	79,318	2,459	340,372	—
Transfers out	—	—	—	(33,094)	(8,820)	(174,620)	—
Proceeds from sale of assets	—	—	—	—	—	—	—
Proceeds from issuance of long term note	—	—	—	—	—	—	—
Proceeds from issuance of long term debt	—	—	—	—	—	—	—
Proceeds from insurance recovery	—	—	—	—	—	—	—
Total other financing sources (uses)	—	1,202,592	272,030	46,224	(6,361)	165,752	—
Net changes in fund balances	835,462	—	7,017	—	(21,805)	96,723	14,669
Fund balances, beginning of year, as restated	3,598,794	—	206,141	—	151,998	1,183,590	29,044
Fund balances, end of year	\$ 4,434,256	—	213,158	—	130,193	1,280,313	43,713

(continued)

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

Nonmajor Governmental Funds

For the year ended December 31, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

(continued)	Special Revenue						
	Witness Assistance	ARD/DUI Program	Records Improvement	Recycling and Waste	Affordable Housing	Hotel Tax	Emergency Telephone
REVENUES							
Taxes	\$ —	—	—	—	—	1,184,567	—
Grants	525,302	—	—	90,517	—	—	207,452
County charges	40,537	222,646	195,164	311,341	233,415	12	6,284,881
Court costs, fines and forfeitures	464	—	—	—	—	—	—
Investment earnings	1	—	32	3,687	393	1,943	16,527
Contributions and other	1,500	—	—	20,000	—	—	308
Total revenues	567,804	222,646	195,196	425,545	233,808	1,186,522	6,509,168
EXPENDITURES							
Current:							
General government – administrative	—	—	119,708	—	38,812	—	—
General government – judicial	—	86,884	—	—	—	—	—
Emergency telephone	—	—	—	—	—	—	5,785,032
Public works and enterprises	—	—	—	358,353	—	—	—
Human services	791,446	—	—	—	—	—	—
Economic development and assistance	—	—	—	—	—	23,689	—
Debt service:							
Principal retirement	—	—	—	—	—	—	—
Debt interest	—	—	—	—	—	—	—
Capital outlay	—	—	—	—	—	—	1,180,932
Payments to other governments	377	—	—	—	130,000	—	—
Total expenditures	791,823	86,884	119,708	358,353	168,812	23,689	6,965,964
Excess (deficiency) of revenues over (under) expenditures	(224,019)	135,762	75,488	67,192	64,996	1,162,833	(456,796)
OTHER FINANCING SOURCES (USES)							
Transfers in	256,226	—	13	578	—	—	456,189
Transfers out	—	(135,762)	(6,620)	—	—	(1,162,833)	(757,452)
Proceeds from sale of assets	—	—	—	—	—	—	—
Proceeds from issuance of long term note	—	—	—	—	—	—	—
Proceeds from issuance of long term debt	—	—	—	—	—	—	—
Proceeds from insurance recovery	—	—	—	—	—	—	153,000
Total other financing sources (uses)	256,226	(135,762)	(6,607)	578	—	(1,162,833)	(148,263)
Net changes in fund balances	32,207	—	68,881	67,770	64,996	—	(605,059)
Fund balances, beginning of year, as restated	180,656	—	170,380	815,914	13,093	—	3,100,448
Fund balances, end of year	\$ 212,863	—	239,261	883,684	78,089	—	2,495,389

(continued)

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

Nonmajor Governmental Funds

For the year ended December 31, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

(continued)	Special Revenue			Debt Service	Capital Projects Fund	Nonmajor Governmental Funds
	HealthChoices- Cumberland County	CAEDC	Total			
REVENUES						
Taxes	\$ —	—	1,184,567	—	—	1,184,567
Grants	—	113,499	17,710,232	—	357,115	18,067,347
County charges	—	528,889	9,982,557	—	197,392	10,179,949
Court costs, fines and forfeitures	—	—	222,123	—	—	222,123
Investment earnings	22	37,128	102,536	—	4,761	107,297
Contributions and other	—	2,196	65,834	—	10,607	76,441
Total revenues	22	681,712	29,267,849	—	569,875	29,837,724
EXPENDITURES						
Current:						
General government – administrative	—	—	158,520	—	4,027	162,547
General government – judicial	—	—	3,738,740	—	—	3,738,740
Emergency telephone	—	—	5,785,032	—	—	5,785,032
Public works and enterprises	—	—	508,856	—	—	508,856
Human services	—	—	9,351,860	—	—	9,351,860
Economic development and assistance	—	2,302,254	2,325,943	—	—	2,325,943
Debt service:						
Principal retirement	—	465,135	465,135	2,971,065	—	3,436,200
Debt interest	—	—	—	953,737	—	953,737
Capital outlay	—	57,698	8,847,872	—	3,248,408	12,096,280
Payments to other governments	—	—	151,959	—	49,400	201,359
Total expenditures	—	2,825,087	31,333,917	3,924,802	3,301,835	38,560,554
Excess (deficiency) of revenues over (under) expenditures	22	(2,143,375)	(2,066,068)	(3,924,802)	(2,731,960)	(8,722,830)
OTHER FINANCING SOURCES (USES)						
Transfers in	—	1,412,322	4,022,099	3,924,802	68,768	8,015,669
Transfers out	(22)	—	(2,279,223)	—	—	(2,279,223)
Proceeds from sale of assets	—	942,680	942,680	—	—	942,680
Proceeds from issuance of long term note	—	—	—	—	5,000,000	5,000,000
Proceeds from issuance of long term debt	—	199,722	199,722	—	—	199,722
Proceeds from insurance recovery	—	—	153,000	—	—	153,000
Total other financing sources (uses)	(22)	2,554,724	3,038,278	3,924,802	5,068,768	12,031,848
Net changes in fund balances	—	411,349	972,210	—	2,336,808	3,309,018
Fund balances, beginning of year, as restated	—	3,186,191	12,636,249	—	1,186,196	13,822,445
Fund balances, end of year	\$ —	3,597,540	13,608,459	—	3,523,004	17,131,463

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, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Amended</u>	<u>Amounts</u>	<u>with Amended</u>
				<u>Budget</u>
REVENUES				
Grants:				
Liquid fuels tax	\$ 9,402,603	9,402,603	7,227,492	(2,175,111)
County charges	1,267,117	1,267,117	1,313,500	46,383
Interest	23,000	23,000	24,785	1,785
Total revenues	<u>10,692,720</u>	<u>10,692,720</u>	<u>8,615,777</u>	<u>(2,126,943)</u>
EXPENDITURES				
Current:				
Public works and enterprises	883,990	883,990	150,503	733,487
Capital outlay	9,478,846	9,478,846	7,609,242	1,869,604
Payments to other governments	781,028	781,028	20,570	760,458
Total expenditures	<u>11,143,864</u>	<u>11,143,864</u>	<u>7,780,315</u>	<u>3,363,549</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(451,144)</u>	<u>(451,144)</u>	<u>835,462</u>	<u>1,236,606</u>
OTHER FINANCING USES				
Transfer out	<u>(540,000)</u>	<u>(540,000)</u>	<u>—</u>	<u>540,000</u>
Total other financing uses	<u>(540,000)</u>	<u>(540,000)</u>	<u>—</u>	<u>540,000</u>
Net change in fund balance	<u>(991,144)</u>	<u>(991,144)</u>	<u>835,462</u>	<u>1,776,606</u>
Fund balance, beginning of year	<u>2,631,440</u>	<u>2,631,440</u>	<u>3,598,794</u>	<u>967,354</u>
Fund balance, end of year	<u>\$ 1,640,296</u>	<u>1,640,296</u>	<u>4,434,256</u>	<u>2,743,960</u>

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

Domestic Relations Office

For the year ended December 31, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Amended</u>	<u>Amounts</u>	<u>with Amended</u>
				<u>Budget</u>
REVENUES				
Grants	\$ 2,456,179	2,456,179	2,442,534	(13,645)
County charges	2,190	2,190	1,767	(423)
Court costs, fines, and forfeitures	—	—	3,975	3,975
Interest	800	800	988	188
	<u>2,459,169</u>	<u>2,459,169</u>	<u>2,449,264</u>	<u>(9,905)</u>
EXPENDITURES				
Current:				
General government – judicial	<u>3,781,182</u>	<u>3,781,182</u>	<u>3,651,856</u>	<u>129,326</u>
	<u>3,781,182</u>	<u>3,781,182</u>	<u>3,651,856</u>	<u>129,326</u>
Deficiency of revenues under expenditures	<u>(1,322,013)</u>	<u>(1,322,013)</u>	<u>(1,202,592)</u>	<u>119,421</u>
OTHER FINANCING SOURCES				
Transfers in	<u>1,322,013</u>	<u>1,322,013</u>	<u>1,202,592</u>	<u>(119,421)</u>
	<u>1,322,013</u>	<u>1,322,013</u>	<u>1,202,592</u>	<u>(119,421)</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, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Grants	\$ 3,504,600	3,504,600	3,451,394	(53,206)
County charges	591,500	591,500	404,147	(187,353)
Interest	1,700	1,700	4,444	2,744
Contributions and other	31,900	31,900	26,634	(5,266)
Total revenues	4,129,700	4,129,700	3,886,619	(243,081)
EXPENDITURES				
Current:				
Human services	4,540,062	4,540,062	4,197,889	342,173
Total expenditures	4,540,062	4,540,062	4,197,889	342,173
Deficiency of revenues under expenditures	(410,362)	(410,362)	(311,270)	99,092
OTHER FINANCING SOURCES				
Transfers in	410,362	410,362	325,115	(85,247)
Total other financing sources	410,362	410,362	325,115	(85,247)
Net change in fund balance	—	—	13,845	13,845
Fund balance, beginning of year	257,055	257,055	257,005	(50)
Fund balance, end of year	\$ 257,055	257,055	270,850	13,795

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

Human Services Development

For the fiscal year ended June 30, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Grants	\$ 129,187	129,187	131,479	2,292
Total revenues	129,187	129,187	131,479	2,292
EXPENDITURES				
Current:				
Human services	139,347	141,666	141,665	1
Total expenditures	139,347	141,666	141,665	1
Deficiency of revenues over expenditures	(10,160)	(12,479)	(10,186)	2,293
OTHER FINANCING SOURCES (USES)				
Transfers in	86,763	86,763	78,570	(8,193)
Transfers out	(76,603)	(74,284)	(68,384)	5,900
Total other financing sources (uses)	10,160	12,479	10,186	(2,293)
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, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Grants	\$ 722,253	820,565	754,124	(66,441)
County charges	121,463	121,463	41,416	(80,047)
Contributions and other	5,000	5,000	2,848	(2,152)
Interest	20	20	4	(16)
Total revenues	848,736	947,048	798,392	(148,656)
EXPENDITURES				
Current:				
Human services	950,139	1,045,041	820,839	224,202
Total expenditures	950,139	1,045,041	820,839	224,202
Deficiency of revenues under expenditures	(101,403)	(97,993)	(22,447)	75,546
OTHER FINANCING SOURCES (USES)				
Transfer in	102,403	102,403	37,749	(64,654)
Transfers out	(1,000)	(4,410)	(4,410)	—
Total other financing sources (uses)	101,403	97,993	33,339	(64,654)
Net change in fund balance	—	—	10,892	10,892
Fund balance, beginning of year	90,000	90,000	132,567	42,567
Fund balance, end of year	\$ 90,000	90,000	143,459	53,459

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

Drug and Alcohol

For the fiscal year ended June 30, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Grants	\$ 3,046,970	3,046,970	2,934,896	(112,074)
County charges	474,842	474,842	505,673	30,831
Court costs, fines and forfeitures	180,000	180,000	207,533	27,533
Contributions and other	13,037	13,037	17,483	4,446
Total revenues	3,714,849	3,714,849	3,665,585	(49,264)
EXPENDITURES				
Current:				
Human services	3,813,230	3,797,675	3,594,077	203,598
Payments to other governments	—	3,000	1,012	1,988
Total expenditures	3,813,230	3,800,675	3,595,089	205,586
Excess/deficiency of revenues over (under) expenditures	(98,381)	(85,826)	70,496	156,322
OTHER FINANCING SOURCES (USES)				
Transfers in	330,769	330,769	335,709	4,940
Transfers out	(254,321)	(266,876)	(266,854)	22
Total other financing sources (uses)	76,448	63,893	68,855	4,962
Net change in fund balance	(21,933)	(21,933)	139,351	161,284
Fund balance, beginning of year	1,065,000	1,065,000	1,065,219	219
Fund balance, end of year	\$ 1,043,067	1,043,067	1,204,570	161,503

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

Fiscal Employer Agent

For the fiscal year ended June 30, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Interest	\$ —	—	11,507	11,507
Total revenues	—	—	11,507	11,507
EXPENDITURES				
Current:				
Human services	—	—	—	—
Payments to other governments	—	—	—	—
Total expenditures	—	—	—	—
Excess of revenues over expenditures	—	—	11,507	11,507
Fund balance, beginning of year	—	—	19,985	19,985
Fund balance, end of year	\$ —	—	31,492	31,492

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

Witness Assistance

For the year ended December 31, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Grants	\$ 562,634	562,634	525,302	(37,332)
County charges	27,000	27,000	40,537	13,537
Court, costs, fines and forfeitures	900	900	464	(436)
Interest	—	—	1	1
Contributions and other	—	—	1,500	1,500
	<u>590,534</u>	<u>590,534</u>	<u>567,804</u>	<u>(22,730)</u>
EXPENDITURES				
Current:				
Human services	860,330	858,230	791,446	66,784
Payments to other governments	—	2,100	377	1,723
	<u>860,330</u>	<u>860,330</u>	<u>791,823</u>	<u>68,507</u>
Deficiency of revenues under expenditures	<u>(269,796)</u>	<u>(269,796)</u>	<u>(224,019)</u>	<u>45,777</u>
OTHER FINANCING SOURCES				
Transfers in	<u>267,521</u>	<u>267,521</u>	<u>256,226</u>	<u>(11,295)</u>
	<u>267,521</u>	<u>267,521</u>	<u>256,226</u>	<u>(11,295)</u>
Net change in fund balance	(2,275)	(2,275)	32,207	34,482
Fund balance, beginning of year	<u>172,310</u>	<u>172,310</u>	<u>180,656</u>	<u>8,346</u>
Fund balance, end of year	<u>\$ 170,035</u>	<u>170,035</u>	<u>212,863</u>	<u>42,828</u>

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

ARD/DUI Program

For the year ended December 31, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
County charges	\$ 280,000	280,000	222,646	(57,354)
Total revenues	280,000	280,000	222,646	(57,354)
EXPENDITURES				
Current:				
General government – judicial	132,450	132,450	86,884	45,566
Total expenditures	132,450	132,450	86,884	45,566
Excess of revenues over expenditures	147,550	147,550	135,762	(11,788)
OTHER FINANCING USES				
Transfers out	(147,550)	(147,550)	(135,762)	11,788
Total other financing uses	(147,550)	(147,550)	(135,762)	11,788
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, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
County charges	\$ 150,000	150,000	195,164	45,164
Interest	50	50	32	(18)
Total revenues	150,050	150,050	195,196	45,146
EXPENDITURES				
Current:				
General government – administrative	228,209	228,209	119,708	108,501
Capital outlay	1	1	—	1
Total expenditures	228,210	228,210	119,708	108,502
Deficiency of revenues under expenditures	(78,160)	(78,160)	75,488	153,648
OTHER FINANCING SOURCES (USES)				
Transfers in	—	—	13	13
Transfers out	(15,000)	(15,000)	(6,620)	8,380
Total other financing sources (uses)	(15,000)	(15,000)	(6,607)	8,393
Net change in fund balance	(93,160)	(93,160)	68,881	162,041
Fund balance, beginning of year	195,600	195,600	170,380	(25,220)
Fund balance, end of year	\$ 102,440	102,440	239,261	136,821

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

Recycling and Waste

For the year ended December 31, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Grants	\$ 94,600	94,600	90,517	(4,083)
County charges	387,600	387,600	311,341	(76,259)
Interest	1,200	1,200	3,687	2,487
Contributions and other	20,000	20,000	20,000	—
Total revenues	503,400	503,400	425,545	(77,855)
EXPENDITURES				
Current:				
Public works and enterprises	590,888	590,888	358,353	232,535
Capital outlay	10,000	10,000	—	10,000
Total expenditures	600,888	600,888	358,353	242,535
Excess of revenues over expenditures	(97,488)	(97,488)	67,192	164,680
OTHER FINANCING SOURCES				
Transfer in	—	—	578	578
Total other financing sources	—	—	578	578
Net change in fund balance	(97,488)	(97,488)	67,770	165,258
Fund balance, beginning of year	609,700	609,700	815,914	206,214
Fund balance, end of year	\$ 512,212	512,212	883,684	371,472

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

Affordable Housing

For the year ended December 31, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
County charges	\$ 180,000	180,000	233,415	53,415
Interest	—	—	393	393
Total revenues	180,000	180,000	233,808	53,808
EXPENDITURES				
Current:				
General government - administrative	35,600	38,830	38,812	18
Payments to other governments	145,000	141,770	130,000	11,770
Total expenditures	180,600	180,600	168,812	11,788
Excess/deficiency of revenues over (under) expenditures	(600)	(600)	64,996	65,596
Fund balance, beginning of year	9,700	9,700	13,093	3,393
Fund balance, end of year	\$ 9,100	9,100	78,089	68,989

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

Hotel Tax

For the year ended December 31, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Taxes	\$ 2,200,000	2,200,000	1,184,567	(1,015,433)
County charges	—	—	12	12
Interest	4,300	4,300	1,943	(2,357)
Total revenues	2,204,300	2,204,300	1,186,522	(1,017,778)
EXPENDITURES				
Current:				
Culture and recreation	44,000	44,000	23,689	20,311
Total expenditures	44,000	44,000	23,689	20,311
Excess of revenues over expenditures	2,160,300	2,160,300	1,162,833	(997,467)
OTHER FINANCING USES				
Transfers out	(2,160,300)	(2,160,300)	(1,162,833)	997,467
Total other financing uses	(2,160,300)	(2,160,300)	(1,162,833)	997,467
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, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Grants	\$ —	—	207,452	207,452
County charges	5,831,520	5,831,520	6,284,881	453,361
Interest	9,063	9,063	16,527	7,464
Contributions and other	300	300	308	8
Total revenues	5,840,883	5,840,883	6,509,168	668,285
EXPENDITURES				
Current:				
Emergency telephone	5,775,101	5,822,786	5,785,032	37,754
Capital outlay	1,761,905	1,714,220	1,180,932	533,288
Total expenditures	7,537,006	7,537,006	6,965,964	571,042
Deficiency of revenues under expenditures	(1,696,123)	(1,696,123)	(456,796)	1,239,327
OTHER FINANCING SOURCES (USES)				
Transfers in	295,279	295,279	456,189	160,910
Transfers out	(1,208,500)	(1,208,500)	(757,452)	451,048
Proceeds from insurance recovery	—	—	153,000	153,000
Total other financing sources (uses)	(913,221)	(913,221)	(148,263)	764,958
Net change in fund balance	(2,609,344)	(2,609,344)	(605,059)	2,004,285
Fund balance, beginning of year	2,965,801	2,965,801	3,100,448	134,647
Fund balance, end of year	\$ 356,457	356,457	2,495,389	2,138,932

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

HealthChoices-Cumberland County

For the fiscal year ended June 30, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual	Variance with
	Original	Amended	Amounts	Amended Budget
REVENUES				
Grants	\$ 45,593,821	45,593,821	—	(45,593,821)
Interest	2,217	2,217	582	(1,635)
Total revenues	45,596,038	45,596,038	582	(45,595,456)
EXPENDITURES				
Current:				
Human services	45,596,038	45,587,202	—	45,587,202
Total expenditures	45,596,038	45,587,202	—	45,587,202
Excess of revenues over expenditures	—	8,836	582	(8,254)
OTHER FINANCING USES				
Transfers out	—	(8,836)	(8,767)	(69)
Total other financing uses	—	(8,836)	(8,767)	(69)
Net change in fund balance	—	—	(8,185)	(8,323)
Fund balance, beginning of year	—	—	8,185	8,185
Fund balance, end of year	\$ —	—	—	(276)

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**

Debt Service

For the year ended December 31, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Interest	\$ —	—	—	—
Total revenues	—	—	—	—
EXPENDITURES				
Debt service:				
Principal retirement	3,098,556	3,508,719	2,971,065	537,654
Debt interest	921,431	951,831	953,737	(1,906)
Total expenditures	4,019,987	4,460,550	3,924,802	535,748
Deficiency of revenues under expenditures	(4,019,987)	(4,460,550)	(3,924,802)	535,748
OTHER FINANCING SOURCES (USES)				
Transfer in	4,019,987	4,460,550	3,924,802	(535,748)
Total other financing sources (uses)	4,019,987	4,460,550	3,924,802	(535,748)
Net change in fund balance	—	—	—	—
Fund balance, beginning of year	—	—	—	—
Fund balance, end of year	\$ —	—	—	—

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

Capital Projects

For the year ended December 31, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Grants	\$ 450,000	450,000	357,115	(92,885)
County charges	—	—	197,392	197,392
Interest	15,000	15,000	4,761	(10,239)
Contributions and other	—	—	10,607	10,607
Total revenues	465,000	465,000	569,875	104,875
EXPENDITURES				
Current expenditures	320,500	320,500	4,027	316,473
Capital outlay	8,324,900	8,324,900	3,248,408	5,076,492
Payments to other governments	220,000	220,000	49,400	170,600
Total expenditures	8,865,400	8,865,400	3,301,835	5,563,565
Deficiency of revenues under expenditures	(8,400,400)	(8,400,400)	(2,731,960)	5,668,440
OTHER FINANCING SOURCES				
Proceeds from issuance of long term note	5,004,500	5,004,500	5,000,000	(4,500)
Transfer in	2,900,000	2,900,000	68,768	(2,831,232)
Total other financing sources	7,904,500	7,904,500	5,068,768	(2,835,732)
Excess (deficiency) of revenues over (under) expenditures	(495,900)	(495,900)	2,336,808	2,832,708
Fund balance, beginning of year	1,560,640	1,560,640	1,186,196	(374,444)
Fund balance, end of year	\$ 1,064,740	1,064,740	3,523,004	2,458,264

Other General Fund Budgetary Schedules

OTHER GENERAL FUND BUDGETARY SCHEDULES

DESCRIPTION OF FUNDS

Other General Fund Programs

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

County Relief Block Grant – To account for Coronavirus Aid, Relief and Economic Security Act (CARES) funding passed through the Commonwealth of Pennsylvania as block grants to counties.

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.

Demolition Fund – To account for Recorder of Deeds fees established by Pennsylvania Act 152 of 2016 for the demolition of qualifying blighted Cumberland County buildings.

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**

County Relief Block Grant

For the fiscal year ended December 31, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Grants	\$ —	22,881,555	22,881,555	—
Interest	—	—	35,016	35,016
Total revenues	—	22,881,555	22,916,571	35,016
EXPENDITURES				
Current:				
Economic development	—	19,362,200	18,589,976	772,224
Capital outlay	—	737,657	737,656	1
Payment to other governments	—	1,120,691	1,120,681	10
Total expenditures	—	21,220,548	20,448,313	772,235
Excess of revenues under expenditures	—	1,661,007	2,468,258	807,251
OTHER FINANCING USES				
Transfers out	—	(1,861,007)	(1,847,780)	13,227
Total other financing uses	—	(1,861,007)	(1,847,780)	13,227
Net change in fund balance	—	(200,000)	620,478	820,478
Fund balance, beginning of year	—	—	—	—
Fund balance, end of year	\$ —	(200,000)	620,478	820,478

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

Insurance Fraud Prevention Authority

For the fiscal year ended June 30, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Grants	\$ 247,423	247,423	194,065	(53,358)
County charges	40	40	47	7
Interest	350	350	1,020	670
Total revenues	247,813	247,813	195,132	(52,681)
EXPENDITURES				
Current:				
Public safety	247,813	247,813	195,132	52,681
Total expenditures	247,813	247,813	195,132	52,681
Deficiency of revenues under expenditures	—	—	—	—
Fund balance, beginning of year	—	—	—	—
Fund balance, end of year	\$ —	—	—	—

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

Criminal Justice Planning

For the fiscal year ended June 30, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual	Variance
	Original	Amended	Amounts	with Amended Budget
REVENUES				
Grants	\$ 314,354	364,354	442,724	78,370
County charges	2,395	2,395	2,411	16
Contributions and other	10,000	17,500	531	(16,969)
Total revenues	326,749	384,249	445,666	61,417
EXPENDITURES				
Current:				
Human services	1,460,946	1,518,446	1,333,606	184,840
Total expenditures	1,460,946	1,518,446	1,333,606	184,840
Deficiency of revenues under expenditures	(1,134,197)	(1,134,197)	(887,940)	246,257
OTHER FINANCING SOURCES				
Transfers in	1,134,197	1,134,197	887,940	(246,257)
Total other financing sources	1,134,197	1,134,197	887,940	(246,257)
Net change in fund balance	—	—	—	—
Fund balance, beginning of year	7,802	7,802	7,803	1
Fund balance, end of year	\$ 7,802	7,802	7,803	1

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

Offender Supervision

For the fiscal year ended June 30, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
County charges	\$ 600	600	2	(598)
Court costs, fines, and forfeitures	864,000	816,000	772,659	(43,341)
Total revenues	864,600	816,600	772,661	(43,939)
EXPENDITURES				
Current:				
Public safety	781,489	687,017	749,194	(62,177)
Total expenditures	781,489	687,017	749,194	(62,177)
Excess of revenues over expenditures	83,111	129,583	23,467	(106,116)
OTHER FINANCING USES				
Transfers out	(75,000)	(75,000)	(75,000)	—
Total other financing uses	(75,000)	(75,000)	(75,000)	—
Net change in fund balance	8,111	54,583	(51,533)	(106,116)
Fund balance, beginning of year	1,304,737	1,304,737	1,304,738	1
Fund balance, end of year	\$ 1,312,848	1,359,320	1,253,205	(106,115)

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

STOP Grant

For the year ended December 31, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Grants	\$ 125,000	125,000	125,000	—
County charges	—	—	53	53
Interest	—	—	28	28
Total revenues	125,000	125,000	125,081	81
EXPENDITURES				
Current:				
Public safety	174,316	174,316	172,885	1,431
Total expenditures	174,316	174,316	172,885	1,431
Deficiency of revenues under expenditures	(49,316)	(49,316)	(47,804)	1,512
OTHER FINANCING SOURCES				
Transfers in	49,316	49,316	47,804	(1,512)
Total other financing sources	49,316	49,316	47,804	(1,512)
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**

Demolition Fund

For the fiscal year ended December 31, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Grants	\$ —	—	94,740	94,740
Total revenues	—	—	94,740	94,740
EXPENDITURES				
Current:				
Economic development	—	—	—	—
Total expenditures	—	—	—	—
Excess of revenues over expenditures	—	—	94,740	94,740
Fund balance, beginning of year	—	—	—	—
Fund balance, end of year	\$ —	—	94,740	94,740

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

District Attorney-Federal Forfeitures

For the fiscal year ended December 31, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Interest	\$ —	65	64	(1)
Total revenues	—	65	64	(1)
EXPENDITURES				
Current:				
Human services	—	500	95	405
Total expenditures	—	500	95	405
Deficiency of revenues under expenditures	—	(435)	(31)	404
Fund balance, beginning of year	—	—	50,219	50,219
Fund balance, end of year	\$ —	(435)	50,188	50,623

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, 2020*****COUNTY OF CUMBERLAND, PENNSYLVANIA****(unaudited)**

	Workers' Compensation	Health Care Self Insurance	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 749,674	3,362,049	4,111,723
Investments	493,636	—	493,636
Customer accounts receivable	2,516	57,537	60,053
Prepaid	—	93,974	93,974
Total current assets	<u>1,245,826</u>	<u>3,513,560</u>	<u>4,759,386</u>
Total assets	<u>1,245,826</u>	<u>3,513,560</u>	<u>4,759,386</u>
LIABILITIES			
Current liabilities:			
Accounts payable	5,600	652	6,252
Accrued payroll	536	2,831	3,367
Due to other funds	27,877	45,564	73,441
Unearned revenue	—	25,046	25,046
Self-insurance claims payable	<u>158,573</u>	<u>881,000</u>	<u>1,039,573</u>
Total current liabilities	<u>192,586</u>	<u>955,093</u>	<u>1,147,679</u>
Noncurrent liabilities:			
Due in more than one year:			
Self-insurance claims payable	<u>756,343</u>	<u>—</u>	<u>756,343</u>
Total noncurrent liabilities	<u>756,343</u>	<u>—</u>	<u>756,343</u>
Total liabilities	<u>948,929</u>	<u>955,093</u>	<u>1,904,022</u>
NET POSITION			
Unrestricted	<u>296,897</u>	<u>2,558,467</u>	<u>2,855,364</u>
Total net position	<u>\$ 296,897</u>	<u>2,558,467</u>	<u>2,855,364</u>

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Internal Service Funds

For the year ended December 31, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Workers' Compensation	Health Care Self Insurance	Totals
Operating revenues:			
Charges for sales and services:			
County charges	\$ 191,416	15,868,726	16,060,142
Total operating revenues	191,416	15,868,726	16,060,142
Operating expenses:			
Patient/client services	672,623	13,160,473	13,833,096
Total operating expenses	672,623	13,160,473	13,833,096
Operating income (loss)	(481,207)	2,708,253	2,227,046
Nonoperating revenues:			
Grant income	16	1,306	1,322
Interest income	24,571	12,217	36,788
Total nonoperating revenues	24,587	13,523	38,110
Income (loss) before transfers	(456,620)	2,721,776	2,265,156
Transfer in	71	1,645	1,716
Transfer out	—	(164,954)	(164,954)
Change in net position	(456,549)	2,558,467	2,101,918
Total net position, beginning of year	753,446	—	753,446
Total net position, end of year	\$ 296,897	2,558,467	2,855,364

COMBINING STATEMENT OF CASH FLOWS

Internal Service Funds

For the year ended December 31, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Workers' Compensation	Health Care Self Insurance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received on county charges	\$ 212,960	15,895,707	16,108,667
Payments to vendors	(353,699)	(13,519,094)	(13,872,793)
Payments to employees	(21,067)	(101,391)	(122,458)
Net cash provided by (used in) operating activities	(161,806)	2,275,222	2,113,416
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES			
Transfer from other funds	71	1,645	1,716
Grants	16	—	16
Net cash provided by non-capital and related financing activities	87	1,645	1,732
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of investments	849,417	—	849,417
Gain on investments	24,655	12,217	36,872
Net cash provided by investing activities	874,072	12,217	886,289
Net decrease in cash and cash equivalents	712,353	2,289,084	3,001,437
Cash and cash equivalents, January 1	37,321	1,072,965	1,110,286
Cash and cash equivalents, December 31	\$ 749,674	3,362,049	4,111,723
Reconciliation of operating income (loss) to net cash used by operating activities:			
Operating income (loss)	\$ (481,207)	2,708,253	2,227,046
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Changes in assets and liabilities in:			
Accounts receivable	—	(20,939)	(20,939)
Due from other funds	21,544	8,095	29,639
Prepaid	88,900	(93,974)	(5,074)
Accounts payable	3,100	(110,848)	(107,748)
Accrued liabilities and withholdings	141	716	857
Unearned revenues	—	24,919	24,919
Self-insurance debt-claims payable	205,716	(241,000)	(35,284)
Total adjustments	319,401	(433,031)	(113,630)
Net cash provided by (used in) operating activities	\$ (161,806)	2,275,222	2,113,416

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.

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

		Prison Work Release	Prison Inmate Accounts	Clerk of Court	Prothonotary	Recorder of Deeds	Treasurer	Register of Wills
ASSETS								
Cash and cash equivalents	\$	17,548	80,407	1,054,914	830,375	2,325,579	7,035	4,604
Total assets	\$	17,548	80,407	1,054,914	830,375	2,325,579	7,035	4,604
LIABILITIES								
Due to other governments	\$	—	—	121,467	11,997	2,325,579	7,035	4,604
Total liabilities		—	—	121,467	11,997	2,325,579	7,035	4,604
Net Position	\$	17,548	80,407	933,447	818,378	—	—	—

December 31, 2020

(unaudited)

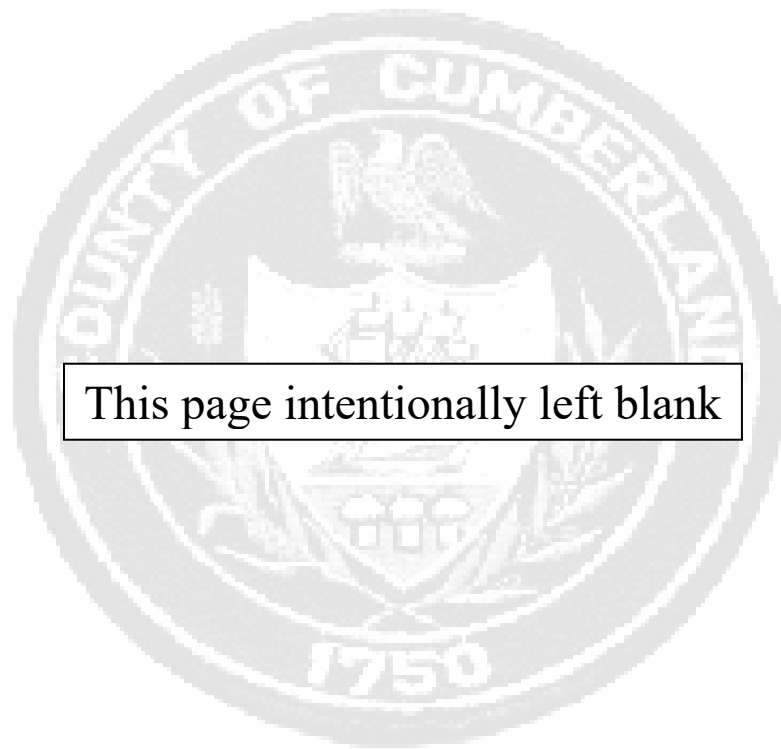
Sheriff	District Attorney	Flexible Spending Account	Human Services Guardianship Accounts	Tax Sale Surplus	Deferred Taxes	MDJ Accounts	Total
155,127	465,894	24,577	18,863	581,410	782,774	197,619	6,546,726
155,127	465,894	24,577	18,863	581,410	782,774	197,619	6,546,726
12,394	—	—	—	—	782,774	84,817	3,350,667
12,394	—	—	—	—	782,774	84,817	3,350,667
142,733	465,894	24,577	18,863	581,410	—	112,802	3,196,059

COMBINING STATEMENT OF CHANGES FIDUCIARY NET POSITION
All Custodial Funds

	Prison Work Release	Prison Inmate Accounts	Clerk of Court	Prothonotary	Recorder of Deeds	Treasurer	Register of Wills
Additions							
Other governments:							
Fees, costs, fines & licenses	\$ —	—	1,743,107	115,211	—	174,263	69,072
Taxes	—	—	—	—	33,941,293	—	43,563,098
Escrow	77,206	616,295	1,924,250	49,407	—	—	—
Total additions	77,206	616,295	3,667,357	164,618	33,941,293	174,263	43,632,170
Deductions							
Other governments:							
Fees, costs, fines & licenses	—	—	1,743,107	115,211	—	174,263	69,073
Taxes	—	—	—	—	33,941,293	—	43,563,097
Escrow	72,511	658,758	1,558,543	219,833	—	—	—
Total deductions	72,511	658,758	3,301,650	335,044	33,941,293	174,263	43,632,170
Net increase (decrease) in Fiduciary Net Position	4,695	(42,463)	365,707	(170,426)	—	—	—
Net position - beginning, as restated	12,853	122,870	567,740	988,804	—	—	—
Net position - ending	\$ 17,548	80,407	933,447	818,378	—	—	—

For the year ended December 31, 2020

Sheriff	District Attorney	Flexible Spending Account	Human Services Guardianship Accounts	Tax Sale Surplus	Deferred Taxes	Magisterial District Court Accounts	Total
93,984	—	—	—	—	—	4,936,659	7,132,296
—	—	—	—	75,783	7,400,659	—	84,980,833
3,180,646	246,196	87,728	80,923	375,609	48,732	624,166	7,311,158
3,274,630	246,196	87,728	80,923	451,392	7,449,391	5,560,825	99,424,287
93,984	—	—	—	—	—	4,936,659	7,132,297
—	—	—	—	61,851	7,400,846	—	84,967,087
4,806,076	50,064	88,240	103,484	176,023	48,732	637,268	8,419,532
4,900,060	50,064	88,240	103,484	237,874	7,449,578	5,573,927	100,518,916
(1,625,430)	196,132	(512)	(22,561)	213,518	(187)	(13,102)	(1,094,629)
1,768,163	269,762	25,089	41,424	367,892	187	125,904	4,290,688
142,733	465,894	24,577	18,863	581,410	-	112,802	3,196,059



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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)

	2011	2012	2013	2014
Governmental activities				
Net investment in capital assets	\$ 25,321,465	26,848,932	27,357,708	30,386,044
Restricted	11,341,250	10,653,143	8,345,285	8,832,346
Unrestricted	25,663,371	22,076,410	25,596,675	27,835,433
Total governmental activities net position	<u>\$ 62,326,086</u>	<u>59,578,485</u>	<u>61,299,668</u>	<u>67,053,823</u>
Business-type activities				
Net investment in capital assets	\$ 3,270,869	4,383,167	4,675,435	1,768,189
Restricted	-	-	-	-
Unrestricted	6,284,362	5,020,588	5,033,865	4,807,185
Total business-type activities net position	<u>\$ 9,555,231</u>	<u>9,403,755</u>	<u>9,709,300</u>	<u>6,575,374</u>
Primary government				
Net investment in capital assets	\$ 28,592,334	31,232,099	32,033,143	32,154,233
Restricted	11,341,250	10,653,143	8,345,285	8,832,346
Unrestricted	31,947,733	27,096,998	30,630,540	32,642,618
Total primary government net position	<u>\$ 71,881,317</u>	<u>68,982,240</u>	<u>71,008,968</u>	<u>73,629,197</u>

As of the year ended indicated

(unaudited)

2015	2016	2017	2018	2019	2020
34,018,215	36,791,935	44,481,499	49,481,224	56,035,497	69,736,180
10,851,199	12,085,563	13,675,898	19,408,754	17,604,860	19,690,572
31,827,828	37,147,508	43,859,985	37,280,435	41,525,905	47,511,675
<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>	<u>136,938,427</u>
2,269,224	2,975,768	3,720,244	4,270,322	5,321,075	6,202,927
-	-	-	-	-	-
5,371,159	5,695,517	4,802,623	3,109,735	1,243,989	5,799,002
<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>	<u>12,001,929</u>
36,287,439	39,767,703	48,201,743	53,751,546	61,356,572	75,939,107
10,851,199	12,085,563	13,675,898	19,408,754	17,604,860	19,690,572
37,198,987	42,843,025	48,662,608	40,390,170	42,769,894	53,310,677
<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>	<u>148,940,356</u>

FINANCIAL TRENDS

Changes in Net Position

COUNTY OF CUMBERLAND, PENNSYLVANIA

(accrual basis of accounting)

	2011	2012	2013
Expenses			
Governmental activities			
General government - administrative	\$ 14,046,596	14,280,937	14,144,701
General government - judicial	17,814,045	18,528,473	18,545,493
Corrections (1)	-	-	18,165,075
Emergency telephone (2)	-	-	-
Public safety	20,794,098	21,611,054	3,826,455
Transportation services (2)	-	-	-
Roads and bridge maintenance	387,359	281,498	511,078
Recycling and waste management	458,016	586,934	330,697
Human services:			
Mental health/intellectual and developmental disabilities	16,928,959	17,257,878	16,409,341
HealthChoices - Cumberland County	27,491,594	28,363,948	28,879,387
Children and youth	13,417,768	13,813,083	14,186,821
Food and shelter	936,619	810,200	851,772
Office of aging	3,915,211	3,425,700	3,055,181
Other	6,143,289	8,338,934	3,651,819
Culture and recreation	67,799	138,045	191,890
Conservation	386,490	432,798	486,778
Community redevelopment and housing	220,815	222,796	237,269
Economic development and assistance	3,877,944	3,539,001	3,602,456
Interest on long-term debt	1,323,974	1,687,988	1,618,892
Indirect expenses	(635,931)	(641,105)	(716,180)
Total governmental activities expenses	<u>127,574,645</u>	<u>132,678,162</u>	<u>127,978,925</u>
Business-type activities			
County nursing home	25,737,338	24,610,308	24,005,271
Early Learning Center	532,003	339,864	-
Emergency telephone (2)	6,505,960	5,969,320	5,704,448
Hazardous materials protection (2)	228,067	192,719	157,291
Transportation services (2)	2,611,077	2,502,154	2,503,355
Indirect expenses	635,931	641,105	716,180
Total business-type activities expenses	<u>36,250,376</u>	<u>34,255,470</u>	<u>33,086,545</u>
Total primary government expenses	<u>\$ 163,825,021</u>	<u>166,933,632</u>	<u>161,065,470</u>
Program revenues			
Governmental activities			
Charges for services			
General government - administrative	\$ 3,972,749	4,464,773	4,838,303
General government - judicial	3,878,412	4,610,779	4,527,455
Corrections (1)	-	-	1,743,574
Emergency telephone (2)	-	-	-
Public safety	3,359,727	3,125,837	1,429,935
Transportation services (2)	-	-	-
Roads and bridge maintenance	49,773	10,791	2,952
Recycling and waste management	145,302	109,662	111,890
Human services	6,420,238	6,999,960	3,740,695
Culture and recreation	11,193	11,397	8,648
Conservation	26,799	30,282	18,716

For the year ended indicated

(unaudited)

2014	2015	2016	2017	2018	2019	2020
13,728,858	13,631,117	14,810,069	14,479,524	15,758,996	16,101,447	16,075,398
18,396,045	18,751,395	20,888,619	20,971,925	22,958,993	23,525,229	22,217,708
18,955,396	18,568,390	19,330,948	18,680,545	20,767,652	20,197,576	19,210,033
5,444,274	5,272,839	5,469,089	5,186,230	5,493,643	5,488,194	5,216,318
4,125,147	4,029,829	4,635,939	4,491,900	4,967,090	4,825,274	4,894,269
2,506,885	1,465,829	131,285	-	-	-	-
327,879	920,955	818,420	504,229	314,513	626,877	501,690
266,872	271,432	254,298	399,114	462,056	419,699	485,829
17,837,104	16,842,101	17,230,628	16,450,746	16,979,398	17,879,541	19,560,312
28,653,048	29,681,949	36,322,582	38,747,541	41,642,653	21,354,714	-
14,873,696	16,660,594	18,000,735	19,149,179	21,057,856	22,114,286	21,695,225
1,204,422	1,054,332	758,684	886,130	855,309	880,848	795,672
3,297,677	3,798,961	4,144,889	4,365,657	4,626,004	4,347,858	3,670,046
3,907,128	3,514,705	3,753,249	3,993,007	5,159,038	5,193,094	5,131,151
38,657	435,407	26,192	14,664	99,313	120,091	107,848
571,509	462,380	546,916	558,314	644,513	648,319	829,763
198,051	180,019	192,851	195,676	192,421	183,923	168,812
4,058,868	3,715,216	3,537,217	4,592,886	4,288,632	4,241,101	23,492,855
1,702,282	1,579,219	1,389,520	1,224,814	1,025,575	1,080,800	936,503
(676,395)	(560,442)	(635,987)	(660,484)	(659,621)	(665,900)	(585,220)
139,417,403	140,276,227	151,606,143	154,231,597	166,634,034	148,562,971	144,404,212
24,480,806	24,481,218	26,709,058	27,284,499	28,692,036	27,843,507	26,680,935
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
676,395	560,442	635,987	660,484	659,621	665,900	585,220
25,157,201	25,041,660	27,345,045	27,944,983	29,351,657	28,509,407	27,266,155
164,574,604	165,317,887	178,951,188	182,176,580	195,985,691	177,072,378	171,670,367
3,954,301	4,408,795	4,264,648	4,330,066	4,120,742	4,107,225	4,814,928
2,690,559	4,006,868	4,202,217	4,620,892	4,745,433	4,790,761	4,366,473
2,126,004	2,157,892	2,207,594	2,456,615	2,744,455	2,416,267	2,133,024
1,638,261	5,719,438	5,935,193	6,116,261	5,713,151	5,945,523	6,284,881
1,582,213	1,871,093	1,689,680	1,872,049	2,010,638	1,900,834	1,737,098
1,280,478	604,374	-	-	-	-	-
80	971,680	1,201,297	1,506,085	1,063,036	1,363,154	1,313,500
121,023	111,899	120,571	253,064	310,821	334,865	311,341
4,515,227	3,439,248	3,640,729	3,322,160	3,655,136	3,730,998	3,911,604
-	-	-	-	-	-	-
53,613	37,207	53,412	45,558	59,272	87,335	42,448

(continued)

FINANCIAL TRENDS

Changes in Net Position

COUNTY OF CUMBERLAND, PENNSYLVANIA

(accrual basis of accounting)

	2011	2012	2013
(continued)			
Program revenues			
Community redevelopment and housing	197,915	221,410	223,797
Economic development and assistance	143,883	93,888	-
Operating grants and contributions			
General government - administrative	567,219	574,441	350,086
General government - judicial	2,943,449	2,657,904	2,829,612
Corrections (1)	-	-	699,760
Emergency telephone (2)	-	-	-
Public safety	1,637,737	1,405,009	598,286
Transportation services (2)	-	-	-
Roads and bridge maintenance	557,169	445,570	532,209
Recycling and waste management	67,821	100,250	68,822
Human services:			
Mental health/intellectual and developmental disabilities	14,306,924	14,750,083	13,928,418
HealthChoices - Cumberland County	27,489,782	28,354,028	28,879,053
Children and youth	10,726,676	10,745,739	12,395,912
Food and shelter	703,688	632,886	574,527
Office of aging	3,445,930	3,218,411	3,075,150
Other	2,777,210	2,715,633	2,581,674
Culture and recreation	-	-	92,272
Conservation	49,269	289,545	294,722
Economic development and assistance	1,994,012	1,632,160	1,462,951
Capital grants and contributions			
General government - administrative	638,503	44,185	-
Public safety	21,602	23,339	21,409
Roads and bridge maintenance	61,649	104,717	135,074
Economic development and assistance	-	-	-
Total governmental activities program revenues	86,194,631	87,372,679	85,165,902
Business-type activities			
Charges for services			
County nursing home	25,276,933	24,669,038	24,474,978
Early Learning Center	429,812	251,875	-
Emergency telephone (2)	1,714,758	1,647,432	1,606,054
Hazardous materials protection (2)	47,450	45,518	58,377
Transportation services (2)	1,049,685	1,012,670	1,157,031
Operating grants and contributions			
County nursing home	159,868	9,265	15,434
Early Learning Center	43,492	8,753	-
Emergency telephone (2)	3,891,927	2,637,325	2,180,632
Hazardous materials protection (2)	23,548	39,015	36,427
Transportation services (2)	1,156,134	979,680	1,060,635
Capital grants and contributions			
Early Learning Center	-	-	-
Hazardous materials protection (2)	200,000	1,011	-
Transportation services (2)	611,271	449,718	715,541
Total business-type activities program revenues	34,604,878	31,751,300	31,305,109
Total primary government program revenues	\$ 120,799,509	119,123,979	116,471,011

For the year ended indicated

(unaudited)						
2014	2015	2016	2017	2018	2019	2020
176,318	190,107	201,676	192,326	184,472	188,152	233,416
-	-	-	342,629	343,162	425,640	705,179
451,533	527,623	350,237	541,456	395,221	492,691	658,349
2,722,094	2,747,005	2,707,945	2,801,029	2,780,745	2,972,107	3,153,891
738,753	665,351	618,714	508,831	495,916	559,835	620,375
1,484,096	575,422	651	300	300	505	207,759
708,927	776,487	843,102	1,004,211	1,029,082	1,162,602	1,312,045
1,101,968	664,806	131,285	-	-	-	-
446,947	605,852	520,611	656,459	570,690	679,240	523,576
75,303	348,835	106,249	106,062	355,696	480,903	110,518
14,403,100	14,423,979	14,536,070	14,440,988	14,655,657	15,464,342	17,014,719
28,652,699	29,681,670	36,322,288	38,746,200	41,654,825	21,370,870	-
12,083,726	13,534,980	14,359,595	15,137,519	17,420,040	18,986,489	18,711,407
999,975	880,510	612,996	756,853	693,349	755,054	824,283
3,169,562	3,709,887	3,871,651	4,145,094	3,950,861	3,591,370	3,374,529
2,656,276	2,159,564	2,434,801	2,634,223	3,442,485	3,496,997	3,311,690
-	500,000	-	5,335	392	-	4,279
279,065	295,199	304,912	251,471	321,325	383,554	344,869
1,901,964	1,387,870	1,456,078	1,991,704	1,469,188	1,870,945	24,394,453
109,043	68,602	-	-	-	-	2,661,988
78,338	21,932	25,515	19,970	22,348	160,718	165,250
119,073	545,602	588,762	3,149,410	485,354	2,462,726	6,753,917
-	-	-	-	68,505	-	-
90,320,519	97,639,777	103,308,479	111,954,820	114,762,297	100,181,702	110,001,789
25,693,602	26,084,652	27,091,190	27,902,156	28,189,387	27,665,684	29,352,205
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
220,525	6,747	9,961	2,063	1,215	6,461	2,816,588
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
25,914,127	26,091,399	27,101,151	27,904,219	28,190,602	27,672,145	32,168,793
116,234,646	123,731,176	130,409,630	139,859,039	142,952,899	127,853,847	142,170,582

(continued)

FINANCIAL TRENDS

Changes in Net Position

COUNTY OF CUMBERLAND, PENNSYLVANIA

(accrual basis of accounting)

	2011	2012	2013
(continued)			
Net expense:			
Governmental activities	\$ (41,380,014)	(45,305,483)	(42,813,023)
Business-type activities	(1,645,498)	(2,504,170)	(1,781,436)
Total primary government net expense	<u>\$ (43,025,512)</u>	<u>(47,809,653)</u>	<u>(44,594,459)</u>

General Revenues and Other Changes in Net Position

Governmental activities

Taxes:

Real estate taxes	\$ 42,140,921	42,385,600	47,880,387
Per capita taxes	677,729	650,909	676,050
Hotel taxes	1,502,072	1,602,610	1,604,287

Special item

Unrestricted investment earnings	422,986	222,193	20,558
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Transfers

Transfers	(2,136,475)	(2,303,430)	(2,250,276)
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Total governmental activities

	<u>42,607,233</u>	<u>42,557,882</u>	<u>47,931,006</u>
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Business-type activities

Unrestricted investment earnings	65,361	49,264	-
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Transfers	<u>2,136,475</u>	<u>2,303,430</u>	<u>2,250,276</u>
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Total business-type activities

	<u>2,201,836</u>	<u>2,352,694</u>	<u>2,250,276</u>
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Total primary government

	<u>\$ 44,809,069</u>	<u>44,910,576</u>	<u>50,181,282</u>
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Changes in Net Position

Governmental activities	\$ 1,227,219	(2,747,601)	5,117,983
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Business-type activities	556,338	(151,476)	468,840
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Total primary government	<u>\$ 1,783,557</u>	<u>(2,899,077)</u>	<u>5,586,823</u>
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Notes:

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

For the year ended indicated

(unaudited)

2014	2015	2016	2017	2018	2019	2020
(49,096,884)	(42,636,450)	(48,297,664)	(42,276,777)	(51,871,737)	(48,381,269)	(34,402,423)
756,926	1,049,739	(243,894)	(40,764)	(1,161,055)	(837,262)	4,902,638
<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>	<u>(29,499,785)</u>
49,915,747	50,564,085	51,340,102	52,084,725	52,994,780	53,750,856	54,950,607
26,631	5,897	96	1,331	765	1,100	682
1,676,860	1,896,626	2,081,392	2,106,822	2,178,798	2,104,919	1,184,567
-	(378,887)	(706,760)	-	(220,978)	-	-
198,052	150,214	249,731	512,855	1,071,403	1,392,032	652,135
-	-	-	-	-	-	(515,501)
<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>	<u>56,272,490</u>
4,744	3,657	3,596	6,570	18,245	22,269	18,726
-	-	-	-	-	-	515,501
<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>534,227</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>	<u>56,806,717</u>
2,720,406	9,601,485	4,666,897	12,428,956	4,153,031	8,867,638	21,870,067
761,670	1,053,396	(240,298)	(34,194)	(1,142,810)	(814,993)	5,436,865
<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>	<u>27,306,932</u>

FINANCIAL TRENDS

Fund Balances of Governmental Funds

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

	2011	2012	2013	2014
General fund				
Nonspendable:				
Prepaid items	\$ 227,426	296,853	353,803	240,956
Restricted:				
Landfill closure	418,540	347,522	275,863	203,492
Farmland preservation	825,164	714,300	270,217	318,409
Offender supervision	564,847	681,358	658,158	675,229
Juvenile probation restitution funds	-	-	-	18,920
Criminal investigation	203,802	338,460	821,979	747,271
Register of Wills-Act 34	69,450	71,250	72,750	74,025
Coroner - Act 122	68,905	68,634	48,022	33,861
Veteran Affairs	-	-	50,000	-
Hoffer scholarship	16,256	15,812	13,615	10,503
Hazardous materials emergency planning	-	-	-	14,098
Row office automation	190,587	218,242	252,211	153,201
Marcellus Shale	-	199,719	348,659	324,283
Unrestricted:				
Assigned:				
Public safety	-	-	-	-
Future budgetary requirements	10,920,515	6,551,207	3,686,704	4,252,825
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	560,825	595,009	546,947	603,101
Prison canteen	177,895	226,059	314,835	425,502
Planning assistance	-	-	-	-
Stimulus	-	-	-	-
Technological improvements	-	-	-	-
Criminal justice planning	7,297	7,081	3,944	3,947
Unassigned	11,144,830	10,856,757	17,148,138	19,493,060
Total general fund	\$ 29,371,339	25,163,263	28,840,845	31,567,683
All other governmental funds				
Nonspendable:				
Prepaid items	\$ 235,485	330,154	11,916	115,233
Loans receivable greater than one year	-	-	-	-
Restricted:				
Roads and bridge maintenance	955,530	1,207,397	1,168,695	1,376,674
Judicial services	287,665	-	-	-
Human services	1,474,155	726,499	553,974	996,026
Public safety	33,156	38,502	36,974	39,660
Row office automation	923,002	972,248	744,951	511,936
Conservation	1,461,610	1,093,589	931,598	842,633
Marcellus shale	-	335,543	600,259	134,664
Economic development and housing	2,190,163	2,597,397	20,864	-
Debt service	-	-	-	-
Capital projects	15,751,272	3,818,123	1,177,907	697,246
Unrestricted:				
Assigned:				
Capital projects	500,082	500,000	500,000	500,000
Transportation	-	-	-	420,524
Economic development and housing	-	-	-	-
Human services	297,941	55,409	388,851	34,343
Unassigned	4,694	(12,150)	(5,523)	(102,563)
Total all other governmental funds	\$ 24,114,755	11,662,711	6,130,466	5,566,376

As of the year ended indicated

(unaudited)

2015	2016	2017	2018	2019	2020
387,486	339,389	375,395	418,519	1,524,014	1,077,859
130,438	56,443	-	-	-	-
437,718	658,973	943,857	1,054,979	803,394	1,040,557
989,446	1,058,353	1,184,513	1,285,121	1,340,654	1,288,648
27,402	33,818	31,493	18,243	18,226	18,278
672,896	540,179	399,283	290,393	315,007	167,959
74,925	75,450	76,500	77,325	78,000	78,300
35,061	38,589	55,988	74,807	97,558	100,920
-	-	-	-	-	-
-	-	-	-	-	-
25,813	27,504	16,975	9,131	9,613	29,363
128,260	144,142	206,084	291,614	339,315	320,660
375,815	351,338	391,489	421,532	581,115	578,552
-	-	429,953	913,778	1,386,350	1,386,350
3,888,647	2,693,969	4,980,133	5,655,783	6,228,397	11,877,030
3,725,000	3,725,000	4,831,870	5,646,596	7,346,596	6,625,000
250,000	250,000	250,000	250,000	250,000	250,000
613,274	628,860	641,748	715,000	715,000	715,000
473,203	557,861	669,358	744,493	592,631	663,201
-	-	-	-	84,100	73,634
-	-	-	-	-	620,478
-	-	-	-	-	242,532
5,047	4,123	6,076	405	8,167	7,802
22,744,035	26,734,235	26,720,906	28,171,978	28,598,196	26,223,935
34,984,466	37,918,226	42,211,621	46,039,697	50,316,333	53,386,058
165,182	157,018	323,866	311,556	307,538	1,288,921
-	-	1,056,268	895,310	-	-
809,135	1,079,875	1,519,101	2,572,229	3,598,794	6,498,952
-	-	-	-	-	-
973,405	1,292,477	1,292,477	1,452,441	1,629,386	1,712,066
2,688,735	3,606,138	3,697,867	4,091,487	3,091,843	2,570,601
320,125	337,731	160,368	157,651	170,380	239,261
777,915	832,962	865,680	911,081	815,914	883,684
396,917	500	298,541	669,326	1,044,443	1,353,725
10,125	19,035	432,493	415,338	244,497	359,306
-	-	-	14,793	-	-
7,171	500	2,708	-	-	-
500,000	500,000	504,579	469,336	141,753	104,583
-	-	-	-	-	-
-	-	2,317,132	2,162,908	2,830,415	2,174,909
67,822	59,481	7,533	17,681	32,844	45,513
-	-	-	-	-	-
6,716,532	7,885,717	12,478,613	14,141,137	13,907,807	17,231,521

FINANCIAL TRENDS

Changes in Fund Balances of Governmental Funds

COUNTY OF CUMBERLAND, PENNSYLVANIA

(modified accrual basis of accounting)

	2011	2012	2013	2014
Revenues:				
Taxes	\$ 44,249,273	44,610,906	50,104,058	51,491,496
Licenses and permits	104,492	122,829	148,860	185,585
Grants	67,782,498	67,258,482	68,165,204	71,866,816
County charges	15,507,346	16,183,605	13,031,309	16,605,675
Court, costs, fines and forfeitures	2,182,893	2,435,785	2,686,728	2,288,064
Investment earnings	422,986	222,194	20,558	165,456
Payment in lieu of taxes	128,359	130,142	126,630	134,637
Contributions and other	397,790	454,101	480,560	447,672
Total revenues	<u>130,775,637</u>	<u>131,418,044</u>	<u>134,763,907</u>	<u>143,185,401</u>
Expenditures:				
Current:				
General government - administrative	10,779,834	10,851,620	11,048,718	10,946,238
General government - judicial	17,837,905	18,623,142	18,585,289	18,381,527
Corrections (1)	-	-	17,186,818	17,555,792
Public safety	19,313,626	19,595,172	2,757,154	2,995,701
Emergency telephone (2)	-	-	-	4,606,338
Public works and enterprises	686,114	757,449	765,921	521,391
Transportation (2)	-	-	-	2,201,417
Human services:				
Mental health/intellectual and developmental disabilities	17,226,078	17,460,022	16,620,557	18,001,412
Children and youth	13,605,024	14,064,911	14,425,663	15,082,777
HealthChoices - Cumberland County	27,491,595	28,363,948	28,879,386	28,653,048
Food and shelter	962,539	832,219	869,959	1,209,950
Office of aging	4,098,978	3,629,633	3,261,904	3,385,571
Drug and alcohol	2,844,349	3,340,669	2,799,298	2,943,133
Fiscal Employer Agent	2,453,634	3,079,857	29,692	310
General fund	744,325	710,743	803,362	924,334
Witness assistance	438,939	470,691	446,175	443,565
Human services development	209,799	146,452	105,501	115,332
Culture and recreation	92,871	170,073	192,933	3,593
Conservation and development	379,522	384,628	404,532	445,748
Economic development and assistance	3,949,724	3,408,129	3,525,295	3,981,712
Debt service:				
Principal retirement	1,780,187	2,501,101	2,680,175	4,623,934
Debt interest	1,220,283	1,698,453	1,600,423	1,720,603
Fiscal charges	197,724	-	18,295	39,226
Payment to refunding bond escrow	-	-	-	-
Capital Outlay	7,766,720	14,259,834	4,375,453	2,457,080
Payments to other governments	370,994	1,592,960	367,243	367,473
Total expenditures	<u>134,450,764</u>	<u>145,941,706</u>	<u>131,749,746</u>	<u>141,607,205</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,675,127)</u>	<u>(14,523,662)</u>	<u>3,014,161</u>	<u>1,578,196</u>
Other financing sources (uses):				
Transfers in	12,367,178	11,980,877	8,568,427	13,226,813
Transfers out	(14,498,394)	(14,269,435)	(10,594,831)	(13,226,813)
Debt issued	18,000,000	152,100	2,474,252	2,365,000
Payment to refund bonds	-	-	(2,745,437)	(2,401,932)
Bond premium (discount)	561,838	-	296,152	76,644

2015	2016	2017	2018	2019	2020
52,645,000	53,488,317	54,250,290	55,180,037	55,908,140	55,848,747
195,612	216,698	207,437	224,858	211,694	240,697
73,829,762	79,475,324	86,503,597	89,572,920	74,666,440	83,917,716
20,424,530	20,364,725	21,548,112	21,154,482	21,742,939	22,424,980
2,629,286	2,469,085	2,886,027	3,191,324	2,871,863	2,806,704
131,984	236,531	502,008	1,038,432	1,327,420	615,347
133,151	131,075	155,472	241,053	215,425	206,961
412,660	447,672	513,776	348,755	368,343	354,495
150,401,985	156,829,427	166,566,719	170,951,861	157,312,264	166,415,647
11,199,523	12,377,168	11,287,449	11,375,971	12,313,213	13,218,111
18,873,288	20,302,969	20,823,087	21,367,304	22,742,899	22,937,694
17,490,930	17,644,252	17,525,468	18,420,395	18,415,675	18,707,539
2,961,102	3,275,383	3,291,043	3,508,200	3,421,903	3,698,037
4,567,837	4,545,142	4,786,398	4,907,131	5,181,317	5,785,032
1,037,277	879,227	606,179	642,418	651,567	508,856
1,341,181	131,285	-	-	-	-
17,052,397	17,288,997	16,680,764	16,894,059	17,909,006	20,037,774
16,975,067	18,107,927	19,472,049	20,909,415	22,233,879	22,473,501
29,681,950	36,322,582	38,747,541	41,658,403	21,374,166	-
1,104,063	771,121	909,102	852,754	889,545	842,301
3,874,498	4,228,387	4,516,737	4,620,452	4,426,580	3,977,643
2,694,853	2,701,553	2,840,279	3,492,492	3,547,963	3,575,272
-	-	-	-	-	-
781,586	946,037	1,133,095	1,428,155	1,510,535	1,638,519
497,410	515,377	512,110	515,046	729,851	791,446
133,890	124,278	135,544	126,009	130,352	165,198
483,877	2,278	5,770	2,678	64,700	126,617
382,018	409,951	274,327	588,404	494,444	635,056
3,638,216	3,537,217	4,579,358	4,399,622	4,370,914	22,313,133
4,714,186	4,723,520	4,430,875	4,602,347	3,064,035	3,436,200
1,598,116	1,393,222	1,238,913	875,290	1,118,362	953,737
-	133,654	-	144,552	-	-
-	-	-	235,684	-	-
4,346,320	2,449,417	8,987,660	5,174,925	8,279,713	19,155,274
295,169	340,429	368,173	266,088	355,875	1,532,340
145,724,754	153,151,373	163,151,921	167,007,794	153,226,494	166,509,280
4,677,231	3,678,054	3,414,798	3,944,067	4,085,770	(93,633)
14,030,811	12,228,090	14,448,532	13,806,860	12,735,135	12,425,884
(14,030,811)	(12,228,090)	(14,448,532)	(13,806,860)	(12,900,089)	(12,543,081)
238,231	11,470,000	1,591,703	13,313,834	35,422	5,475,447
-	(12,706,082)	-	(13,075,429)	-	-
-	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)

	2011	2012	2013	2014
(continued)				
Other financing sources (uses):				
Sale of assets	-	-	-	4,897
Insurance recovery	-	-	482	5,884
Loss from insurance recovery denial	-	-	-	-
Total other financing sources (uses)	<u>16,430,622</u>	<u>(2,136,458)</u>	<u>(2,000,955)</u>	<u>50,493</u>
Special Item				
Discontinued operation	-	-	-	-
Total special item	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 12,755,495</u>	<u>(16,660,120)</u>	<u>1,013,206</u>	<u>1,628,689</u>
Debt service as a percentage of noncapital expenditures	% 2.37	3.19	3.36	4.56

- (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)

2015	2016	2017	2018	2019	2020
-	8,969	3,315	17,123	1,663	960,938
30,364	58,558	-	196,231	63,774	161,009
-	-	-	-	(106,580)	-
268,595	202,393	1,595,018	1,546,533	(170,675)	6,480,197
(378,887)	-	-	-	-	-
(378,887)	-	-	-	-	-
4,566,939	3,880,447	5,009,816	5,490,600	3,915,095	6,386,564
4.46	4.08	3.67	3.62	2.89	2.96

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 (2)	Estimated Market Value (3)	Assessed Value as a Percentage of Actual Value (4)
2011	(1)	15,418,759,500	5,975,550,800	994,539,200	44,311,900	22,433,161,400	3,751,613,300	2.045	22,433,161,400	100.0 %
2012	(1)	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	(1)	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	(1)	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	(1)	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	(1)	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	(1)	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	(1)	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	(1)	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
2020	(1)	17,341,045,000	7,037,617,500	1,021,387,300	42,196,500	25,442,246,300	4,202,865,200	2.361	27,564,730,552	92.3

Notes:

(1) Properties valued at 2010 reassessment base year

(2) Direct Tax Rate:

	County	Library	Total
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
2020	2.195	0.166	2.361

* Millage adjustment due to 5% cap for reassessment

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

(4) 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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
County Direct Rates										
General	1.902	1.902	2.131	2.195	2.195	2.195	2.195	2.195	2.195	2.195
Library	0.143	0.143	0.143	0.143	0.143	0.143	0.166	0.166	0.166	0.166
Total Direct Rate	2.045	2.045	2.274	2.338	2.338	2.338	2.361	2.361	2.361	2.361
School Districts										
Big Spring	12.098	12.364	12.636	12.9771	13.2885	13.7004	14.0429	14.3238	14.6461	15.0128
Camp Hill	12.9577	13.1622	13.1622	13.7573	14.4828	15.4876	15.9367	16.3988	16.8415	17.3467
Carlisle Area	12.2606	12.3706	12.6056	12.9333	13.2436	13.6409	14.0365	14.4716	14.9057	15.3528
Cumberland Valley	8.57	8.715	8.715	8.898	9.067	9.284	9.516	9.744	9.968	10.227
East Pennsboro	10.309	10.5254	10.8295	11.2378	11.5749	11.8411	12.1963	12.3792	12.3792	12.7753
Mechanicsburg	12.168	12.289	12.289	12.535	12.535	12.8	13.056	13.3693	13.7302	14.1558
Shippensburg Area	10.01	10.22	10.4	10.6808	10.9475	11.089	11.2199	11.9117	11.7884	11.9006
South Middleton	8.9245	8.9245	9.0081	9.1549	9.3288	9.5526	10.2484	10.5621	10.8182	11.009947
West Shore Area	9	9.3	9.4	9.68	10.1988	10.9162	11.2014	11.6457	11.9487	12.32
Municipalities										
Camp Hill	3.022	3.022	3.022	3.022	3.022	3.022	3.022	3.022	3.022	3.022
Carlisle	3.058	3.058	3.275	3.275	3.275	3.275	3.495	3.495	3.495	3.495
Cooke	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Dickinson	.084*	.084*	.084*	.084*	0.084*	0.084*	0.25*	0.25*	0.25*	0.25*
East Pennsboro	0.957	0.957	0.957	1.05	1.3	1.3	1.3	1.64	1.64	1.84
Hampden	0.156	0.156	0.156	0.156	0.156	0.156	0.156	0.156	0.156	0.156
Hopewell	-	-	-	-	-	-	-	-	-	-
Lemoyne	2.1	2.1	2.3	2.3	2.31	2.31	2.52	3.13	3.13	3.13
Lower Allen	1.23	2.05	2.45	2.45	2.45	2.45	2.45	3.03	3.03	4
Lower Frankford	0.0807	0.1211	0.1211	0.1211	0.3229	0.3229	0.3229	0.3229	0.3483	0.3483
Lower Mifflin	-	-	-	-	-	-	-	-	-	-
Mechanicsburg	2.58	2.58	2.58	3.08	3.33	3.33	3.33	3.83	3.83	3.83
Middlesex	0.998	1.22	1.22	1.38	1.53	1.53	1.53	1.85	2.08	2.08
Monroe	0.169	0.525	0.525	0.556	0.556	0.556	0.556	0.556	0.577	0.658
Mt. Holly Springs	1.374	1.613	2.036	2.312	2.38	2.38	2.755	2.755	2.88	3.18
Newburg	0.7	1.0	1.25	1.75	2	2	2	2.25	2.5	2.25
New Cumberland	2.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.9
Newville	1.358	2.434	2.398	2.898	2.898	2.898	3.648	3.648	3.898	3.898
North Middleton	0.694	0.694	0.694	0.694	0.89	0.89	1.059	1.059	1.092	1.092
North Newton	0.1	-	-	-	-	-	-	-	-	-
Penn	0.0414	0.0414	-	-	-	-	-	-	-	-
Shippensburg Borough	2.26	2.6	2.6	2.6	2.72	2.72	2.72	2.89	3	3.111
Shippensburg Twp.	0.675	0.675	0.675	0.675	0.975	0.975	0.975	0.975	0.975	0.975
Shiremanstown	1.9	2.1	2.1	2.0	2.0	2.0	2.0	2.2	2.2	2.2

(continued)

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

Last Ten Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	2011	2012	2013	Year Taxes Are Payable		2016	2017	2018	2019	2020
				2014	2015					
Municipalities (continued)										
Silver Spring	0.8045	0.8045	0.8045	0.8045	1.3045	1.3045	1.3045	1.3045	1.3045	1.3045
Southampton	-	-	-	-	-	-	-	-	-	-
South Middleton	0.17*	0.17*	0.17*	0.17*	0.25*	0.25*	0.25*	.6*	.6*	.6*
South Newton	0.0933	0.0933	0.0933	0.0933	0.0933	0.0933	0.0933	0.0933	0.0933	0.11
Upper Allen	1.2918	1.4	1.6	1.8	2.3	2.3	2.3	2.4	2.4	2.5
Upper Frankford	0.16095	0.16095	0.16095	0.16095	0.16095	0.16095	0.16095	0.16095	0.16095	0.16095
Upper Mifflin	-	-	-	-	-	-	-	-	-	-
West Pennsboro	0.2576	0.5076	0.5076	0.5076	0.5076	0.5076	0.5076	0.5076	0.5076	0.5076
Wormleysburg	3.065	3.065	3.065	3.065	3.361	3.361	3.361	3.361	3.361	3.577

Notes:

* South Middleton and Dickinson rate is a fire tax

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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**

2011 and 2020 Tax Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	2011			2020		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value (1)	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value (2)
<u>Taxpayer</u>						
Prologis NA3 PA LP	\$ 123,560,500	1	0.55 %	\$ 123,560,500	1	0.49 %
Allen Distribution	68,592,000	5	0.31	116,731,100	2	0.46
Liberty Property LP				89,032,600	3	0.35
PR CC Limited Partnership	74,923,100	3	0.33	85,700,000	4	0.34
Goodman Carlisle LLC				73,175,000	5	0.29
Pennsylvania Blue Shield	72,584,100	4	0.32	72,584,100	6	0.29
Messiah Home				66,500,000	7	0.26
LIT Industrial LP	64,167,000	6	0.29	64,167,000	8	0.25
KTR PA Cent LLC				60,300,000	9	0.24
Cedar - Camp Hill LLC	61,766,800	7	0.28	56,718,200	10	0.22
Carlisle HMA, Inc.	76,561,900	2	0.34			
KLP Northgate 10 & 11 B LLC	41,000,000	8	0.18			
BIT Investment LP	40,378,700	9	0.18			
Prologis-Macquarie Penna Trust	39,200,400	10	0.17			
Totals	\$ <u>662,734,500</u>		<u>2.95</u> %	\$ <u>808,468,500</u>		<u>3.31</u> %

Notes:

(1) Percentage based on total County taxable assessed valuation for 2011

\$22,433,161,400

(2) Percentage based on total County taxable assessed valuation for 2020

\$25,442,246,300

Source: County Board of Assessment

REVENUE CAPACITY
County Real Estate Tax Levies and Collections

Last Ten Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

Year Ended December 31	Total Tax Levy for Year (1) (4)	Subsequent Adjustments to Tax Levy for Year	Collected within the Year the Levy of		Collections in Subsequent Years (3)	Total Collections to Date	
			Amount (2)	Percentage of Levy		Amount	Percentage of Levy
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	1,688,668	42,367,660	100.00
2013	47,826,059	158,716	46,395,766	97.01	1,588,731	47,981,440	100.00
2014	49,855,721	182,228	48,393,357	97.06	1,643,189	50,031,167	100.00
2015	50,454,280	210,854	49,036,480	97.19	1,626,561	50,663,041	100.00
2016	51,198,311	241,018	50,000,265	97.66	1,436,384	51,016,372	99.99
2017	51,956,631	199,594	50,774,924	97.73	1,373,780	52,148,704	99.99
2018	52,838,606	184,268	51,643,300	97.74	1,367,185	53,010,485	99.98
2019	53,627,315	177,816	52,459,267	97.82	964,870	53,424,137	99.29
2020	54,525,838	N/A	53,234,704	97.63	N/A	53,234,704	97.63

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
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	129,369	3,187,790	100.00
2013	3,208,510	11,692	3,113,381	97.04	106,805	3,219,981	100.00
2014	3,248,014	12,167	3,152,742	97.06	107,346	3,259,737	100.00
2015	3,287,007	13,924	3,194,639	97.19	106,133	3,300,251	100.00
2016	3,335,478	15,953	3,257,427	97.66	93,831	3,323,308	99.99
2017	3,929,292	14,678	3,839,923	97.73	103,475	3,943,398	99.99
2018	3,995,992	13,687	3,905,595	97.74	103,089	4,008,684	99.98
2019	4,055,639	13,538	3,967,304	97.82	72,625	4,039,929	99.28
2020	4,123,592	N/A	4,025,947	97.63	N/A	4,025,947	97.63

Notes:

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

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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			Percentage of Total Personal Income	Per Capita
	General Obligation Bonds	General Obligation Notes	Notes Payable- CAEDC	Leases	Capital Leases	General Obligation Bonds	General Obligation Notes	Total Primary Government		
2011	\$ 48,399,864	\$ 3,713,316	\$ -	\$ -	\$ 258,279	\$ 1,789,283	\$ 14,500,117	\$ 68,660,859	0.54%	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	13,236,186	74,460,571	0.66	308.87
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	0.22	125.08
2020	23,331,883	5,715,000	1,374,626	1,245,404	240,532	1,575,555	-	32,237,596	*	126.00

Note:

* Personal income information is not yet available

DEBT CAPACITY
Ratios of General Bonded Debt Outstanding

Last Ten Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

Fiscal Year	General Obligation Bonds	General Obligation Notes	Less: Amounts Available in Debt Service Fund	Net General Bonded Debt	Percentage of Estimated Actual Taxable Value of Property	Per Capita
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	0.17	160.95
2018	33,255,791	715,000	14,793	33,955,998	0.14	135.06
2019	28,854,972	715,000	-	29,569,972	0.12	116.71
2020	23,331,883	5,715,000	-	29,046,883	0.11	N/A

DEBT CAPACITY
Direct and Overlapping Governmental Activities Debt

December 31, 2020

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

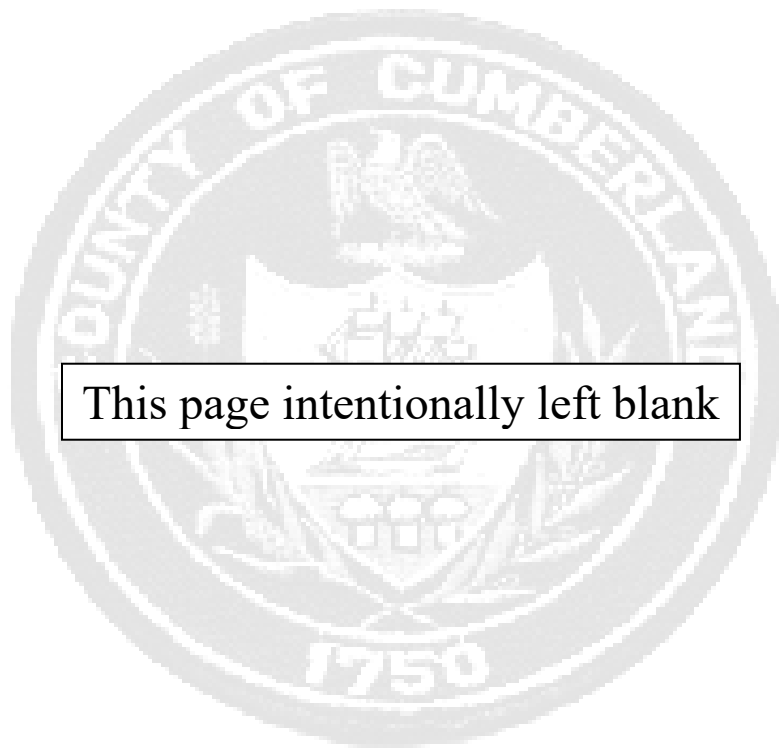
<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
School Districts:			
Big Spring	\$ 18,197,023	100%	\$ 18,197,023
Camp Hill	32,870,000	100	32,870,000
Carlisle Area	50,147,953	100	50,147,953
Cumberland Valley	341,435,216	100	341,435,216
East Pennsboro	42,968,000	100	42,968,000
Mechanicsburg	94,447,000	100	94,447,000
*Shippensburg Area	9,878,525	61 *	6,025,900
South Middleton	40,734,403	100	40,734,403
*West Shore Area	115,487,000	55 *	63,517,850
Total school districts			<u>690,343,345</u>
Municipalities:			
Camp Hill Borough	20,085,000	100	20,085,000
Carlisle Borough	8,224,310	100	8,224,310
East Pennsboro Township	29,892,293	100	29,892,293
Hampden Township	23,314,708	100	23,314,708
Lemoyne Borough	14,244,682	100	14,244,682
Lower Allen Township	8,569,444	100	8,569,444
Mechanicsburg Borough	10,333,000	100	10,333,000
Middlesex Township	5,010,631	100	5,010,631
Monroe Township	614,990	100	614,990
Mt. Holly Springs Borough	1,807,498	100	1,807,498
Shippensburg Township	195,370	100	195,370
Silver Spring Township	6,293,000	100	6,293,000
South Middleton Township	1,050,000	100	1,050,000
Upper Allen Township	7,225,000	100	7,225,000
Wormleysburg Borough	2,807,858	100	2,807,858
Total municipalities			<u>139,667,783</u>
Subtotal overlapping debt			830,011,128
Total direct debt - County			<u>31,907,445</u>
Total direct and overlapping debt			<u>\$ 861,918,573</u>

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.

** 2020 Debt currently not available



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DEBT CAPACITY
Legal Debt Margin Information

COUNTY OF CUMBERLAND, PENNSYLVANIA

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt limit	\$ 471,646,512	462,737,838	468,846,437	481,164,681
Total net-debt applicable to limit	<u>68,405,105</u>	<u>63,791,789</u>	<u>58,715,000</u>	<u>55,860,000</u>
Net nonelectoral debt limit	<u>\$ 403,241,407</u>	<u>398,946,049</u>	<u>410,131,438</u>	<u>425,304,682</u>
Total net debt applicable to the limit as a percentage of debt limit	14.50 %	13.79	12.52	11.61

Last Ten Years**(unaudited)**

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
498,487,522	519,866,331	543,230,061	566,717,651	565,621,241	537,385,811
<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>28,830,000</u>
<u>448,322,522</u>	<u>476,746,331</u>	<u>505,400,061</u>	<u>535,327,651</u>	<u>538,201,241</u>	<u>508,555,811</u>
10.06	8.29	6.96	5.54	4.85	5.36

Legal Debt Margin Calculation for year ending 2020

Borrowing base revenue:

2018	\$ 196,406,821
2019	180,057,291
2020	<u>160,921,699</u>
Total revenue (1)	<u>\$ 537,385,811</u>

Debt Limit for General Obligation Debt

Average borrowing base revenues	\$ 179,128,604
Debt limit percentage	<u>300%</u>
Debt limit	<u>537,385,811</u>
Total amount of debt applicable to debt limit	<u>28,830,000</u>
Legal debt margin	<u>\$ 508,555,811</u>

Debt Limit for General Obligation Debt and Lease Rental Debt

Average borrowing base revenues	\$ 179,128,604
Debt limit percentage	<u>400%</u>
Debt limit	<u>716,514,416</u>
Total amount of debt applicable to debt limit	<u>28,830,000</u>
Legal debt margin	<u>\$ 687,684,416</u>

Note:

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

Source: Annual Reports of Cumberland County Controller

DEMOGRAPHIC AND ECONOMIC INFORMATION

Demographic and Economic Information

Last Ten Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

Year	Population	Total Personal Income (thousands of dollars)	Per Capita Personal Income	Median Household Income	School Enrollment (2)	Annual Average Unemployment Rate (1)
2011	237,101 (A)	\$ 10,537,322 (B)	\$ 44,441 (B)	\$ 60,219 (A)	32,610	6.4%
2012	239,252 (A)	11,110,203 (B)	46,439 (B)	60,832 (A)	32,443	6.2
2013	241,071 (A)	11,290,432 (B)	46,837 (B)	60,883 (A)	32,726	5.7
2014	243,301 (A)	11,887,077 (B)	48,862 (B)	60,826 (A)	33,029	4.5
2015	245,766 (A)	12,466,644 (B)	50,730 (B)	61,820 (A)	33,153	4.0
2016	247,435 (A)	12,621,737 (B)	51,024 (B)	62,640 (A)	33,167	4.1
2017	249,238 (A)	13,156,296 (B)	52,831 (B)	65,544 (A)	33,462	3.8
2018	251,423 (A)	13,764,106 (B)	54,808 (B)	68,895 (A)	33,712	3.3
2019	253,370 (A)	14,325,462 (B)	56,540 (B)	71,269 (A)	34,120	3.4
2020	255,857 (C)	*	(B)	*	(A)	34,507

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 Bureau (estimated)

DEMOGRAPHIC AND ECONOMIC INFORMATION

Principal Employers - Ten Years Ago and Current

2011 and 2020 Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

Employer	2011			2020		
	Employees	Rank	Percentage of Total County Employment (3)	Employees	Rank	Percentage of Total County Employment (3)
U.S. Department of Defense:						
Naval Support Activity	-			4,510		
Carlisle Barracks	-			1,715 *		
Total	6,242 (1)	1	5%	6,192 (1)	1	5 %
Ahold Delhaize	2,335	4	3	3,455 *	2	3
Highmark Blue Shield	3,268	2	3	1,935	3	2
Penn State Holy Spirit Hospital	-	-	-	2,392 *	4	2
Geisinger Holy Spirit Hospital	2,682	3	2	-	-	-
Commonwealth of Pennsylvania	1,746 (2)	5	2	1,799 (2)	5	1
Cumberland Valley School District	1,239	7	1	1,521	6	1
Cumberland County Government	1,305	6	1	1,229	7	1
JFC Temps Inc.	-	-	-	1,166	8	1
Fry Communications	-	-	-	1,035 *	9	1
Excel Logistics	835	10	-	1,000 *	10	1
Dickinson College	917	9	1	-	-	-
Walmart	1,065	8	-	-	-	-
Total	21,634		18%	21,724		18 %

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	2011	2012	2013	2014
Primary Government:				
Governmental Activities:				
General Government-Administrative				
Commissioners	9	8	9	9
Solicitors	4	3	4	4
Communications	-	-	-	-
Elections	6	6	6	6
Controller	16	15	16	16
Finance	10	10	10	8
Tax Claims	2	2	2	2
Treasurer	4	5	5	5
Tax collector administration	17	17	17	17
Human resources	6	7	7	8
Tax assessment	19	20	20	19
Recorder of deeds	7	8	7	6
Administrative services	3	3	3	3
Information management and technology	15	16	16	14
Enterprise resource management	3	3	2	3
Geographic information systems	2	1	2	2
Human service fiscal operations	2	2	2	2
Grant administration	2	2	2	3
County buildings	21	21	21	20
Planning	6	6	5	5
Domestic Relations	38	39	39	39
General Government-Judicial				
Building security	6	7	7	7
Courts	43	40	42	44
District judges	38	38	38	36
Clerk of court	11	13	13	11
Coroner	6	7	7	7
Public defender	12	15	15	16
District attorney	27	27	27	26
Prothonotary	8	9	9	8
Register of wills	7	8	6	8
Sheriff	34	35	36	36
Public safety				
District attorney-criminal investigation	4	5	6	5
District attorney-forensic lab	3	3	3	3
Victim witness services	9	8	9	9
Prison	115	115	117	118
Adult probation	37	37	38	37
Juvenile probation	26	26	25	26
Emergency management & communications	7	7	6	4
Emergency Telephone (1)	-	-	-	47
Hazardous Materials Protection (1)	-	-	-	-
Vector control	3	3	4	3
Transportation (1) (2)	-	-	-	28
Recycling and waste management	3	3	2	1
Human services:				
Mental health/intellectual and developmental disabilities	47	47	46	47
Children and youth	62	63	62	67
Office of aging	29	26	26	29
Community services	9	8	6	6
Drug and alcohol	20	20	19	19
Veteran's affairs	2	2	2	2
Culture and recreation	15	15	14	13
Conservation and development	6	6	6	6
Business-type Activities				
County nursing home	282	283	284	270
Emergency telephone (1)	43	45	46	-
Hazardous materials protection (1)	1	1	1	-
Transportation services (1)	24	27	28	-
Total Primary Government	1131	1143	1145	1130
Component Unit:				
Conservation district	8	8	7	8

(1) In 2014, Emergency Telephone, Hazmat Materials Protection, and Transportation Services were reclassified from business-type to governmental activities.
(2) In 2015, Transportation became a discontinued County operation as services were contracted with Rabbittransit.

Source: County payroll records

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

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

Last Ten Years

					(unaudited)
2015	2016	2017	2018	2019	2020
9	9	9	8	7	7
4	4	4	3	3	3
-	-	-	3	3	3
6	6	6	5	7	10
16	16	15	15	15	15
10	10	10	11	11	11
2	2	2	2	2	2
5	6	5	5	5	5
16	16	16	15	15	15
8	7	9	10	10	9
18	18	18	18	19	15
7	7	7	7	7	7
2	1	3	1	1	1
15	14	14	15	14	16
3	3	3	3	3	3
2	2	2	2	3	3
2	2	2	2	2	2
5	6	8	6	7	9
20	23	23	21	22	22
5	5	5	5	5	4
39	38	39	38	39	35
6	7	7	7	7	5
46	45	50	49	52	53
39	38	39	39	38	39
12	13	13	12	12	11
6	7	8	9	10	10
15	15	18	17	16	16
28	26	26	29	26	27
9	9	9	8	9	9
7	7	7	7	8	7
38	38	39	41	38	42
6	6	5	7	8	9
3	4	5	5	6	5
9	9	9	8	10	10
119	119	118	118	123	119
38	39	37	37	37	37
26	25	26	26	26	26
8	8	8	8	5	7
46	45	44	43	44	47
-	-	-	-	-	-
3	3	3	3	2	3
-	-	-	-	-	-
1	1	1	2	2	1
46	47	47	46	48	47
65	66	75	73	76	77
30	29	27	29	24	25
6	6	6	6	5	5
18	20	20	18	18	17
2	2	2	2	3	3
14	14	14	15	14	13
6	6	6	6	6	5
276	268	264	253	242	182
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1122	1117	1133	1118	1,115	1,054
9	9	9	9	9	9

OPERATING INFORMATION
Operating Indicators by Function

Last Ten Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental - type:										
General Government-administrative										
<i>Fiscal affairs</i>										
Deed transfers	5,075	5,801	6,176	5,956	6,430	6,785	6,781	6,893	6,783	6,908
Mortgage recorded	12,042	13,354	13,206	9,298	10,032	10,701	9,866	9,148	9,528	13,342
Subdivision plans filed	141	115	133	147	155	143	152	130	152	121
Miscellaneous documents and instruments	21,184	21,184	20,852	14,617	16,200	16,864	16,142	15,083	15,239	18,727
Number of Document and Instruments eRecorded	N/A	9,201	15,174	11,967	15,990	16,662	17,890	17,851	20,598	33,002
Percentage eRecorded	N/A	23%	38%	40%	49%	48%	54%	57%	65%	84%
<i>Administration</i>										
General election information										
Registered voters	152,249	158,190	148,322	151,050	153,481	166,965	167,571	172,256	175,047	187,257
Votes cast	35,313	111,381	33,618	75,845	40,913	124,421	42,652	105,368	55,187	142,732
Percent of votes cast	23%	70%	23%	50%	27%	75%	25%	61%	32%	76%
General Government-judicial										
<i>Court services:</i>										
Criminal cases filed	3,651	3,629	3,603	3,786	3,540	4,159	4,240	3,552	3,610	3,063
Summary appeals	231	234	258	259	320	362	316	368	395	298
Juvenile delinquency	245	241	334	388	437	481	500	386	476	431
Juvenile dependency	144	210	221	231	285	233	199	237	175	126
Marriage license applications	1,169	1,203	1,148	1,317	1,255	1,267	1,208	1,229	1,134	1,197
Estates and wills probated	1,277	1,257	1,266	1,143	1,213	1,266	1,384	1,438	1,355	1,227
Orphans' court cases filed	108	87	90	82	106	99	86	100	96	104
Adoption cases	106	91	97	89	113	112	143	138	102	105
<i>Court administration:</i>										
Criminal jury trials	40	47	55	44	48	45	35	25	26	25
Criminal appointment of counsel	433	479	486	636	499	564	590	478	523	559
Hearings by domestic relations conference officers	2,843	2,729	3,670	3,748	3,492	3,928	3,477	3,480	3,188	2,335
<i>Sheriff:</i>										
Prisoner transports	3,949	3,817	4,235	4,284	4,079	4,611	4,806	4,583	3,794	1,270

(continued)

OPERATING INFORMATION
Operating Indicators by Function

Last Ten Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

(continued)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public safety										
<i>County prison:</i>										
Average daily population	399	381	389	422	401	415	454	413	356	277
Commitments to prison	3,387	3,098	3,054	3,319	3,383	3,228	3,603	3,602	3,523	1,977
Releases from prison	3,346	3,141	2,974	3,350	3,352	3,195	3,576	3,698	3,530	2,079
<i>Adult probation:</i>										
Average caseload	2,476	2,475	2,408	2,471	2,383	2,401	2,551	2,463	2,350	2,804
DUI-Intermediate Punishment Program										
Bed Days Saved at County Prison	8,813	7,263	8,554	11,312	13,912	11,136	10,453	15,592	14,834	9,659
Accelerated Rehabilitative Disposition/DUI Program	774	868	686	672	523	615	696	575	607	502
<i>Day Reporting Center:</i>										
Bed Days Saved at County Prison	6,957	6,469	5,712	6,443	6,073	5,765	5,082	4,977	5,247	3,789
Human services										
<i>Children and youth</i>										
Number of referrals	1,232	1,182	1,330	1,455	1,993	1,930	1,929	2,082	2,038	1,719
Clients receiving in-home services	370	392	439	625	833	864	777	752	674	538
Clients requiring placement	211	229	286	271	281	329	351	366	349	327
<i>Mental health services:</i>										
Number of out-patient hours	13,646	12,493	11,472	12,418	12,993	9,721	9,226	11,260	9,337	6,054
Number of out-patient consumers	596	567	585	542	414	207	119	93	102	62
In-patient days	687	274	189	470	507	468	35	-	-	5
Number of in-patient consumers	26	15	19	24	21	15	5	-	-	1
Residential days	55,626	54,193	57,265	58,276	56,113	59,162	63,176	60,958	61,735	61,022
Number of residential consumers	205	210	194	216	224	204	227	216	197	151
<i>HealthChoices:</i>										
In-patient psychiatric treatment										
Number of in-patient consumers	377	404	463	444	537	529	619	669	637	584
Number of in-patient days	6,293	6,920	7,809	8,519	10,800	9,208	11,822	13,428	13,370	12,515
Out-patient psychiatric treatment										
Number of out-patient consumers	3,432	3,627	3,806	4,082	4,537	5,794	6,535	6,791	6,800	6,885
Number of out-patient units	40,523	41,239	41,850	44,598	49,727	60,777	72,863	77,716	80,251	86,631

(continued)

OPERATING INFORMATION
Operating Indicators by Function

Last Ten Years

COUNTY OF CUMBERLAND, PENNSYLVANIA (continued)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
									(unaudited)	
Children's residential and behavioral health rehabilitation										
Number of consumers	1,029	1,140	1,142	1,040	1,060	1,041	970	910	935	863
Number of units	791,221	849,765	807,612	665,898	602,368	554,345	473,245	467,748	468,700	349,726
Targeted case management										
Number of consumers	482	481	487	486	458	443	435	469	431	405
Number of units	89,158	81,779	67,978	50,997	57,743	57,844	55,088	54,652	52,408	44,662
Crisis Intervention										
Number of consumers	692	653	752	819	740	870	1,014	1,099	1,080	960
Number of units	8,247	7,636	10,182	11,236	5,841	7,234	8,494	9,031	8,280	7,276
<i>Intellectual and Developmental Disabilities</i>										
Number of consumers served	1,140	1,093	1,089	1,076	1,058	981	1,017	1,010	997	974
Number of transportation units	9,130	4,986	4,094	6,027	6,182	3,035	2,002	2,302	2,304	1,347
Number of residential units	2,264	1,922	1,827	2,277	2,648	2,529	2,588	2,493	2,525	2,445
Number of workshop/vocational units	48,572	44,039	53,779	52,614	58,072	54,203	37,641	58,293	58,620	38,744
<i>Office of aging:</i>										
Senior transportation trips	46,950	47,740	45,496	44,732	44,066	42,850	38,475	46,484	42,223	26,608
Information and assistance contracts	16,800	13,014	14,003	6,616	6,227	4,068	4,802	4,737	4,460	4,830
Congregate meals served	30,873	31,260	31,830	33,446	31,417	35,183	34,549	34,721	33,058	32,139
Adult day care days provided	4,508	2,907	1,072	1,707	3,124	4,175	3,278	2,967	2,485	631
Home delivered meals served	4,480	3,960	4,140	5,718	8,661	11,795	12,530	16,897	17,943	24,894
Maintenance/modification of homes	207	152	151	412	317	913	551	389	187	97
<i>Drug and alcohol:</i>										
Community-based outpatient treatment (in hours unless otherwise noted)										
Assessment/evaluations	707	700	754	692	547	303	471	419	371	488
Individual counseling	3,978	4,003	3,773	3,885	3,831	1,180	2,577	3,124	2,132	3,096
Intensive outpatient group	6,700	5,824	6,414	7,016	4,858	1,976	2,875	2,044	2,899	3,686
Group	2,640	2,350	2,726	3,137	2,972	1,375	1,911	2,069	1,393	1,924
Prison-based treatment and intervention service hours	2,481	1,508	2,260	1,971	2,470	3,083	4,201	2,401	2,949	2,213
Case management services										
Capital Region Maternal Assistance Program										
Intensive case management service clients	71	74	68	70	67	69	68	67	65	34

(continued)

OPERATING INFORMATION
Operating Indicators by Function

Last Ten Years

COUNTY OF CUMBERLAND, PENNSYLVANIA	(unaudited)									
(continued)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business - type:										
Transportation *										
One way trips	145,398	143,590	136,485	127,440	N/A	N/A	N/A	N/A	N/A	N/A
Mileage	748,410	757,171	726,916	758,722	N/A	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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
General government - administrative										
Administration										
Square footage of New Courthouse building	91,058	91,058	91,058	91,058	91,058	91,058	91,058	91,058	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	36,000	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	N/A	N/A	N/A	N/A	N/A	N/A	15,000	15,000	15,000
Bureau of Elections										
Electronic voting machines	693	693	693	693	693	693	694	694	694	400
Court system and corrections										
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
Public safety										
County prison										
Maximum capacity of inmates	478	478	720	720	720	720	720	720	720	720
Square footage of the prison	145,064	145,064	178,410	178,410	178,410	178,410	178,410	178,410	178,410	178,410
Conservation										
Number of agricultural easements acquired	122	126	128	135	140	150	157	169	181	187
Acres in the agricultural easement program	14,825	15,311	15,437	16,144	16,750	17,236	17,977	19,051	20,009	20,583
Acres in agricultural secured areas	72,783	73,544	74,450	75,685	72,711	72,876	73,562	73,885	74,313	-
Roads and bridge maintenance										
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)

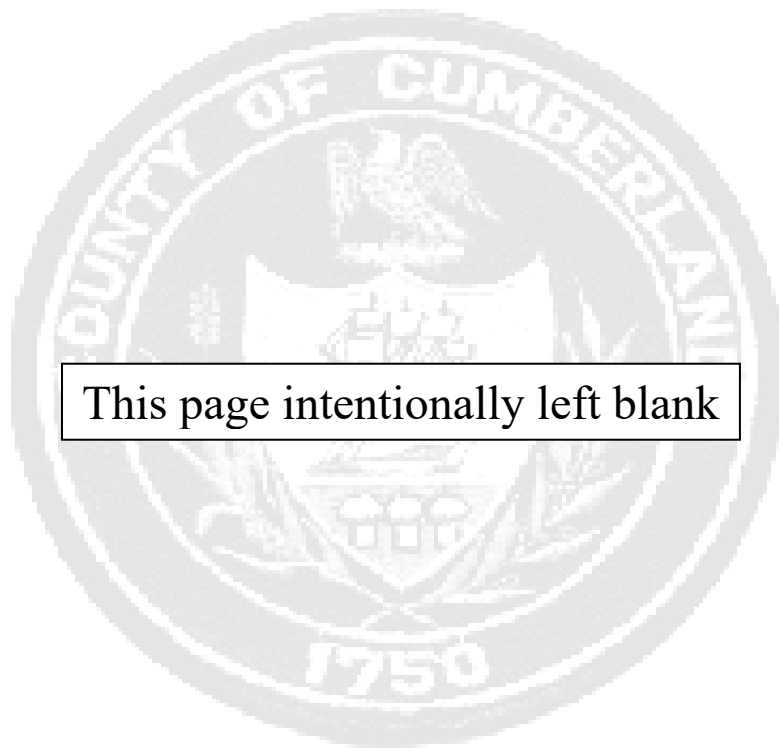
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Human Services										
Square footage of human services building (including parking gargage)	47,844	47,844	47,844	47,844	47,844	47,844	47,844	47,844	47,844	47,844
Square footage of Aging/Community Services	8,024	8,024	8,024	8,024	8,024	8,024	8,024	8,024	8,024	8,024
Business-type activities										
Nursing home										
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	282	282	282	282	282
Emergency telephone center										
Square footage of the 911 center	24,233	24,233	24,233	24,233	24,233	24,233	24,233	24,233	24,233	24,233
Transportation services										
Buses and other vehicles	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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