

County of Cumberland, Pennsylvania

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For The Year Ended December 31, 2021

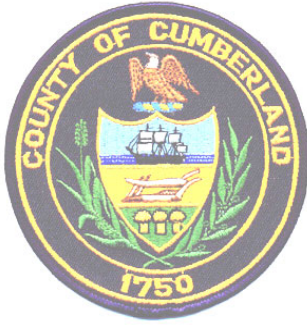


PREPARED BY THE OFFICE OF THE CONTROLLER
ALFRED L. WHITCOMB, CONTROLLER

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Alfred L. Whitcomb
Controller



COUNTY OF CUMBERLAND, PENNSYLVANIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2021

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

COUNTY OF CUMBERLAND, PENNSYLVANIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2021

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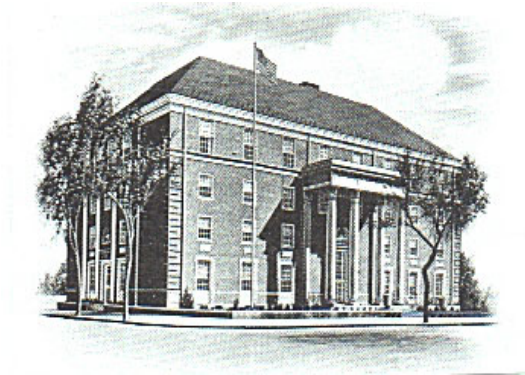
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PHOTOGRAPHY CREDITS

The cover photograph of the Laughlin Mill was taken in Newville, Cumberland County. Cover photograph is courtesy of Steve Kennedy.

Controller of Cumberland County

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AUDIT MANAGER

TINA L. MALICK
ADMINISTRATIVE ASSISTANT

JAMES D. BOGAR
SOLICITOR

June 24, 2022

TO: THE CITIZENS AND COMMISSIONERS OF CUMBERLAND COUNTY

County Code mandates that the elected County Controller...

- Supervise the fiscal affairs of the County including the accounts and official acts and transactions of all County officials and others with responsibilities for county funds.
- Scrutinize, audit and decide on all bills, claims and demands whatsoever of the County prior to their payment.
- Authorize County fiscal transactions; disapproving those not undertaken in accordance with the law or not approved according to the law or which the Controller has predication to investigate for fraud, flagrant abuse of public office or criminal or negligent acts.
- Maintain the County's general ledger supporting financial statements prepared in accordance with generally accepted accounting principles.
- 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 Annual Comprehensive Financial Report as part of satisfying this requirement.

Cumberland County's Controller independently prepares the County's Annual Comprehensive Financial Report in accordance with U.S. generally accepted accounting principles (GAAP) for governments. This report helps achieve the Controller's transparency and accountability objectives by its publication. The Annual Comprehensive 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 Annual Comprehensive 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 County residents and 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 residents.
- 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, bridges, and emergency communications technology.
- 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 an independent audit is to provide reasonable assurance that the basic financial statements of the County as of and for the year ended December 31, 2021, are reliable and 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, scrutinizing/auditing/deciding

on – and paying - all bills/claims/demands whatsoever, 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, probation, prison, county-owned bridge maintenance, 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, workforce 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 a 2021 population estimate by the U.S. Census Bureau of 262,919. It is the 16th most populous county in the state and ranks 41st of 67 counties in size.

Cumberland County is the fastest growing, by population, county in Pennsylvania of counties with populations over 60,000; growing an estimated 1.3% since the 2020 census. [*U.S. Census Bureau's Annual Estimates of Resident Populations of Counties in Pennsylvania: July 1, 2021.*]

Cumberland County offers its residents and visitors a rich history, quaint downtowns, exciting shopping opportunities, farmers markets, and 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 recently upgraded amenities.

Cumberland County serves as 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, Penn State Health, Highmark Blue Shield, and the Commonwealth of Pennsylvania.

Cumberland County ended 2021 with a December unemployment rate of 3.1 percent. In comparison, Pennsylvania's unemployment rate was 5.5 percent at December, 2021. *[Source: St. Louis Federal Reserve Bank, December 2021 data, not seasonally adjusted.]*

Cumberland County per capita personal income was \$38,153; whereas the statewide average was \$35,518. Cumberland County median household income was \$71,979; whereas the statewide average was \$63,627. *[Source: U.S. Census Quickfacts reflecting 2020 data, as 2021 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 consistently lowest unemployment rates among Pennsylvania counties
- Financially stable County government, maintaining a AAA bond rating since 2008

- 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
- Over 200 miles of hiking and biking trails, including the Appalachian Trail and Cumberland Valley Rail Trail
- 55,000 acres of parks, state forests and natural areas, and
- Better than 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 has the distinction of offering the lowest property taxes per capita.

Long-Term Financial Planning

A myriad of factors present long-term impacts on the County's fiscal planning; some negative, a few positive.

Impact of Inflation

The County is not immune to rising costs for goods and services, including wage inflation. Unless and until abated, rising inflation in the local labor market has a negative budget impact on the cost of the mandated services that the County provides its constituents.

Staffing Shortages

A current shortage of applicants for County positions in the local workforce works in conjunction with wage inflation to negatively affect the County's budget. Not only do staffing shortages negatively impact the County's personnel budget, but tight labor markets often translate to understaffed non-profits who are stretched to provide the human services funded by the County. The County Commissioners are reaching out to state legislators and the Governors Office for them to participate in solutions to this challenge.

Continuing Impact of the Pandemic

The pandemic continues to affect the County in many ways. As with many businesses, the emergency shutdown, and the necessary adoption of remote working for many County employees caused the County to streamline a great many of its processes and accelerated even greater adoption of technologies. The County has become more operationally nimble, as a consequence of these improvements.

The pandemic also brought additional Federal revenue to the County in 2021, as the County was awarded \$49 million in American Rescue Plan funding; half received in 2021 and the other half received in 2022. These monies must be allocated by December 31, 2024 and spent by December 31, 2026. The County continues to comprehensively identify needs and develop a plan and method to allocate these funds.

Claremont Nursing and Rehabilitation Center – Potential Ownership Transition

In 2021, the County contracted with Allaire Health Services to transfer ownership of Claremont Nursing and Rehabilitation Center (CNRC) to the private sector. The Commissioners' primary objective in working to transition the facility to specialized private ownership is to secure its long-term viability. The continuing evolution of the skilled nursing facility industry has made it increasingly difficult for local governments to continue to successfully own and operate such facilities.

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 use 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, expenditure 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 its peer counties and against 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 annual comprehensive financial report for the fiscal year ended December 31, 2020. This was the thirty third 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 annual comprehensive 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 annual comprehensive 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, 2020.

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 eighteen 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, 2021.

This is the fourteenth consecutive year the County has received this prestigious award.

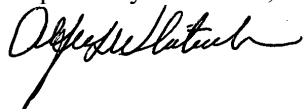
In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

Acknowledgements

The preparation of this report would not have been possible without the efficient, conscientious and dedicated services of the staff of the Controller's Office, the Finance Office and all County departments and their fiscal officers.

The Commissioners must be recognized for maintaining the highest standards of professionalism in the administration of Cumberland County's finances.

Respectfully submitted,



Alfred L. Whitcomb
Controller



Government Finance Officers Association

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

Presented to

**County of Cumberland
Pennsylvania**

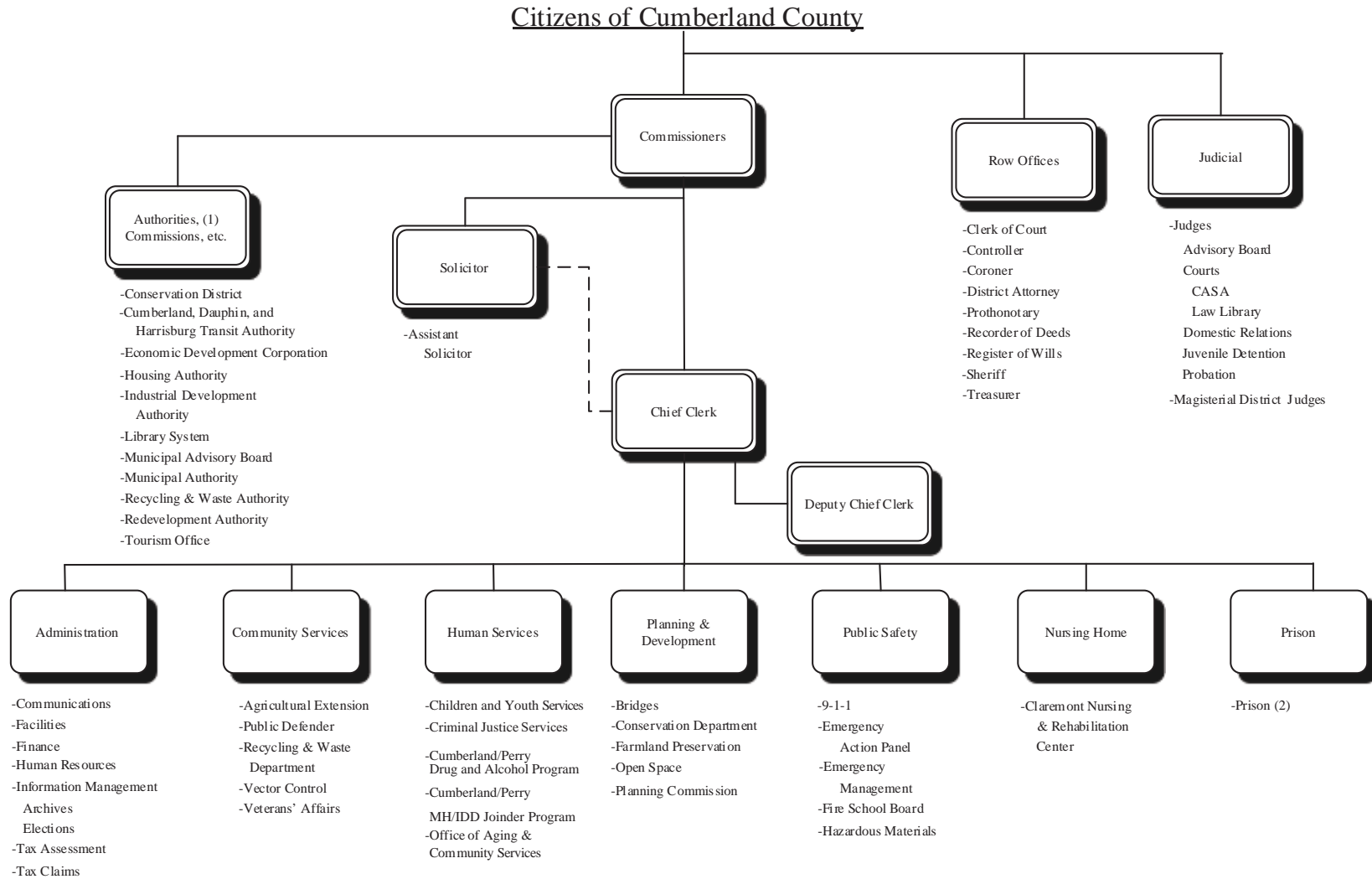
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

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, 2021

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 – Resigned June 1, 2021
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

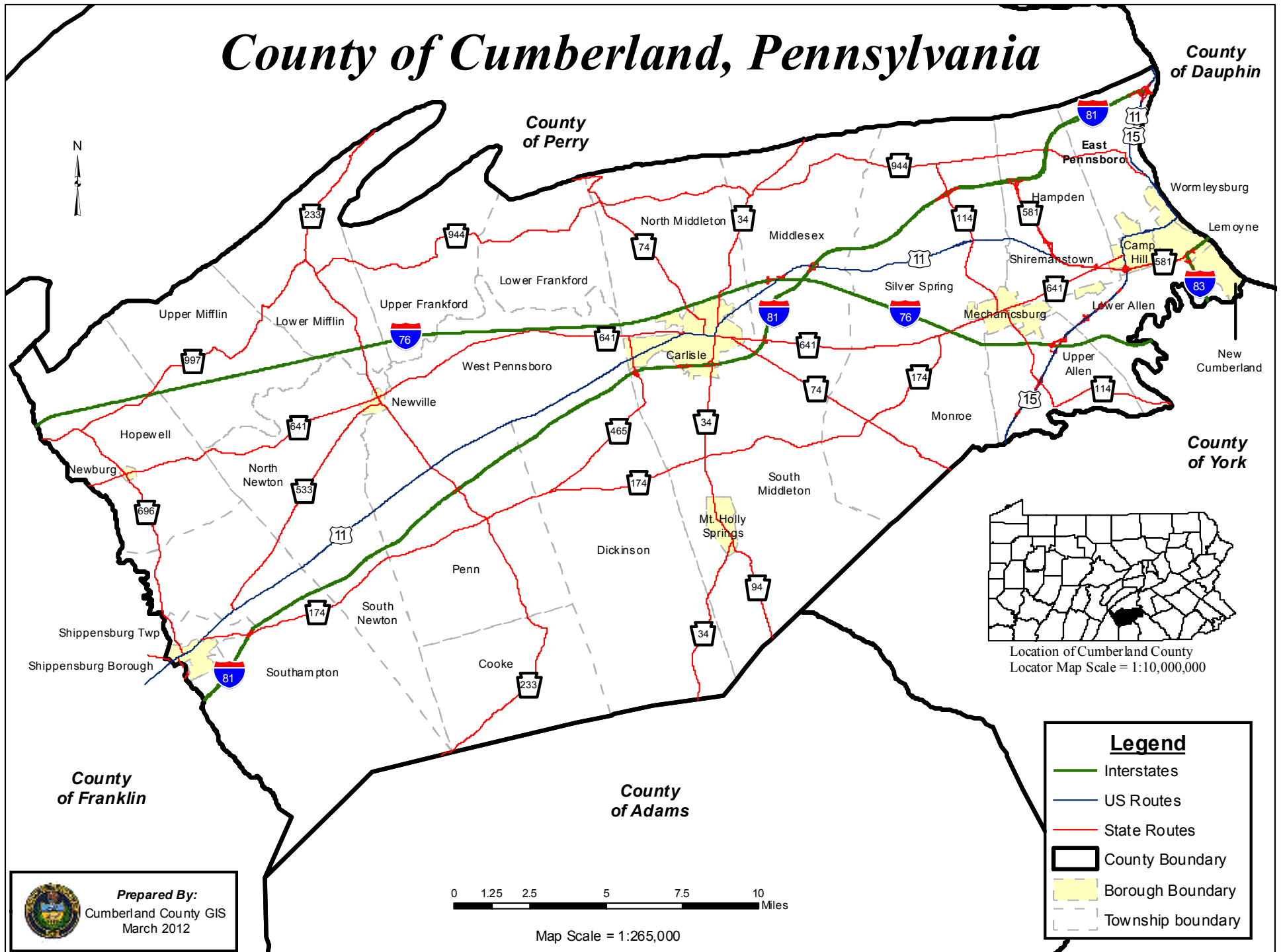
RECORDER OF DEEDS

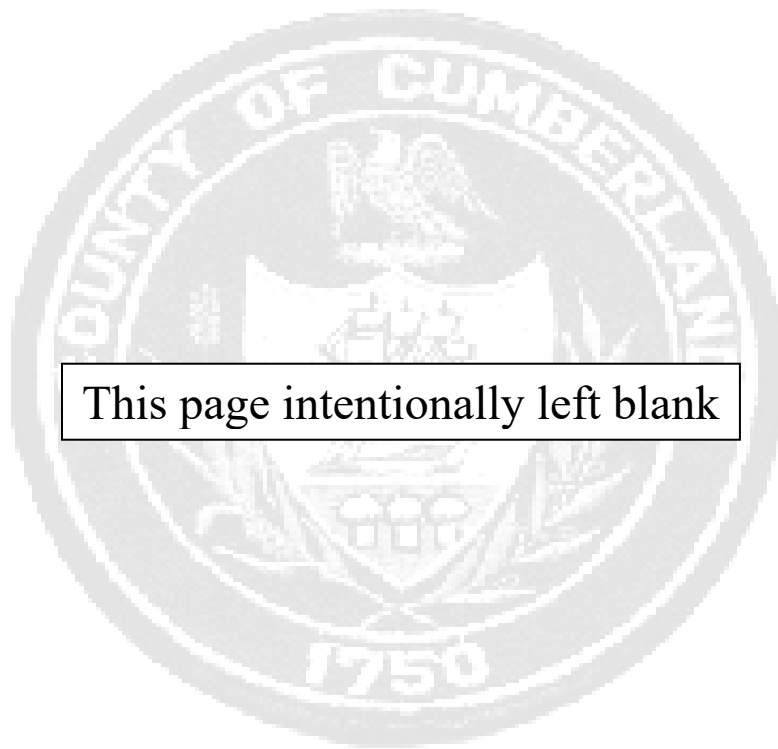
Tammy Shearer

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 Audit of the Financial Statements

Opinions

We have audited the 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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying 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, 2021, 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.

We did not audit the financial statements of the Conservation District, a discretely presented component unit of the County, which represent 39% and 27%, respectively, of the assets and revenues of the aggregate discretely presented component units as of December 31, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. We did not audit the financial statements of the Cumberland Area Economic Development Corporation, a blended component unit of the County, which represent 2% and 2%, respectively, of the assets and revenues of the aggregate remaining fund information as of December 31, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control related matters that we identified during the audit.

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 post-employment benefits plan schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 and the other auditors 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 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 supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such 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. The 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 as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

A handwritten signature in cursive script, reading "Boyer & Fitter".

Camp Hill, Pennsylvania
June 21, 2022

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, 2021. 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 \$157,943,390 (*net position*). Of this amount, \$55,304,050 (*unrestricted net position*) may be used to meet the County's general ongoing obligations to citizens and creditors, whereas an additional \$22,391,580 of *restricted net position* is available for funding specific activities benefiting the citizens.
- The government's total net position increased by \$9,003,034 in 2021, which represents approximately six percent of total expense, due to the reasons outlined in the following bullet.
- As of December 31, 2021, Cumberland County's governmental funds reported combined ending fund balances of \$70,648,410, an increase of \$30,831.
- Of Cumberland County's governmental fund balance, approximately 72 percent of the amount (\$51,158,404) is *available for spending* at the government's discretion (*unrestricted fund balance*).
- The County's general fund total fund balance was \$52,594,845 at the end of 2021, down 1.5 percent or \$791,213 which compares favorably to the budgeted 2021 drawdown of \$11.9 million.
- At the end of 2021, general fund unassigned fund balance was \$21,550,888 and assigned fund balance was \$25,960,740 for public safety, future budgetary requirements, capital projects, farmland preservation, prison canteen, risk liability, planning assistance, stimulus, criminal justice services, and blighted property remediation.
- Cumberland County's total general obligation debt decreased by \$3,210,000. The County's debt decreased due to the payment of the scheduled principal payments.
- The County's bond rating was confirmed AAA in May of 2022.
- The County preserved 1,179 acres of premium farmland in 2021 with 1,185 acres pending settlement at the end of 2021. 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 decreased in 2021. The County fully funds the Actuarially Determined Contribution each year.
- Public Safety is in the planning stages for the project 25 emergency radio and infrastructure project. The County contracted with Motorola in December of 2021.
- The County contracted with Allaire Health Services in 2021 to transfer the ownership of Claremont Nursing and Rehabilitation Center (CNRC) for \$22,250,000. The transition occurred in March of 2022.
- Cumberland County was awarded \$49,214,152 in federal funding from the American Rescue Plan Act of 2021 and received \$24,607,076 in May 2021. The County expects to receive the remaining \$25 million in 2022. The County continues working to comprehensively identify needs and develop a method to allocate funds.
- The County received a substantial amount of federal and state funding for programs that the Cumberland County Redevelopment Authority (CCHRA) and Cumberland Area Economic Development Corporation (CAEDC) managed on the County's behalf. The CCHRA managed the emergency rental assistance grant of \$9,939,121, CDBG recovery grant of \$285,624, and the rental assistance program of \$1,590,441. CAEDC managed the COVID-19 hospitality industry recovery program of \$2,869,761.

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 31 through 34 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 38 and 40 of this report.

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

The *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.

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

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

The County's general fund and the following special revenue funds: mental health/intellectual and developmental disabilities fund, children and youth fund, and American Rescue Plan Act 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 "nonmajor 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 36, 37 and 39 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 42 through 45 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 47 and 48 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 50 through 100 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 102 through 116 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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$157,943,390 at the close of the most recent calendar year.

Cumberland County's Net Position

| | Governmental activities | | Business-type activities | | Total | |
|---------------------------------------|-------------------------|-------------|--------------------------|------------|-------------|-------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Assets: | | | | | | |
| Other assets | \$ 142,221,077 | 100,898,363 | 8,011,030 | 9,604,992 | 150,232,107 | 110,503,355 |
| Capital assets | 100,011,174 | 98,044,554 | 6,955,585 | 7,777,110 | 106,966,759 | 105,821,664 |
| Total assets | 242,232,251 | 198,942,917 | 14,966,615 | 17,382,102 | 257,198,866 | 216,325,019 |
| Deferred outflows of resources | 6,797,621 | 7,360,252 | 1,325,846 | 1,811,937 | 8,123,467 | 9,172,189 |
| Liabilities: | | | | | | |
| Long-term liabilities | 31,525,691 | 35,420,229 | 1,066,063 | 2,359,865 | 32,591,754 | 37,780,094 |
| Other liabilities | 46,984,883 | 20,851,979 | 2,226,182 | 1,705,057 | 49,211,065 | 22,557,036 |
| Total liabilities | 78,510,574 | 56,272,208 | 3,292,245 | 4,064,922 | 81,802,819 | 60,337,130 |
| Deferred inflows of resources | 21,369,386 | 13,092,534 | 4,206,738 | 3,127,188 | 25,576,124 | 16,219,722 |
| Net position: | | | | | | |
| Net investment in capital assets | 74,098,369 | 69,736,180 | 6,149,391 | 6,202,927 | 80,247,760 | 75,939,107 |
| Restricted | 22,391,580 | 19,690,572 | - | - | 22,391,580 | 19,690,572 |
| Unrestricted | 52,659,963 | 47,511,675 | 2,644,087 | 5,799,002 | 55,304,050 | 53,310,677 |
| Total net position | \$ 149,149,912 | 136,938,427 | 8,793,478 | 12,001,929 | 157,943,390 | 148,940,356 |

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.

Fourteen percent of the county's net position is legally restricted (\$22,391,580). The remaining balance of *unrestricted net position* (\$55,304,050) may be used to meet the government's ongoing obligations to citizens and creditors.

Deferred inflows of resources increased \$9,356,402 predominantly due to pension earnings (\$9,691,389) exceeding expectations in 2021 leading to the deferral of those gains. Those gains were additionally offset by the amortization of other deferred inflows to arrive at the \$9,356,402 balance.

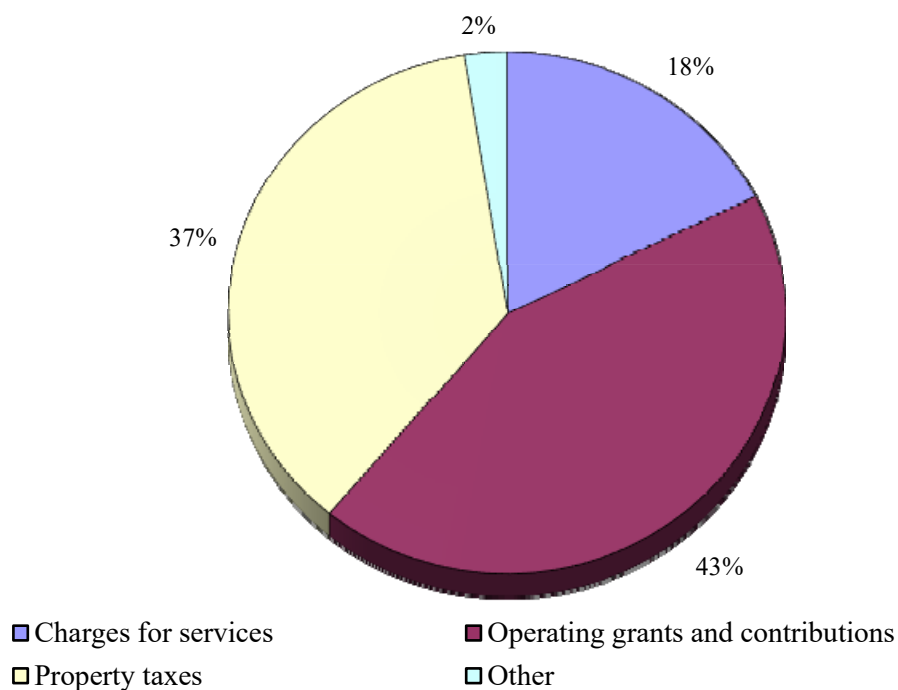
At the end of the current fiscal year, Cumberland County is able to report positive fund balances in all applicable categories of net position, both for the government as a whole and for its separate governmental activities.

Cumberland County's Change in Net Position

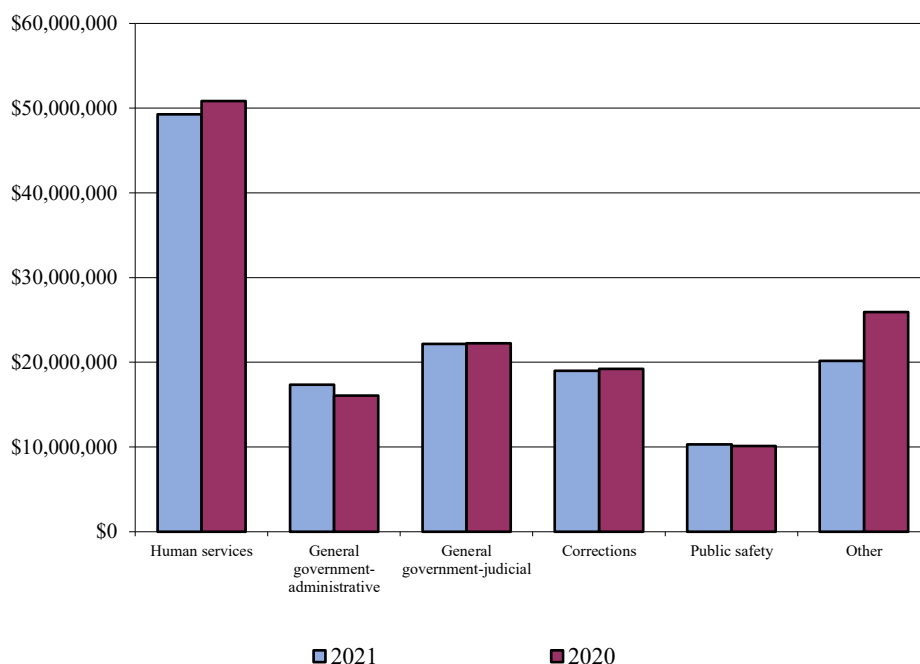
| | Governmental activities | | Business-type activities | | Total | |
|---|----------------------------|-------------|-----------------------------|------------|-------------|-------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 26,746,116 | 25,853,892 | 16,347,351 | 29,352,205 | 43,093,467 | 55,206,097 |
| Operating grants and contributions | 65,444,835 | 74,566,742 | 1,746,009 | 2,816,588 | 67,190,844 | 77,383,330 |
| Capital grants and contributions | 1,284,924 | 9,581,155 | - | - | 1,284,924 | 9,581,155 |
| General revenues: | | | | | | |
| Property taxes | 55,238,720 | 54,950,607 | - | - | 55,238,720 | 54,950,607 |
| Other taxes | 2,101,429 | 1,185,249 | - | - | 2,101,429 | 1,185,249 |
| Unrestricted investment earnings | 314,634 | 652,135 | 4,163 | 18,726 | 318,797 | 670,861 |
| Total revenues | 151,130,658 | 166,789,780 | 18,097,523 | 32,187,519 | 169,228,181 | 198,977,299 |
| Expenses: | | | | | | |
| General government-administrative | 17,357,002 | 16,075,398 | - | - | 17,357,002 | 16,075,398 |
| General government-judicial | 22,170,225 | 22,217,708 | - | - | 22,170,225 | 22,217,708 |
| Corrections | 19,006,915 | 19,210,033 | - | - | 19,006,915 | 19,210,033 |
| Emergency telephone | 5,614,675 | 5,216,318 | - | - | 5,614,675 | 5,216,318 |
| Public safety | 4,669,689 | 4,894,269 | - | - | 4,669,689 | 4,894,269 |
| Roads and bridge maintenance | 744,420 | 501,690 | - | - | 744,420 | 501,690 |
| Recycling and waste management | 492,831 | 485,829 | - | - | 492,831 | 485,829 |
| Human services | 49,260,602 | 50,852,406 | - | - | 49,260,602 | 50,852,406 |
| Culture and recreation | 8,835 | 107,848 | - | - | 8,835 | 107,848 |
| Conservation | 717,102 | 829,763 | - | - | 717,102 | 829,763 |
| Community redevelopment and housing | 191,492 | 168,812 | - | - | 191,492 | 168,812 |
| Economic development and assistance | 17,735,150 | 23,492,855 | - | - | 17,735,150 | 23,492,855 |
| Interest on long-term debt | 942,071 | 936,503 | - | - | 942,071 | 936,503 |
| Indirect expenses | (683,427) | (585,220) | 683,427 | 585,220 | - | - |
| Claremont Nursing and Rehabilitation Center | - | - | 21,314,138 | 26,680,935 | 21,314,138 | 26,680,935 |
| Total expenses | 138,227,582 | 144,404,212 | 21,997,565 | 27,266,155 | 160,225,147 | 171,670,367 |
| Increase (decrease) in net position | | | | | | |
| before transfers | 12,903,076 | 22,385,568 | (3,900,042) | 4,921,364 | 9,003,034 | 27,306,932 |
| Transfer | (691,591) | (515,501) | 691,591 | 515,501 | - | - |
| Increase (decrease) in net position | 12,211,485 | 21,870,067 | (3,208,451) | 5,436,865 | 9,003,034 | 27,306,932 |
| Net position, beginning | 136,938,427 | 115,068,360 | 12,001,929 | 6,565,064 | 148,940,356 | 121,633,424 |
| Net position, ending | \$ 149,149,912 | 136,938,427 | 8,793,478 | 12,001,929 | 157,943,390 | 148,940,356 |

Governmental activities. The following charts graphically depict the sources of revenue and functional expenses of governmental activities for the fiscal year ended December 31, 2021:

Revenues by Source - Governmental Activities



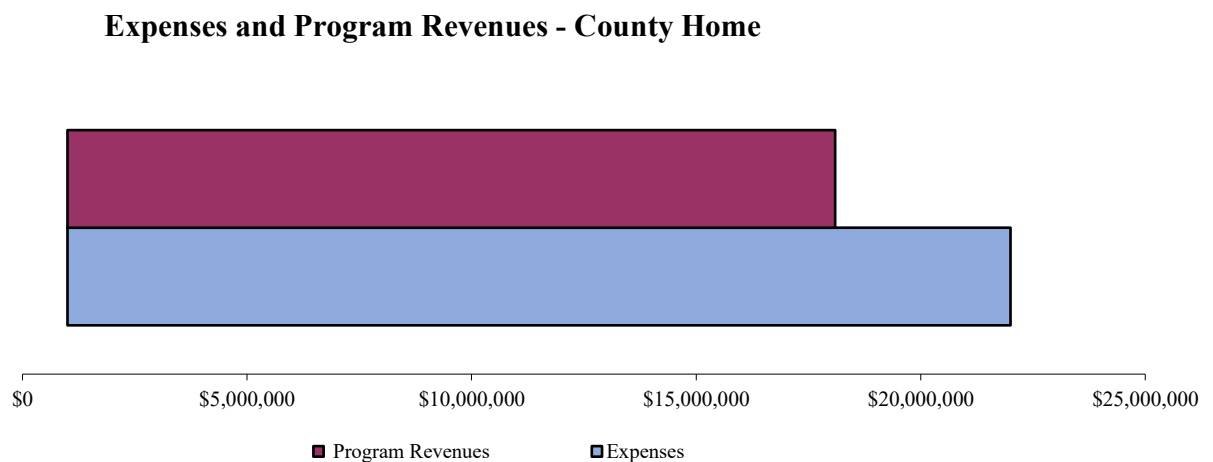
Expense Comparison by Activity - Governmental Activities



Governmental activities increased Cumberland County's net position by \$12,211,485. The primary changes in revenues and expenses are:

- Revenues decreased \$15,659,122. The majority of the change was in two areas.
 - Operating grants and contributions decreased \$9,121,907. In 2020, the County received \$22.9 million of CARES Act funding. In 2021, the County received a substantial amount of federal and state funding for programs that the Cumberland County Redevelopment Authority (CCHRA) and Cumberland Area Economic Development Corporation (CAEDC) managed on the County's behalf. The CCHRA managed the emergency rental assistance grant \$9,939,121, CDBG recovery grant \$285,624, and the rental assistance program \$1,590,441. CAEDC managed the COVID-19 hospitality industry recovery program \$2,869,761.
 - Capital grants and contributions decreased \$8,296,231 due to the majority of the construction of Orrs, Wolf, and Kunkle Bridges occurring in 2020. State grant funding was also received in 2020 to help offset the cost of the new voting machines.
- Expenses decreased by \$6,176,630. The majority of the change was in four areas.
 - Economic development and assistance decreased \$5,757,705. CARES Act funding decreased and funding managed on behalf of the County by CCHRA and CAEDC increased (see above explanation).
 - Human services decreased \$1,591,804. The majority of this is related to Mental Health/Intellectual & Developmental Disabilities and the completion of the Long-Term Structured Residence Program.
 - Pension expense decreased \$3,221,157.
 - General government – administrative increased \$1,281,604. A portion of the CARES Act funding rolled into 2021 for the multi-year projects. Project 25, the emergency radio and infrastructure project, began construction of a tower and shelter.

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, 2021:



Business-type activities decreased Cumberland County's net position by \$3,208,451. The primary changes in revenues and expenses are:

- Claremont Nursing and Rehabilitation charges for services revenues decreased \$13,004,854.
 - \$8,300,000 of the change is attributable to the decreased average daily census.
 - There was a change to the timing of the IGT payments mid-year in 2020, thus, in 2021, CNRC received 12 months of payments. This was a decrease of \$3,856,000 from the previous year.

- The operating grants and contributions decreased \$1,070,579 due to the decrease in federal COVID-19 funding.
- Claremont's expenses decreased by \$5,268,590.
 - Staffing costs decreased by \$2,364,700
 - Operating expenses decreased by \$2,127,100 directly related to the census change.

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 2021, Cumberland County's governmental funds reported combined ending fund balances of \$70,648,410; and an increase of \$30,831 in comparison to the prior year. Approximately 72 percent of the total amount (\$51,158,404) constitutes *unrestricted fund balance*, which is available for spending at the County's discretion. The remainder of the fund balance is *nonspendable* (\$2,522,322) or *restricted* (\$16,967,684) 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 \$21,550,888 while total fund balance was \$52,594,845. 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 (\$47,511,628) and total fund balance represents 64 percent and 71 percent, respectively, of total general fund expenditures.

The fund balance of Cumberland County's general fund decreased by \$791,213 during the current year. In 2021, the commissioners continued making improvements to operational efficiencies, cost containment, and revenue enhancements.

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 \$9,365,772 or 8.7 percent under the amended budget. Interest revenue was under budget due to continued low rates for certificate of deposits and saving accounts. Transfers in are over budget due to the nursing home and a timing difference in payments between years. Recorder of Deeds and Register of Wills filing fee revenue were over budget as well as bail forfeitures.

Actual general fund expenditures (including other financing uses) were under budget by \$21,942,242. The major items under budget were:

| | |
|---|--------------|
| Economic development | \$11,886,173 |
| Transfers out | \$ 2,459,932 |
| County prison | \$ 993,045 |
| District Attorney – forensic investigation division | \$ 682,818 |
| County buildings | \$ 644,161 |
| Conservation and development | \$ 605,065 |
| Enterprise resource management office | \$ 499,752 |
| Sheriff | \$ 481,825 |

Economic development is under budget due to the Emergency Rental Assistance Program which passes through the County to the Redevelopment Authority.

Transfers out was under budget: (1) the nursing home subsidy was under budget due to receiving an additional six months of Intergovernmental Transfer funds (IGT) and the addition of federal American Rescue Plan Act (ARPA) funding, (2) children and youth budgets are developed on a two-year cycle and the 2021 budget was developed in 2019 based on current expenditures at that time. In 2021, spending remained the same as in 2020, the decrease for both years was due to the COVID-19 pandemic, and (3) emergency telephone was over budget due to the P25 project.

The County prison was under budget because the number of inmates did not increase as planned which reduced dietary costs. During the pandemic, drug and alcohol counseling services were discontinued, and transportation costs decreased since work release inmates were not employed. Capital projects were also delayed due to the pandemic and limited access to the building.

The District Attorney - forensic investigation division was under budget due to a mass spectrometer budgeted for in 2021 but received in 2020 and a gas chromatography mass spectrometer that was budgeted and ordered in 2021 and will be received in 2022.

County buildings was under budget because utilities did not increase as expected, several pieces of equipment were installed to help with efficiencies, and several capital projects were delayed until 2022.

Conservation and development were under budget due to timing of the farmland preservation easement projects and the open space projects which were slowed down due to the pandemic.

Enterprise resource management office was under budget since the consulting for the Lawson ERP upgrade did not begin in 2021.

The sheriff was under budget in salary and benefits due to turnover in positions.

Children and Youth Budgetary Highlights

Actual children and youth revenues and expenses (including other financing sources) were \$2,653,495 under the amended budget. Children and youth budgets are developed on a two-year cycle and the 2021 budget was developed in 2019 based on current expenditures at that time. In 2021, spending remained the same as in 2020, the decrease for both years was due to the COVID-19 pandemic.

Mental Health/Intellectual and Development Disabilities Budgetary Highlights

Actual revenues and expenses (including other financing sources) were under budget \$1,362,475 and \$1,393,928. Mental Health was under budget mainly due to the pandemic and services not being able to be provided to consumers or on a very limited basis. The Office of Developmental Programs (IDD) and The Office of Child Development and Early Learning (EI) determined, based on COVID outbreak data, whether face-to-face services could be provided to consumers. This impacted expenses, thus impacting revenues.

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, 2021, amounted to \$106,966,759 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, leased buildings, improvements other than buildings, machinery and equipment, bridges, construction in progress, and agricultural easements.

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

| | | Governmental activities | | Business-type activities | | Total | |
|-----------------------------------|----|--------------------------------|-------------|---------------------------------|-------------|--------------|-------------|
| | | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Land | \$ | 2,900,407 | 2,900,407 | - | - | 2,900,407 | 2,900,407 |
| Buildings and systems | | 36,296,607 | 38,238,196 | 6,098,622 | 6,765,615 | 42,395,229 | 45,003,811 |
| Leased buildings | | 1,053,246 | 900,380 | - | - | 1,053,246 | 900,380 |
| Improvements other than buildings | | 1,438,515 | 1,577,994 | 64,017 | 75,798 | 1,502,532 | 1,653,792 |
| Machinery and equipment | | 12,899,430 | 9,727,495 | 792,946 | 935,697 | 13,692,376 | 10,663,192 |
| Bridges | | 28,827,845 | 20,482,509 | - | - | 28,827,845 | 20,482,509 |
| Construction in progress | | 4,234,267 | 12,388,384 | - | - | 4,234,267 | 12,388,384 |
| Agricultural easements | | 12,360,857 | 11,829,189 | - | - | 12,360,857 | 11,829,189 |
| Total | \$ | 100,011,174 | 98,044,554 | 6,955,585 | 7,777,110 | 106,966,759 | 105,821,664 |

Total governmental activities net capital assets increased in 2021 by \$1,966,620.

Governmental activities' bridges increased \$8,345,336 in 2021 because of the capitalization of bridge replacement projects.

Governmental machinery and equipment increased \$3,171,935 primarily from the capitalization of the emergency telephone software upgrade project, a new justice service lab and equipment, and technological updates.

Governmental construction in progress decreased \$8,154,117 primarily, as a result, of the capitalization of ongoing bridge replacement projects, the emergency telephone software upgrade project, a new justice service lab and equipment, and technological updates.

Additionally, County buildings decreased by \$1,941,588 because of depreciation.

Total business-type activities net capital assets decreased by \$821,525 in 2021. The nursing home incurred depreciation of \$821,747, offset by capital asset purchases of \$222.

Additional information on Cumberland County's capital assets can be found in Note 5 on pages 80 through 82.

Debt Administration

At the end of the current fiscal year, Cumberland County had net outstanding bonded debt of \$21,449,429. The County's net general obligation notes total \$5,271,611. 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, 2021 and 2020 were:

| | | Governmental activities | | Business-type activities | | Total | |
|--------------------------|----|----------------------------|------------|-----------------------------|-----------|------------|------------|
| | | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| General Obligation Bonds | \$ | 20,643,235 | 23,331,883 | 806,194 | 1,575,555 | 21,449,429 | 24,907,438 |
| General Obligation Notes | | 5,271,611 | 5,715,000 | - | - | 5,271,611 | 5,715,000 |
| Total | \$ | 25,914,846 | 29,046,883 | 806,194 | 1,575,555 | 26,721,040 | 30,622,438 |

Cumberland County's bonded debt decreased by \$3,901,398.

Principal payments paid in 2021 were \$3,653,389.

Cumberland County's rating was confirmed "AAA" from Standard and Poor's for general obligation debt in 2022.

The current debt limitation for Cumberland County is \$443,757,939 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 7 on pages 84 through 87 of this report.

Economic Factors and Next Year's Budget

Economic Conditions in 2021

Economic indicators improved in 2021 after declining in 2020 due to the COVID-19 pandemic. The County's diverse economy has fared better than national and state averages, in part, because of its significant base of Federal and state employers and prime location in the region's transportation corridors. Cumberland County's December unemployment rate was 3.1% while the statewide and national rates were 5.4% and 3.9%, respectively. Neighboring counties, except for Adams and Perry, have unemployment rates above the 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 10.2% versus 2.4% for Pennsylvania since the previous U.S. Census in 2010 according to the U.S. Census Bureau. The reasons cited for this growth include low unemployment, safe communities, quality public services, educational opportunities, and high scores in numerous other quality of life indicators. Recently Cumberland County was named one of the best places to live in Pennsylvania for many of these reasons.

Cumberland County continues to enjoy a diverse tax base with little reliance on any one taxpayer. The top-ten taxpayers represent only 3.29% of assessed values as of December 31, 2021.

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 2022 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 continuing impacts of COVID-19 on revenues, the increased direct and indirect costs associated with the pandemic, Coronavirus Aid, Relief, and Economic Security (CARES) Act, and American Rescue Plan Act (ARPA) monies sent to 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 and inflation, but we are not yet able to predict the full impact on 2022 and beyond. The County has put extra measures in place, both operationally and financially, to review and analyze early indicators to adjust quickly to changing circumstances. The forecast contains multiple obstacles and question marks. With all things considered, the County can take satisfaction with its financial situation in 2022. The success the County has had over the past eight 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 of \$11,877,030 was budgeted in 2021, the County made aggressive changes that decreased the general fund's fund balance by \$791,213. This was done through a combination of revenue enhancements and cost-cutting measures.

In 2022, the General Fund budget shows a potential transfer of \$15,491,784 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 result is expected to be an estimated ending unassigned fund balance of \$34.0 million and a projected transfer from reserves of \$3,387,022. 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 2022 budget include:

- Impacts of Inflation
- Staffing Shortages
- Continued Impacts of the Pandemic
- Child Protective Cases
- Opioid Epidemic
- Nursing home being sold in 2022
- 9-1-1 radios and infrastructure Project
- Bridge infrastructure investments

- Investment in the County workforce productivity through Merit Based Compensation (MBC), prudent automation, skills training, management development, gainsharing, and salary survey
- 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
- American Rescue Plan Act

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, 2021
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 | \$ 92,775,329 | 1,998,142 | 94,773,471 | 577,056 | 290,576 |
| Investments | 8,064,453 | — | 8,064,453 | 1,150,000 | — |
| Receivables (net of allowance): | | | | | |
| Taxes | 1,646,073 | — | 1,646,073 | — | — |
| Due from other governments | 7,787,778 | — | 7,787,778 | 134,322 | — |
| Accounts receivable | 2,388,068 | 3,568,813 | 5,956,881 | 3,379 | — |
| Court costs and fines receivable | 1,976,909 | — | 1,976,909 | — | — |
| Notes receivable | — | — | — | — | 3,143,932 |
| Internal balances | 2,229,138 | (2,229,138) | — | — | — |
| Due to primary government | — | — | — | 19,711 | — |
| Prepaid items | 1,503,713 | 111,961 | 1,615,674 | 3,165 | 1,261 |
| Other assets | 46,493 | — | 46,493 | — | — |
| Restricted assets: | | | | | |
| Cash and cash equivalents | 1,977,091 | 207,162 | 2,184,253 | — | — |
| Capital assets, not being depreciated: | | | | | |
| Land | 2,900,407 | — | 2,900,407 | — | — |
| Construction in progress | 4,234,267 | — | 4,234,267 | — | — |
| Agricultural easements | 12,360,857 | — | 12,360,857 | — | — |
| Capital assets, net of accumulated depreciation: | | | | | |
| Buildings and systems | 36,296,607 | 6,098,622 | 42,395,229 | 2,701 | — |
| Leased buildings | 1,053,246 | — | 1,053,246 | — | — |
| Improvements other than buildings | 1,438,515 | 64,017 | 1,502,532 | — | — |
| Machinery and equipment | 12,899,430 | 792,946 | 13,692,376 | 7,170 | — |
| Bridges | 28,827,845 | — | 28,827,845 | — | — |
| Net pension asset | 21,826,032 | 4,354,090 | 26,180,122 | 288,508 | — |
| Total assets | <u>242,232,251</u> | <u>14,966,615</u> | <u>257,198,866</u> | <u>2,186,012</u> | <u>3,435,769</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Deferred difference-expected and actual pension experience | 3,890,789 | 776,176 | 4,666,965 | 51,431 | — |
| Deferred difference-change of pension assumptions | 2,105,513 | 420,030 | 2,525,543 | 27,832 | — |
| Deferred difference-expected and actual OPEB experience | 601,141 | 98,615 | 699,756 | 5,643 | — |
| Deferred difference-OPEB assumptions | 189,121 | 31,025 | 220,146 | 1,775 | — |
| Deferred charges on refunding | 11,057 | — | 11,057 | — | — |
| Total deferred outflows of resources | <u>6,797,621</u> | <u>1,325,846</u> | <u>8,123,467</u> | <u>86,681</u> | <u>—</u> |

(continued)

STATEMENT OF NET POSITION

December 31, 2021

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 | \$ 7,670,571 | 1,440,492 | 9,111,063 | 52,332 | 2,706,860 |
| Accrued payroll | 2,229,621 | 276,990 | 2,506,611 | 24,947 | — |
| Due to other governments | 1,190,535 | — | 1,190,535 | — | — |
| Due to component unit | 19,711 | — | 19,711 | — | — |
| Accrued interest payable | 133,308 | 2,763 | 136,071 | — | — |
| Unearned revenues | 30,689,684 | 2,421 | 30,692,105 | 730,598 | — |
| Resident funds payable | — | 207,162 | 207,162 | — | — |
| Noncurrent liabilities: | | | | | |
| Due in less than one year: | | | | | |
| General obligation bonds payable | 1,935,000 | 260,000 | 2,195,000 | — | — |
| Notes payable: | | | | | |
| Direct borrowing | 1,170,104 | — | 1,170,104 | — | — |
| CAEDC | 15,447 | — | 15,447 | — | — |
| Sick and vacation accrual | 451,713 | 36,354 | 488,067 | 7,041 | — |
| Self insurance claims payable | 1,062,000 | — | 1,062,000 | — | — |
| Workers' compensation | 86,863 | — | 86,863 | — | — |
| Leases | 330,326 | — | 330,326 | — | — |
| Due in more than one year: | | | | | |
| General obligation bonds payable | 18,708,235 | 546,194 | 19,254,429 | — | — |
| Notes payable: | | | | | |
| Direct borrowing | 4,101,507 | — | 4,101,507 | — | — |
| CAEDC | 1,503,376 | — | 1,503,376 | — | — |
| Sick and vacation accrual | 4,075,919 | 206,910 | 4,282,829 | 67,605 | — |
| Total OPEB liability | 1,907,751 | 312,959 | 2,220,710 | 17,909 | — |
| Workers' compensation claims payable | 457,129 | — | 457,129 | — | — |
| Leases | 771,774 | — | 771,774 | — | — |
| Total liabilities | 78,510,574 | 3,292,245 | 81,802,819 | 900,432 | 2,706,860 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred amount on refunding | 239,859 | — | 239,859 | — | — |
| Deferred difference-expected and actual pension experience | 227,279 | 45,340 | 272,619 | 3,004 | — |
| Deferred difference-projected and actual pension earnings | 20,665,119 | 4,122,498 | 24,787,617 | 273,163 | — |
| Deferred difference-projected and actual OPEB experience | 237,129 | 38,900 | 276,029 | 2,226 | — |
| Total deferred inflows of resources | 21,369,386 | 4,206,738 | 25,576,124 | 278,393 | — |

(continued)

STATEMENT OF NET POSITION

December 31, 2021

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 | \$ 74,098,369 | 6,149,391 | 80,247,760 | 9,871 | — |
| Restricted for: | | | | | |
| Conservation | 3,041,526 | — | 3,041,526 | 1,063,083 | — |
| Human services | 2,519,072 | — | 2,519,072 | — | — |
| Judicial services | 335,537 | — | 335,537 | — | — |
| Public safety | 3,402,813 | — | 3,402,813 | — | — |
| Emergency telephone | 2,655,952 | — | 2,655,952 | — | — |
| Records improvement | 676,449 | — | 676,449 | — | — |
| Economic development | 3,918,612 | — | 3,918,612 | — | 728,909 |
| Roads and bridges | 5,841,619 | — | 5,841,619 | — | — |
| Unrestricted | 52,659,963 | 2,644,087 | 55,304,050 | 20,914 | — |
| Total net position | \$ 149,149,912 | 8,793,478 | 157,943,390 | 1,093,868 | 728,909 |

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

STATEMENT OF ACTIVITIES

For the year ended December 31, 2021

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 | \$ 17,357,002 | (2,580,240) | 5,592,379 | 343,002 | — | (8,841,381) | — | (8,841,381) | — | — |
| General government - judicial | 22,170,225 | 151,383 | 4,415,451 | 3,220,045 | — | (14,686,112) | — | (14,686,112) | — | — |
| Corrections | 19,006,915 | — | 2,468,067 | 593,556 | — | (15,945,292) | — | (15,945,292) | — | — |
| Emergency telephone | 5,614,675 | 576,993 | 6,032,963 | 417 | — | (158,288) | — | (158,288) | — | — |
| Public safety | 4,669,689 | — | 1,725,250 | 1,248,012 | 20,448 | (1,675,979) | — | (1,675,979) | — | — |
| Roads and bridge maintenance | 744,420 | 44,584 | 1,339,980 | 674,372 | 1,264,476 | 2,489,824 | — | 2,489,824 | — | — |
| Recycling and waste management | 492,831 | 9,647 | 374,228 | 483,450 | — | 355,200 | — | 355,200 | — | — |
| Human services: | | | | | | | | | | |
| Mental health/intellectual and developmental disabilities | 18,450,784 | 262,598 | 1,985,750 | 16,578,808 | — | (148,824) | — | (148,824) | — | — |
| Children and youth | 21,195,003 | 428,213 | 505,080 | 17,930,045 | — | (3,188,091) | — | (3,188,091) | — | — |
| Food and shelter | 785,530 | 42,248 | 1,700 | 834,140 | — | 8,062 | — | 8,062 | — | — |
| Office of aging | 3,815,751 | 222,283 | 432,477 | 3,684,415 | — | 78,858 | — | 78,858 | — | — |
| Other | 5,013,534 | 158,864 | 742,625 | 3,258,551 | — | (1,171,222) | — | (1,171,222) | — | — |
| Culture and recreation | 8,835 | — | — | — | — | (8,835) | — | (8,835) | — | — |
| Conservation | 717,102 | — | 74,778 | 338,683 | — | (303,641) | — | (303,641) | — | — |
| Community redevelopment and housing | 191,492 | — | 259,279 | — | — | 67,787 | — | 67,787 | — | — |
| Economic development and assistance | 17,735,150 | — | 796,109 | 16,257,339 | — | (681,702) | — | (681,702) | — | — |
| Interest on long-term debt | 942,071 | — | — | — | — | (942,071) | — | (942,071) | — | — |
| Total governmental activities | 138,911,009 | (683,427) | 26,746,116 | 65,444,835 | 1,284,924 | (44,751,707) | — | (44,751,707) | — | — |
| Business-type activities: | | | | | | | | | | |
| County nursing home | 21,314,138 | 683,427 | 16,347,351 | 1,746,009 | — | — | (3,904,205) | (3,904,205) | — | — |
| Total business-type activities | 21,314,138 | 683,427 | 16,347,351 | 1,746,009 | — | — | (3,904,205) | (3,904,205) | — | — |
| Total primary government | \$ 160,225,147 | — | 43,093,467 | 67,190,844 | 1,284,924 | (44,751,707) | (3,904,205) | (48,655,912) | — | — |
| Discretely presented component units: | | | | | | | | | | |
| Conservation District | \$ 1,207,891 | — | 319,772 | 940,953 | — | — | — | — | 52,834 | — |
| Industrial Development Authority | 3,426,614 | — | 91,507 | 3,356,558 | — | — | — | — | — | 21,451 |
| Total discretely presented component units | \$ 4,634,505 | — | 411,279 | 4,297,511 | — | — | — | — | 52,834 | 21,451 |
| General revenues: | | | | | | | | | | |
| Real estate taxes | | | | | | 55,238,720 | — | 55,238,720 | — | — |
| Per capita taxes | | | | | | 396 | — | 396 | — | — |
| Hotel taxes | | | | | | 2,101,033 | — | 2,101,033 | — | — |
| Unrestricted investment earnings | | | | | | 314,634 | 4,163 | 318,797 | 3,524 | 29,564 |
| Transfers | | | | | | (691,591) | 691,591 | — | — | — |
| Total general revenues | | | | | | 56,963,192 | 695,754 | 57,658,946 | 3,524 | 29,564 |
| Change in net position | | | | | | 12,211,485 | (3,208,451) | 9,003,034 | 56,358 | 51,015 |
| Net position, beginning of year | | | | | | 136,938,427 | 12,001,929 | 148,940,356 | 1,037,510 | 677,894 |
| Net position, end of year | | | | | | \$ 149,149,912 | 8,793,478 | 157,943,390 | 1,093,868 | 728,909 |

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.

American Rescue Plan – The American Rescue Plan Act of 2021 fund accounts for monies received from the Federal government to support COVID-19 response efforts, replace lost revenue and support economic stabilization for households and businesses.

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, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

| | General Fund | Mental Health/ Intellectual and Developmental Disabilities | Children and Youth | American Recovery Plan | Nonmajor Funds | Total |
|--------------------------------------|-------------------------|---|-------------------------------|-----------------------------------|---------------------------|--------------|
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ 70,486,833 | 3,743,473 | 300 | — | 13,644,513 | 87,875,119 |
| Investments | 5,000,000 | — | — | — | 2,253,733 | 7,253,733 |
| Restricted cash | 1,755,256 | — | — | — | 221,835 | 1,977,091 |
| Receivables (net of allowance): | | | | | | |
| Taxes | 1,478,277 | — | — | — | 167,796 | 1,646,073 |
| Due from other governments | 844,440 | 661,795 | 2,318,816 | — | 3,962,727 | 7,787,778 |
| Accounts receivable | 721,058 | 39,365 | — | — | 1,575,789 | 2,336,212 |
| Court costs and fines receivable | 1,976,909 | — | — | — | — | 1,976,909 |
| Due from other funds | 5,492,078 | — | 135,887 | 24,607,076 | 2,776,729 | 33,011,770 |
| Due from component unit | 5,122 | — | — | — | — | 5,122 |
| Prepaid items | 946,913 | 18,012 | 29,538 | — | 415,283 | 1,409,746 |
| Other assets | 46,637 | — | — | — | — | 46,637 |
| Total assets | \$ 88,753,523 | 4,462,645 | 2,484,541 | 24,607,076 | 25,018,405 | 145,326,190 |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 1,476,942 | 2,434,453 | 1,299,527 | — | 2,293,975 | 7,504,897 |
| Accrued liabilities and withholdings | 1,507,309 | 126,472 | 201,912 | — | 389,903 | 2,225,596 |
| Due to other funds | 26,850,713 | 650,698 | — | — | 2,439,785 | 29,941,196 |
| Due to other governments | 32 | — | 983,102 | — | 1,190,504 | 2,173,638 |
| Unearned revenue | 3,203,587 | 1,150,046 | — | 24,607,076 | 717,346 | 29,678,055 |
| Funds held as fiduciary | 143,594 | — | — | — | 6,979 | 150,573 |
| Total liabilities | 33,182,177 | 4,361,669 | 2,484,541 | 24,607,076 | 7,038,492 | 71,673,955 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable revenue | 2,976,501 | — | — | — | 27,324 | 3,003,825 |
| Total deferred inflows of resources | 2,976,501 | — | — | — | 27,324 | 3,003,825 |

(continued)

BALANCE SHEET
Governmental Funds

December 31, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

(continued)

| | General Fund | Mental Health/ Intellectual and Developmental Disabilities | Children and Youth | American Recovery Plan | Nonmajor Funds | Total |
|---|-----------------|---|-----------------------|---------------------------|-------------------|-------------|
| FUND BALANCES | | | | | | |
| Nonspendable: | | | | | | |
| Prepaid items | \$ 946,913 | 18,012 | 29,538 | — | 415,283 | 1,409,746 |
| Long term loans receivable | — | — | — | — | 1,112,576 | 1,112,576 |
| Restricted: | | | | | | |
| Farmland preservation | 1,427,691 | — | — | — | — | 1,427,691 |
| Offender supervision | 1,259,275 | — | — | — | — | 1,259,275 |
| Juvenile probation restitution funds | 28,148 | — | — | — | — | 28,148 |
| Criminal investigation | 279,982 | — | — | — | — | 279,982 |
| Register of Wills-Act 34 | 78,300 | — | — | — | — | 78,300 |
| Coroner - Act 122 | 95,000 | — | — | — | — | 95,000 |
| Roads and bridge maintenance | — | — | — | — | 6,593,643 | 6,593,643 |
| Human services | — | 82,964 | — | — | 1,774,031 | 1,856,995 |
| Hazardous materials emergency planning | 32,345 | — | — | — | — | 32,345 |
| Public safety | — | — | — | — | 2,411,322 | 2,411,322 |
| Row office automation | 352,784 | — | — | — | 322,950 | 675,734 |
| Marcellus shale | 582,779 | — | — | — | 383,305 | 966,084 |
| Conservation | — | — | — | — | 895,220 | 895,220 |
| Economic development and assistance | — | — | — | — | 367,945 | 367,945 |
| Unrestricted: | | | | | | |
| Assigned: | | | | | | |
| Human services | — | — | — | — | 50,831 | 50,831 |
| Public safety | 1,386,350 | — | — | — | — | 1,386,350 |
| Future budgetary requirements | 15,491,784 | — | — | — | — | 15,491,784 |
| Capital projects | 6,625,000 | — | — | — | 147,614 | 6,772,614 |
| Economic development and assistance | — | — | — | — | 3,480,379 | 3,480,379 |
| Risk liability | 250,000 | — | — | — | — | 250,000 |
| Farmland preservation | 715,000 | — | — | — | — | 715,000 |
| Prison canteen | 906,924 | — | — | — | — | 906,924 |
| Stimulus | 71,332 | — | — | — | — | 71,332 |
| Planning assistance | 73,634 | — | — | — | — | 73,634 |
| Blighted property remediation | 432,914 | — | — | — | — | 432,914 |
| Criminal justice services | 7,802 | — | — | — | — | 7,802 |
| Unassigned | 21,550,888 | — | (29,538) | — | (2,510) | 21,518,840 |
| Total fund balances | 52,594,845 | 100,976 | — | — | 17,952,589 | 70,648,410 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 88,753,523 | 4,462,645 | 2,484,541 | 24,607,076 | 25,018,405 | 145,326,190 |

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, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

| | |
|--|-----------------------|
| Total fund balances-governmental funds | \$ 70,648,410 |
| 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. | 100,011,174 |
| Certain receivables are not available to pay for current period expenditures and, therefore, are deferred inflows of resources in the funds. | 2,990,877 |
| 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. | 11,057 |
| Net pension asset resulting from pension assets being greater than pension liability | 21,826,032 |
| 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 | 601,141 |
| Deferred difference-OPEB assumptions | 189,121 |
| Deferred difference-expected and actual pension experience | 3,890,789 |
| Deferred difference-change of pension assumptions | 2,105,513 |
| Internal service fund used by management to charge the costs of the self-insurance to individual funds: | |
| Workers' compensation | 606,562 |
| Self insurance fund | 2,755,803 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported at the fund level: | |
| Bonds payable | (19,110,000) |
| Notes payable | (6,790,434) |
| Net premium on bonds and notes | (1,533,235) |
| Sick and vacation payable | (4,527,632) |
| Total OPEB liability | (1,907,751) |
| Leases | (1,102,100) |
| Accrued expenses are not due and payable in the current period and, therefore, are not reported in governmental funds. | (146,029) |
| 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 | (20,665,119) |
| Deferred difference-expected and actual pension experience | (227,279) |
| Deferred difference-expected and actual OPEB experience | (237,129) |
| Deferred amount on refunding | (239,859) |
| Net position of governmental activities | \$ <u>149,149,912</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, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

| | General Fund | Mental Health/ Intellectual and Developmental Disabilities | Children and Youth | American Recovery Plan | Nonmajor Funds | Total |
|--|-----------------|---|-----------------------|---------------------------|-------------------|--------------|
| REVENUES | | | | | | |
| Taxes | \$ 55,677,724 | — | — | — | 2,101,033 | 57,778,757 |
| Licenses and permits | 241,417 | — | — | — | — | 241,417 |
| Grants | 15,795,908 | 16,577,783 | 17,929,945 | — | 16,201,642 | 66,505,278 |
| County charges | 10,736,634 | 1,871,325 | 505,080 | — | 9,981,694 | 23,094,733 |
| Court costs, fines and forfeitures | 2,840,438 | — | — | — | 208,146 | 3,048,584 |
| Investment earnings | 228,774 | 21,601 | — | — | 66,009 | 316,384 |
| Payment in lieu of taxes | 212,219 | — | — | — | — | 212,219 |
| Contributions and other | 196,318 | 115,450 | 100 | — | 42,973 | 354,841 |
| Total revenues | 85,929,432 | 18,586,159 | 18,435,125 | — | 28,601,497 | 151,552,213 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government – administrative | 13,828,906 | — | — | — | 177,535 | 14,006,441 |
| General government – judicial | 20,032,265 | — | — | — | 3,683,221 | 23,715,486 |
| Corrections | 19,226,972 | — | — | — | — | 19,226,972 |
| Public safety | 3,619,180 | — | — | — | — | 3,619,180 |
| Emergency telephone | — | — | — | — | 5,927,176 | 5,927,176 |
| Public works and enterprises | — | — | — | — | 704,090 | 704,090 |
| Human services | 1,664,947 | 19,170,256 | 22,285,932 | — | 9,729,060 | 52,850,195 |
| Culture and recreation | 97,013 | — | — | — | — | 97,013 |
| Conservation and development | 575,983 | — | — | — | — | 575,983 |
| Economic development and assistance | 13,083,334 | — | — | — | 4,855,492 | 17,938,826 |
| Debt service: | | | | | | |
| Principal retirement | — | — | — | — | 3,521,185 | 3,521,185 |
| Debt interest | — | — | — | — | 962,578 | 962,578 |
| Capital outlay | 2,250,543 | — | — | — | 5,178,600 | 7,429,143 |
| Payments for other governments | 193,507 | — | — | — | 737,704 | 931,211 |
| Total expenditures | 74,572,650 | 19,170,256 | 22,285,932 | — | 35,476,641 | 151,505,479 |
| Excess (deficiency) of revenues over (under) expenditures | 11,356,782 | (584,097) | (3,850,807) | — | (6,875,144) | 46,734 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 130,871 | 585,015 | 3,920,307 | — | 11,640,683 | 16,276,876 |
| Transfers out | (12,533,744) | — | (69,500) | — | (4,365,002) | (16,968,246) |
| Sale of general assets | 25,182 | — | — | — | 11,403 | 36,585 |
| Issuance of long term note | — | — | — | — | 358,139 | 358,139 |
| Leases (as lessee) | 229,696 | — | — | — | — | 229,696 |
| Insurance recovery | — | — | — | — | 51,047 | 51,047 |
| Total other financing sources (uses) | (12,147,995) | 585,015 | 3,850,807 | — | 7,696,270 | (15,903) |
| Net change in fund balances | (791,213) | 918 | — | — | 821,126 | 30,831 |
| Fund balances, beginning of year | 53,386,058 | 100,058 | — | — | 17,131,463 | 70,617,579 |
| Fund balances, end of year | \$ 52,594,845 | 100,976 | — | — | 17,952,589 | 70,648,410 |

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, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

| | | |
|--|----|-------------|
| Net change in fund balances-total governmental funds | \$ | 30,831 |
| 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: | | |
| Expenditures for capital assets | | 7,428,920 |
| Depreciation expense | | (5,462,300) |
| Deferred outflows of resources not reported in the fund statements: | | |
| Deferred difference-expected and actual pension experience | | 1,222,917 |
| Deferred difference-change in pension assumptions | | (1,605,264) |
| Deferred difference-expected and actual OPEB experience | | (136,309) |
| Deferred difference-OPEB assumptions | | (40,437) |
| Deferred difference-deferred charges on refunding | | (3,538) |
| 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: | | |
| Issuance of note payable | | - |
| Long term debt paid | | 3,521,185 |
| Issuance of line of credit along with principal accretion on line of credit - CAEDC | | (358,139) |
| Long term debt paid - CAEDC | | 213,942 |
| Issuance of lease agreement | | (229,696) |
| 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. | | (456,389) |
| Deferred inflows of resources not reported in the fund statements: | | |
| Net premium on bonds and notes | | 224,384 |
| Deferred amount on refunding | | 25,699 |
| Deferred difference-projected and actual pension earnings | | (8,575,020) |
| Deferred difference-expected and actual pension experience | | 259,598 |
| Deferred difference-expected and actual OPEB experience | | (237,129) |
| Post employment benefits are reflected on the statement of activities but are not considered a current expenditure for the fund statements: | | |
| OPEB | | 142,791 |
| Pension | | 15,110,998 |
| 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. | | 151,476 |
| Governmental funds do not recognize interest on long term debt until legally due, while the statement of net position accrues for interest payable. | | 15,812 |
| Internal service funds are used by management to charge the cost of self-insurance claims to individual funds: | | |
| Workers' compensation | | 93,669 |
| Health reimbursement arrangement | | 873,484 |
| Change in net position of governmental activities | \$ | 12,211,485 |

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, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

| | Business-type Activities Enterprise Fund County Nursing Home | Governmental Activities Internal Service Funds |
|---|--|---|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 1,998,142 | 4,900,210 |
| Investments | — | 810,720 |
| Restricted cash: | | |
| Patient funds | 207,162 | — |
| Accounts receivable (net of allowance): | | |
| Patient accounts receivable | 3,568,813 | — |
| Customer accounts receivable | — | 51,857 |
| Prepaid items | 111,961 | 93,967 |
| Total current assets | 5,886,078 | 5,856,754 |
| Noncurrent assets: | | |
| Net pension asset | 4,354,090 | — |
| Capital assets, net of depreciation | 6,955,585 | — |
| Total noncurrent assets | 11,309,675 | — |
| Total assets | 17,195,753 | 5,856,754 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred difference-expected and actual pension experience | 776,176 | — |
| Deferred difference-change of pension assumptions | 420,030 | — |
| Deferred changes of OPEB expected and actual pension experience | 98,615 | — |
| Deferred changes of OPEB assumptions | 31,025 | — |
| Total deferred outflows of resources | 1,325,846 | — |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 1,440,492 | 6,776 |
| Accrued liabilities and withholdings | | |
| Accrued payroll | 276,990 | 4,026 |
| Accrued interest | 2,763 | — |
| Due to other funds | 2,913,150 | 157,424 |
| Unearned revenue | 2,421 | 1,203 |
| Funds held as fiduciary | 207,162 | — |
| General obligation bonds payable | 260,000 | — |
| Sick and vacation accrual | 36,354 | — |
| Self-insurance claims payable | — | 1,148,863 |
| Total current liabilities | 5,139,332 | 1,318,292 |
| Noncurrent liabilities: | | |
| Due in more than one year: | | |
| General obligation bonds payable | 546,194 | — |
| Self-insurance claims payable | — | 457,129 |
| Total OPEB liability | 312,959 | — |
| Sick and vacation accrual | 206,910 | — |
| Total noncurrent liabilities | 1,066,063 | 457,129 |
| Total liabilities | 6,205,395 | 1,775,421 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred difference-projected and actual pension earnings | 4,122,498 | — |
| Deferred difference-expected and actual pension experience | 45,340 | — |
| Deferred difference-expected and actual OPEB experience | 38,900 | — |
| Total deferred inflows of resources | 4,206,738 | — |
| NET POSITION | | |
| Net investment in capital assets | 6,149,391 | — |
| Unrestricted | 1,960,075 | 4,081,333 |
| Total net position | \$ 8,109,466 | 4,081,333 |
| Reconciliation of the Statement of Net Position - Proprietary Funds to the Statement of Activities: | | |
| Total net position-Proprietary Funds | \$ 8,109,466 | |
| Adjustment to reflect the consolidation of workers' compensation activity related to business-type activities | (73,113) | |
| Adjustment to reflect the consolidation of health reimbursement arrangement activity related to the business-type activities. | 757,125 | |
| Net position of business-type activities | \$ 8,793,478 | |

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, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

| | Business-type Activities Enterprise Fund County Nursing Home | Governmental Activities Internal Service Funds |
|---|--|---|
| OPERATING REVENUES | | |
| Charges for services: | | |
| County charges | \$ 16,342,157 | 15,037,551 |
| Rentals and other revenues | 6,136 | — |
| Total operating revenues | 16,348,293 | 15,037,551 |
| OPERATING EXPENSES | | |
| Patient/client services | 17,180,893 | 13,809,829 |
| Depreciation | 821,750 | — |
| Administrative | 4,243,033 | — |
| Total operating expenses | 22,245,676 | 13,809,829 |
| Operating income | (5,897,383) | 1,227,722 |
| NONOPERATING REVENUES | | |
| Grants | 1,745,289 | — |
| Interest income | 4,163 | 8,021 |
| Interest expense | (2,498) | — |
| Loss on investments | — | (9,774) |
| Total net nonoperating revenues | 1,746,954 | (1,753) |
| Income before contributions and transfers | (4,150,429) | 1,225,969 |
| Transfer in | 691,370 | — |
| Change in net position | (3,459,059) | 1,225,969 |
| Net position, beginning of year | 11,568,525 | 2,855,364 |
| Net position, end of year | \$ 8,109,466 | 4,081,333 |

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

| | |
|--|----------------|
| Change in net position of enterprise funds | \$ (3,459,059) |
| Adjustment to reflect the consolidation of workers' compensation activity related to the business-type activities. | 75,820 |
| Adjustment to reflect the consolidation of the self insurance fund activity related to the business-type activities. | 174,788 |
| Change in net position of business-type activities | \$ (3,208,451) |

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, 2021

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 | \$ 16,172,015 | 15,046,470 |
| Payments to vendors | (6,237,357) | (13,836,893) |
| Payments to employees | (13,229,190) | (104,576) |
| Net cash provided (used in) by operating activities | (3,294,532) | 1,105,001 |
| CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Transfer from other funds | 280,433 | — |
| Grants | 1,745,289 | 1,306 |
| Net cash provided by non-capital and related financing activities | 2,025,722 | 1,306 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Purchase of capital assets | (222) | — |
| Principal paid on capital debt | (745,736) | — |
| Interest paid on capital debt | (28,839) | — |
| Net cash used in capital and related financing activities | (774,797) | — |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of investments | — | (317,084) |
| Investment income received | 4,163 | (736) |
| Net cash provided by (used in) investing activities | 4,163 | (317,820) |
| Net increase (decrease) in cash and cash equivalents | (2,039,444) | 788,487 |
| Cash and cash equivalents, January 1 | 4,244,748 | 4,111,723 |
| Cash and cash equivalents, December 31 | \$ 2,205,304 | 4,900,210 |

(continued)

STATEMENT OF CASH FLOWS

Proprietary Funds

For the year ended December 31, 2021

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 | \$ (5,897,383) | 1,227,722 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation expense | 821,747 | — |
| Changes in assets and liabilities in: | | |
| Patient accounts receivable | (378,828) | 5,874 |
| Due from other funds | 3,335,017 | 83,984 |
| Prepaid items | (55,683) | 7 |
| Accounts payable | 634,838 | 524 |
| Accrued liabilities and withholdings | (423,540) | 659 |
| Unearned revenues | 1,406 | (23,843) |
| Funds held as fiduciary | (48,731) | — |
| Total OPEB liability | (1,253,982) | — |
| Net pension liability | (29,393) | — |
| Self-insurance claims payable | — | (189,926) |
| Total adjustments | 2,602,851 | (122,721) |
| Net cash provided by (used in) operating activities | \$ (3,294,532) | 1,105,001 |

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, 2021*****COUNTY OF CUMERLAND, PENNSYLVANIA**

| | Pension Trust - Employees' Retirement Fund | Custodial Funds |
|--|---|----------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 7,360,887 | 7,053,653 |
| Investments: | | |
| U.S. fixed income securities | 74,927,533 | — |
| U.S. equity securities | 100,456,882 | — |
| Global equity securities | 63,448,235 | — |
| Non-U.S. equity securities | 21,131,458 | — |
| Real estate | 15,450,794 | — |
| Total investments | 275,414,902 | — |
| Due from broker | 506,160 | — |
| Accrued interest and dividends receivable | 309,015 | — |
| Prepaid expense | 352 | — |
| Total assets | 283,591,316 | 7,053,653 |
| LIABILITIES | | |
| Due to other governments | — | 3,299,746 |
| Due to broker | 714,227 | — |
| Other liabilities | 67,809 | — |
| Total liabilities | 782,036 | 3,299,746 |
| NET POSITION | | |
| Restricted for: | | |
| Pensions | 282,809,280 | — |
| Individuals, organizations and other governments | — | 3,753,907 |
| | \$ 282,809,280 | 3,753,907 |

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, 2021*****COUNTY OF CUMBERLAND, PENNSYLVANIA**

| | Pension Trust Employees' Retirement Fund | Custodial Funds |
|---|---|----------------------------|
| ADDITIONS | | |
| Contributions: | | |
| Employer | \$ 3,872,671 | — |
| Plan members | 3,898,874 | — |
| Total contributions | 7,771,545 | — |
| Investment income: | | |
| Net appreciation in fair value of investments | 27,828,459 | — |
| Interest | 859,067 | — |
| Dividends | 7,252,833 | — |
| Total investment earnings | 35,940,359 | — |
| Less investment costs | 553,143 | — |
| Net investment earnings | 35,387,216 | — |
| Other governments: | | |
| Fees, costs, fines and licenses | — | 7,417,387 |
| Taxes | — | 87,901,198 |
| Escrow | — | 8,574,436 |
| Total additions | 43,158,761 | 103,893,021 |
| DEDUCTIONS | | |
| Benefits | 12,301,567 | — |
| Refunds of contributions | 1,100,736 | — |
| Administrative expenses | 189,225 | — |
| Other governments: | | |
| Fees, costs, fines and licenses | — | 7,417,387 |
| Taxes | — | 87,926,944 |
| Escrow | — | 7,990,842 |
| Total deductions | 13,591,528 | 103,335,173 |
| Change in net position | 29,567,233 | 557,848 |
| Net position - beginning of the year | 253,242,047 | 3,196,059 |
| Net position - end of the year | \$ 282,809,280 | 3,753,907 |

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 four joint ventures.

Capital Area Transit

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

CAT provides fixed route bus service to Cumberland County. 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 the majority of the fixed route operating and capital 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 2021, the County paid CAT \$391,772. The County's annual subsidy (local match share) payment was \$375,004 in 2021. Additionally, the County paid \$16,768 to CAT for transportation services for Shippensburg Borough.

CAT issues publicly available financial statements that may be obtained 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 the human service agencies that they primarily service.

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 at 415 Zarfoss Drive, York, PA 17404.

Susquehanna Regional Transportation Authority

The County is a participant in Susquehanna Regional Transportation Authority (SRTA) – a joint venture. SRTA was organized on November 18, 2021. SRTA entered into agreements with both CAT and CPTA to provide executive, management, administrative and support services. Both agreements were adopted in December of 2021 and will expire on June 30, 2024, at which time the contracts may be renewed upon mutual agreement on a month-to-month basis. SRTA is governed by an eleven-member board appointed by the sponsoring municipalities. The Cumberland County Commissioners appoint two members.

The County has no interest in the equity of SRTA, and as a result, there is no equity interest in SRTA recorded in the County's financial statements. In 2021, the County did not make any payments to SRTA.

SRTA issues publicly available financial statements that may be obtained at 415 N. 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 2021, the County's share of Agricultural Extension program expenses was \$345,435 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, children and youth, and American Rescue Plan) 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, children and youth fund, and American Rescue Plan 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.

The American Rescue Plan Act of 2021 fund accounts for monies received from the Federal government to support COVID-19 response efforts, replace lost revenue and support economic stabilization for households and businesses.

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:

An enterprise fund accounts for the operation of the 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 custodian for individuals, private organizations or other governments. The pension trust fund accounts for the retirement contributions of the County and its employees. Custodial funds account for cash collected by elected row officers (Clerk of Court, District Attorney, Prothonotary, Recorder of Deeds, Register of Wills, Sheriff, and Treasurer) and other County offices which is subsequently disbursed to the County, individuals, private organizations and other governments for whom it was collected. The portion of cash held by custodial funds due to the County at year end is reported as assets of the appropriate County funds.

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

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

E. Interfund Eliminations

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

F. Program Revenues

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

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

G. County Charges for Patient Service Revenue

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

H. Operating and Nonoperating Revenues

Proprietary funds distinguish operating revenues and expenses from nonoperating items.

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

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

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

I. Deposits and Investments

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

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

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

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

Investments are reported at fair value, except for shares in external pools. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

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.

Investments reported at net asset value approximate fair value.

Investments in external investment pools that qualify, are reported at amortized cost.

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 assets 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 assets that apply 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 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.

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

The governmental funds balance sheet reports a separate section for deferred inflows of resources, as appropriate. This separate financial statement element represents unavailable revenues which are amounts earned but not received by the County. 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 (\$1,056,427), court costs and fines (\$1,920,074) and CAEDC revenue (\$27,324). 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 and long term receivables.

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

Blighted property remediation – Monies for the demolition of qualifying blighted Cumberland County buildings.

Criminal justice services – 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 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 No. 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 No. 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 arrangements.

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. GASB 87 was implemented during 2020. Cumberland County has opted to postpone the implementation of GASB No. 91, 92 and 94 and related guidance for the 2021 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 effects 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 has outsourced the management of its Internal Revenue Code Section 457 Deferred Compensation Plan to an outside provider.

In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. The objectives of this Statement were to replace instances of “comprehensive annual financial report” and its acronym in generally accepted accounting principles for state and local governments, with “annual comprehensive financial report” and “ACFR” respectively. The Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym, for the term annual comprehensive financial report, sounded very similar to an objectionable racial slur. The requirements for this Statement are effective for all fiscal years ending after December 31, 2021, with earlier implementation being encouraged. The County has implemented this pronouncement in the current year.

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Some of the practice issues addressed by this Statement are as follows: 1) Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives, 2) Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability. The requirements for these sections are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter; 3) Disclosures related to nonmonetary transactions, 4) Pledges of future revenues when resources are not received by the pledging government, 5) Clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements, 6) Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, 7) Terminology used in Statement No. 53 to refer to resource flows statements. The requirements for these sections are effective upon issuance. The County is currently evaluating what effect, if any, the adoption of GASB No. 99 will have on the County’s financial statements.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or

error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The County is currently evaluating what effect, if any, the adoption of GASB No. 100 will have on the County's financial statements.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. The County is currently evaluating what effect, if any, the adoption of GASB No. 101 will have on the County's financial statements.

2. Deposits and Investments

The County reports deposits and investments in accordance with U.S. generally accepted accounting principles (GAAP), which requires enhanced disclosure of their valuation basis and 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:

- Savings and demand deposits
- Insured or collateralized time deposits with financial institutions
- Insured or collateralized certificates of deposit from financial institutions
- Negotiable or brokered certificates of deposit
- U.S. Treasury bills
- Certain repurchase agreements
- Bankers' acceptances
- Obligations of the U.S. Government or its agencies
- Obligations of the Commonwealth or any of its political subdivisions
- Commercial paper, defined in Section 1706 as investment grade corporate promissory obligations
- Shares of an investment company registered under the Investment Company Act of 1940 provided its investments are of the aforementioned types in pools that are managed in accordance with SEC Rule 2a7

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 |
| 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 includes the following risk mitigation measures:

- To manage custodial credit risk, investment custodians and deposit administrators shall exercise fund safekeeping and securities settlement procedures by 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 securities denominated in foreign currencies.
- To limit exposure to emerging markets and their 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, 2021, \$107,533,624 of the County's bank balance of \$112,145,318 was exposed to custodial credit risk as follows:

| | |
|--|-----------------------|
| Uninsured and collateral held by pledging bank's trust | |
| department or agent but not in the County's name | \$ 107,533,624 |
| Total | <u>\$ 107,533,624</u> |

Custodial credit risk – fiduciary fund deposits – Excluding the brokered certificates of deposit held by the County's Pension Fund as of December 31, 2021, \$4,315,933 of the County's bank balance of its fiduciary funds of \$6,562,173 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.

Custodial credit risk – non-pension investments – A \$2,297,375 investment in the Pennsylvania Local Government Investment Trust (PLGIT) PRIME investment pool held by the County's general fund and the investments held in the County's self-insured workers compensation fund are exposed to custodial credit risk. The investments are held by the custodian in the custodian's name and not in 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, 2021, the County had debt securities with the following maturities/duration:

Workers' Compensation Fund Investments

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Investment Maturities (in years)</u> | |
|------------------------|-------------------|---|----------------|
| | | <u>Less than 1</u> | <u>1-5</u> |
| <u>Debt securities</u> | | | |
| U.S. government | \$ 608,586 | 402,312 | 206,274 |
| U.S. agencies | 202,134 | | 202,134 |
| Total debt securities | <u>\$ 810,720</u> | <u>402,312</u> | <u>408,408</u> |
| | | 50% | 50% |

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

The County general fund's \$2,297,375 investment in PLGIT/PRIME investment pool maintains a weighted average maturity of less than one year.

Interest rate risk – pension investments – As of December 31, 2021, the County’s pension trust fund had the following investments:

| Pension Trust Fund Investments | | | | | |
|---|----------------|----------------------------------|------------|-----------|--------------|
| Investment Type | Fair Value | Investment Maturities (in years) | | | |
| | | Less than 1 | 1-5 | 6-10 | More than 10 |
| Debt securities | | | | | |
| Money market mutual funds | \$ 7,360,887 | 7,360,887 | — | — | — |
| Brokered bank certificates of deposit | 1,508,583 | — | 1,508,583 | — | — |
| U.S. government | 11,022,259 | — | 7,833,694 | 2,008,038 | 1,180,527 |
| U.S. agencies | 8,860,974 | — | 5,663,671 | 2,022,860 | 1,174,443 |
| Corporate bonds and notes | 21,109,585 | 131,609 | 15,081,903 | 5,785,181 | 110,892 |
| Asset backed securities | 3,855,292 | — | 3,855,292 | — | — |
| Mortgage backed securities | 1,047,784 | — | — | — | 1,047,784 |
| Total debt securities | 54,765,364 | 7,492,496 | 33,943,143 | 9,816,079 | 3,513,646 |
| | | 13.7% | 62.0% | 17.9% | 6.4% |
| Other investments | | | | | |
| U.S. Treasury intermediate bond index mutual fund | 16,590,214 | | | | |
| Corporate short term bond index mutual fund | 10,932,842 | | | | |
| Equity securities-U.S. | 15,735,177 | | | | |
| Equity mutual funds-U.S. | 84,721,705 | | | | |
| Equity mutual funds-global | 63,448,235 | | | | |
| Equity mutual funds-non-U.S. | 21,131,458 | | | | |
| Real estate-U.S. | 15,450,794 | | | | |
| Total investments | \$ 282,775,789 | | | | |

The total pension trust fund investments of \$282,775,789, include \$7,360,887 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 \$3,855,292 of asset backed securities, \$4,791,818 of corporate securities, and \$1,047,784 of mortgage backed securities at December 31, 2021, 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 \$11,022,259 include \$2,101,966 of mortgage backed Fannie Mae and Freddie Mac 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 in its self-insured workers compensation fund at December 31, 2021, is as follows:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Credit Quality Ratings*</u> |
|------------------------|-------------------|--------------------------------|
| <u>Debt securities</u> | | |
| U.S. government | \$ 608,586 | AA |
| U.S. agencies | 202,134 | AA |
| Total investments | <u>\$ 810,720</u> | |

The County’s general fund holds \$2,297,375 of shares in an external investment pool, PLGIT/PRIME, at December 31, 2021 that is rated AAAM by Standard and Poor’s.

Credit risk – pension investments – Exposure to credit risk in the County pension trust fund at December 31, 2021, is as follows:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Credit Quality Ratings*</u> | | | |
|----------------------------|----------------------|--------------------------------|-------------------|------------------|------------------|
| | | <u>AAA</u> | <u>AA</u> | <u>A</u> | <u>BBB</u> |
| <u>Debt securities</u> | | | | | |
| Money market mutual funds | \$ 7,360,887 | 7,360,887 | - | - | - |
| Brokered bank certificates | | | | | |
| of deposit | 1,508,583 | - | 1,508,583 | - | - |
| U.S. government | 11,022,259 | - | 10,962,030 | - | 60,229 |
| U.S. agencies | 8,860,974 | - | 8,860,974 | - | - |
| Corporate bonds and notes | 21,109,585 | 240,690 | 2,127,331 | 8,997,216 | 9,744,348 |
| Asset backed securities | 3,855,292 | 2,592,707 | 1,262,585 | - | - |
| Mortgage backed securities | 1,047,784 | 873,871 | 173,913 | - | - |
| Total debt securities | <u>\$ 54,765,364</u> | <u>11,068,155</u> | <u>24,895,416</u> | <u>8,997,216</u> | <u>9,804,577</u> |
| | | 20.2% | 45.5% | 16.4% | 17.9% |

* 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, 2021, 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 \$21,131,458 investment in foreign equity mutual funds as of December 31, 2021. The pension trust fund is also exposed to foreign currency risk through the foreign equity holdings of global equity mutual funds of \$63,448,235 at December 31, 2021. 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. On the next page, the pension trust fund has the following recurring fair value measurements at December 31, 2021:

Pension Trust Fund Investments

| | | Fair Value Measurements Using | |
|--|-----------------------|---|---|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) |
| Investment Types | Total | | |
| Reported at fair value | | | |
| <u>Debt securities</u> | | | |
| Brokered bank certificates of deposit | \$ 1,508,583 | 1,508,583 | - |
| U.S. government | 11,022,259 | 8,920,293 | 2,101,966 |
| U.S. agencies | 8,860,974 | 2,580,006 | 6,280,968 |
| Corporate bonds and notes | 21,109,585 | 21,109,585 | - |
| Asset backed securities | 3,855,292 | - | 3,855,292 |
| Mortgage backed securities | 1,047,784 | - | 1,047,784 |
| | <u>47,404,477</u> | <u>34,118,467</u> | <u>13,286,010</u> |
| <u>Debt mutual funds</u> | | | |
| U.S. Treasury intermediate bond index mutual fund | 16,590,214 | 16,590,214 | - |
| Corporate short term bond index mutual fund | 10,932,842 | 10,932,842 | - |
| | <u>27,523,056</u> | <u>27,523,056</u> | <u>-</u> |
| <u>Equities</u> | | | |
| Equity securities - U.S. | 15,735,177 | 15,735,177 | - |
| | <u>15,735,177</u> | <u>15,735,177</u> | <u>-</u> |
| <u>Equity mutual funds</u> | | | |
| Equity mutual funds - U.S. | 84,721,705 | 84,721,705 | - |
| Equity mutual funds - global | 63,448,235 | 48,165,229 | 15,283,006 |
| Equity mutual fund - non-U.S. | 21,131,458 | 11,353,552 | 9,777,906 |
| | <u>169,301,398</u> | <u>144,240,486</u> | <u>25,060,912</u> |
| Total investments reported at fair value | <u>259,964,108</u> | <u>221,617,186</u> | <u>38,346,922</u> |
| Reported at net asset value (NAV) | | | |
| <u>Real estate limited partnerships</u> | | | |
| Real estate - U.S. | 15,450,794 | | |
| Total investments | <u>\$ 275,414,902</u> | | |
| Reported at amortized cost | | | |
| Money market mutual funds | \$ 7,360,887 | | |

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 County retirement fund's shares in two real estate limited partnerships determine fair value for their shares using, as individually appropriate for each property in the portfolio, a 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.

Retirement Fund Investments Measured at Net Asset Value (NAV); Commitments and Redemptions

| <u>Investment</u> | <u>Fair Value</u> | <u>Unfunded Commitments</u> | <u>Redemption Frequency, if applicable</u> | <u>Redemption Notice Period</u> |
|--------------------------|--------------------------|--|--|--|
| Real estate LP-U.S. | \$10,656,998 | None | Redemptions are permitted on a quarterly calendar basis with settlement generally within one month after the quarter-end redemption date. There are no amount restrictions; however the manager may delay the payment of redemption proceeds in the best interests of the remaining investors. | 90 day advance notice is required. |
| Real estate LP-U.S. | \$ 4,793,796 | None | Redemptions are permitted on a quarterly calendar basis with settlement generally within one month after the quarter-end redemption date. There are no amount restrictions; however the manager may delay the payment of redemption proceeds in the best interests of the remaining investors. | 45 day advance notice is required. |

Non-pension investments

The investments in the County's workers' compensation self-insurance internal service fund, consisting exclusively of U.S. Treasury and U.S. agency securities, are all Level 1, which are valued using prices quoted in active markets for identical securities

The County's general fund holds a \$2,297,375 investment in PLGIT/PRIME at December 31, 2021. The Commonwealth of Pennsylvania provides external regulatory oversight of PLGIT's investment pools.

Per PLGIT's Annual Report at December 31, 2021, PLGIT's investment pools meet the GASB Statement No. 79 criteria allowing the valuation of pool investments at amortized cost which approximates fair value. As PLGIT/PRIME is reported at amortized cost in accordance with GASB Statement No. 79, the County also reports their shares in the investment pool at amortized cost which approximate fair value. PLGIT seeks to maintain a stable net asset value of \$1.00 per share. PLGIT's separately issued financial statements are available on their website.

The County general fund's \$2,397,375 investment in the PLGIT/PRIME investment pool represents no unfunded commitments and imposes no redemption restrictions other than limiting the number of withdrawals to two per month.

PLGIT is organized as a trust and is overseen by an elected Board of Trustees responsible for its overall management, and investment and operating policies. PLGIT is not required to be registered with the Security and Exchange Commission as an investment company. All participation in PLGIT is voluntary.

3. Real Estate Taxes

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

The County is permitted by the County Code of the Commonwealth of Pennsylvania to levy real estate taxes up to 25 mills on every dollar of adjusted valuation for general County purposes exclusive of the requirements for the payment of interest and principal on bonded debt. For 2021, County real estate taxes were levied at the rate of 2.195 mills for general County purposes.

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

4. Receivables

Amounts due from other governments are primarily grants receivable from the Commonwealth of Pennsylvania as of December 31, 2021, which are expected to be collected within one year.

The County nursing home has \$3,568,813 in net patient accounts receivable as of December 31, 2021, 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 \$336,785 against the gross patient accounts receivable. The 2022 sale of the nursing home along with its patient accounts receivable nullifies the expectation of any collection of amounts beyond one year. Further information on the sale can be found in the subsequent event footnote.

Taxes receivable is reduced by an allowance for uncollectible accounts of \$737,657 for 2021 which is determined by a review of account status. Of the County's delinquent taxes receivable, \$327,507 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, 2021, is \$9,386,117. Of that balance, the County has recognized an allowance for doubtful accounts of \$7,409,208. Of the County's court costs and fines receivable, \$67,646 is expected to be collected beyond one year.

5. Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

| | Beginning Balance | Additions | Sales and Other Dispositions * | Ending Balance |
|--|----------------------|-------------|-----------------------------------|-------------------|
| Governmental activities | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 2,900,407 | — | — | 2,900,407 |
| Construction in progress | 12,388,384 | 5,933,391 | (14,087,508) | 4,234,267 |
| Agricultural easements | 11,829,189 | 531,668 | — | 12,360,857 |
| Total capital assets, not being depreciated | 27,117,980 | 6,465,059 | (14,087,508) | 19,495,531 |
| Capital assets, being depreciated: | | | | |
| Buildings and systems | 85,950,111 | 541,219 | — | 86,491,330 |
| Leased buildings | 3,095,849 | 505,421 | (252,108) | 3,349,162 |
| Improvements other than buildings | 2,728,245 | — | — | 2,728,245 |
| Machinery and equipment | 28,354,423 | 5,099,945 | (293,486) | 33,160,882 |
| Bridges | 26,590,856 | 8,904,784 | — | 35,495,640 |
| Total capital assets being depreciated | 146,719,484 | 15,051,369 | (545,594) | 161,225,259 |
| Less accumulated depreciation for: | | | | |
| Buildings and systems | (47,711,915) | (2,482,808) | — | (50,194,723) |
| Leased buildings | (2,195,469) | (352,555) | 252,108 | (2,295,916) |
| Improvements other than buildings | (1,150,251) | (139,479) | — | (1,289,730) |
| Machinery and equipment | (18,626,928) | (1,928,010) | 293,486 | (20,261,452) |
| Bridges | (6,108,347) | (559,448) | — | (6,667,795) |
| Total accumulated depreciation | (75,792,910) | (5,462,300) | 545,594 | (80,709,616) |
| Total capital assets, being depreciated, net | 70,926,574 | 9,589,069 | — | 80,515,643 |
| Governmental activities capital assets, net | \$ 98,044,554 | 16,054,128 | (14,087,508) | 100,011,174 |

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

5. 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 | 2,973,826 | 222 | — | 2,974,048 |
| Total capital assets, being depreciated | 30,745,640 | 222 | — | 30,745,862 |
| Less accumulated depreciation for: | | | | |
| Buildings and systems | (20,267,227) | (666,993) | — | (20,934,220) |
| Improvements other than buildings | (663,174) | (11,781) | — | (674,955) |
| Machinery and equipment | (2,038,129) | (142,973) | — | (2,181,102) |
| Total accumulated depreciation | (22,968,530) | (821,747) | — | (23,790,277) |
| Total capital assets, being depreciated, net | 7,777,110 | (821,525) | — | 6,955,585 |
| Business-type activities capital assets, net | \$ 7,777,110 | (821,525) | — | 6,955,585 |

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

5. Capital Assets (continued)

Depreciation expense was charged to the functions/programs of the County in 2021 as follows:

Governmental activities

| | | |
|---|----|-------------------------|
| General government - administrative | \$ | 1,634,217 |
| General government - judicial | | 587,228 |
| Corrections | | 1,290,828 |
| Emergency telephone | | 696,504 |
| Public safety | | 528,803 |
| Roads and bridge maintenance | | 559,448 |
| Recycling and waste management | | 84,812 |
| Human services: | | |
| Mental health/intellectual and developmental disabilities | | 12,140 |
| Children and youth | | 4,960 |
| Food and shelter | | 1,929 |
| Office of aging | | 14,378 |
| Other | | 174 |
| Culture and recreation | | 12,726 |
| Conservation | | 28,587 |
| Economic development and assistance | | 5,566 |
| Governmental activities-depreciation expense | \$ | <u><u>5,462,300</u></u> |

Business-type activities

| | | |
|---|----|-----------------------|
| County nursing home | \$ | <u>821,747</u> |
| Business-type activities-depreciation expense | \$ | <u><u>821,747</u></u> |

6. Interfund and Transfer Accounts

The composition of interfund balances at December 31, 2021, follows:

| Receivable Fund | Payable Fund | Amount |
|------------------------------|------------------------------|----------------------|
| General | MH/IDD | \$ 650,698 |
| | Non-major governmental funds | 1,770,806 |
| | County nursing home | 2,913,150 |
| | Internal service fund | 157,424 |
| Children and youth | General | 135,887 |
| American rescue plan | General | 24,607,076 |
| Non-major governmental funds | General | 2,107,750 |
| | Non-major governmental funds | 668,979 |
| Total | | <u>\$ 33,011,770</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, 2021, follow:

| Transfer in: | | | | | | |
|------------------------------|-------------------|----------------|--------------------|------------------------|---------------------|-------------------|
| | General Fund | MH/IDD | Children and Youth | Governmental Non-major | County nursing home | Total |
| Transfer out: | | | | | | |
| General fund | \$ - | 585,015 | 3,920,307 | 7,337,052 | 691,370 | 12,533,744 |
| Children and Youth | - | - | - | 69,500 | - | 69,500 |
| Governmental non-major funds | 130,871 | - | - | 4,234,131 | - | 4,365,002 |
| Total transfers out | <u>\$ 130,871</u> | <u>585,015</u> | <u>3,920,307</u> | <u>11,640,683</u> | <u>691,370</u> | <u>16,968,246</u> |

7. Long-term Liabilities

The following is a summary of the changes in the County's long-term liabilities for the year ended December 31, 2021:

| <u>Liabilities</u> | <u>Balance January 1, 2021, restated</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance December 31, 2021</u> | <u>Due Within One Year</u> |
|---|--|------------------|-------------------|--|------------------------------------|
| Governmental activities | | | | | |
| Bonds and notes payable: | | | | | |
| Bonds | \$ 21,574,264 | - | 2,464,264 | 19,110,000 | 1,935,000 |
| CAEDC Notes | 1,374,626 | 358,139 | 213,942 | 1,518,823 | 15,447 |
| Net premium (discount) on bonds and notes | 1,757,619 | - | 224,384 | 1,533,235 | - |
| Total bonds and notes payable | 24,706,509 | 358,139 | 2,902,590 | 22,162,058 | 1,950,447 |
| Direct borrowing: | | | | | |
| Notes | 5,715,000 | - | 443,389 | 5,271,611 | 1,170,104 |
| Sick and vacation | 4,679,108 | 4,840,917 | 4,992,393 | 4,527,632 | 451,713 |
| Other postemployment benefit obligations | 2,050,542 | 281,870 | 424,661 | 1,907,751 | - |
| Workers' compensation | 914,916 | - | 370,924 | 543,992 | 86,863 |
| Capital lease | 240,532 | - | 240,532 | - | - |
| Leases | 1,245,404 | 229,696 | 373,000 | 1,102,100 | 330,326 |
| Governmental activities long- term liabilities | \$ 39,552,011 | 5,710,622 | 9,747,489 | 35,515,144 | 3,989,453 |
| Business-type activities | | | | | |
| Bonds payable: | | | | | |
| Bonds | \$ 1,540,736 | - | 745,736 | 795,000 | 260,000 |
| Net premium (discount) on bonds | 34,819 | - | 23,625 | 11,194 | - |
| Total bonds payable | 1,575,555 | - | 769,361 | 806,194 | 260,000 |
| Sick and vacation | 457,970 | 608,000 | 822,706 | 243,264 | 36,354 |
| Other postemployment benefit obligations | 476,165 | 26,073 | 189,279 | 312,959 | - |
| Business-type activities long-term liabilities | \$ 2,509,690 | 634,073 | 1,781,346 | 1,362,417 | 296,354 |

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.

The 2020 direct borrowing issued note of \$5,000,000 from the PA Infrastructure Bank will be liquidated by the liquid fuels special revenue fund.

For sick and vacation liabilities, the general fund normally liquidates 64 percent, and the Children and Youth, Emergency Telephone and Department of Aging liquidate 10 percent, 8 percent and 7 percent, respectively.

For other post-employment benefit obligations, the general fund normally liquidates 58 percent, and the Children and Youth, MHIDD and Department of Aging liquidate 8 percent, 5 percent and 3 percent, respectively.

Lease and equipment lease notes are primarily funded 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, 2021.

All bonds and notes outstanding at December 31, 2021, 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 – 2014 issue | 2% - 2.25% | 2024 | \$ 4,865,000 | — | 795,000 |
| G.O. bonds – 2016 issue | 2% - 5% | 2028 | 11,470,000 | 8,510,000 | — |
| G.O. bonds – 2018 issue | 1.4% - 3% | 2031 | 12,140,000 | 10,600,000 | — |
| Total general obligation bonds | | | 28,475,000 | 19,110,000 | 795,000 |
| Notes from direct borrowing: | | | | | |
| Hornbaker note | 5.857% | 2022 | 715,000 | 715,000 | — |
| PA infrastructure bank note | 2.625% | 2030 | 5,000,000 | 4,556,611 | — |
| Total direct borrowing | | | 5,715,000 | 5,271,611 | — |
| Long-term debt at December 31, 2021 | | | | 24,381,611 | 795,000 |
| Premium/Discount on notes | | | | 1,533,235 | 11,194 |
| Net long-term debt at December 31, 2021 | | | | \$ 25,914,846 | 806,194 |

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, 2021, of the 2014 bond issue, \$795,000 benefits the County nursing home and therefore, repayment will be budgeted in the County nursing home.

Of the outstanding balance at December 31, 2021, of the 2016 bond issue, \$8,510,000 benefits the general fund, therefore, repayment will be budgeted in the general fund.

Of the outstanding balance at December 31, 2021, of the 2018 bond issue, \$10,600,000 benefits the general fund, therefore, repayment will be budgeted in the general fund.

The \$4,556,611 outstanding balance at December 31, 2021 of the 2020 \$5,000,000 direct borrowing from the PA Infrastructure Bank, benefits the County bridge program, therefore, repayment will be budgeted in the liquid fuels fund.

- The County's 2020 direct borrowing in the amount of \$5,000,000 from the Commonwealth of Pennsylvania (PennDOT) Infrastructure Bank 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 \$715,000 from Paul E. and Grace M. Hornbaker is evidenced by an installment purchase agreement dated March 20, 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, 2021, net nonelectoral debt limit, and combined net nonelectoral debt and net lease rental debt limit are \$468,934,550 and \$600,069,457, 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, 2021, including interest payments, are as follows:

| | | Governmental-type Activities | | | | Business-type Activities | |
|-----------|----|------------------------------|------------------|-----------------------------|----------------|--------------------------|---------------|
| | | Bonds | | Notes from direct borrowing | | Bonds | |
| | | Principal | Interest | Principal | Interest | Principal | Interest |
| 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 | 3,037 |
| 2025 | | 2,230,000 | 364,725 | 492,141 | 79,608 | — | — |
| 2026 | | 2,305,000 | 288,775 | 505,144 | 66,604 | — | — |
| 2027-2031 | | 8,460,000 | 526,025 | 2,157,621 | 129,373 | — | — |
| Total | \$ | <u>19,110,000</u> | <u>2,854,250</u> | <u>5,271,611</u> | <u>630,951</u> | <u>795,000</u> | <u>25,737</u> |

8. 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 2026.

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, 2021

| | | Governmental Activities | |
|-------|----|-------------------------|---------------|
| | | Principal | Interest |
| 2022 | \$ | 330,326 | 24,521 |
| 2023 | | 321,632 | 17,794 |
| 2024 | | 257,173 | 10,972 |
| 2025 | | 154,387 | 6,997 |
| 2026 | | 38,583 | 508 |
| Total | \$ | <u>1,102,101</u> | <u>60,792</u> |

9. 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, 2022, the date of the latest actuarial valuation:

| | Primary Government | Component Unit | Total |
|---|-------------------------------|---------------------------|--------------|
| Retirees and beneficiaries receiving benefits | 32 | - | 32 |
| Retirees entitled to but not receiving benefits | - | - | - |
| Active employees | 984 | 7 | 991 |
| Total membership | <u>1,016</u> | <u>7</u> | <u>1,023</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 \$2,238,619 was measured as of December 31, 2021.

The calculations were based on an actuarial valuation as of January 1, 2022. 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, 2021, 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 | 2.05 percent |
| Healthcare cost trend rates | 6.00 percent from 2022 to 2023 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 2.05 percent is based on the Bond Buyer General Obligation 20-year Municipal Bond Index at December 31, 2021.

Mortality rates were based on the Pub-2010 Headcount-Weighted table General Employees projected fully generationally using MP-2020.

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, 2021 | \$ 2,550,427 |
| Changes for the year: | |
| Service cost | 127,134 |
| Interest | 55,031 |
| Changes in benefit terms | - |
| Difference between expected and actual experience | (333,906) |
| Changes in assumptions or other inputs | 4,338 |
| Benefit payments | (164,405) |
| Net changes | (311,808) |
| Balance at December 31, 2021 | \$ 2,238,619 |

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 2.12 to 2.05 percent. Health care cost trend rates changed from 6.00 percent for 2022 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 (1.05 percent) or 1-percentage-point higher (3.05 percent) than the current discount rate:

| | 1% Decrease (1.05%) | Discount Rate (2.05%) | 1% Increase (3.05%) |
|----------------------|------------------------------------|--------------------------------------|------------------------------------|
| Primary government | \$ 2,376,581 | 2,220,710 | 2,068,308 |
| Component unit | 19,166 | 17,909 | 16,680 |
| Total OPEB Liability | <u>\$ 2,395,747</u> | <u>2,238,619</u> | <u>2,084,988</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 (5 percent decreasing to 2.94) or 1-percentage-point higher (7 percent decreasing to 2.94 percent)

| | 1% Decrease (5% decreasing to 2.94%) | Healthcare Cost Trend Rates (6% decreasing to 3.94%) | 1% Increase (7% decreasing to 4.94%) |
|----------------------|---|---|---|
| Primary government | \$ 1,982,187 | 2,220,710 | 2,502,514 |
| Component unit | 15,986 | 17,909 | 20,182 |
| Total OPEB Liability | <u>\$ 1,998,173</u> | <u>2,238,619</u> | <u>2,522,696</u> |

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

For the year ended December 31, 2021, the County recognized an OPEB expense of \$241,873. At December 31, 2021, the County reported deferred outflows and inflows of resources related to OPEB from the following sources:

Deferred outflows of resources:

| | Primary Government | Component Unit | Total |
|-------------------------------------|-------------------------------|---------------------------|----------------|
| Expected and actual OPEB experience | \$ 699,756 | 5,643 | 705,399 |
| Changes of OPEB assumptions | 220,146 | 1,775 | 221,921 |
| Total deferred outflow of resources | <u>\$ 919,902</u> | <u>7,418</u> | <u>927,320</u> |

Deferred inflow of resources:

| | Primary Government | Component Unit | Total |
|-------------------------------------|-------------------------------|---------------------------|----------------|
| Expected and actual OPEB experience | \$ 276,029 | 2,226 | 278,255 |
| Total deferred inflow of resources | <u>\$ 276,029</u> | <u>2,226</u> | <u>278,255</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 |
|------------|-------------------------------|---------------------------|----------------|
| 2022 | \$ 222,320 | 1,793 | 224,113 |
| 2023 | 222,318 | 1,793 | 224,111 |
| 2024 | 208,216 | 1,679 | 209,895 |
| 2025 | 38,566 | 311 | 38,877 |
| 2026 | (48,220) | (389) | (48,609) |
| Thereafter | 673 | 5 | 678 |
| | <u>\$ 643,873</u> | <u>5,192</u> | <u>649,065</u> |

10. 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, 2021, employee membership data related to the pension plan was as follows:

| | Primary Government | Component Unit | Total |
|---|-------------------------------|---------------------------|--------------|
| Inactive plan members or beneficiaries | | | |
| currently receiving benefits | 754 | 4 | 758 |
| Inactive plan members entitled to but not yet | | | |
| receiving benefits | 183 | 2 | 185 |
| Active employees | 994 | 9 | 1,003 |
| Total membership | <u>1,931</u> | <u>15</u> | <u>1,946</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 2021 was \$3,872,671 and is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

C. Investments***Investment policy***

The Retirement Board's investment policy is described in Note 2, Deposits and Investments.

Concentrations

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

Rate of return

For the year ended December 31, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 14.50 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, 2021, 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, 2021, the pension plan does not have any allocated insurance contracts that are excluded from pension plan assets.

F. Reserves

As of December 31, 2021, 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, 2021, were as follows:

| | Primary government | Component unit | Total |
|---|-------------------------------|---------------------------|---------------------|
| Total pension liability | \$ 253,613,258 | 2,794,848 | 256,408,106 |
| Plan fiduciary net position (allocated) | 279,793,380 | 3,083,356 | 282,876,736 |
| Net pension asset | <u>\$ (26,180,122)</u> | <u>(288,508)</u> | <u>(26,468,630)</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 110.32% | 110.32% | 110.32% |

There is a \$67,456 difference between the Pension Trust statement of fiduciary net position on page 47 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, 2021, 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, 2021, 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, 2021, (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 |
| Fixed income | 1.3 – 3.3 |
| Real estate | 4.5 – 5.5 |
| Cash | 0.0 – 1.0 |

J. Discount Rate

In 2021, 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, 2020 | \$ 244,817,883 | 253,288,974 | (8,471,091) |
| Changes for the year: | | | |
| Service cost | 4,564,600 | - | 4,564,600 |
| Interest | 17,220,170 | - | 17,220,170 |
| Differences between expected and actual experience | 3,207,756 | - | 3,207,756 |
| Contributions-employer | - | 3,872,671 | (3,872,671) |
| Contributions-member | - | 3,898,874 | (3,898,874) |
| Net investment income | - | 35,408,284 | (35,408,284) |
| Benefit payments, including refunds of members contribution | (13,402,303) | (13,402,303) | - |
| Plan administration expense | - | (189,764) | 189,764 |
| Net changes | 11,590,223 | 29,587,762 | (17,997,539) |
| Balances as of December 31, 2021 | \$ 256,408,106 | 282,876,736 | (26,468,630) |

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 | \$ 2,811,649 | (26,180,122) | (49,283,233) |
| Component unit | 30,985 | (288,508) | (543,107) |
| Total net pension liability/ (asset) | <u>\$ 2,842,634</u> | <u>(26,468,630)</u> | <u>(49,826,340)</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, 2021, pension expense was a credit of \$3,879,494. Pension expense for the primary government and component unit was a credit of \$3,833,034 and \$46,460, respectively.

At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to the pension plan from the following sources:

| | Primary Government | Component Unit | Total |
|--|-----------------------|-------------------|-------------------|
| Deferred outflows of resources: | | | |
| Deferred difference-expected and actual pension experience | \$ 4,666,965 | 51,431 | 4,718,396 |
| Deferred difference-change of pension assumptions | <u>2,525,543</u> | <u>27,832</u> | <u>2,553,375</u> |
| Total deferred outflows of resources | <u>\$ 7,192,508</u> | <u>79,263</u> | <u>7,271,771</u> |
| Deferred inflows of resources: | | | |
| Deferred difference- projected and actual pension earnings | \$ 24,787,617 | 273,163 | 25,060,780 |
| Deferred difference-expected and actual pension experience | <u>272,619</u> | <u>3,004</u> | <u>275,623</u> |
| Total deferred inflows of resources | <u>\$ 25,060,236</u> | <u>276,167</u> | <u>25,336,403</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 |
| 2022 | \$ (1,761,156) | (18,602) | (1,779,758) |
| 2023 | (8,583,007) | (90,656) | (8,673,663) |
| 2024 | (4,522,404) | (47,767) | (4,570,171) |
| 2025 | (3,001,161) | (39,880) | (3,041,041) |
| | <u>\$ (17,867,728)</u> | <u>(196,905)</u> | <u>(18,064,633)</u> |

At December 31, 2021, 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.

11. 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, 2021.

12. Commitments and Contingencies

Commitments

The County has significant contractual commitments related to various construction projects. At December 31, 2021, the County's commitments are as follows:

| Project | Expended Through December 31, 2021 | Remaining Commitment |
|-----------------------------------|---|---------------------------------|
| County bridge replacement | \$ 19,110,920 | 715,919 |
| Emergency telephone radio project | - | 20,651,000 |

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 emergency telephone radio project, in the County's non-major funds, will be funded with a 2022 bond issue.

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.

13. 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.

The carrying amount for unpaid claim liabilities, including IBNR, are reported at their estimated future value and are not discounted to present value using a discount rate.

Changes in the fund's claims liability (net of excess insurance) for the years ended December 31, 2021, and December 31, 2020, were:

| | Beginning of Year Liability | Provision for Claims | | Claim Payments | | End of Year Liability |
|------|--------------------------------|-------------------------|----------------|-----------------|----------------|--------------------------|
| | | Current Year | Prior Years | Current Year | Prior Years | |
| 2021 | \$ 914,916 | (4,950) | (254,914) | 99,430 | 11,630 | 543,992 |
| 2020 | \$ 709,200 | 300,532 | 213,583 | 79,601 | 228,798 | 914,916 |

Health Care Self Insurance

Beginning January 1, 2018, the County became self-funded for both the HRA and HSA medical plans. This change was made to help control health care cost for the County. A self-funded plan is when an employer assumes the financial risk for providing health care benefits to its employees. Rather than paying fixed premiums to an insurance carrier, who in turn assumes the financial risk, an employer will only fund the actual claims incurred by their employees. The County carries stop-loss insurance that provides protection for claims exceeding \$250,000 for an individual. Claims may be submitted no longer than twelve months from the date of service. The County estimates year-end claim liabilities based on the IBNR received from USI for the fourth quarter.

| | Beginning of Year Liability | Provision for Claims | | Claim Payment | | End of Year Liability |
|---------|-----------------------------------|-------------------------|---------------|-----------------|---------------|-----------------------------|
| | | Current Year | Prior Year | Current Year | Prior Year | |
| 2021 \$ | 881,000 | 14,515,895 | (880,072) | 13,453,895 | 928 | 1,062,000 |
| 2020 \$ | 1,122,000 | 14,439,558 | (1,114,131) | 13,558,558 | 7,869 | 881,000 |

14. Subsequent Events

Claremont Nursing and Rehabilitation Center

On March 7, 2022, the Cumberland County Board of Commissioners approved the sale of the Claremont Nursing and Rehabilitation Center (CNRC) to Allaire Health Services of Lakewood, New Jersey for \$22,250,000. The transfer of ownership occurred on Sunday, March 13, 2022, at 12:01 a.m.

General Obligation Bonds

On May 26, 2022, the County authorized the issuance of \$14,395,000 face amount of general obligation bonds maturing serially through May 1, 2042, with coupon interest ranging from 4% to 5%. Bond proceeds totaled \$ 15,092,480 including a bond premium of \$841,430 representing an effective yield to maturity of 1.85% to 3.90% for the serial repayments. The proceeds will be used for capital projects including the public safety radio system upgrade.

As part of this 2022 debt issue, the County's AAA credit rating was affirmed by Standard and Poor's.

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, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | Budget | | | Variance with |
|---|---------------|-------------|-------------------|-------------------|
| | Original | Amended | Actual Amounts | Amended Budget |
| REVENUES | | | | |
| Taxes: | | | | |
| Real estate taxes | \$ 55,448,907 | 55,448,907 | 55,677,328 | 228,421 |
| Per capita taxes | 550 | 550 | 396 | (154) |
| Library taxes | 4,191,253 | 4,191,253 | 4,226,060 | 34,807 |
| Licenses and permits | 203,950 | 203,950 | 241,417 | 37,467 |
| Grants | 3,641,423 | 32,076,423 | 17,927,812 | (14,148,611) |
| County charges | 13,866,252 | 13,866,252 | 14,785,179 | 918,927 |
| Court costs, fines, and forfeitures | 1,491,097 | 1,491,097 | 1,660,662 | 169,565 |
| Interest | 770,250 | 770,250 | 228,651 | (541,599) |
| Contributions and other | 46,344 | 46,344 | 196,318 | 149,974 |
| Payment in lieu of taxes | 204,510 | 204,510 | 212,219 | 7,709 |
| Total revenues | 79,864,536 | 108,299,536 | 95,156,042 | (13,143,494) |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government – administrative: | | | | |
| Commissioners | 1,219,651 | 1,087,845 | 947,499 | 140,346 |
| Solicitors | 351,681 | 351,931 | 298,220 | 53,711 |
| Elections | 1,473,192 | 1,496,591 | 1,248,456 | 248,135 |
| Controller | 1,170,096 | 1,171,196 | 1,196,279 | (25,083) |
| Finance office | 1,455,647 | 1,474,654 | 1,431,086 | 43,568 |
| Tax claims | 213,576 | 215,277 | 219,725 | (4,448) |
| Treasurer | 385,622 | 385,622 | 390,167 | (4,545) |
| Tax collectors administration | 330,915 | 330,915 | 328,860 | 2,055 |
| Personnel | 808,924 | 808,924 | 640,402 | 168,522 |
| Tax assessment | 1,372,011 | 1,380,512 | 1,188,713 | 191,799 |
| Recorder of Deeds | 449,348 | 449,348 | 436,906 | 12,442 |
| Administrative services | 396,529 | 396,529 | 353,540 | 42,989 |
| Information management and technology office | 2,899,806 | 2,979,004 | 2,593,849 | 385,155 |
| Enterprise resource management office | 1,115,519 | 1,115,519 | 615,767 | 499,752 |
| CARES act technology agreements | — | 748,700 | 464,728 | 283,972 |
| Insurance | 465,048 | 465,048 | 446,996 | 18,052 |
| County buildings | 3,838,808 | 3,904,784 | 3,260,623 | 644,161 |
| Planning | 1,021,165 | 1,041,165 | 1,002,897 | 38,268 |
| Pooled reserves-program innovation, improvements and contingencies | 1,650,000 | 332,632 | — | 332,632 |
| Pooled reserves-contingencies | 550,000 | 156,016 | — | 156,016 |
| Debt retirement | 2,018 | 2,018 | 1,571 | 447 |
| Homestead | 62,258 | 68,536 | 68,531 | 5 |
| Uniform Parcel Identifier | 114,028 | 114,028 | 113,337 | 691 |
| Program subsidy | 149,300 | 149,300 | 127,086 | 22,214 |
| Total general government – administrative | 21,495,142 | 20,626,094 | 17,375,238 | 3,250,856 |
| General government – judicial: | | | | |
| Courts | 7,211,567 | 7,252,599 | 6,869,862 | 382,737 |
| Court appointed advocate | 268,291 | 269,381 | 281,907 | (12,526) |
| District judges | 1,216,054 | 1,521,660 | 1,421,011 | 100,649 |
| Law library | 250,573 | 257,573 | 256,976 | 597 |
| Clerk of Court | 739,128 | 740,981 | 691,607 | 49,374 |
| Coroner | 1,314,712 | 1,483,693 | 1,480,300 | 3,392 |

(continued)

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

General Fund

For the year ended December 31, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | Budget | | Actual Amounts | Variance with Amended Budget |
|---|-----------------|----------------|---------------------------|---|
| | Original | Amended | | |
| (continued) | | | | |
| EXPENDITURES | | | | |
| Current (continued): | | | | |
| General government - judicial (continued): | | | | |
| Public defender | \$ 1,640,306 | 1,765,871 | 1,779,932 | (14,061) |
| District Attorney | 2,997,097 | 2,997,097 | 2,779,700 | 217,397 |
| Prothonotary | 606,257 | 608,757 | 548,748 | 60,009 |
| Register of Wills | 617,686 | 619,918 | 617,975 | 1,943 |
| Sheriff | 4,316,043 | 4,504,139 | 4,022,314 | 481,825 |
| Total general government – judicial | 21,177,714 | 22,021,669 | 20,750,332 | 1,271,337 |
| Public safety: | | | | |
| DA crime investigation | 682,666 | 752,425 | 667,512 | 84,913 |
| Forensic investigation division | 1,009,276 | 1,602,951 | 920,133 | 682,818 |
| Hazmat | 563,960 | 576,495 | 536,459 | 40,036 |
| Vector control | 295,555 | 301,111 | 273,355 | 27,756 |
| Fire training | 24,076 | 24,076 | 14,833 | 9,243 |
| Public safety | 1,127,661 | 896,774 | 719,463 | 177,311 |
| Total public safety | 3,703,194 | 4,153,832 | 3,131,755 | 1,022,077 |
| Corrections: | | | | |
| County prison | 14,831,695 | 14,862,035 | 13,868,990 | 993,045 |
| Probation and parole | 5,726,095 | 5,761,610 | 5,390,223 | 371,387 |
| Total corrections | 20,557,790 | 20,623,645 | 19,259,213 | 1,364,432 |
| Human services | 4,889,846 | 8,105,846 | 8,075,550 | 30,296 |
| Culture and recreation | 5,240,953 | 5,331,453 | 5,279,379 | 52,074 |
| Conservation and development | 1,846,319 | 1,856,059 | 1,250,994 | 605,065 |
| Economic development | 1,750,031 | 27,755,071 | 15,868,898 | 11,886,173 |
| Total expenditures | 80,660,989 | 110,473,669 | 90,991,359 | 19,482,310 |
| Excess (deficiency) of revenues over expenditures | (796,453) | (2,174,133) | 4,164,683 | 6,338,816 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 4,759,417 | 4,759,419 | 8,476,263 | 3,716,844 |
| Transfers out | (15,839,994) | (15,947,314) | (13,487,382) | 2,459,932 |
| Sale of general assets | — | — | 25,182 | 25,182 |
| Leases (as lessee) | — | 194,000 | 229,696 | 35,696 |
| Total other financing sources (uses) | (11,080,577) | (10,993,895) | (4,756,241) | 6,237,654 |
| Net change in fund balance | (11,877,030) | (13,168,028) | (591,558) | 12,576,470 |
| Fund balance, beginning of year | 33,877,508 | 33,877,508 | 51,257,433 | 17,379,925 |
| Fund balance, end of year | \$ 22,000,478 | 20,709,480 | 50,665,875 | 29,956,395 |

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, 2021
COUNTY OF CUMBERLAND, PENNSYLVANIA
(unaudited)

| | Budget | | Actual Amounts | Variance with Amended Budget |
|---|-----------------|----------------|---------------------------|---|
| | Original | Amended | | |
| REVENUES | | | | |
| Grants | \$ 17,348,168 | 17,348,168 | 16,026,460 | (1,321,708) |
| County charges | 1,892,386 | 1,892,386 | 1,881,496 | (10,890) |
| Interest | 20,000 | 20,000 | 24,678 | 4,678 |
| Contributions and other | 111,175 | 111,175 | 116,413 | 5,238 |
| Total revenues | 19,371,729 | 19,371,729 | 18,049,047 | (1,322,682) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Human services | 19,996,831 | 19,996,831 | 18,602,903 | 1,393,928 |
| Total expenditures | 19,996,831 | 19,996,831 | 18,602,903 | 1,393,928 |
| Deficiency of revenues under expenditures | (625,102) | (625,102) | (553,856) | 71,246 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 625,102 | 625,102 | 585,309 | (39,793) |
| Total other financing sources | 625,102 | 625,102 | 585,309 | (39,793) |
| Net change in fund balance | — | — | 31,453 | 31,453 |
| Fund balance, beginning of year | 103,000 | 103,000 | 104,177 | 1,177 |
| Fund balance, end of year | \$ 103,000 | 103,000 | 135,630 | 32,630 |

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, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | Budget | | Actual Amounts | Variance with Amended Budget |
|---|-----------------|----------------|---------------------------|---|
| | Original | Amended | | |
| REVENUES | | | | |
| Grants | \$ 20,287,716 | 20,287,716 | 18,137,681 | (2,150,035) |
| County charges | 365,528 | 365,528 | 515,860 | 150,332 |
| Contributions and other | — | — | 1,780 | 1,780 |
| Total revenues | 20,653,244 | 20,653,244 | 18,655,321 | (1,997,923) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Human services | 24,985,980 | 24,985,980 | 22,332,485 | 2,653,495 |
| Total expenditures | 24,985,980 | 24,985,980 | 22,332,485 | 2,653,495 |
| Deficiency of revenues under expenditures | (4,332,736) | (4,332,736) | (3,677,164) | 655,572 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 4,402,236 | 4,402,236 | 3,746,664 | (655,572) |
| Transfers out | (69,500) | (69,500) | (69,500) | — |
| Total other financing sources (uses) | 4,332,736 | 4,332,736 | 3,677,164 | (655,572) |
| Net change in fund balance | — | — | — | — |
| Fund balance, beginning of year | — | — | — | — |
| Fund balance, end of year | \$ — | — | — | — |

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

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

American Rescue Plan

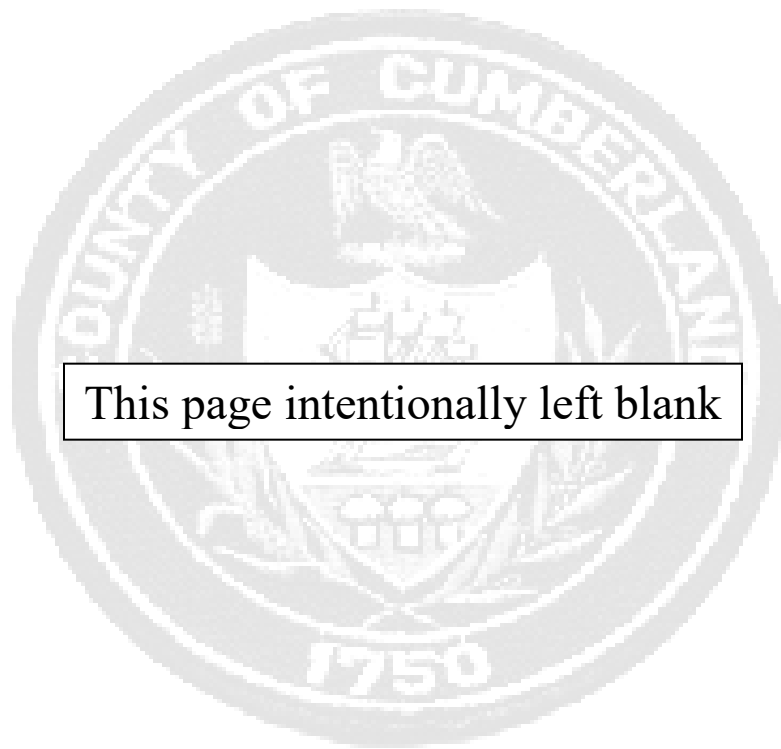
For the fiscal year ended December 31, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | Budget | | Actual Amounts | Variance with Amended Budget |
|---|-----------------|----------------|---------------------------|---|
| | Original | Amended | | |
| REVENUES | | | | |
| Grants | \$ — | 10,000,000 | — | (10,000,000) |
| Total revenues | — | 10,000,000 | — | (10,000,000) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Economic development | — | 10,000,000 | — | 10,000,000 |
| Total expenditures | — | 10,000,000 | — | 10,000,000 |
| Deficiency of revenues under expenditures | — | — | — | — |
| 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, 2021

(unaudited)

| 2017 | 2018 | 2019 | 2020 | 2021 |
|--------------|--------------|--------------|--------------|--------------|
| 5,309,011 | 4,139,378 | 4,407,504 | 4,524,592 | 4,564,600 |
| 14,522,698 | 14,949,775 | 15,736,110 | 16,422,452 | 17,220,170 |
| - | - | - | - | - |
| (769,513) | (1,005,613) | 3,032,936 | 1,539,523 | 3,207,756 |
| - | 11,064,623 | - | - | - |
| (10,428,840) | (10,551,987) | (11,782,546) | (12,215,447) | (13,402,303) |
| 8,633,356 | 18,596,176 | 11,394,004 | 10,271,120 | 11,590,223 |
| 195,923,227 | 204,556,583 | 223,152,759 | 234,546,763 | 244,817,883 |
| 204,556,583 | 223,152,759 | 234,546,763 | 244,817,883 | 256,408,106 |
| 3,805,364 | 2,854,381 | 3,856,188 | 4,202,702 | 3,872,671 |
| 3,352,587 | 3,551,808 | 3,859,308 | 4,144,052 | 3,898,874 |
| 28,128,035 | (12,138,299) | 38,752,976 | 26,193,722 | 35,408,284 |
| (10,428,840) | (10,551,987) | (11,782,546) | (12,215,447) | (13,402,303) |
| (208,237) | (253,043) | (243,382) | (240,006) | (189,764) |
| 24,648,909 | (16,537,140) | 34,442,544 | 22,085,023 | 29,587,762 |
| 188,649,638 | 213,298,547 | 196,761,407 | 231,203,951 | 253,288,974 |
| 213,298,547 | 196,761,407 | 231,203,951 | 253,288,974 | 282,876,736 |
| (8,741,964) | 26,391,352 | 3,342,812 | (8,471,091) | (26,468,630) |
| 104.27 % | 88.17 % | 98.57 % | 103.46 % | 110.32 % |
| 54,909,779 | 55,755,116 | 58,391,246 | 59,660,040 | 59,963,352 |
| (15.92) % | 47.33 % | 5.72 % | (14.20) % | (44.14) % |

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, 2021

(unaudited)

| <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|------------------|------------------|------------------|------------------|
| 2,854,381 | 3,856,188 | 4,202,702 | 3,872,671 |
| <u>2,854,381</u> | <u>3,856,188</u> | <u>4,202,702</u> | <u>3,872,671</u> |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| 55,755,116 | 58,391,246 | 59,660,040 | 59,963,352 |
| 5.12 % | 6.60 % | 7.04 % | 6.46 % |

| | | | |
|----------|----------|----------|----------|
| 1/1/2018 | 1/1/2019 | 1/1/2020 | 1/1/2021 |
|----------|----------|----------|----------|

| <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|-------------|-------------|-------------|-------------|
| (5.39) % | 20.30 % | 11.77 % | 14.50 % |

REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS PLAN SCHEDULES

COUNTY OF CUMBERLAND, PENNSYLVANIA

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

There are no assets accumulated in a qualifying trust to offset OPEB liabilities.

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 |
| 2021 | 2.05 |

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, 2021

(unaudited)

| |
|-----------|
| 2021 |
| 127,134 |
| 55,031 |
| - |
| (333,906) |
| 4,338 |
| (164,405) |
| (311,808) |
| 2,550,427 |
| 2,238,619 |

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (unaudited) December 31, 2021

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, 2021, or on a fiscal year ended June 30, 2021. 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, 2021, follows:

| | <u>General Fund</u> |
|--|---------------------|
| Budgetary basis- net change in fund balance, December 31, 2021 | \$ (591,558) |
| Adjustments: | |
| To adjust revenues, expenditures and other financing sources/uses: | |
| Net fund budget-related revenues, expenditures and other financing sources/uses: | 112,008 |
| Fund balance effect from funds included in GAAP statements: | |
| Criminal justice services | - |
| District attorney federal forfeiture account | 16 |
| Offender supervision fund | (29,375) |
| Demolition-blighted property fund | 338,174 |
| CARES Act | <u>(620,478)</u> |
| GAAP basis - net change in fund balance, December 31, 2021 | <u>\$ (791,213)</u> |

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (unaudited) December 31, 2021

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, 2021 | \$ 31,453 |
| Adjustments for timing difference between fiscal years: | |
| Revenue | 537,112 |
| Expenditures | (567,353) |
| Other financing sources | <u>(294)</u> |
| GAAP basis - net change in fund balance as of December 31, 2021 | <u>\$ 918</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, 2021 | \$ - |
| Adjustments for timing difference between fiscal years: | |
| Revenue | (220,196) |
| Expenditures | 46,553 |
| Other financing sources | <u>173,643</u> |
| GAAP basis - net change in fund balance as December 31, 2021 | <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, 2021

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

During the year, there were two general fund supplemental 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 records 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, 2021

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 | \$ 5,033,049 | 231,866 | 879,197 | — | — | 12,398 | 38,546 |
| Investments | — | — | — | — | — | — | 1,200,000 |
| Restricted cash | — | — | — | — | — | — | — |
| Receivables: | | | | | | | |
| Taxes | — | — | — | — | — | — | — |
| Due from other governments | 524,694 | 331,638 | 300,897 | — | 47,610 | 579,166 | — |
| Accounts receivable | 1,047 | — | 176,847 | — | 60,979 | 30,287 | 1,404 |
| Due from other funds | — | — | — | 5,884 | 201,216 | 1,109,438 | — |
| Prepaid items | — | 2,158 | 13,010 | 352 | 1,054 | 8,440 | — |
| Total assets | \$ 5,558,790 | 565,662 | 1,369,951 | 6,236 | 310,859 | 1,739,729 | 1,239,950 |
| LIABILITIES | | | | | | | |
| Accounts payable | \$ 249,270 | 10,286 | 111,301 | 1,371 | 72,936 | 260,127 | — |
| Accrued liabilities and withholdings | — | 88,786 | 67,100 | 4,865 | 6,880 | 48,722 | — |
| Due to other funds | — | 459,611 | 515,527 | — | — | — | — |
| Due to other governments | — | — | — | — | — | — | 1,190,504 |
| Unearned revenue | — | — | 459,184 | — | 80,842 | — | — |
| Funds held as fiduciary | — | 6,979 | — | — | — | — | — |
| Total liabilities | 249,270 | 565,662 | 1,153,112 | 6,236 | 160,658 | 308,849 | 1,190,504 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Unavailable revenue | — | — | — | — | — | — | — |
| Total deferred inflows of resources | — | — | — | — | — | — | — |
| FUND BALANCES | | | | | | | |
| Nonspendable: | | | | | | | |
| Prepaid items | — | 2,158 | 13,010 | 352 | 1,054 | 8,440 | — |
| Long term loans receivable | — | — | — | — | — | — | — |
| Restricted: | | | | | | | |
| Roads and bridge maintenance | 5,309,520 | — | — | — | — | — | — |
| Human services | — | — | 202,444 | — | 149,147 | 1,422,440 | — |
| Public safety | — | — | — | — | — | — | — |
| Row office automation | — | — | — | — | — | — | — |
| Marcellus shale | — | — | — | — | — | — | — |
| Conservation | — | — | — | — | — | — | — |
| Economic development and assistance | — | — | — | — | — | — | — |
| Assigned: | | | | | | | |
| Human services | — | — | 1,385 | — | — | — | 49,446 |
| Capital projects | — | — | — | — | — | — | — |
| Economic development and assistance | — | — | — | — | — | — | — |
| Unassigned | — | (2,158) | — | (352) | — | — | — |
| Total fund balances | 5,309,520 | — | 216,839 | — | 150,201 | 1,430,880 | 49,446 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 5,558,790 | 565,662 | 1,369,951 | 6,236 | 310,859 | 1,739,729 | 1,239,950 |

(continued)

COMBINING BALANCE SHEET

Nonmajor Governmental Funds

December 31, 2021

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 | — | 152,414 | 443,444 | 172,578 | 1,093,348 | 1,151,945 |
| Investments | — | — | — | — | — | — | — |
| Restricted cash | — | — | — | — | — | — | — |
| Receivables: | | | | | | | |
| Taxes | — | — | — | — | — | 167,796 | — |
| Due from other governments | 123,785 | — | — | 512,099 | — | — | 1,521,838 |
| Accounts receivable | — | — | — | — | — | — | — |
| Due from other funds | 147,935 | — | 174,709 | — | — | — | 468,568 |
| Prepaid items | 5,917 | — | 705 | 1,054 | — | — | 330,495 |
| Total assets | <u>\$ 282,771</u> | <u>—</u> | <u>327,828</u> | <u>956,597</u> | <u>172,578</u> | <u>1,261,144</u> | <u>3,472,846</u> |
| LIABILITIES | | | | | | | |
| Accounts payable | \$ 7,280 | — | 2,427 | 30,291 | 14,080 | — | 491,676 |
| Accrued liabilities and withholdings | 23,146 | — | 1,746 | 4,081 | — | — | 144,577 |
| Due to other funds | — | — | — | 25,951 | 12,388 | 1,261,144 | 165,164 |
| Due to other governments | — | — | — | — | — | — | — |
| Unearned revenue | — | — | — | — | — | — | 176,040 |
| Funds held as fiduciary | — | — | — | — | — | — | — |
| Total liabilities | <u>30,426</u> | <u>—</u> | <u>4,173</u> | <u>60,323</u> | <u>26,468</u> | <u>1,261,144</u> | <u>977,457</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Unavailable revenue | — | — | — | — | — | — | — |
| Total deferred inflows of resources | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>—</u> |
| FUND BALANCES | | | | | | | |
| Nonspendable: | | | | | | | |
| Prepaid items | 5,917 | — | 705 | 1,054 | — | — | 330,495 |
| Long term loans receivable | — | — | — | — | — | — | — |
| Restricted: | | | | | | | |
| Roads and bridge maintenance | — | — | — | — | — | — | — |
| Human services | — | — | — | — | — | — | — |
| Public safety | 246,428 | — | — | — | — | — | 2,164,894 |
| Row office automation | — | — | 322,950 | — | — | — | — |
| Marcellus shale | — | — | — | — | — | — | — |
| Conservation | — | — | — | 895,220 | — | — | — |
| Economic development and assistance | — | — | — | — | 146,110 | — | — |
| Assigned: | | | | | | | |
| Human services | — | — | — | — | — | — | — |
| Capital projects | — | — | — | — | — | — | — |
| Economic development and assistance | — | — | — | — | — | — | — |
| Unassigned | — | — | — | — | — | — | — |
| Total fund balances | <u>252,345</u> | <u>—</u> | <u>323,655</u> | <u>896,274</u> | <u>146,110</u> | <u>—</u> | <u>2,495,389</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 282,771</u> | <u>—</u> | <u>327,828</u> | <u>956,597</u> | <u>172,578</u> | <u>1,261,144</u> | <u>3,472,846</u> |

(Continued)

COMBINING BALANCE SHEET

Nonmajor Governmental Funds

December 31, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | <u>Special Revenue</u> | | <u>Debt Service</u> | <u>Capital Projects Fund</u> | <u>Total Nonmajor Governmental Funds</u> |
|--|------------------------|--------------|-------------------------|--------------------------------------|--|
| | <u>CAEDC</u> | <u>Total</u> | | | |
| (continued) | | | | | |
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 2,001,672 | 11,215,591 | — | 2,428,922 | 13,644,513 |
| Investments | 1,053,733 | 2,253,733 | — | — | 2,253,733 |
| Restricted cash | 221,835 | 221,835 | — | — | 221,835 |
| Receivables: | | | | | |
| Taxes | — | 167,796 | — | — | 167,796 |
| Due from other governments | 21,000 | 3,962,727 | — | — | 3,962,727 |
| Accounts receivable | 1,304,045 | 1,574,609 | — | 1,180 | 1,575,789 |
| Due from other funds | 503,815 | 2,611,565 | — | 165,164 | 2,776,729 |
| Prepaid items | 52,098 | 415,283 | — | — | 415,283 |
| Total assets | \$ 5,158,198 | 22,423,139 | — | 2,595,266 | 25,018,405 |
| LIABILITIES | | | | | |
| Accounts payable | \$ 262,706 | 1,513,751 | — | 780,224 | 2,293,975 |
| Accrued liabilities and withholdings | — | 389,903 | — | — | 389,903 |
| Due to other funds | — | 2,439,785 | — | — | 2,439,785 |
| Due to other governments | — | 1,190,504 | — | — | 1,190,504 |
| Unearned revenue | 1,280 | 717,346 | — | — | 717,346 |
| Funds held as fiduciary | — | 6,979 | — | — | 6,979 |
| Total liabilities | 263,986 | 6,258,268 | — | 780,224 | 7,038,492 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue | 27,324 | 27,324 | — | — | 27,324 |
| Total deferred inflows of resources | 27,324 | 27,324 | — | — | 27,324 |
| FUND BALANCES | | | | | |
| Nonspendable: | | | | | |
| Prepaid items | 52,098 | 415,283 | — | — | 415,283 |
| Long term loans receivable | 1,112,576 | 1,112,576 | — | — | 1,112,576 |
| Restricted: | | | | | |
| Roads and bridge maintenance | — | 5,309,520 | — | 1,284,123 | 6,593,643 |
| Human services | — | 1,774,031 | — | — | 1,774,031 |
| Public safety | — | 2,411,322 | — | — | 2,411,322 |
| Row office automation | — | 322,950 | — | — | 322,950 |
| Marcellus shale | — | — | — | 383,305 | 383,305 |
| Conservation | — | 895,220 | — | — | 895,220 |
| Economic development and assistance | 221,835 | 367,945 | — | — | 367,945 |
| Assigned: | | | | | |
| Human services | — | 50,831 | — | — | 50,831 |
| Capital projects | — | — | — | 147,614 | 147,614 |
| Economic development and assistance | 3,480,379 | 3,480,379 | — | — | 3,480,379 |
| Unassigned | — | (2,510) | — | — | (2,510) |
| Total fund balances | 4,866,888 | 16,137,547 | — | 1,815,042 | 17,952,589 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 5,158,198 | 22,423,139 | — | 2,595,266 | 25,018,405 |

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

Nonmajor Governmental Funds

For the year ended December 31, 2021

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 | 1,938,848 | 2,401,380 | 3,658,796 | 120,328 | 834,140 | 2,700,065 | — |
| County charges | 1,339,980 | 1,464 | 432,477 | — | 1,700 | 518,618 | — |
| Court costs, fines and forfeitures | — | 1,682 | — | — | — | 206,003 | — |
| Investment earnings | 15,691 | 390 | 589 | — | — | — | 5,733 |
| Contributions and other | — | — | 25,619 | — | — | 16,937 | — |
| Total revenues | 3,294,519 | 2,404,916 | 4,117,481 | 120,328 | 835,840 | 3,441,623 | 5,733 |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| General government – administrative | — | — | — | — | — | — | — |
| General government – judicial | — | 3,600,808 | — | — | — | — | — |
| Emergency telephone | — | — | — | — | — | — | — |
| Public works and enterprises | 274,246 | — | — | — | — | — | — |
| Human services | — | — | 4,240,502 | 203,245 | 848,841 | 3,613,692 | — |
| Economic development and assistance | — | — | — | — | — | — | — |
| Debt service: | | | | | | | |
| Principal retirement | — | — | — | — | — | — | — |
| Debt interest | — | — | — | — | — | — | — |
| Capital outlay | 1,617,950 | 49,058 | 5,187 | — | — | — | — |
| Payments to other governments | 6,358 | — | — | — | — | — | — |
| Total expenditures | 1,898,554 | 3,649,866 | 4,245,689 | 203,245 | 848,841 | 3,613,692 | — |
| Excess (deficiency) of revenues over (under) expenditures | 1,395,965 | (1,244,950) | (128,208) | (82,917) | (13,001) | (172,069) | 5,733 |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers in | — | 1,244,950 | 131,889 | 89,947 | 41,829 | 322,636 | — |
| Transfers out | (571,748) | — | — | (7,030) | (8,820) | — | — |
| Sale of general assets | — | — | — | — | — | — | — |
| Issuance of long term note | — | — | — | — | — | — | — |
| Insurance recovery | 51,047 | — | — | — | — | — | — |
| Total other financing sources (uses) | (520,701) | 1,244,950 | 131,889 | 82,917 | 33,009 | 322,636 | — |
| Net changes in fund balances | 875,264 | — | 3,681 | — | 20,008 | 150,567 | 5,733 |
| Fund balances, beginning of year | 4,434,256 | — | 213,158 | — | 130,193 | 1,280,313 | 43,713 |
| Fund balances, end of year | \$ 5,309,520 | — | 216,839 | — | 150,201 | 1,430,880 | 49,446 |

(continued)

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

Nonmajor Governmental Funds

For the year ended December 31, 2021

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 | \$ — | — | — | — | — | 2,101,033 | — |
| Grants | 558,372 | — | — | 483,450 | — | — | — |
| County charges | 42,064 | 196,947 | 228,175 | 362,825 | 259,279 | — | 6,032,963 |
| Court costs, fines and forfeitures | 461 | — | — | — | — | — | — |
| Investment earnings | — | — | 16 | 1,242 | 233 | — | 271 |
| Contributions and other | — | — | — | — | — | — | 417 |
| Total revenues | 600,897 | 196,947 | 228,191 | 847,517 | 259,512 | 2,101,033 | 6,033,651 |
| EXPENDITURES | | | | | | | |
| Current: | | | | | | | |
| General government – administrative | — | — | 131,544 | — | 45,991 | — | — |
| General government – judicial | — | 82,413 | — | — | — | — | — |
| Emergency telephone | — | — | — | — | — | — | 5,927,176 |
| Public works and enterprises | — | — | — | 429,844 | — | — | — |
| Human services | 822,780 | — | — | — | — | — | — |
| Economic development and assistance | — | — | — | — | — | 37,330 | — |
| Debt service: | | | | | | | |
| Principal retirement | — | — | — | — | — | — | — |
| Debt interest | — | — | — | — | — | — | — |
| Capital outlay | — | — | 7,995 | 416,486 | — | — | 501,460 |
| Payments to other governments | 5,368 | — | — | — | 145,500 | — | — |
| Total expenditures | 828,148 | 82,413 | 139,539 | 846,330 | 191,491 | 37,330 | 6,428,636 |
| Excess (deficiency) of revenues over (under) expenditures | (227,251) | 114,534 | 88,652 | 1,187 | 68,021 | 2,063,703 | (394,985) |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers in | 266,733 | — | — | — | — | — | 1,989,894 |
| Transfers out | — | (114,534) | (4,258) | — | — | (2,063,703) | (1,594,909) |
| Sale of general assets | — | — | — | 11,403 | — | — | — |
| Issuance of long term note | — | — | — | — | — | — | — |
| Insurance recovery | — | — | — | — | — | — | — |
| Total other financing sources (uses) | 266,733 | (114,534) | (4,258) | 11,403 | — | (2,063,703) | 394,985 |
| Net changes in fund balances | 39,482 | — | 84,394 | 12,590 | 68,021 | — | — |
| Fund balances, beginning of year | 212,863 | — | 239,261 | 883,684 | 78,089 | — | 2,495,389 |
| Fund balances, end of year | \$ 252,345 | — | 323,655 | 896,274 | 146,110 | — | 2,495,389 |

(continued)

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

Nonmajor Governmental Funds

For the year ended December 31, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| (continued) | <u>Special Revenue</u> | | Debt Service | Capital Projects Fund | Nonmajor Governmental Funds |
|--|------------------------|-------------|-----------------|-----------------------------|-----------------------------------|
| | CAEDC | Total | | | |
| REVENUES | | | | | |
| Taxes | \$ — | 2,101,033 | — | — | 2,101,033 |
| Grants | 3,258,252 | 15,953,631 | — | 248,011 | 16,201,642 |
| County charges | 457,935 | 9,874,427 | — | 107,267 | 9,981,694 |
| Court costs, fines and forfeitures | — | 208,146 | — | — | 208,146 |
| Investment earnings | 35,768 | 59,933 | — | 6,076 | 66,009 |
| Contributions and other | — | 42,973 | — | — | 42,973 |
| Total revenues | 3,751,955 | 28,240,143 | — | 361,354 | 28,601,497 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government – administrative | — | 177,535 | — | — | 177,535 |
| General government – judicial | — | 3,683,221 | — | — | 3,683,221 |
| Emergency telephone | — | 5,927,176 | — | — | 5,927,176 |
| Public works and enterprises | — | 704,090 | — | — | 704,090 |
| Human services | — | 9,729,060 | — | — | 9,729,060 |
| Economic development and assistance | 4,818,162 | 4,855,492 | — | — | 4,855,492 |
| Debt service: | | | | | |
| Principal retirement | — | — | 3,521,185 | — | 3,521,185 |
| Debt interest | — | — | 962,578 | — | 962,578 |
| Capital outlay | 197,234 | 2,795,370 | — | 2,383,230 | 5,178,600 |
| Payments to other governments | — | 157,226 | — | 580,478 | 737,704 |
| Total expenditures | 5,015,396 | 28,029,170 | 4,483,763 | 2,963,708 | 35,476,641 |
| Excess (deficiency) of revenues over (under) expenditures | (1,263,441) | 210,973 | (4,483,763) | (2,602,354) | (6,875,144) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 2,174,650 | 6,262,528 | 4,483,763 | 894,392 | 11,640,683 |
| Transfers out | — | (4,365,002) | — | — | (4,365,002) |
| Sale of general assets | — | 11,403 | — | — | 11,403 |
| Issuance of long term note | 358,139 | 358,139 | — | — | 358,139 |
| Insurance recovery | — | 51,047 | — | — | 51,047 |
| Total other financing sources (uses) | 2,532,789 | 2,318,115 | 4,483,763 | 894,392 | 7,696,270 |
| Net changes in fund balances | 1,269,348 | 2,529,088 | — | (1,707,962) | 821,126 |
| Fund balances, beginning of year | 3,597,540 | 13,608,459 | — | 3,523,004 | 17,131,463 |
| Fund balances, end of year | \$ 4,866,888 | 16,137,547 | — | 1,815,042 | 17,952,589 |

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, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | Budget | | | Variance |
|--|--------------|-----------|-------------------|------------------------|
| | Original | Amended | Actual Amounts | with Amended Budget |
| REVENUES | | | | |
| Grants: | | | | |
| Liquid fuels tax | \$ 2,023,080 | 2,023,080 | 1,938,848 | (84,232) |
| County charges | 1,200,000 | 1,200,000 | 1,339,980 | 139,980 |
| Interest | 21,500 | 21,500 | 15,691 | (5,809) |
| | | | | |
| Total revenues | 3,244,580 | 3,244,580 | 3,294,519 | 49,939 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public works and enterprises | 553,023 | 492,023 | 274,246 | 217,777 |
| Capital outlay | 2,704,105 | 2,893,605 | 1,617,950 | 1,275,655 |
| Payments to other governments | 335,175 | 206,675 | 6,358 | 200,317 |
| | | | | |
| Total expenditures | 3,592,303 | 3,592,303 | 1,898,554 | 1,693,749 |
| | | | | |
| Excess (deficiency) of revenues over (under) expenditures | (347,723) | (347,723) | 1,395,965 | 1,743,688 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Insurance recovery | — | — | 51,047 | 51,047 |
| Transfer out | (571,160) | (572,160) | (571,748) | 412 |
| | | | | |
| Total other financing sources (uses) | (571,160) | (572,160) | (520,701) | 51,459 |
| | | | | |
| Net change in fund balance | (918,883) | (919,883) | 875,264 | 1,795,147 |
| | | | | |
| Fund balance, beginning of year | 3,411,955 | 3,411,955 | 4,434,256 | 1,022,301 |
| | | | | |
| Fund balance, end of year | \$ 2,493,072 | 2,492,072 | 5,309,520 | 2,817,448 |

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

Domestic Relations Office

For the year ended December 31, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | Budget | | Actual Amounts | Variance with Amended Budget |
|---|--------------------|--------------------|---------------------------|---|
| | Original | Amended | | |
| REVENUES | | | | |
| Grants | \$ 2,571,660 | 2,571,660 | 2,401,380 | (170,280) |
| County charges | 2,200 | 2,200 | 1,464 | (736) |
| Court costs, fines, and forfeitures | — | — | 1,682 | 1,682 |
| Interest | 1,000 | 1,000 | 390 | (610) |
| Total revenues | <u>2,574,860</u> | <u>2,574,860</u> | <u>2,404,916</u> | <u>(169,944)</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government – judicial | 3,909,984 | 3,904,884 | 3,600,808 | 304,076 |
| Capital outlay | 47,601 | 52,701 | 49,058 | 3,643 |
| Total expenditures | <u>3,957,585</u> | <u>3,957,585</u> | <u>3,649,866</u> | <u>307,719</u> |
| Deficiency of revenues under expenditures | <u>(1,382,725)</u> | <u>(1,382,725)</u> | <u>(1,244,950)</u> | <u>137,775</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | <u>1,382,725</u> | <u>1,382,725</u> | <u>1,244,950</u> | <u>(137,775)</u> |
| Total other financing sources | <u>1,382,725</u> | <u>1,382,725</u> | <u>1,244,950</u> | <u>(137,775)</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, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | Budget | | Actual Amounts | Variance with Amended Budget |
|--|-----------------|----------------|---------------------------|---|
| | Original | Amended | | |
| REVENUES | | | | |
| Grants | \$ 3,412,969 | 4,275,213 | 3,564,788 | (710,425) |
| County charges | 369,000 | 359,229 | 368,180 | 8,951 |
| Interest | 2,300 | 2,300 | 992 | (1,308) |
| Contributions and other | 33,600 | 33,600 | 19,206 | (14,394) |
| Total revenues | 3,817,869 | 4,670,342 | 3,953,166 | (717,176) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Human services | 4,319,657 | 4,853,213 | 4,110,310 | 742,903 |
| Capital outlay | — | 16,000 | 5,187 | 10,813 |
| Total expenditures | 4,319,657 | 4,869,213 | 4,115,497 | 753,716 |
| Deficiency of revenues under expenditures | (501,788) | (198,871) | (162,331) | 36,540 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 501,788 | 501,788 | 131,889 | (369,899) |
| Total other financing sources | 501,788 | 501,788 | 131,889 | (369,899) |
| Net change in fund balance | — | 302,917 | (30,442) | (333,359) |
| Fund balance, beginning of year | 270,889 | 270,899 | 270,850 | (49) |
| Fund balance, end of year | \$ 270,889 | 573,816 | 240,408 | (333,408) |

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

Human Services Development

For the fiscal year ended June 30, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | Budget | | Actual Amounts | Variance with Amended Budget |
|---|-----------------|----------------|---------------------------|---|
| | Original | Amended | | |
| REVENUES | | | | |
| Grants | \$ 129,187 | 129,187 | 129,187 | — |
| Total revenues | 129,187 | 129,187 | 129,187 | — |
| EXPENDITURES | | | | |
| Current: | | | | |
| Human services | 181,288 | 205,320 | 205,320 | — |
| Total expenditures | 181,288 | 205,320 | 205,320 | — |
| Deficiency of revenues over expenditures | (52,101) | (76,133) | (76,133) | — |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 80,750 | 83,163 | 83,163 | — |
| Transfers out | (28,649) | (7,030) | (7,030) | — |
| Total other financing sources (uses) | 52,101 | 76,133 | 76,133 | — |
| 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, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | Budget | | Actual Amounts | Variance with Amended Budget |
|--|-----------------|----------------|---------------------------|---|
| | Original | Amended | | |
| REVENUES | | | | |
| Grants | \$ 749,566 | 1,091,933 | 952,999 | (138,934) |
| County charges | 4,100 | 4,100 | 2,100 | (2,000) |
| Contributions and other | — | — | 10 | 10 |
| Interest | 20 | 20 | 20 | — |
| Total revenues | 753,686 | 1,096,053 | 955,129 | (140,924) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Human services | 772,940 | 1,107,487 | 995,781 | 111,706 |
| Total expenditures | 772,940 | 1,107,487 | 995,781 | 111,706 |
| Deficiency of revenues under expenditures | (19,254) | (11,434) | (40,652) | (29,218) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfer in | 20,254 | 20,254 | 26,726 | 6,472 |
| Transfers out | (1,000) | (8,820) | (8,820) | — |
| Total other financing sources (uses) | 19,254 | 11,434 | 17,906 | 6,472 |
| Net change in fund balance | — | — | (22,746) | (22,746) |
| Fund balance, beginning of year | 143,460 | 143,460 | 143,459 | (1) |
| Fund balance, end of year | \$ 143,460 | 143,460 | 120,713 | (22,747) |

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

Drug and Alcohol

For the fiscal year ended June 30, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | Budget | | Actual Amounts | Variance with Amended Budget |
|---|-----------------|----------------|---------------------------|---|
| | Original | Amended | | |
| REVENUES | | | | |
| Grants | \$ 3,216,550 | 3,216,550 | 2,551,974 | (664,576) |
| County charges | 552,779 | 552,779 | 524,023 | (28,756) |
| Court costs, fines and forfeitures | 206,000 | 206,000 | 232,422 | 26,422 |
| Contributions and other | 14,037 | 14,037 | 16,937 | 2,900 |
| Total revenues | 3,989,366 | 3,989,366 | 3,325,356 | (664,010) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Human services | 4,077,954 | 4,098,278 | 3,444,592 | 653,686 |
| Payments to other governments | 5,035 | 5,035 | — | 5,035 |
| Total expenditures | 4,082,989 | 4,103,313 | 3,444,592 | 658,721 |
| Deficiency of revenues over expenditures | (93,623) | (113,947) | (119,236) | (5,289) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 349,497 | 349,497 | 347,767 | (1,730) |
| Transfers out | (255,874) | (235,550) | (49,360) | 186,190 |
| Total other financing sources (uses) | 93,623 | 113,947 | 298,407 | 184,460 |
| Net change in fund balance | — | — | 179,171 | 179,171 |
| Fund balance, beginning of year | 1,204,569 | 1,204,569 | 1,204,570 | 1 |
| Fund balance, end of year | \$ 1,204,569 | 1,204,569 | 1,383,741 | 179,172 |

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

Fiscal Employer Agent

For the fiscal year ended June 30, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | Budget | | Actual Amounts | Variance with Amended Budget |
|---|-----------------|----------------|---------------------------|---|
| | Original | Amended | | |
| REVENUES | | | | |
| Interest | \$ — | — | 9,931 | 9,931 |
| Total revenues | — | — | 9,931 | 9,931 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Human services | — | — | — | — |
| Payments to other governments | — | — | — | — |
| Total expenditures | — | — | — | — |
| Excess of revenues over expenditures | — | — | 9,931 | 9,931 |
| Fund balance, beginning of year | — | — | 31,492 | 31,492 |
| Fund balance, end of year | \$ — | — | 41,423 | 41,423 |

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

Witness Assistance

For the year ended December 31, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | Budget | | Actual Amounts | Variance with Amended Budget |
|---|-----------------|----------------|---------------------------|---|
| | Original | Amended | | |
| REVENUES | | | | |
| Grants | \$ 566,804 | 566,804 | 558,372 | (8,432) |
| County charges | 29,600 | 29,600 | 42,064 | 12,464 |
| Court, costs, fines and forfeitures | 900 | 900 | 461 | (439) |
| Total revenues | 597,304 | 597,304 | 600,897 | 3,593 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Human services | 920,664 | 915,296 | 822,780 | 92,516 |
| Payments to other governments | — | 5,368 | 5,368 | — |
| Total expenditures | 920,664 | 920,664 | 828,148 | 92,516 |
| Deficiency of revenues under expenditures | (323,360) | (323,360) | (227,251) | 96,109 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 323,360 | 323,360 | 266,733 | (56,627) |
| Total other financing sources | 323,360 | 323,360 | 266,733 | (56,627) |
| Net change in fund balance | — | — | 39,482 | 39,482 |
| Fund balance, beginning of year | 217,334 | 217,334 | 212,863 | (4,471) |
| Fund balance, end of year | \$ 217,334 | 217,334 | 252,345 | 35,011 |

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

ARD/DUI Program

For the year ended December 31, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | Budget | | Actual | Variance |
|---|-----------------|----------------|----------------|--------------------------------|
| | Original | Amended | Amounts | with Amended Budget |
| REVENUES | | | | |
| County charges | \$ 280,000 | 280,000 | 196,947 | (83,053) |
| Total revenues | 280,000 | 280,000 | 196,947 | (83,053) |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government – judicial | 131,567 | 131,567 | 82,413 | 49,154 |
| Total expenditures | 131,567 | 131,567 | 82,413 | 49,154 |
| Excess of revenues over expenditures | 148,433 | 148,433 | 114,534 | (33,899) |
| OTHER FINANCING USES | | | | |
| Transfers out | (148,433) | (148,433) | (114,534) | 33,899 |
| Total other financing uses | (148,433) | (148,433) | (114,534) | 33,899 |
| 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, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | Budget | | Actual Amounts | Variance with Amended Budget |
|--|-----------------|----------------|---------------------------|---|
| | Original | Amended | | |
| REVENUES | | | | |
| County charges | \$ 152,000 | 150,000 | 228,175 | 78,175 |
| Interest | 65 | 65 | 16 | (49) |
| Total revenues | 152,065 | 150,065 | 228,191 | 78,126 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government – administrative | 211,770 | 203,675 | 131,544 | 72,131 |
| Capital outlay | — | 8,095 | 7,995 | 100 |
| Total expenditures | 211,770 | 211,770 | 139,539 | 72,231 |
| Excess (deficiency) of revenues over (under) expenditures | (59,705) | (61,705) | 88,652 | 150,357 |
| OTHER FINANCING USES | | | | |
| Transfers out | (5,000) | (5,000) | (4,258) | 742 |
| Total other financing uses | (5,000) | (5,000) | (4,258) | 742 |
| Net change in fund balance | (64,705) | (66,705) | 84,394 | 151,099 |
| Fund balance, beginning of year | 224,981 | 224,981 | 239,261 | 14,280 |
| Fund balance, end of year | \$ 160,276 | 158,276 | 323,655 | 165,379 |

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

Recycling and Waste

For the year ended December 31, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | Budget | | Actual Amounts | Variance with Amended Budget |
|--|-----------------|----------------|---------------------------|---|
| | Original | Amended | | |
| REVENUES | | | | |
| Grants | \$ 492,600 | 492,600 | 483,450 | (9,150) |
| County charges | 353,715 | 353,715 | 362,825 | 9,110 |
| Interest | 3,000 | 3,000 | 1,242 | (1,758) |
| Contributions and other | 20,000 | 20,000 | — | (20,000) |
| Total revenues | 869,315 | 869,315 | 847,517 | (21,798) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public works and enterprises | 481,748 | 471,748 | 429,844 | 41,904 |
| Capital outlay | 410,000 | 420,000 | 416,486 | 3,514 |
| Total expenditures | 891,748 | 891,748 | 846,330 | 45,418 |
| Excess (deficiency) of revenues over (under) expenditures | (22,433) | (22,433) | 1,187 | 23,620 |
| OTHER FINANCING SOURCES | | | | |
| Proceeds from sale of assets | — | — | 11,403 | 11,403 |
| Total other financing sources | — | — | 11,403 | 11,403 |
| Net change in fund balance | (22,433) | (22,433) | 12,590 | 35,023 |
| Fund balance, beginning of year | 875,268 | 875,268 | 883,684 | 8,416 |
| Fund balance, end of year | \$ 852,835 | 852,835 | 896,274 | 43,439 |

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

Affordable Housing

For the year ended December 31, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | Budget | | Actual Amounts | Variance with Amended Budget |
|--|-----------------|----------------|---------------------------|---|
| | Original | Amended | | |
| REVENUES | | | | |
| County charges | \$ 180,000 | 210,000 | 259,279 | 49,279 |
| Interest | — | — | 233 | 233 |
| Total revenues | 180,000 | 210,000 | 259,512 | 49,512 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government - administrative | 35,608 | 65,108 | 45,991 | 19,117 |
| Payments to other governments | 145,000 | 145,500 | 145,500 | — |
| Total expenditures | 180,608 | 210,608 | 191,491 | 19,117 |
| Excess/deficiency of revenues over (under) expenditures | (608) | (608) | 68,021 | 68,629 |
| Fund balance, beginning of year | 9,615 | 9,615 | 78,089 | 68,474 |
| Fund balance, end of year | \$ 9,007 | 9,007 | 146,110 | 137,103 |

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

Hotel Tax

For the year ended December 31, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | Budget | | Actual Amounts | Variance with Amended Budget |
|---|-----------------|----------------|---------------------------|---|
| | Original | Amended | | |
| REVENUES | | | | |
| Taxes | \$ 1,800,300 | 2,300,300 | 2,101,033 | (199,267) |
| County charges | — | — | — | — |
| Interest | 4,000 | 4,000 | — | (4,000) |
| Total revenues | 1,804,300 | 2,304,300 | 2,101,033 | (203,267) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Culture and recreation | 36,000 | 46,000 | 37,330 | 8,670 |
| Total expenditures | 36,000 | 46,000 | 37,330 | 8,670 |
| Excess of revenues over expenditures | 1,768,300 | 2,258,300 | 2,063,703 | (194,597) |
| OTHER FINANCING USES | | | | |
| Transfers out | (1,768,300) | (2,258,300) | (2,063,703) | 194,597 |
| Total other financing uses | (1,768,300) | (2,258,300) | (2,063,703) | 194,597 |
| 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, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | Budget | | Actual Amounts | Variance with Amended Budget |
|--|-----------------|----------------|---------------------------|---|
| | Original | Amended | | |
| REVENUES | | | | |
| Grants | \$ 350,719 | 350,719 | — | (350,719) |
| County charges | 5,700,510 | 5,700,510 | 6,032,963 | 332,453 |
| Interest | 29,263 | 29,263 | 271 | (28,992) |
| Contributions and other | 500 | 500 | 417 | (83) |
| Total revenues | 6,080,992 | 6,080,992 | 6,033,651 | (47,341) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Emergency telephone | 6,372,732 | 6,372,732 | 5,927,176 | 445,556 |
| Capital outlay | 590,085 | 590,085 | 501,460 | 88,625 |
| Total expenditures | 6,962,817 | 6,962,817 | 6,428,636 | 534,181 |
| Deficiency of revenues under expenditures | (881,825) | (881,825) | (394,985) | 486,840 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 1,513,575 | 3,013,575 | 1,989,894 | (1,023,681) |
| Transfers out | (631,750) | (2,131,750) | (1,594,909) | 536,841 |
| Total other financing sources (uses) | 881,825 | 881,825 | 394,985 | (486,840) |
| Net change in fund balance | — | — | — | — |
| Fund balance, beginning of year | 2,500,000 | 2,500,000 | 2,495,389 | (4,611) |
| Fund balance, end of year | \$ 2,500,000 | 2,500,000 | 2,495,389 | (4,611) |

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

HealthChoices-Cumberland County

For the fiscal year ended June 30, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | Budget | | Actual | Variance with |
|--------------------------------------|-----------------|----------------|----------------|---------------------------|
| | Original | Amended | Amounts | Amended Budget |
| REVENUES | | | | |
| Interest | 500 | 500 | 1 | (499) |
| Total revenues | 500 | 500 | 1 | (499) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Human services | — | — | — | — |
| Total expenditures | — | — | — | — |
| Excess of revenues over expenditures | 500 | 500 | 1 | (499) |
| OTHER FINANCING USES | | | | |
| Transfers out | (500) | (500) | (1) | 499 |
| Total other financing uses | (500) | (500) | (1) | 499 |
| Net change in fund balance | — | — | — | — |
| Fund balance, beginning of year | — | — | — | — |
| Fund balance, end of year | \$ — | — | — | — |

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

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

Debt Service

For the year ended December 31, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | Budget | | Actual Amounts | Variance with Amended Budget |
|--|-----------------|----------------|---------------------------|---|
| | Original | Amended | | |
| REVENUES | | | | |
| Interest | \$ — | — | — | — |
| Total revenues | — | — | — | — |
| EXPENDITURES | | | | |
| Debt service: | | | | |
| Principal retirement | 3,698,090 | 3,569,730 | 3,521,185 | 48,545 |
| Debt interest | 840,701 | 969,061 | 962,578 | 6,483 |
| Total expenditures | 4,538,791 | 4,538,791 | 4,483,763 | 55,028 |
| Deficiency of revenues under expenditures | (4,538,791) | (4,538,791) | (4,483,763) | 55,028 |
| OTHER FINANCING SOURCES | | | | |
| Transfer in | 4,538,791 | 4,538,791 | 4,483,763 | (55,028) |
| Total other financing sources | 4,538,791 | 4,538,791 | 4,483,763 | (55,028) |
| 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, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | Budget | | Actual Amounts | Variance with Amended Budget |
|--|-----------------|----------------|---------------------------|---|
| | Original | Amended | | |
| REVENUES | | | | |
| Grants | \$ 350,000 | 350,000 | 248,011 | (101,989) |
| County charges | — | 134,500 | 107,267 | (27,233) |
| Interest | 1,400 | 1,400 | 6,076 | 4,676 |
| Total revenues | 351,400 | 485,900 | 361,354 | (124,546) |
| EXPENDITURES | | | | |
| Current expenditures | 120,500 | 120,500 | — | 120,500 |
| Capital outlay | 4,122,930 | 4,863,930 | 2,383,230 | 2,480,700 |
| Payments to other governments | 1,000,000 | 1,233,000 | 580,478 | 652,522 |
| Total expenditures | 5,243,430 | 6,217,430 | 2,963,708 | 3,253,722 |
| Deficiency of revenues under expenditures | (4,892,030) | (5,731,530) | (2,602,354) | 3,129,176 |
| OTHER FINANCING SOURCES | | | | |
| Proceeds from issuance of debt | 2,900,000 | 2,900,000 | — | (2,900,000) |
| Transfer in | — | — | 894,392 | 894,392 |
| Total other financing sources | 2,900,000 | 2,900,000 | 894,392 | (2,005,608) |
| Net change in fund balance | (1,992,030) | (2,831,530) | (1,707,962) | 1,123,568 |
| Fund balance, beginning of year | 4,157,262 | 4,157,262 | 3,523,004 | (634,258) |
| Fund balance, end of year | \$ 2,165,232 | 1,325,732 | 1,815,042 | 489,310 |

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 Services – 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 Forfeitures – 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 ended December 31, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | Budget | | Actual Amounts | Variance with Amended Budget |
|--|-----------------|----------------|---------------------------|---|
| | Original | Amended | | |
| REVENUES | | | | |
| Grants | \$ — | — | — | — |
| Interest | — | — | — | — |
| Total revenues | — | — | — | — |
| EXPENDITURES | | | | |
| Current: | | | | |
| Economic development | — | 1,644,709 | 84,196 | 1,560,513 |
| Capital outlay | — | 350,000 | 222 | 349,778 |
| Payment to other governments | — | 469,191 | — | 469,191 |
| Total expenditures | — | 2,463,900 | 84,418 | 2,379,482 |
| Deficiency of revenues under expenditures | — | (2,463,900) | (84,418) | 2,379,482 |
| OTHER FINANCING USES | | | | |
| Transfers out | — | (536,100) | (536,060) | 40 |
| Total other financing uses | — | (536,100) | (536,060) | 40 |
| Net change in fund balance | — | (3,000,000) | (620,478) | 2,379,522 |
| Fund balance, beginning of year | — | — | 620,478 | 620,478 |
| Fund balance, end of year | \$ — | (3,000,000) | — | 3,000,000 |

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

Insurance Fraud Prevention Authority

For the fiscal year ended June 30, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | Budget | | Actual Amounts | Variance with Amended Budget |
|--|-----------------|----------------|---------------------------|---|
| | Original | Amended | | |
| REVENUES | | | | |
| Grants | \$ 251,042 | 251,042 | 201,370 | (49,672) |
| County charges | — | — | 34 | 34 |
| Interest | 450 | 450 | 110 | (340) |
| Total revenues | 251,492 | 251,492 | 201,514 | (49,978) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 251,492 | 251,492 | 201,514 | 49,978 |
| Total expenditures | 251,492 | 251,492 | 201,514 | 49,978 |
| 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 Services

For the fiscal year ended June 30, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | Budget | | Actual Amounts | Variance with Amended Budget |
|--|-----------------|----------------|---------------------------|---|
| | Original | Amended | | |
| REVENUES | | | | |
| Grants | \$ 573,339 | 573,339 | 406,382 | (166,957) |
| County charges | 3,000 | 3,000 | 2,117 | (883) |
| Total revenues | 576,339 | 576,339 | 408,499 | (167,840) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Human services | 1,711,959 | 1,711,959 | 1,402,994 | 308,965 |
| Total expenditures | 1,711,959 | 1,711,959 | 1,402,994 | 308,965 |
| Deficiency of revenues under expenditures | (1,135,620) | (1,135,620) | (994,495) | 141,125 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 1,135,620 | 1,135,620 | 994,495 | (141,125) |
| Total other financing sources | 1,135,620 | 1,135,620 | 994,495 | (141,125) |
| 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, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | <u>Budget</u> | | <u>Actual Amounts</u> | <u>Variance with Amended Budget</u> |
|---------------------------------------|-----------------|----------------|---------------------------|---|
| | <u>Original</u> | <u>Amended</u> | | |
| REVENUES | | | | |
| County charges | \$ 600 | 600 | — | (600) |
| Court costs, fines, and forfeitures | 850,000 | 850,000 | 852,386 | 2,386 |
| Total revenues | 850,600 | 850,600 | 852,386 | 1,786 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 780,575 | 780,575 | 740,038 | 40,537 |
| Total expenditures | 780,575 | 780,575 | 740,038 | 40,537 |
| Excess of revenues over expenditures | 70,025 | 70,025 | 112,348 | 42,323 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | — | — | 1,033 | (1,033) |
| Transfers out | (75,000) | (75,000) | (75,000) | — |
| Total other financing sources (uses) | (75,000) | (75,000) | (73,967) | (1,033) |
| Net change in fund balance | (4,975) | (4,975) | 38,381 | 41,290 |
| Fund balance, beginning of year | 1,248,229 | 1,248,229 | 1,253,205 | 4,976 |
| Fund balance, end of year | \$ 1,243,254 | 1,243,254 | 1,291,586 | 46,266 |

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

STOP Grant

For the year ended December 31, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | Budget | | Actual Amounts | Variance with Amended Budget |
|--|-----------------|----------------|---------------------------|---|
| | Original | Amended | | |
| REVENUES | | | | |
| Grants | \$ 125,000 | 125,000 | 125,000 | — |
| County charges | — | — | 78 | 78 |
| Interest | 50 | 50 | 2 | (48) |
| Total revenues | 125,050 | 125,050 | 125,080 | 30 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Public safety | 182,085 | 182,085 | 174,544 | 7,541 |
| Total expenditures | 182,085 | 182,085 | 174,544 | 7,541 |
| Deficiency of revenues under expenditures | (57,035) | (57,035) | (49,464) | 7,571 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 57,035 | 57,035 | 49,464 | (7,571) |
| Total other financing sources | 57,035 | 57,035 | 49,464 | (7,571) |
| 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 ended December 31, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | Budget | | Actual Amounts | Variance with Amended Budget |
|--------------------------------------|-----------------|----------------|---------------------------|---|
| | Original | Amended | | |
| REVENUES | | | | |
| County charges | \$ 200,000 | 200,000 | 338,174 | 138,174 |
| Total revenues | 200,000 | 200,000 | 338,174 | 138,174 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Payments to other governments | 100,000 | 100,000 | — | 100,000 |
| Total expenditures | 100,000 | 100,000 | — | 100,000 |
| Excess of revenues over expenditures | 100,000 | 100,000 | 338,174 | 238,174 |
| Fund balance, beginning of year | — | — | 94,740 | 94,740 |
| Fund balance, end of year | \$ 100,000 | 100,000 | 432,914 | 332,914 |

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

District Attorney-Federal Forfeitures

For the ended December 31, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | Budget | | Actual Amounts | Variance with Amended Budget |
|--|-----------------|----------------|---------------------------|---|
| | Original | Amended | | |
| REVENUES | | | | |
| Interest | \$ 75 | 75 | 16 | (59) |
| Total revenues | 75 | 75 | 16 | (59) |
| EXPENDITURES | | | | |
| Current: | | | | |
| Human services | 8,500 | 8,500 | — | 8,500 |
| Total expenditures | 8,500 | 8,500 | — | 8,500 |
| Excess (deficiency) of revenues excess (under) expenditures | (8,425) | (8,425) | 16 | 8,441 |
| Fund balance, beginning of year | 41,575 | 41,575 | 50,188 | 8,613 |
| Fund balance, end of year | \$ 33,150 | 33,150 | 50,204 | 17,054 |

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, 2021***COUNTY OF CUMBERLAND, PENNSYLVANIA****(unaudited)**

| | Workers' Compensation | Health Care Self Insurance | Totals |
|-------------------------------|----------------------------------|---------------------------------------|---------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 157,961 | 4,742,249 | 4,900,210 |
| Investments | 810,720 | — | 810,720 |
| Customer accounts receivable | 1,500 | 50,357 | 51,857 |
| Prepaid | 93,615 | 352 | 93,967 |
| Total current assets | 1,063,796 | 4,792,958 | 5,856,754 |
| Total assets | 1,063,796 | 4,792,958 | 5,856,754 |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | 2,000 | 4,776 | 6,776 |
| Accrued payroll | 695 | 3,331 | 4,026 |
| Due to other funds | 50,536 | 106,888 | 157,424 |
| Unearned revenue | — | 1,203 | 1,203 |
| Self-insurance claims payable | 86,863 | 1,062,000 | 1,148,863 |
| Total current liabilities | 140,094 | 1,178,198 | 1,318,292 |
| Noncurrent liabilities: | | | |
| Due in more than one year: | | | |
| Self-insurance claims payable | 457,129 | — | 457,129 |
| Total noncurrent liabilities | 457,129 | — | 457,129 |
| Total liabilities | 597,223 | 1,178,198 | 1,775,421 |
| NET POSITION | | | |
| Unrestricted | 466,573 | 3,614,760 | 4,081,333 |
| Total net position | \$ 466,573 | 3,614,760 | 4,081,333 |

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Internal Service Funds

For the year ended December 31, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | <u>Workers'</u> <u>Compensation</u> | <u>Health Care</u> <u>Self Insurance</u> | <u>Totals</u> |
|---------------------------------------|--|---|-------------------|
| Operating revenues: | | | |
| Charges for sales and services: | | | |
| County charges | \$ 346,250 | 14,691,301 | 15,037,551 |
| Total operating revenues | <u>346,250</u> | <u>14,691,301</u> | <u>15,037,551</u> |
| Operating expenses: | | | |
| Patient/client services | <u>174,006</u> | <u>13,635,823</u> | <u>13,809,829</u> |
| Total operating expenses | <u>174,006</u> | <u>13,635,823</u> | <u>13,809,829</u> |
| Operating income | <u>172,244</u> | <u>1,055,478</u> | <u>1,227,722</u> |
| Nonoperating revenues: | | | |
| Loss on investments | (9,774) | — | (9,774) |
| Interest income | <u>7,206</u> | <u>815</u> | <u>8,021</u> |
| Total nonoperating revenues (loss) | <u>(2,568)</u> | <u>815</u> | <u>(1,753)</u> |
| Change in net position | <u>169,676</u> | <u>1,056,293</u> | <u>1,225,969</u> |
| Total net position, beginning of year | <u>296,897</u> | <u>2,558,467</u> | <u>2,855,364</u> |
| Total net position, end of year | <u>\$ 466,573</u> | <u>3,614,760</u> | <u>4,081,333</u> |

COMBINING STATEMENT OF CASH FLOWS**Internal Service Funds*****For the year ended December 31, 2021*****COUNTY OF CUMBERLAND, PENNSYLVANIA****(unaudited)**

| | Workers' Compensation | Health Care Self Insurance | Totals |
|--|----------------------------------|---------------------------------------|---------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash received on county charges | \$ 346,250 | 14,700,220 | 15,046,470 |
| Payments to vendors | (619,328) | (13,217,565) | (13,836,893) |
| Payments to employees | — | (104,576) | (104,576) |
| Net cash provided by (used in) operating activities | (273,078) | 1,378,079 | 1,105,001 |
| CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Grants | — | 1,306 | 1,306 |
| Net cash provided by non-capital and related financing activities | — | 1,306 | 1,306 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of investments | (317,084) | — | (317,084) |
| Gain/loss on investments | (1,551) | 815 | (736) |
| Net cash provided by (used in) investing activities | (318,635) | 815 | (317,820) |
| Net increase (decrease) in cash and cash equivalents | (591,713) | 1,380,200 | 788,487 |
| Cash and cash equivalents, January 1 | 749,674 | 3,362,049 | 4,111,723 |
| Cash and cash equivalents, December 31 | \$ 157,961 | 4,742,249 | 4,900,210 |
| Reconciliation of operating income (loss) to net cash used by operating activities: | | | |
| Operating income | \$ 172,244 | 1,055,478 | 1,227,722 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | |
| Changes in assets and liabilities in: | | | |
| Accounts receivable | — | 5,874 | 5,874 |
| Due from other funds | 22,660 | 61,324 | 83,984 |
| Prepaid | (93,615) | 93,622 | 7 |
| Accounts payable | (3,600) | 4,124 | 524 |
| Accrued liabilities and withholdings | 159 | 500 | 659 |
| Unearned revenues | — | (23,843) | (23,843) |
| Self-insurance debt-claims payable | (370,926) | 181,000 | (189,926) |
| Total adjustments | (445,322) | 322,601 | (122,721) |
| Net cash provided by (used in) operating activities | \$ (273,078) | 1,378,079 | 1,105,001 |

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

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

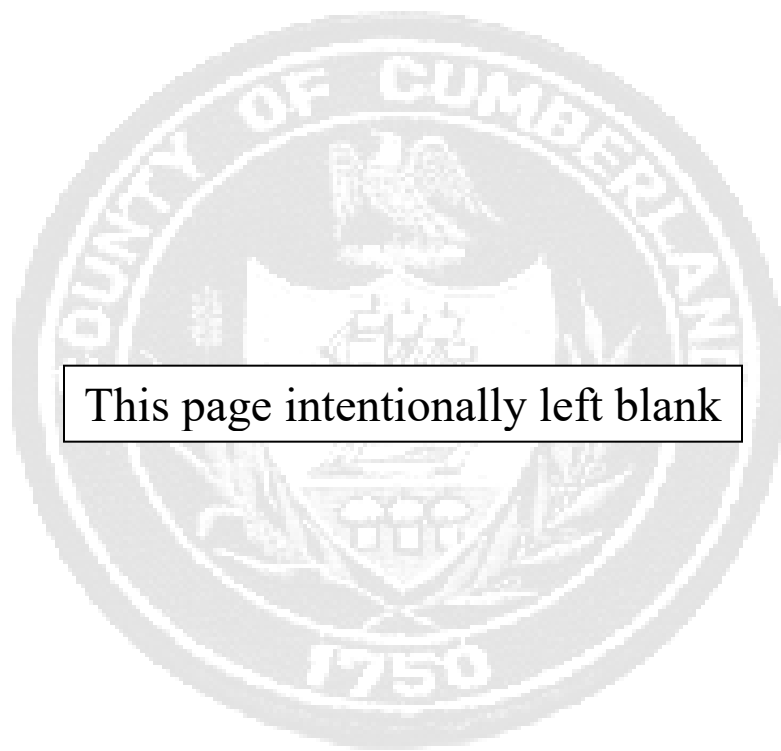
Flexible Spending Account – Used to account for funds set aside pre-tax by employees in the County's flexible spending plan to pay eligible daycare costs of dependent children or parents.

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.



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Combining Statement of Fiduciary Net Position
All Custodial Funds

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 | \$ | 1,182 | 310,689 | 755,097 | 693,105 | 2,399,064 | 13,380 | 6,626 |
| Total assets | \$ | 1,182 | 310,689 | 755,097 | 693,105 | 2,399,064 | 13,380 | 6,626 |
| LIABILITIES | | | | | | | | |
| Due to other governments | \$ | — | — | 104,159 | 9,374 | 2,399,064 | 13,380 | 6,626 |
| Total liabilities | | — | — | 104,159 | 9,374 | 2,399,064 | 13,380 | 6,626 |
| Net Position | \$ | 1,182 | 310,689 | 650,938 | 683,731 | — | — | — |

December 31, 2021

(unaudited)

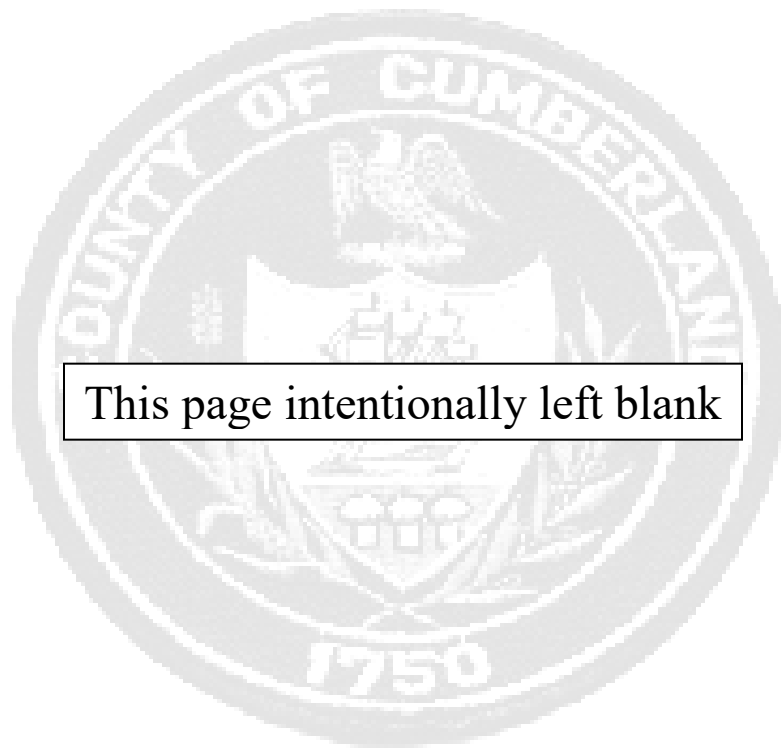
| Sheriff | District Attorney | Flexible Spending Account | Human Services Guardianship Accounts | Tax Sale Surplus | Deferred Taxes | MDJ Accounts | Total |
|----------------|------------------------------|--|---|-----------------------------|---------------------------|-------------------------|--------------|
| 961,089 | 391,495 | 20,428 | 17,605 | 628,051 | 657,832 | 198,010 | 7,053,653 |
| 961,089 | 391,495 | 20,428 | 17,605 | 628,051 | 657,832 | 198,010 | 7,053,653 |
| 17,213 | — | — | — | — | 657,832 | 92,098 | 3,299,746 |
| 17,213 | — | — | — | — | 657,832 | 92,098 | 3,299,746 |
| 943,876 | 391,495 | 20,428 | 17,605 | 628,051 | — | 105,912 | 3,753,907 |

Combining Statement of Change in 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 | \$ | — | — | 1,784,856 | 121,135 | — | 200,337 | 83,694 |
| Taxes | | — | — | — | — | 52,016,455 | — | 27,615,844 |
| Escrow | | 73,103 | 843,749 | 1,560,142 | 267,728 | — | — | — |
| Total additions | | 73,103 | 843,749 | 3,344,998 | 388,863 | 52,016,455 | 200,337 | 27,699,538 |
| Deductions | | | | | | | | |
| Other governments: | | | | | | | | |
| Fees, costs, fines & licenses | | — | — | 1,784,856 | 121,135 | — | 200,337 | 83,694 |
| Taxes | | — | — | — | — | 52,016,455 | — | 27,615,844 |
| Escrow | | 89,469 | 613,467 | 1,842,651 | 402,375 | — | — | — |
| Total deductions | | 89,469 | 613,467 | 3,627,507 | 523,510 | 52,016,455 | 200,337 | 27,699,538 |
| Net increase (decrease) in Fiduciary Net Position | | (16,366) | 230,282 | (282,509) | (134,647) | — | — | — |
| Net position - beginning | | 17,548 | 80,407 | 933,447 | 818,378 | — | — | — |
| Net position - ending | \$ | 1,182 | 310,689 | 650,938 | 683,731 | — | — | — |

For the year ended December 31, 2021

| Sheriff | District Attorney | Flexible Spending Account | Human Services Guardianship Accounts | Tax Sale Surplus | Deferred Taxes | Magisterial District Court Accounts | Total |
|----------------|--------------------------|----------------------------------|---|-------------------------|-----------------------|--|--------------|
| 124,950 | — | — | — | — | — | 5,102,415 | 7,417,387 |
| — | — | — | — | 68,787 | 8,200,112 | — | 87,901,198 |
| 4,462,160 | 219,331 | 75,613 | 55,581 | 397,482 | 45,242 | 574,305 | 8,574,436 |
| 4,587,110 | 219,331 | 75,613 | 55,581 | 466,269 | 8,245,354 | 5,676,720 | 103,893,021 |
| 124,950 | — | — | — | — | — | 5,102,415 | 7,417,387 |
| — | — | — | — | 94,533 | 8,200,112 | — | 87,926,944 |
| 3,661,017 | 293,730 | 79,762 | 56,839 | 325,095 | 45,242 | 581,195 | 7,990,842 |
| 3,785,967 | 293,730 | 79,762 | 56,839 | 419,628 | 8,245,354 | 5,683,610 | 103,335,173 |
| 801,143 | (74,399) | (4,149) | (1,258) | 46,641 | - | (6,890) | 557,848 |
| 142,733 | 465,894 | 24,577 | 18,863 | 581,410 | - | 112,802 | 3,196,059 |
| 943,876 | 391,495 | 20,428 | 17,605 | 628,051 | - | 105,912 | 3,753,907 |



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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 annual comprehensive 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)

| | 2012 | 2013 | 2014 | 2015 |
|---|----------------------|-------------------|-------------------|-------------------|
| Governmental activities | | | | |
| Net investment in capital assets | \$ 26,848,932 | 27,357,708 | 30,386,044 | 34,018,215 |
| Restricted | 10,653,143 | 8,345,285 | 8,832,346 | 10,851,199 |
| Unrestricted | 22,076,410 | 25,596,675 | 27,835,433 | 31,827,828 |
| Total governmental activities net position | <u>\$ 59,578,485</u> | <u>61,299,668</u> | <u>67,053,823</u> | <u>76,697,242</u> |
| Business-type activities | | | | |
| Net investment in capital assets | \$ 4,383,167 | 4,675,435 | 1,768,189 | 2,269,224 |
| Restricted | - | - | - | - |
| Unrestricted | 5,020,588 | 5,033,865 | 4,807,185 | 5,371,159 |
| Total business-type activities net position | <u>\$ 9,403,755</u> | <u>9,709,300</u> | <u>6,575,374</u> | <u>7,640,383</u> |
| Primary government | | | | |
| Net investment in capital assets | \$ 31,232,099 | 32,033,143 | 32,154,233 | 36,287,439 |
| Restricted | 10,653,143 | 8,345,285 | 8,832,346 | 10,851,199 |
| Unrestricted | 27,096,998 | 30,630,540 | 32,642,618 | 37,198,987 |
| Total primary government net position | <u>\$ 68,982,240</u> | <u>71,008,968</u> | <u>73,629,197</u> | <u>84,337,625</u> |

As of the year ended indicated

(unaudited)

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|------------|-------------|-------------|-------------|-------------|-------------|
| 36,791,935 | 44,481,499 | 49,481,224 | 56,035,497 | 69,736,180 | 74,098,369 |
| 12,085,563 | 13,675,898 | 19,408,754 | 17,604,860 | 19,690,572 | 22,391,580 |
| 37,147,508 | 43,859,985 | 37,280,435 | 41,525,905 | 47,511,675 | 52,659,963 |
| 86,025,006 | 102,017,382 | 106,170,413 | 115,166,262 | 136,938,427 | 149,149,912 |
| 2,975,768 | 3,720,244 | 4,270,322 | 5,321,075 | 6,202,927 | 6,149,391 |
| - | - | - | - | - | - |
| 5,695,517 | 4,802,623 | 3,109,735 | 1,243,989 | 5,799,002 | 2,644,087 |
| 8,671,285 | 8,522,867 | 7,380,057 | 6,565,064 | 12,001,929 | 8,793,478 |
| 39,767,703 | 48,201,743 | 53,751,546 | 61,356,572 | 75,939,107 | 80,247,760 |
| 12,085,563 | 13,675,898 | 19,408,754 | 17,604,860 | 19,690,572 | 22,391,580 |
| 42,843,025 | 48,662,608 | 40,390,170 | 42,769,894 | 53,310,677 | 55,304,050 |
| 94,696,291 | 110,540,249 | 113,550,470 | 121,731,326 | 148,940,356 | 157,943,390 |

FINANCIAL TRENDS

Changes in Net Position

COUNTY OF CUMBERLAND, PENNSYLVANIA (accrual basis of accounting)

| | 2012 | 2013 | 2014 |
|---|----------------|-------------|-------------|
| Expenses | | | |
| Governmental activities | | | |
| General government - administrative | \$ 14,280,937 | 14,144,701 | 13,728,858 |
| General government - judicial | 18,528,473 | 18,545,493 | 18,396,045 |
| Corrections (1) | - | 18,165,075 | 18,955,396 |
| Emergency telephone (2) | - | - | 5,444,274 |
| Public safety | 21,611,054 | 3,826,455 | 4,125,147 |
| Transportation services (2) | - | - | 2,506,885 |
| Roads and bridge maintenance | 281,498 | 511,078 | 327,879 |
| Recycling and waste management | 586,934 | 330,697 | 266,872 |
| Human services: | | | |
| Mental health/intellectual and developmental disabilities | 17,257,878 | 16,409,341 | 17,837,104 |
| HealthChoices - Cumberland County | 28,363,948 | 28,879,387 | 28,653,048 |
| Children and youth | 13,813,083 | 14,186,821 | 14,873,696 |
| Food and shelter | 810,200 | 851,772 | 1,204,422 |
| Office of aging | 3,425,700 | 3,055,181 | 3,297,677 |
| Other | 8,338,934 | 3,651,819 | 3,907,128 |
| Culture and recreation | 138,045 | 191,890 | 38,657 |
| Conservation | 432,798 | 486,778 | 571,509 |
| Community redevelopment and housing | 222,796 | 237,269 | 198,051 |
| Economic development and assistance | 3,539,001 | 3,602,456 | 4,058,868 |
| Interest on long-term debt | 1,687,988 | 1,618,892 | 1,702,282 |
| Indirect expenses | (641,105) | (716,180) | (676,395) |
| Total governmental activities expenses | 132,678,162 | 127,978,925 | 139,417,403 |
| Business-type activities | | | |
| County nursing home | 24,610,308 | 24,005,271 | 24,480,806 |
| Early Learning Center | 339,864 | - | - |
| Emergency telephone (2) | 5,969,320 | 5,704,448 | - |
| Hazardous materials protection (2) | 192,719 | 157,291 | - |
| Transportation services (2) | 2,502,154 | 2,503,355 | - |
| Indirect expenses | 641,105 | 716,180 | 676,395 |
| Total business-type activities expenses | 34,255,470 | 33,086,545 | 25,157,201 |
| Total primary government expenses | \$ 166,933,632 | 161,065,470 | 164,574,604 |
| Program revenues | | | |
| Governmental activities | | | |
| Charges for services | | | |
| General government - administrative | \$ 4,464,773 | 4,838,303 | 3,954,301 |
| General government - judicial | 4,610,779 | 4,527,455 | 2,690,559 |
| Corrections (1) | - | 1,743,574 | 2,126,004 |
| Emergency telephone (2) | - | - | 1,638,261 |
| Public safety | 3,125,837 | 1,429,935 | 1,582,213 |
| Transportation services (2) | - | - | 1,280,478 |
| Roads and bridge maintenance | 10,791 | 2,952 | 80 |
| Recycling and waste management | 109,662 | 111,890 | 121,023 |
| Human services | 6,999,960 | 3,740,695 | 4,515,227 |
| Culture and recreation | 11,397 | 8,648 | - |
| Conservation | 30,282 | 18,716 | 53,613 |

For the year ended indicated

| (unaudited) | | | | | | |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| 13,631,117 | 14,810,069 | 14,479,524 | 15,758,996 | 16,101,447 | 17,357,002 | 17,357,002 |
| 18,751,395 | 20,888,619 | 20,971,925 | 22,958,993 | 23,525,229 | 22,170,225 | 22,170,225 |
| 18,568,390 | 19,330,948 | 18,680,545 | 20,767,652 | 20,197,576 | 19,006,915 | 19,006,915 |
| 5,272,839 | 5,469,089 | 5,186,230 | 5,493,643 | 5,488,194 | 5,614,675 | 5,614,675 |
| 4,029,829 | 4,635,939 | 4,491,900 | 4,967,090 | 4,825,274 | 4,669,689 | 4,669,689 |
| 1,465,829 | 131,285 | - | - | - | - | - |
| 920,955 | 818,420 | 504,229 | 314,513 | 626,877 | 744,420 | 744,420 |
| 271,432 | 254,298 | 399,114 | 462,056 | 419,699 | 492,831 | 492,831 |
| 16,842,101 | 17,230,628 | 16,450,746 | 16,979,398 | 17,879,541 | 18,450,784 | 18,450,784 |
| 29,681,949 | 36,322,582 | 38,747,541 | 41,642,653 | 21,354,714 | - | - |
| 16,660,594 | 18,000,735 | 19,149,179 | 21,057,856 | 22,114,286 | 21,195,003 | 21,195,003 |
| 1,054,332 | 758,684 | 886,130 | 855,309 | 880,848 | 785,530 | 785,530 |
| 3,798,961 | 4,144,889 | 4,365,657 | 4,626,004 | 4,347,858 | 3,815,751 | 3,815,751 |
| 3,514,705 | 3,753,249 | 3,993,007 | 5,159,038 | 5,193,094 | 5,013,534 | 5,013,534 |
| 435,407 | 26,192 | 14,664 | 99,313 | 120,091 | 8,835 | 8,835 |
| 462,380 | 546,916 | 558,314 | 644,513 | 648,319 | 717,102 | 717,102 |
| 180,019 | 192,851 | 195,676 | 192,421 | 183,923 | 191,492 | 191,492 |
| 3,715,216 | 3,537,217 | 4,592,886 | 4,288,632 | 4,241,101 | 17,735,150 | 17,735,150 |
| 1,579,219 | 1,389,520 | 1,224,814 | 1,025,575 | 1,080,800 | 942,071 | 942,071 |
| (560,442) | (635,987) | (660,484) | (659,621) | (665,900) | (683,427) | (683,427) |
| 140,276,227 | 151,606,143 | 154,231,597 | 166,634,034 | 148,562,971 | 138,227,582 | 138,227,582 |
| 24,481,218 | 26,709,058 | 27,284,499 | 28,692,036 | 27,843,507 | 21,314,138 | 21,314,138 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 560,442 | 635,987 | 660,484 | 659,621 | 665,900 | 683,427 | 683,427 |
| 25,041,660 | 27,345,045 | 27,944,983 | 29,351,657 | 28,509,407 | 21,997,565 | 21,997,565 |
| 165,317,887 | 178,951,188 | 182,176,580 | 195,985,691 | 177,072,378 | 160,225,147 | 160,225,147 |
| 4,408,795 | 4,264,648 | 4,330,066 | 4,120,742 | 4,107,225 | 5,592,379 | 5,592,379 |
| 4,006,868 | 4,202,217 | 4,620,892 | 4,745,433 | 4,790,761 | 4,415,451 | 4,415,451 |
| 2,157,892 | 2,207,594 | 2,456,615 | 2,744,455 | 2,416,267 | 2,468,067 | 2,468,067 |
| 5,719,438 | 5,935,193 | 6,116,261 | 5,713,151 | 5,945,523 | 6,032,963 | 6,032,963 |
| 1,871,093 | 1,689,680 | 1,872,049 | 2,010,638 | 1,900,834 | 1,725,250 | 1,725,250 |
| 604,374 | - | - | - | - | - | - |
| 971,680 | 1,201,297 | 1,506,085 | 1,063,036 | 1,363,154 | 1,339,980 | 1,339,980 |
| 111,899 | 120,571 | 253,064 | 310,821 | 334,865 | 374,228 | 374,228 |
| 3,439,248 | 3,640,729 | 3,322,160 | 3,655,136 | 3,730,998 | 3,667,632 | 3,667,632 |
| - | - | - | - | - | - | - |
| 37,207 | 53,412 | 45,558 | 59,272 | 87,335 | 74,778 | 74,778 |

(continued)

FINANCIAL TRENDS

Changes in Net Position

COUNTY OF CUMBERLAND, PENNSYLVANIA
(accrual basis of accounting)

| | 2012 | 2013 | 2014 |
|---|----------------|-------------|-------------|
| (continued) | | | |
| Program revenues | | | |
| Community redevelopment and housing | 221,410 | 223,797 | 176,318 |
| Economic development and assistance | 93,888 | - | - |
| Operating grants and contributions | | | |
| General government - administrative | 574,441 | 350,086 | 451,533 |
| General government - judicial | 2,657,904 | 2,829,612 | 2,722,094 |
| Corrections (1) | - | 699,760 | 738,753 |
| Emergency telephone (2) | - | - | 1,484,096 |
| Public safety | 1,405,009 | 598,286 | 708,927 |
| Transportation services (2) | - | - | 1,101,968 |
| Roads and bridge maintenance | 445,570 | 532,209 | 446,947 |
| Recycling and waste management | 100,250 | 68,822 | 75,303 |
| Human services: | | | |
| Mental health/intellectual and developmental disabilities | 14,750,083 | 13,928,418 | 14,403,100 |
| HealthChoices - Cumberland County | 28,354,028 | 28,879,053 | 28,652,699 |
| Children and youth | 10,745,739 | 12,395,912 | 12,083,726 |
| Food and shelter | 632,886 | 574,527 | 999,975 |
| Office of aging | 3,218,411 | 3,075,150 | 3,169,562 |
| Other | 2,715,633 | 2,581,674 | 2,656,276 |
| Culture and recreation | - | 92,272 | - |
| Conservation | 289,545 | 294,722 | 279,065 |
| Economic development and assistance | 1,632,160 | 1,462,951 | 1,901,964 |
| Capital grants and contributions | | | |
| General government - administrative | 44,185 | - | 109,043 |
| Public safety | 23,339 | 21,409 | 78,338 |
| Roads and bridge maintenance | 104,717 | 135,074 | 119,073 |
| Economic development and assistance | - | - | - |
| Total governmental activities program revenues | 87,372,679 | 85,165,902 | 90,320,519 |
| Business-type activities | | | |
| Charges for services | | | |
| County nursing home | 24,669,038 | 24,474,978 | 25,693,602 |
| Early Learning Center | 251,875 | - | - |
| Emergency telephone (2) | 1,647,432 | 1,606,054 | - |
| Hazardous materials protection (2) | 45,518 | 58,377 | - |
| Transportation services (2) | 1,012,670 | 1,157,031 | - |
| Operating grants and contributions | | | |
| County nursing home | 9,265 | 15,434 | 220,525 |
| Early Learning Center | 8,753 | - | - |
| Emergency telephone (2) | 2,637,325 | 2,180,632 | - |
| Hazardous materials protection (2) | 39,015 | 36,427 | - |
| Transportation services (2) | 979,680 | 1,060,635 | - |
| Capital grants and contributions | | | |
| Early Learning Center | - | - | - |
| Hazardous materials protection (2) | 1,011 | - | - |
| Transportation services (2) | 449,718 | 715,541 | - |
| Total business-type activities program revenues | 31,751,300 | 31,305,109 | 25,914,127 |
| Total primary government program revenues | \$ 119,123,979 | 116,471,011 | 116,234,646 |

For the year ended indicated

(unaudited)

| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 190,107 | 201,676 | 192,326 | 184,472 | 188,152 | 259,279 | 259,279 |
| - | - | 342,629 | 343,162 | 425,640 | 796,109 | 796,109 |
| 527,623 | 350,237 | 541,456 | 395,221 | 492,691 | 343,002 | 343,002 |
| 2,747,005 | 2,707,945 | 2,801,029 | 2,780,745 | 2,972,107 | 3,220,045 | 3,220,045 |
| 665,351 | 618,714 | 508,831 | 495,916 | 559,835 | 593,556 | 593,556 |
| 575,422 | 651 | 300 | 300 | 505 | 417 | 417 |
| 776,487 | 843,102 | 1,004,211 | 1,029,082 | 1,162,602 | 1,248,012 | 1,248,012 |
| 664,806 | 131,285 | - | - | - | - | - |
| 605,852 | 520,611 | 656,459 | 570,690 | 679,240 | 674,372 | 674,372 |
| 348,835 | 106,249 | 106,062 | 355,696 | 480,903 | 483,450 | 483,450 |
| 14,423,979 | 14,536,070 | 14,440,988 | 14,655,657 | 15,464,342 | 16,578,808 | 16,578,808 |
| 29,681,670 | 36,322,288 | 38,746,200 | 41,654,825 | 21,370,870 | - | - |
| 13,534,980 | 14,359,595 | 15,137,519 | 17,420,040 | 18,986,489 | 17,930,045 | 17,930,045 |
| 880,510 | 612,996 | 756,853 | 693,349 | 755,054 | 834,140 | 834,140 |
| 3,709,887 | 3,871,651 | 4,145,094 | 3,950,861 | 3,591,370 | 3,684,415 | 3,684,415 |
| 2,159,564 | 2,434,801 | 2,634,223 | 3,442,485 | 3,496,997 | 3,258,551 | 3,258,551 |
| 500,000 | - | 5,335 | 392 | - | - | - |
| 295,199 | 304,912 | 251,471 | 321,325 | 383,554 | 338,683 | 338,683 |
| 1,387,870 | 1,456,078 | 1,991,704 | 1,469,188 | 1,870,945 | 16,257,339 | 16,257,339 |
| 68,602 | - | - | - | - | - | - |
| 21,932 | 25,515 | 19,970 | 22,348 | 160,718 | 20,448 | 20,448 |
| 545,602 | 588,762 | 3,149,410 | 485,354 | 2,462,726 | 1,264,476 | 1,264,476 |
| - | - | - | 68,505 | - | - | - |
| 97,639,777 | 103,308,479 | 111,954,820 | 114,762,297 | 100,181,702 | 93,475,875 | 93,475,875 |
| 26,084,652 | 27,091,190 | 27,902,156 | 28,189,387 | 27,665,684 | 16,347,351 | 16,347,351 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 6,747 | 9,961 | 2,063 | 1,215 | 6,461 | 1,746,009 | 1,746,009 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 26,091,399 | 27,101,151 | 27,904,219 | 28,190,602 | 27,672,145 | 18,093,360 | 18,093,360 |
| 123,731,176 | 130,409,630 | 139,859,039 | 142,952,899 | 127,853,847 | 111,569,235 | 111,569,235 |

(continued)

FINANCIAL TRENDS

Changes in Net Position

COUNTY OF CUMBERLAND, PENNSYLVANIA
(accrual basis of accounting)

| | 2012 | 2013 | 2014 |
|--------------------------------------|------------------------|---------------------|---------------------|
| (continued) | | | |
| Net expense: | | | |
| Governmental activities | \$ (45,305,483) | (42,813,023) | (49,096,884) |
| Business-type activities | (2,504,170) | (1,781,436) | 756,926 |
| Total primary government net expense | <u>\$ (47,809,653)</u> | <u>(44,594,459)</u> | <u>(48,339,958)</u> |

General Revenues and Other Changes in Net Position

Governmental activities

| | | | |
|----------------------------------|-------------------|-------------------|-------------------|
| Taxes: | | | |
| Real estate taxes | \$ 42,385,600 | 47,880,387 | 49,915,747 |
| Per capita taxes | 650,909 | 676,050 | 26,631 |
| Hotel taxes | 1,602,610 | 1,604,287 | 1,676,860 |
| Special item | - | - | - |
| Unrestricted investment earnings | 222,193 | 20,558 | 198,052 |
| Transfers | (2,303,430) | (2,250,276) | - |
| Total governmental activities | <u>42,557,882</u> | <u>47,931,006</u> | <u>51,817,290</u> |

Business-type activities

| | | | |
|----------------------------------|----------------------|-------------------|-------------------|
| Unrestricted investment earnings | 49,264 | - | 4,744 |
| Transfers | 2,303,430 | 2,250,276 | - |
| Total business-type activities | <u>2,352,694</u> | <u>2,250,276</u> | <u>4,744</u> |
| Total primary government | <u>\$ 44,910,576</u> | <u>50,181,282</u> | <u>51,822,034</u> |

Changes in Net Position

| | | | |
|---------------------------------|-----------------------|------------------|------------------|
| Governmental activities | \$ (2,747,601) | 5,117,983 | 2,720,406 |
| Business-type activities | (151,476) | 468,840 | 761,670 |
| Total primary government | <u>\$ (2,899,077)</u> | <u>5,586,823</u> | <u>3,482,076</u> |

Notes:

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

For the year ended indicated

(unaudited)

| 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| (42,636,450) | (48,297,664) | (42,276,777) | (51,871,737) | (48,381,269) | (44,751,707) | (44,751,707) |
| 1,049,739 | (243,894) | (40,764) | (1,161,055) | (837,262) | (3,904,205) | (3,904,205) |
| (41,586,711) | (48,541,558) | (42,317,541) | (53,032,792) | (49,218,531) | (48,655,912) | (48,655,912) |
| 50,564,085 | 51,340,102 | 52,084,725 | 52,994,780 | 53,750,856 | 55,238,720 | 55,238,720 |
| 5,897 | 96 | 1,331 | 765 | 1,100 | 396 | 396 |
| 1,896,626 | 2,081,392 | 2,106,822 | 2,178,798 | 2,104,919 | 2,101,033 | 2,101,033 |
| (378,887) | (706,760) | - | (220,978) | - | - | - |
| 150,214 | 249,731 | 512,855 | 1,071,403 | 1,392,032 | 314,634 | 314,634 |
| - | - | - | - | - | (691,591) | (691,591) |
| 52,237,935 | 52,964,561 | 54,705,733 | 56,024,768 | 57,248,907 | 56,963,192 | 56,963,192 |
| 3,657 | 3,596 | 6,570 | 18,245 | 22,269 | 4,163 | 4,163 |
| - | - | - | - | - | 691,591 | 691,591 |
| 3,657 | 3,596 | 6,570 | 18,245 | 22,269 | 695,754 | 695,754 |
| 52,241,592 | 52,968,157 | 54,712,303 | 56,043,013 | 57,271,176 | 57,658,946 | 57,658,946 |
| 9,601,485 | 4,666,897 | 12,428,956 | 4,153,031 | 8,867,638 | 12,211,485 | 12,211,485 |
| 1,053,396 | (240,298) | (34,194) | (1,142,810) | (814,993) | (3,208,451) | (3,208,451) |
| 10,654,881 | 4,426,599 | 12,394,762 | 3,010,221 | 8,052,645 | 9,003,034 | 9,003,034 |

FINANCIAL TRENDS

Fund Balances of Governmental Funds

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

| | 2012 | 2013 | 2014 | 2015 |
|--|---------------|------------|------------|------------|
| General fund | | | | |
| Nonspendable: | | | | |
| Prepaid items | \$ 296,853 | 353,803 | 240,956 | 387,486 |
| Restricted: | | | | |
| Landfill closure | 347,522 | 275,863 | 203,492 | 130,438 |
| Farmland preservation | 714,300 | 270,217 | 318,409 | 437,718 |
| Offender supervision | 681,358 | 658,158 | 675,229 | 989,446 |
| Juvenile probation restitution funds | - | - | 18,920 | 27,402 |
| Criminal investigation | 338,460 | 821,979 | 747,271 | 672,896 |
| Register of Wills-Act 34 | 71,250 | 72,750 | 74,025 | 74,925 |
| Coroner - Act 122 | 68,634 | 48,022 | 33,861 | 35,061 |
| Veteran Affairs | - | 50,000 | - | - |
| Hoffer scholarship | 15,812 | 13,615 | 10,503 | - |
| Hazardous materials emergency planning | - | - | 14,098 | 25,813 |
| Row office automation | 218,242 | 252,211 | 153,201 | 128,260 |
| Marcellus Shale | 199,719 | 348,659 | 324,283 | 375,815 |
| Unrestricted: | | | | |
| Assigned: | | | | |
| Public safety | - | - | - | - |
| Future budgetary requirements | 6,551,207 | 3,686,704 | 4,252,825 | 3,888,647 |
| 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 | 595,009 | 546,947 | 603,101 | 613,274 |
| Prison canteen | 226,059 | 314,835 | 425,502 | 473,203 |
| Planning assistance | - | - | - | - |
| Stimulus | - | - | - | - |
| Technological improvements | - | - | - | - |
| Blighted property remediation | - | - | - | - |
| Criminal justice services | 7,081 | 3,944 | 3,947 | 5,047 |
| Unassigned | 10,856,757 | 17,148,138 | 19,493,060 | 22,744,035 |
| Total general fund | \$ 25,163,263 | 28,840,845 | 31,567,683 | 34,984,466 |
| All other governmental funds | | | | |
| Nonspendable: | | | | |
| Prepaid items | \$ 330,154 | 11,916 | 115,233 | 165,182 |
| Loans receivable greater than one year | - | - | - | - |
| Restricted: | | | | |
| Roads and bridge maintenance | 1,207,397 | 1,168,695 | 1,376,674 | 809,135 |
| Judicial services | - | - | - | - |
| Human services | 726,499 | 553,974 | 996,026 | 973,405 |
| Public safety | 38,502 | 36,974 | 39,660 | 2,688,735 |
| Row office automation | 972,248 | 744,951 | 511,936 | 320,125 |
| Conservation | 1,093,589 | 931,598 | 842,633 | 777,915 |
| Marcellus shale | 335,543 | 600,259 | 134,664 | 396,917 |
| Economic development and housing | 2,597,397 | 20,864 | - | 10,125 |
| Debt service | - | - | - | - |
| Capital projects | 3,818,123 | 1,177,907 | 697,246 | 7,171 |
| Unrestricted: | | | | |
| Assigned: | | | | |
| Capital projects | 500,000 | 500,000 | 500,000 | 500,000 |
| Transportation | - | - | 420,524 | - |
| Economic development and housing | - | - | - | - |
| Human services | 55,409 | 388,851 | 34,343 | 67,822 |
| Unassigned | (12,150) | (5,523) | (102,563) | - |
| Total all other governmental funds | \$ 11,662,711 | 6,130,466 | 5,566,376 | 6,716,532 |

As of the year ended indicated

(unaudited)

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|------------|------------|------------|------------|------------|------------|
| 339,389 | 375,395 | 418,519 | 1,524,014 | 1,077,859 | 946,913 |
| 56,443 | - | - | - | - | - |
| 658,973 | 943,857 | 1,054,979 | 803,394 | 1,040,557 | 1,427,691 |
| 1,058,353 | 1,184,513 | 1,285,121 | 1,340,654 | 1,288,648 | 1,259,275 |
| 33,818 | 31,493 | 18,243 | 18,226 | 18,278 | 28,148 |
| 540,179 | 399,283 | 290,393 | 315,007 | 167,959 | 279,982 |
| 75,450 | 76,500 | 77,325 | 78,000 | 78,300 | 78,300 |
| 38,589 | 55,988 | 74,807 | 97,558 | 100,920 | 95,000 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 27,504 | 16,975 | 9,131 | 9,613 | 29,363 | 32,345 |
| 144,142 | 206,084 | 291,614 | 339,315 | 320,660 | 352,784 |
| 351,338 | 391,489 | 421,532 | 581,115 | 578,552 | 582,779 |
| - | 429,953 | 913,778 | 1,386,350 | 1,386,350 | 1,386,350 |
| 2,693,969 | 4,980,133 | 5,655,783 | 6,228,397 | 11,877,030 | 15,491,784 |
| 3,725,000 | 4,831,870 | 5,646,596 | 7,346,596 | 6,625,000 | 6,625,000 |
| 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 |
| 628,860 | 641,748 | 715,000 | 715,000 | 715,000 | 715,000 |
| 557,861 | 669,358 | 744,493 | 592,631 | 663,201 | 906,924 |
| - | - | - | 84,100 | 73,634 | 73,634 |
| - | - | - | - | 620,478 | 71,332 |
| - | - | - | - | 242,532 | - |
| - | - | - | - | - | 432,914 |
| 4,123 | 6,076 | 405 | 8,167 | 7,802 | 7,802 |
| 26,734,235 | 26,720,906 | 28,171,978 | 28,598,196 | 26,223,935 | 21,550,888 |
| 37,918,226 | 42,211,621 | 46,039,697 | 50,316,333 | 53,386,058 | 52,594,845 |
| 157,018 | 323,866 | 311,556 | 307,538 | 1,288,921 | 1,575,409 |
| - | 1,056,268 | 895,310 | - | - | - |
| 1,079,875 | 1,519,101 | 2,572,229 | 3,598,794 | 6,498,952 | 6,593,643 |
| - | - | - | - | - | - |
| 1,292,477 | 1,292,477 | 1,452,441 | 1,629,386 | 1,712,066 | 1,856,995 |
| 3,606,138 | 3,697,867 | 4,091,487 | 3,091,843 | 2,570,601 | 2,411,322 |
| 337,731 | 160,368 | 157,651 | 170,380 | 239,261 | 322,950 |
| 832,962 | 865,680 | 911,081 | 815,914 | 883,684 | 895,220 |
| 500 | 298,541 | 669,326 | 1,044,443 | 1,353,725 | 383,305 |
| 19,035 | 432,493 | 415,338 | 244,497 | 359,306 | 367,945 |
| - | - | 14,793 | - | - | - |
| 500 | 2,708 | - | - | - | - |
| 500,000 | 504,579 | 469,336 | 141,753 | 104,583 | 147,614 |
| - | - | - | - | - | - |
| - | 2,317,132 | 2,162,908 | 2,830,415 | 2,174,909 | 3,480,379 |
| 59,481 | 7,533 | 17,681 | 32,844 | 45,513 | 50,831 |
| - | - | - | - | - | (32,048) |
| 7,885,717 | 12,478,613 | 14,141,137 | 13,907,807 | 17,231,521 | 18,053,565 |

FINANCIAL TRENDS

Changes in Fund Balances of Governmental Funds

COUNTY OF CUMBERLAND, PENNSYLVANIA

(modified accrual basis of accounting)

| | 2012 | 2013 | 2014 | 2015 |
|---|---------------|--------------|--------------|--------------|
| Revenues: | | | | |
| Taxes | \$ 44,610,906 | 50,104,058 | 51,491,496 | 52,645,000 |
| Licenses and permits | 122,829 | 148,860 | 185,585 | 195,612 |
| Grants | 67,258,482 | 68,165,204 | 71,866,816 | 73,829,762 |
| County charges | 16,183,605 | 13,031,309 | 16,605,675 | 20,424,530 |
| Court, costs, fines and forfeitures | 2,435,785 | 2,686,728 | 2,288,064 | 2,629,286 |
| Investment earnings | 222,194 | 20,558 | 165,456 | 131,984 |
| Payment in lieu of taxes | 130,142 | 126,630 | 134,637 | 133,151 |
| Contributions and other | 454,101 | 480,560 | 447,672 | 412,660 |
| Total revenues | 131,418,044 | 134,763,907 | 143,185,401 | 150,401,985 |
| Expenditures: | | | | |
| Current: | | | | |
| General government - administrative | 10,851,620 | 11,048,718 | 10,946,238 | 11,199,523 |
| General government - judicial | 18,623,142 | 18,585,289 | 18,381,527 | 18,873,288 |
| Corrections (1) | - | 17,186,818 | 17,555,792 | 17,490,930 |
| Public safety | 19,595,172 | 2,757,154 | 2,995,701 | 2,961,102 |
| Emergency telephone (2) | - | - | 4,606,338 | 4,567,837 |
| Public works and enterprises | 757,449 | 765,921 | 521,391 | 1,037,277 |
| Transportation (2) | - | - | 2,201,417 | 1,341,181 |
| Human services: | | | | |
| Mental health/intellectual and developmental disabilities | 17,460,022 | 16,620,557 | 18,001,412 | 17,052,397 |
| Children and youth | 14,064,911 | 14,425,663 | 15,082,777 | 16,975,067 |
| HealthChoices - Cumberland County | 28,363,948 | 28,879,386 | 28,653,048 | 29,681,950 |
| Food and shelter | 832,219 | 869,959 | 1,209,950 | 1,104,063 |
| Office of aging | 3,629,633 | 3,261,904 | 3,385,571 | 3,874,498 |
| Drug and alcohol | 3,340,669 | 2,799,298 | 2,943,133 | 2,694,853 |
| Fiscal Employer Agent | 3,079,857 | 29,692 | 310 | - |
| General fund | 710,743 | 803,362 | 924,334 | 781,586 |
| Witness assistance | 470,691 | 446,175 | 443,565 | 497,410 |
| Human services development | 146,452 | 105,501 | 115,332 | 133,890 |
| Culture and recreation | 170,073 | 192,933 | 3,593 | 483,877 |
| Conservation and development | 384,628 | 404,532 | 445,748 | 382,018 |
| Economic development and assistance | 3,408,129 | 3,525,295 | 3,981,712 | 3,638,216 |
| Debt service: | | | | |
| Principal retirement | 2,501,101 | 2,680,175 | 4,623,934 | 4,714,186 |
| Debt interest | 1,698,453 | 1,600,423 | 1,720,603 | 1,598,116 |
| Fiscal charges | - | 18,295 | 39,226 | - |
| Payment to refunding bond escrow | - | - | - | - |
| Capital Outlay | 14,259,834 | 4,375,453 | 2,457,080 | 4,346,320 |
| Payments to other governments | 1,592,960 | 367,243 | 367,473 | 295,169 |
| Total expenditures | 145,941,706 | 131,749,746 | 141,607,205 | 145,724,754 |
| Excess (deficiency) of revenues over (under) expenditures | (14,523,662) | 3,014,161 | 1,578,196 | 4,677,231 |
| Other financing sources (uses): | | | | |
| Transfers in | 11,980,877 | 8,568,427 | 13,226,813 | 14,030,811 |
| Transfers out | (14,269,435) | (10,594,831) | (13,226,813) | (14,030,811) |
| Debt issued | 152,100 | 2,474,252 | 2,365,000 | 238,231 |
| Payment to refund bonds | - | (2,745,437) | (2,401,932) | - |
| Bond premium (discount) | - | 296,152 | 76,644 | - |

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| 53,488,317 | 54,250,290 | 55,180,037 | 55,908,140 | 55,848,747 | 57,778,757 |
| 216,698 | 207,437 | 224,858 | 211,694 | 240,697 | 241,417 |
| 79,475,324 | 86,503,597 | 89,572,920 | 74,666,440 | 83,917,716 | 66,505,278 |
| 20,364,725 | 21,548,112 | 21,154,482 | 21,742,939 | 22,424,980 | 23,094,733 |
| 2,469,085 | 2,886,027 | 3,191,324 | 2,871,863 | 2,806,704 | 3,048,584 |
| 236,531 | 502,008 | 1,038,432 | 1,327,420 | 615,347 | 316,384 |
| 131,075 | 155,472 | 241,053 | 215,425 | 206,961 | 212,219 |
| 447,672 | 513,776 | 348,755 | 368,343 | 354,495 | 354,841 |
| 156,829,427 | 166,566,719 | 170,951,861 | 157,312,264 | 166,415,647 | 151,552,213 |
| 12,377,168 | 11,287,449 | 11,375,971 | 12,313,213 | 13,218,111 | 14,006,441 |
| 20,302,969 | 20,823,087 | 21,367,304 | 22,742,899 | 22,937,694 | 23,715,486 |
| 17,644,252 | 17,525,468 | 18,420,395 | 18,415,675 | 18,707,539 | 19,226,972 |
| 3,275,383 | 3,291,043 | 3,508,200 | 3,421,903 | 3,698,037 | 3,619,180 |
| 4,545,142 | 4,786,398 | 4,907,131 | 5,181,317 | 5,785,032 | 5,927,176 |
| 879,227 | 606,179 | 642,418 | 651,567 | 508,856 | 704,090 |
| 131,285 | - | - | - | - | - |
| 17,288,997 | 16,680,764 | 16,894,059 | 17,909,006 | 20,037,774 | 19,170,256 |
| 18,107,927 | 19,472,049 | 20,909,415 | 22,233,879 | 22,473,501 | 22,285,932 |
| 36,322,582 | 38,747,541 | 41,658,403 | 21,374,166 | - | - |
| 771,121 | 909,102 | 852,754 | 889,545 | 842,301 | 848,841 |
| 4,228,387 | 4,516,737 | 4,620,452 | 4,426,580 | 3,977,643 | 4,240,502 |
| 2,701,553 | 2,840,279 | 3,492,492 | 3,547,963 | 3,575,272 | 3,613,692 |
| - | - | - | - | - | - |
| 946,037 | 1,133,095 | 1,428,155 | 1,510,535 | 1,638,519 | 1,664,947 |
| 515,377 | 512,110 | 515,046 | 729,851 | 791,446 | 822,780 |
| 124,278 | 135,544 | 126,009 | 130,352 | 165,198 | 203,245 |
| 2,278 | 5,770 | 2,678 | 64,700 | 126,617 | 97,013 |
| 409,951 | 274,327 | 588,404 | 494,444 | 635,056 | 575,983 |
| 3,537,217 | 4,579,358 | 4,399,622 | 4,370,914 | 22,313,133 | 17,938,826 |
| 4,723,520 | 4,430,875 | 4,602,347 | 3,064,035 | 3,436,200 | 3,521,185 |
| 1,393,222 | 1,238,913 | 875,290 | 1,118,362 | 953,737 | 962,578 |
| 133,654 | - | 144,552 | - | - | - |
| - | - | 235,684 | - | - | - |
| 2,449,417 | 8,987,660 | 5,174,925 | 8,279,713 | 19,155,274 | 7,429,143 |
| 340,429 | 368,173 | 266,088 | 355,875 | 1,532,340 | 931,211 |
| 153,151,373 | 163,151,921 | 167,007,794 | 153,226,494 | 166,509,280 | 151,505,479 |
| 3,678,054 | 3,414,798 | 3,944,067 | 4,085,770 | (93,633) | 46,734 |
| 12,228,090 | 14,448,532 | 13,806,860 | 12,735,135 | 12,425,884 | 16,276,876 |
| (12,228,090) | (14,448,532) | (13,806,860) | (12,900,089) | (12,543,081) | (16,968,246) |
| 11,470,000 | 1,591,703 | 13,313,834 | 35,422 | 5,475,447 | 587,835 |
| (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)

| | 2012 | 2013 | 2014 | 2015 |
|---|------------------------|--------------------|------------------|------------------|
| (continued) | | | | |
| Other financing sources (uses): | | | | |
| Sale of assets | - | - | 4,897 | - |
| Insurance recovery | - | 482 | 5,884 | 30,364 |
| Loss from insurance recovery denial | - | - | - | - |
| Total other financing sources (uses) | <u>(2,136,458)</u> | <u>(2,000,955)</u> | <u>50,493</u> | <u>268,595</u> |
| Special Item | | | | |
| Discontinued operation | - | - | - | (378,887) |
| Total special item | <u>-</u> | <u>-</u> | <u>-</u> | <u>(378,887)</u> |
| Net change in fund balances | <u>\$ (16,660,120)</u> | <u>1,013,206</u> | <u>1,628,689</u> | <u>4,566,939</u> |
| Debt service as a percentage of noncapital expenditures | % 3.19 | 3.36 | 4.56 | 4.46 |

- (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)

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-----------|-----------|-----------|-----------|-----------|----------|
| 8,969 | 3,315 | 17,123 | 1,663 | 960,938 | 36,585 |
| 58,558 | - | 196,231 | 63,774 | 161,009 | 51,047 |
| - | - | - | (106,580) | - | - |
| 202,393 | 1,595,018 | 1,546,533 | (170,675) | 6,480,197 | (15,903) |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 3,880,447 | 5,009,816 | 5,490,600 | 3,915,095 | 6,386,564 | 30,831 |
| 4.08 | 3.67 | 3.62 | 2.89 | 2.98 | 3.11 |

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 (1) | Estimated Market Value (2) | Assessed Value as a Percentage of Actual Value (3) |
|-------------|-------------------------|------------------------|----------------|---------------|---------------------------------|----------------------------------|---------------------------------|-------------------------------|--|
| 2012 | \$ 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 | 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 | 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 | 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 | 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 | 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 | 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 | 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 | 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 |
| 2021 | 17,349,819,500 | 7,181,899,500 | 1,037,778,200 | 41,997,800 | 25,911,495,000 | 4,228,769,400 | 2.361 | 29,444,880,682 | 88.0 |

Notes:

Properties valued at 2010 reassessment base year

(1) Direct Tax Rate:

| | <u>County</u> | <u>Library</u> | <u>Total</u> | |
|------|---------------|----------------|--------------|---|
| 2012 | 1.902 | 0.143 | 2.045 | |
| 2013 | 2.131 | 0.143 | 2.274 | * Millage adjustment due to 5% cap for reassessment |
| 2014 | 2.195 | 0.143 | 2.338 | |
| 2015 | 2.195 | 0.143 | 2.338 | |
| 2016 | 2.195 | 0.143 | 2.338 | |
| 2017 | 2.195 | 0.166 | 2.361 | |
| 2018 | 2.195 | 0.166 | 2.361 | |
| 2019 | 2.195 | 0.166 | 2.361 | |
| 2020 | 2.195 | 0.166 | 2.361 | |
| 2021 | 2.195 | 0.166 | 2.361 | |

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

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

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

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

Source: County Board of Assessment

REVENUE CAPACITY
Direct and Overlapping Property Tax Rates

Last Ten Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | <u>Year Taxes Are Payable</u> | | | | | | | | | |
|----------------------------|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| County Direct Rates | | | | | | | | | | |
| General | 1.902 | 2.131 | 2.195 | 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 | 0.166 | 0.166 | 0.166 | 0.166 | 0.166 |
| Total Direct Rate | 2.045 | 2.274 | 2.338 | 2.338 | 2.338 | 2.361 | 2.361 | 2.361 | 2.361 | 2.361 |
| School Districts | | | | | | | | | | |
| Big Spring | 12.364 | 12.636 | 12.9771 | 13.2885 | 13.7004 | 14.0429 | 14.3238 | 14.6461 | 15.0128 | 15.5002 |
| Camp Hill | 13.1622 | 13.1622 | 13.7573 | 14.4828 | 15.4876 | 15.9367 | 16.3988 | 16.8415 | 17.3467 | 17.9538 |
| Carlisle Area | 12.3706 | 12.6056 | 12.9333 | 13.2436 | 13.6409 | 14.0365 | 14.4716 | 14.9057 | 15.3528 | 15.6598 |
| Cumberland Valley | 8.715 | 8.715 | 8.898 | 9.067 | 9.284 | 9.516 | 9.744 | 9.968 | 10.227 | 10.533 |
| East Pennsboro | 10.5254 | 10.8295 | 11.2378 | 11.5749 | 11.8411 | 12.1963 | 12.3792 | 12.3792 | 12.7753 | 13.0691 |
| Mechanicsburg | 12.289 | 12.289 | 12.535 | 12.535 | 12.8 | 13.056 | 13.3693 | 13.7302 | 14.1558 | 14.6654 |
| Shippensburg Area | 10.22 | 10.4 | 10.6808 | 10.9475 | 11.089 | 11.2199 | 11.9117 | 11.7884 | 11.9006 | 12.0731 |
| South Middleton | 8.9245 | 9.0081 | 9.1549 | 9.3288 | 9.5526 | 10.2484 | 10.5621 | 10.8182 | 11.00995 | 11.4292 |
| West Shore Area | 9.3 | 9.4 | 9.68 | 10.1988 | 10.9162 | 11.2014 | 11.6457 | 11.9487 | 12.32 | 12.7512 |
| 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 | 3.275 | 3.275 | 3.275 | 3.275 | 3.495 | 3.495 | 3.495 | 3.495 | 3.495 |
| Cooke | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 |
| Dickinson | .084* | .084* | .084* | 0.084* | 0.084* | 0.25* | 0.25* | 0.25* | 0.25* | 0.25* |
| East Pennsboro | 0.957 | 0.957 | 1.05 | 1.3 | 1.3 | 1.3 | 1.64 | 1.64 | 1.84 | 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 | 2.3 | 2.3 | 2.31 | 2.31 | 2.52 | 3.13 | 3.13 | 3.13 | 3.13 |
| Lower Allen | 2.05 | 2.45 | 2.45 | 2.45 | 2.45 | 2.45 | 3.03 | 3.03 | 4 | 4 |
| Lower Frankford | 0.1211 | 0.1211 | 0.1211 | 0.3229 | 0.3229 | 0.3229 | 0.3229 | 0.3483 | 0.3483 | 0.4014 |
| Lower Mifflin | - | - | - | - | - | - | - | - | - | - |
| Mechanicsburg | 2.58 | 2.58 | 3.08 | 3.33 | 3.33 | 3.33 | 3.83 | 3.83 | 3.83 | 3.83 |
| Middlesex | 1.22 | 1.22 | 1.38 | 1.53 | 1.53 | 1.53 | 1.85 | 2.08 | 2.08 | 2.08 |
| Monroe | 0.525 | 0.525 | 0.556 | 0.556 | 0.556 | 0.556 | 0.556 | 0.577 | 0.658 | 0.658 |
| Mt. Holly Springs | 1.613 | 2.036 | 2.312 | 2.38 | 2.38 | 2.755 | 2.755 | 2.88 | 3.18 | 3.18 |
| Newburg | 1.0 | 1.25 | 1.75 | 2 | 2 | 2 | 2.25 | 2.5 | 2.25 | 2.25 |
| New Cumberland | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 3.9 | 3.8 |
| Newville | 2.434 | 2.398 | 2.898 | 2.898 | 2.898 | 3.648 | 3.648 | 3.898 | 3.898 | 4.395 |
| North Middleton | 0.694 | 0.694 | 0.694 | 0.89 | 0.89 | 1.059 | 1.059 | 1.092 | 1.092 | 1.092 |
| North Newton | - | - | - | - | - | - | - | - | - | - |
| Penn | 0.0414 | - | - | - | - | - | - | - | - | - |
| Shippensburg Borough | 2.6 | 2.6 | 2.6 | 2.72 | 2.72 | 2.72 | 2.89 | 3 | 3.111 | 3.189 |
| Shippensburg Twp. | 0.675 | 0.675 | 0.675 | 0.975 | 0.975 | 0.975 | 0.975 | 0.975 | 0.975 | 1.15 |
| Shiremanstown | 2.1 | 2.1 | 2.0 | 2.0 | 2.0 | 2.0 | 2.2 | 2.2 | 2.2 | 2.2 |

(continued)

REVENUE CAPACITY
Direct and Overlapping Property Tax Rates

Last Ten Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | <u>Year Taxes Are Payable</u> | | | | | | | | | |
|-----------------------------------|-------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Municipalities (continued) | | | | | | | | | | |
| Silver Spring | 0.8045 | 0.8045 | 0.8045 | 1.3045 | 1.3045 | 1.3045 | 1.3045 | 1.3045 | 1.3045 | 1.3045 |
| Southampton | - | - | - | - | - | - | - | - | - | 0.25 |
| South Middleton | 0.17* | 0.17* | 0.17* | 0.25* | 0.25* | 0.25* | .6* | .6* | .6* | .6* |
| South Newton | 0.0933 | 0.0933 | 0.0933 | 0.0933 | 0.0933 | 0.0933 | 0.0933 | 0.0933 | 0.11 | 0.11 |
| Upper Allen | 1.4 | 1.6 | 1.8 | 2.3 | 2.3 | 2.3 | 2.4 | 2.4 | 2.5 | 2.55 |
| 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 | 0.5076 | 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 | 3.361 | 3.361 | 3.361 | 3.361 | 3.361 | 3.577 | 3.577 |

Notes:

* South Middleton and Dickinson rate is a fire tax

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

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

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

Source: County Board of Assessment

**REVENUE CAPACITY
Principal Property Taxpayers**

2012 and 2021 Tax Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | 2012 | | | 2021 | | |
|-------------------------------------|---------------------------|------|---|---------------------------|------|---|
| | 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 | 0.54 % | \$ 123,560,500 | 1 | 0.49 % |
| Allen Distribution | 66,424,400 | 5 | 0.29 | 118,653,900 | 2 | 0.46 |
| Liberty Property LP | | | | 89,032,600 | 3 | 0.37 |
| PR CC Limited Partnership | 74,923,100 | 3 | 0.33 | 85,700,000 | 4 | 0.35 |
| Goodman Carlisle LLC | | | | 73,175,000 | 5 | 0.34 |
| Pennsylvania Blue Shield | 72,584,100 | 4 | 0.32 | 72,584,100 | 6 | 0.29 |
| Messiah Home | | | | 66,500,000 | 7 | 0.29 |
| LIT Industrial LP | 64,167,000 | 6 | 0.28 | 64,167,000 | 8 | 0.26 |
| Compass Shippensburg Newco LLC | | | | 63,280,900 | 9 | 0.25 |
| GSD Camp Hill Pradsavi Group LLC | | | | 56,718,200 | 10 | 0.24 |
| KTR PA Cent LLC | 60,300,000 | 8 | 0.27 | | | |
| Cedar - Camp Hill LLC | 61,766,800 | 7 | 0.27 | | | |
| Carlisle HMA, Inc. | 76,561,900 | 2 | 0.34 | | | |
| Pancal 954 Centerville (Unit B) LLC | 47,957,000 | 9 | 0.21 | | | |
| BIT Investment LP | 40,378,700 | 10 | 0.18 | | | |
| Totals | \$ 688,623,500 | | 3.03 % | \$ 813,372,200 | | 3.34 % |

Notes:

(1) Percentage based on total County taxable assessed valuation for 2012:

\$22,678,427,100

(2) Percentage based on total County taxable assessed valuation for 2021:

\$25,911,495,200

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 | Total Collections to Date | |
|---------------------------|------------------------------------|---|---------------------------------------|--------------------|--------------|---------------------------|--------------------|
| | | | Amount (2) | Percentage of Levy | | Amount | Percentage of Levy |
| 2012 | \$ 42,213,193 | \$ 156,604 | \$ 40,680,881 | 96.75% | \$ 1,688,668 | \$ 42,369,549 | 100.00% |
| 2013 | 47,826,059 | 158,716 | 46,395,766 | 97.01 | 1,588,731 | 47,984,497 | 100.00 |
| 2014 | 49,855,721 | 182,218 | 48,393,357 | 97.06 | 1,644,285 | 50,037,642 | 100.00 |
| 2015 | 50,454,280 | 210,713 | 49,036,480 | 97.19 | 1,627,586 | 50,664,066 | 100.00 |
| 2016 | 51,198,311 | 240,842 | 50,000,265 | 97.66 | 1,437,501 | 51,437,766 | 99.99 |
| 2017 | 51,956,631 | 199,364 | 50,774,924 | 97.73 | 1,377,175 | 52,152,099 | 99.99 |
| 2018 | 52,838,606 | 183,937 | 51,643,300 | 97.74 | 1,374,338 | 53,017,638 | 99.98 |
| 2019 | 53,627,315 | 174,997 | 52,459,267 | 97.82 | 1,332,001 | 53,791,268 | 99.29 |
| 2020 | 54,525,838 | 299,758 | 53,234,704 | 97.63 | 1,228,640 | 54,463,344 | 97.63 |
| 2021 | 55,360,823 | N/A | 54,300,537 | 98.08 | N/A | 54,300,537 | 98.08 |

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 |
| 2012 | \$ 3,173,665 | \$ 14,283 | \$ 3,058,563 | 96.37% | \$ 129,369 | \$ 3,187,932 | 100.00% |
| 2013 | 3,208,510 | 11,692 | 3,113,381 | 97.04 | 106,805 | 3,220,186 | 100.00 |
| 2014 | 3,248,014 | 12,166 | 3,152,742 | 97.06 | 107,417 | 3,260,159 | 100.00 |
| 2015 | 3,287,007 | 13,915 | 3,194,639 | 97.19 | 106,223 | 3,300,862 | 100.00 |
| 2016 | 3,335,478 | 15,942 | 3,257,427 | 97.66 | 93,892 | 3,351,319 | 100.00 |
| 2017 | 3,929,292 | 14,661 | 3,839,923 | 97.73 | 103,736 | 3,943,659 | 99.99 |
| 2018 | 3,995,992 | 13,662 | 3,905,595 | 97.74 | 103,689 | 4,009,284 | 99.99 |
| 2019 | 4,055,639 | 13,322 | 3,967,304 | 97.82 | 100,821 | 4,068,125 | 99.98 |
| 2020 | 4,123,592 | 24,067 | 4,025,947 | 97.63 | 92,237 | 4,118,184 | 99.29 |
| 2021 | 4,186,739 | N/A | 4,106,553 | 98.08 | N/A | 4,106,553 | 98.08 |

Notes:

(1) Includes additions to duplicates, penalties, refunds, credits, discounts and credits disallowed

(2) Includes cash collections only

(3) Includes penalties

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

Source: County Board of Assessment and Collections

DEBT CAPACITY
Ratio of Outstanding Debt by Type

Last Ten Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| Fiscal Year | Governmental Activities | | | | | Business-type Activities | | | Total Primary Government | Percentage of Total Personal Income | Per Capita |
|----------------|--------------------------------|--------------------------------|----------------------------|-----------|-------------------|--------------------------------|--------------------------------|---------------|--------------------------------|--|------------|
| | General Obligation Bonds | General Obligation Notes | Notes Payable- CAEDC | Leases | Capital Leases | General Obligation Bonds | General Obligation Notes | | | | |
| 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 | 0.20 | | 126.00 |
| 2021 | 20,643,235 | 5,271,611 | 1,518,823 | 1,102,100 | - | 806,194 | - | 28,239,863 | * | | 107.41 |

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 |
|----------------|--------------------------------|--------------------------------|--|----------------------------|--|------------|
| 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 | 24,907,438 | 5,715,000 | - | 30,622,438 | 0.11 | 119.69 |
| 2021 | 21,449,429 | 5,271,611 | - | 26,721,040 | 0.09 | 101.63 |

DEBT CAPACITY
Direct and Overlapping Governmental Activities Debt

December 31, 2021

COUNTY OF CUMBERLAND, PENNSYLVANIA

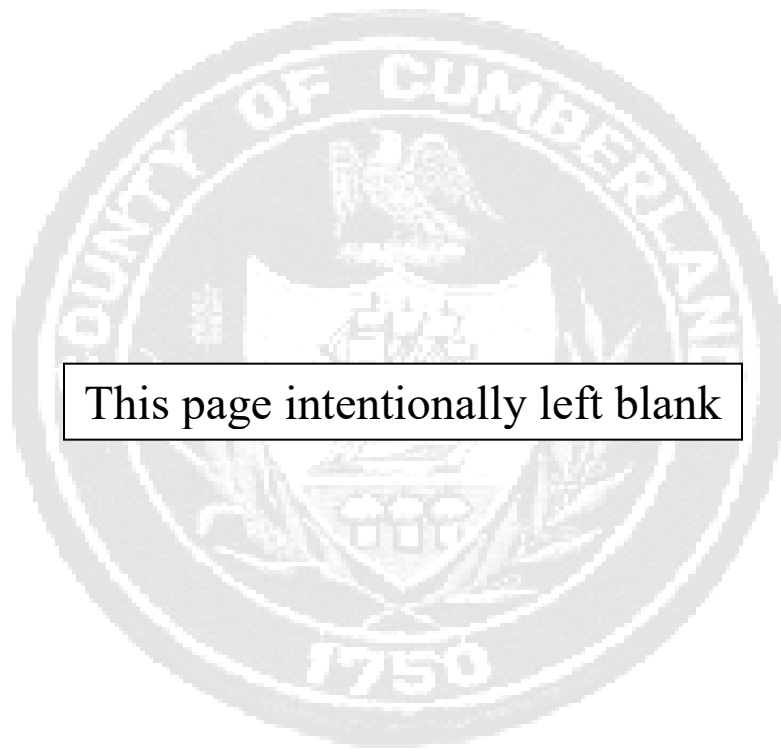
(unaudited)

| <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 | \$ 33,714,096 | 100% | \$ 33,714,096 |
| Camp Hill | 33,229,187 | 100 | 33,229,187 |
| Carlisle Area | 43,250,286 | 100 | 43,250,286 |
| Cumberland Valley | 354,654,555 | 100 | 354,654,555 |
| East Pennsboro | 51,403,000 | 100 | 51,403,000 |
| Mechanicsburg | 121,805,000 | 100 | 121,805,000 |
| *Shippensburg Area | 8,856,000 | 61 * | 5,402,160 |
| South Middleton | 32,762,466 | 100 | 32,762,466 |
| *West Shore Area | 112,975,000 | 55 * | 62,136,250 |
| Total school districts | | | <u>738,357,000</u> |
| Municipalities: | | | |
| Camp Hill Borough | 4,159,775 | 100 | 4,159,775 |
| Carlisle Borough | 9,885,971 | 100 | 9,885,971 |
| East Pennsboro Township | 19,965,912 | 100 | 19,965,912 |
| Hampden Township | 22,784,115 | 100 | 22,784,115 |
| Lemoyne Borough | 15,065,234 | 100 | 15,065,234 |
| Lower Allen Township | 7,565,930 | 100 | 7,565,930 |
| Mechanicsburg Borough | 1,712,123 | 100 | 1,712,123 |
| Middlesex Township | 5,394,935 | 100 | 5,394,935 |
| Monroe Township | 530,792 | 100 | 530,792 |
| Mt. Holly Springs Borough | 1,638,342 | 100 | 1,638,342 |
| Shippensburg Township | 186,549 | 100 | 186,549 |
| Silver Spring Township | 4,885,267 | 100 | 4,885,267 |
| South Middleton Township | 1,491,968 | 100 | 1,491,968 |
| Upper Allen Township | 8,740,000 | 100 | 8,740,000 |
| Wormleysburg Borough | 1,847,677 | 100 | 1,847,677 |
| Total municipalities | | | <u>105,854,590</u> |
| Subtotal overlapping debt | | | 844,211,590 |
| Total direct debt - County | | | <u>28,535,769</u> |
| Total direct and overlapping debt | | | <u>\$ 872,747,359</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.



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DEBT CAPACITY
Legal Debt Margin Information

COUNTY OF CUMBERLAND, PENNSYLVANIA

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|---|-----------------------|--------------------|--------------------|--------------------|
| Debt limit | \$ 462,737,838 | 468,846,437 | 481,164,681 | 498,487,522 |
| Total net-debt applicable to limit | <u>63,791,789</u> | <u>58,715,000</u> | <u>55,860,000</u> | <u>50,165,000</u> |
| Net nonelectoral debt limit | <u>\$ 398,946,049</u> | <u>410,131,438</u> | <u>425,304,682</u> | <u>448,322,522</u> |
| Total net debt applicable to the limit as a percentage of debt limit | 13.79 % | 12.52 | 11.61 | 10.06 |

Last Ten Years

(unaudited)

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 519,866,331 | 543,230,061 | 566,717,651 | 565,621,241 | 537,385,811 | 468,934,550 |
| 43,120,000 | 37,830,000 | 31,390,000 | 27,420,000 | 28,830,000 | 25,176,611 |
| <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> | <u>443,757,939</u> |
| 8.29 | 6.96 | 5.54 | 4.85 | 5.36 | 5.37 |

Legal Debt Margin Calculation for year ending 2020

Borrowing base revenue:

| | |
|-------------------|-----------------------|
| 2019 | \$ 180,057,291 |
| 2020 | 160,921,699 |
| 2021 | <u>127,955,560</u> |
| Total revenue (1) | <u>\$ 468,934,550</u> |

Debt Limit for General Obligation Debt

| | |
|---|-----------------------|
| Average borrowing base revenues | \$ 156,311,517 |
| Debt limit percentage | <u>300%</u> |
| Debt limit | <u>468,934,550</u> |
| Total amount of debt applicable to debt limit | <u>28,830,000</u> |
| Legal debt margin | <u>\$ 440,104,550</u> |

Debt Limit for General Obligation Debt and Lease Rental Debt

| | |
|---|-----------------------|
| Average borrowing base revenues | \$ 156,311,517 |
| Debt limit percentage | <u>400%</u> |
| Debt limit | <u>625,246,068</u> |
| Total amount of debt applicable to debt limit | <u>25,176,611</u> |
| Legal debt margin | <u>\$ 600,069,457</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) |
|------|-------------|--|-------------------------------------|-------------------------------|-----------------------------|--|
| 2012 | 239,252 (A) | \$ 11,171,235 (B) | \$ 46,680 (B) | \$ 60,832 (A) | 32,443 | 6.0% |
| 2013 | 241,071 (A) | 11,376,027 (B) | 47,173 (B) | 60,883 (A) | 32,726 | 5.5 |
| 2014 | 243,301 (A) | 11,962,420 (B) | 49,149 (B) | 60,826 (A) | 33,029 | 4.5 |
| 2015 | 245,766 (A) | 12,533,309 (B) | 50,971 (B) | 61,820 (A) | 33,153 | 4.1 |
| 2016 | 247,435 (A) | 12,679,879 (B) | 51,204 (B) | 62,640 (A) | 33,167 | 4.0 |
| 2017 | 249,238 (A) | 13,191,040 (B) | 52,906 (B) | 65,544 (A) | 33,462 | 3.9 |
| 2018 | 251,423 (A) | 13,861,648 (B) | 55,119 (B) | 68,895 (A) | 33,712 | 3.5 |
| 2019 | 253,370 (A) | 14,493,368 (B) | 57,256 (B) | 71,269 (A) | 34,120 | 3.5 |
| 2020 | 255,609 (C) | 15,759,690 (B) | 61,596 (B) | 71,269 (A) | 34,507 | 6.6 |
| 2021 | 262,919 (A) | * (B) | * (B) | * (A) | 33,505 | 4.6 |

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

2012 and 2021 Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| Employer | 2012 | | | 2021 | | |
|-----------------------------------|-----------|------|--|-----------|------|--|
| | Employees | Rank | Percentage of Total County Employment (3) | Employees | Rank | Percentage of Total County Employment (3) |
| U.S. Department of Defense: | | | | | | |
| Naval Support Activity | - | | | 4,718 | | |
| Carlisle Barracks | - | | | 1,715 * | | |
| Total | 5,930 (1) | 1 | 5% | 6,192 (1) | 1 | 5 % |
| Ahold Delhaize | 2,335 | 4 | 3 | 3,455 * | 2 | 3 |
| Penn State Health | - | - | - | 2,909 | 3 | 2 |
| Highmark Blue Shield | 3,017 | 2 | 2 | 1,935 * | 4 | 2 |
| Holy Spirit Hospital | 2,878 | 3 | 2 | - | - | - |
| Commonwealth of Pennsylvania | 1,714 (2) | 5 | 1 | 1,782 (2) | 5 | 1 |
| Cumberland Valley School District | 1,500 | 6 | 1 | 1,105 | 6 | 1 |
| Cumberland County Government | 1,292 | 7 | 1 | 1,137 | 7 | 1 |
| JFC Temps Inc. | - | - | - | 1,166 * | 8 | 1 |
| Fry Communications | 1,200 | 8 | 1 | 1,035 * | 9 | 1 |
| Select Medical | - | - | - | 1,098 | 10 | 1 |
| Excel Logistics | 1,000 | 9 | 1 | - | - | - |
| Dickinson College | 951 | 10 | 1 | - | - | - |
| Total | 21,817 | | 18% | 21,814 | | 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 | 2012 | 2013 | 2014 | 2015 |
|---|-------------|-------------|-------------|-------------|
| Primary Government: | | | | |
| Governmental Activities: | | | | |
| General Government-Administrative | | | | |
| Commissioners | 8 | 9 | 9 | 9 |
| Solicitors | 3 | 4 | 4 | 4 |
| Communications | - | - | - | - |
| Elections | 6 | 6 | 6 | 6 |
| Controller | 15 | 16 | 16 | 16 |
| Finance | 10 | 10 | 8 | 10 |
| Tax Claims | 2 | 2 | 2 | 2 |
| Treasurer | 5 | 5 | 5 | 5 |
| Tax collector administration | 17 | 17 | 17 | 16 |
| Human resources | 7 | 7 | 8 | 8 |
| Tax assessment | 20 | 20 | 19 | 18 |
| Recorder of deeds | 8 | 7 | 6 | 7 |
| Administrative services | 3 | 3 | 3 | 2 |
| Information management and technology | 16 | 16 | 14 | 15 |
| Enterprise resource management | 3 | 2 | 3 | 3 |
| Geographic information systems | 1 | 2 | 2 | 2 |
| Human service fiscal operations | 2 | 2 | 2 | 2 |
| Grant administration | 2 | 2 | 3 | 5 |
| County buildings | 21 | 21 | 20 | 20 |
| Planning | 6 | 5 | 5 | 5 |
| Domestic Relations | 39 | 39 | 39 | 39 |
| General Government-Judicial | | | | |
| Building security | 7 | 7 | 7 | 6 |
| Courts | 40 | 42 | 44 | 46 |
| District judges | 38 | 38 | 36 | 39 |
| Clerk of court | 13 | 13 | 11 | 12 |
| Coroner | 7 | 7 | 7 | 6 |
| Public defender | 15 | 15 | 16 | 15 |
| District attorney | 27 | 27 | 26 | 28 |
| Prothonotary | 9 | 9 | 8 | 9 |
| Register of wills | 8 | 6 | 8 | 7 |
| Sheriff | 35 | 36 | 36 | 38 |
| Public safety | | | | |
| District attorney-criminal investigation | 5 | 6 | 5 | 6 |
| District attorney-forensic lab | 3 | 3 | 3 | 3 |
| Victim witness services | 8 | 9 | 9 | 9 |
| Prison | 115 | 117 | 118 | 119 |
| Adult probation | 37 | 38 | 37 | 38 |
| Juvenile probation | 26 | 25 | 26 | 26 |
| Emergency management & communications | 7 | 6 | 4 | 8 |
| Emergency Telephone (1) | - | - | 47 | 46 |
| Hazardous Materials Protection (1) | - | - | - | - |
| Vector control | 3 | 4 | 3 | 3 |
| Transportation (1) (2) | - | - | 28 | - |
| Recycling and waste management | 3 | 2 | 1 | 1 |
| Human services: | | | | |
| Mental health/intellectual and developmental disabilities | 47 | 46 | 47 | 46 |
| Children and youth | 63 | 62 | 67 | 65 |
| Office of aging | 26 | 26 | 29 | 30 |
| Community services | 8 | 6 | 6 | 6 |
| Drug and alcohol | 20 | 19 | 19 | 18 |
| Veteran's affairs | 2 | 2 | 2 | 2 |
| Culture and recreation | 15 | 14 | 13 | 14 |
| Conservation and development | 6 | 6 | 6 | 6 |
| Business-type Activities | | | | |
| County nursing home | 283 | 284 | 270 | 276 |
| Emergency telephone (1) | 45 | 46 | - | - |
| Hazardous materials protection (1) | 1 | 1 | - | - |
| Transportation services (1) | 27 | 28 | - | - |
| Total Primary Government | 1143 | 1145 | 1130 | 1122 |
| Component Unit: | | | | |
| Conservation district | 8 | 7 | 8 | 9 |

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

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

Source: County payroll records

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

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

Last Ten Years

| | | | | | | (unaudited) |
|--|-------------|-------------|-------------|-------------|--------------|--------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| | 9 | 9 | 8 | 7 | 7 | 8 |
| | 4 | 4 | 3 | 3 | 3 | 3 |
| | - | - | 3 | 3 | 3 | 3 |
| | 6 | 6 | 5 | 7 | 10 | 9 |
| | 16 | 15 | 15 | 15 | 15 | 14 |
| | 10 | 10 | 11 | 11 | 11 | 11 |
| | 2 | 2 | 2 | 2 | 2 | 2 |
| | 6 | 5 | 5 | 5 | 5 | 7 |
| | 16 | 16 | 15 | 15 | 15 | 15 |
| | 7 | 9 | 10 | 10 | 9 | 9 |
| | 18 | 18 | 18 | 19 | 15 | 19 |
| | 7 | 7 | 7 | 7 | 7 | 7 |
| | 1 | 3 | 1 | 1 | 1 | 1 |
| | 14 | 14 | 15 | 14 | 16 | 16 |
| | 3 | 3 | 3 | 3 | 3 | 3 |
| | 2 | 2 | 2 | 3 | 3 | 2 |
| | 2 | 2 | 2 | 2 | 2 | 2 |
| | 6 | 8 | 6 | 7 | 9 | 8 |
| | 23 | 23 | 21 | 22 | 22 | 22 |
| | 5 | 5 | 5 | 5 | 4 | 5 |
| | 38 | 39 | 38 | 39 | 35 | 38 |
| | 7 | 7 | 7 | 7 | 5 | 6 |
| | 45 | 50 | 49 | 52 | 53 | 56 |
| | 38 | 39 | 39 | 38 | 39 | 37 |
| | 13 | 13 | 12 | 12 | 11 | 12 |
| | 7 | 8 | 9 | 10 | 10 | 12 |
| | 15 | 18 | 17 | 16 | 16 | 19 |
| | 26 | 26 | 29 | 26 | 27 | 25 |
| | 9 | 9 | 8 | 9 | 9 | 9 |
| | 7 | 7 | 7 | 8 | 7 | 8 |
| | 38 | 39 | 41 | 38 | 42 | 38 |
| | 6 | 5 | 7 | 8 | 9 | 8 |
| | 4 | 5 | 5 | 6 | 5 | 7 |
| | 9 | 9 | 8 | 10 | 10 | 10 |
| | 119 | 118 | 118 | 123 | 119 | 114 |
| | 39 | 37 | 37 | 37 | 37 | 36 |
| | 25 | 26 | 26 | 26 | 26 | 26 |
| | 8 | 8 | 8 | 5 | 7 | 8 |
| | 45 | 44 | 43 | 44 | 47 | 47 |
| | - | - | - | - | - | - |
| | 3 | 3 | 3 | 2 | 3 | 4 |
| | - | - | - | - | - | - |
| | 1 | 1 | 2 | 2 | 1 | 1 |
| | 47 | 47 | 46 | 48 | 47 | 46 |
| | 66 | 75 | 73 | 76 | 77 | 80 |
| | 29 | 27 | 29 | 24 | 25 | 26 |
| | 6 | 6 | 6 | 5 | 5 | 5 |
| | 20 | 20 | 18 | 18 | 17 | 19 |
| | 2 | 2 | 2 | 3 | 3 | 3 |
| | 14 | 14 | 15 | 14 | 13 | 14 |
| | 6 | 6 | 6 | 6 | 5 | 5 |
| | 268 | 264 | 253 | 242 | 182 | 152 |
| | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| | 1117 | 1133 | 1118 | 1115 | 1,054 | 1,037 |
| | 9 | 9 | 9 | 9 | 9 | 9 |

OPERATING INFORMATION
Operating Indicators by Function

Last Ten Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Governmental - type: | | | | | | | | | | |
| General Government-administrative | | | | | | | | | | |
| <i>Fiscal affairs</i> | | | | | | | | | | |
| Deed transfers | 5,801 | 6,176 | 5,956 | 6,430 | 6,785 | 6,781 | 6,893 | 6,783 | 6,908 | 7,792 |
| Mortgage recorded | 13,354 | 13,206 | 9,298 | 10,032 | 10,701 | 9,866 | 9,148 | 9,528 | 13,342 | 14,746 |
| Subdivision plans filed | 115 | 133 | 147 | 155 | 143 | 152 | 130 | 152 | 121 | 169 |
| Miscellaneous documents and instruments | 21,184 | 20,852 | 14,617 | 16,200 | 16,864 | 16,142 | 15,083 | 15,239 | 18,727 | 23,226 |
| Number of Document and Instruments eRecorded | 9,201 | 15,174 | 11,967 | 15,990 | 16,662 | 17,890 | 17,851 | 20,598 | 33,002 | 39,950 |
| Percentage eRecorded | 23% | 38% | 40% | 49% | 48% | 54% | 57% | 65% | 84% | 87% |
| <i>Administration</i> | | | | | | | | | | |
| General election information | | | | | | | | | | |
| Registered voters | 158,190 | 148,322 | 151,050 | 153,481 | 166,965 | 167,571 | 172,256 | 175,047 | 187,257 | 182,193 |
| Votes cast | 111,381 | 33,618 | 75,845 | 40,913 | 124,421 | 42,652 | 105,368 | 55,187 | 142,732 | 57,787 |
| Percent of votes cast | 70% | 23% | 50% | 27% | 75% | 25% | 61% | 32% | 76% | 32% |
| General Government-judicial | | | | | | | | | | |
| <i>Court services:</i> | | | | | | | | | | |
| Criminal cases filed | 3,629 | 3,603 | 3,786 | 3,540 | 4,159 | 4,240 | 3,552 | 3,610 | 3,063 | 3,245 |
| Summary appeals | 234 | 258 | 259 | 320 | 362 | 316 | 368 | 395 | 298 | 300 |
| Juvenile delinquency | 241 | 334 | 388 | 437 | 481 | 500 | 386 | 476 | 431 | 365 |
| Juvenile dependency | 210 | 221 | 231 | 285 | 233 | 199 | 237 | 175 | 126 | 102 |
| Marriage license applications | 1,203 | 1,148 | 1,317 | 1,255 | 1,267 | 1,208 | 1,229 | 1,134 | 1,197 | 1,326 |
| Estates and wills probated | 1,257 | 1,266 | 1,143 | 1,213 | 1,266 | 1,384 | 1,438 | 1,355 | 1,227 | 1,740 |
| Orphans' court cases filed | 87 | 90 | 82 | 106 | 99 | 86 | 100 | 96 | 104 | 101 |
| Adoption cases | 91 | 97 | 89 | 113 | 112 | 143 | 138 | 102 | 105 | 120 |
| <i>Court administration:</i> | | | | | | | | | | |
| Criminal jury trials | 47 | 55 | 44 | 48 | 45 | 35 | 25 | 26 | 25 | 38 |
| Criminal appointment of counsel | 479 | 486 | 636 | 499 | 564 | 590 | 478 | 523 | 559 | 508 |
| Hearings by domestic relations conference officers | 2,729 | 3,670 | 3,748 | 3,492 | 3,928 | 3,477 | 3,480 | 3,188 | 2,335 | 2,459 |
| <i>Sheriff:</i> | | | | | | | | | | |
| Prisoner transports | 3,817 | 4,235 | 4,284 | 4,079 | 4,611 | 4,806 | 4,583 | 3,794 | 1,270 | 684 |

(continued)

OPERATING INFORMATION
Operating Indicators by Function

Last Ten Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

(continued)

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Public safety | | | | | | | | | | |
| <i>County prison:</i> | | | | | | | | | | |
| Average daily population | 381 | 389 | 422 | 401 | 415 | 454 | 413 | 356 | 277 | 283 |
| Commitments to prison | 3,098 | 3,054 | 3,319 | 3,383 | 3,228 | 3,603 | 3,602 | 3,523 | 1,977 | 1,953 |
| Releases from prison | 3,141 | 2,974 | 3,350 | 3,352 | 3,195 | 3,576 | 3,698 | 3,530 | 2,079 | 1,898 |
| <i>Adult probation:</i> | | | | | | | | | | |
| Average caseload | 2,475 | 2,408 | 2,471 | 2,383 | 2,401 | 2,551 | 2,463 | 2,350 | 2,804 | 2,649 |
| DUI-Intermediate Punishment Program | | | | | | | | | | |
| Bed Days Saved at County Prison | 7,263 | 8,554 | 11,312 | 13,912 | 11,136 | 10,453 | 15,592 | 14,834 | 9,659 | 7,835 |
| Accelerated Rehabilitative Disposition/DUI Program | 868 | 686 | 672 | 523 | 615 | 696 | 575 | 607 | 502 | 411 |
| <i>Day Reporting Center:</i> | | | | | | | | | | |
| Bed Days Saved at County Prison | 6,469 | 5,712 | 6,443 | 6,073 | 5,765 | 5,082 | 4,977 | 5,247 | 3,789 | 2,990 |
| Human services | | | | | | | | | | |
| <i>Children and youth</i> | | | | | | | | | | |
| Number of referrals | 1,182 | 1,330 | 1,455 | 1,993 | 1,930 | 1,929 | 2,082 | 2,038 | 1,719 | 2,247 |
| Clients receiving in-home services | 392 | 439 | 625 | 833 | 864 | 777 | 752 | 674 | 538 | 543 |
| Clients requiring placement | 229 | 286 | 271 | 281 | 329 | 351 | 366 | 349 | 327 | 294 |
| <i>Mental health services:</i> | | | | | | | | | | |
| Number of out-patient hours | 12,493 | 11,472 | 12,418 | 12,993 | 9,721 | 9,226 | 11,260 | 9,337 | 6,054 | 1,581 |
| Number of out-patient consumers | 567 | 585 | 542 | 414 | 207 | 119 | 93 | 102 | 62 | 36 |
| In-patient days | 274 | 189 | 470 | 507 | 468 | 35 | - | - | 5 | - |
| Number of in-patient consumers | 15 | 19 | 24 | 21 | 15 | 5 | - | - | 1 | - |
| Residential days | 54,193 | 57,265 | 58,276 | 56,113 | 59,162 | 63,176 | 60,958 | 61,735 | 61,022 | 62,491 |
| Number of residential consumers | 210 | 194 | 216 | 224 | 204 | 227 | 216 | 197 | 151 | 218 |
| <i>HealthChoices:</i> | | | | | | | | | | |
| In-patient psychiatric treatment | | | | | | | | | | |
| Number of in-patient consumers | 404 | 463 | 444 | 537 | 529 | 619 | 669 | 637 | 584 | 590 |
| Number of in-patient days | 6,920 | 7,809 | 8,519 | 10,800 | 9,208 | 11,822 | 13,428 | 13,370 | 12,515 | 14,620 |
| Out-patient psychiatric treatment | | | | | | | | | | |
| Number of out-patient consumers | 3,627 | 3,806 | 4,082 | 4,537 | 5,794 | 6,535 | 6,791 | 6,800 | 6,885 | 6,782 |
| Number of out-patient units | 41,239 | 41,850 | 44,598 | 49,727 | 60,777 | 72,863 | 77,716 | 80,251 | 86,631 | 99,239 |

(continued)

OPERATING INFORMATION
Operating Indicators by Function

Last Ten Years

| COUNTY OF CUMBERLAND, PENNSYLVANIA (continued) | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|--------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | (unaudited) | | | | | | | | | |
| Children's residential and behavioral health rehabilitation | | | | | | | | | | |
| Number of consumers | 1,140 | 1,142 | 1,040 | 1,060 | 1,041 | 970 | 910 | 935 | 863 | 823 |
| Number of units | 849,765 | 807,612 | 665,898 | 602,368 | 554,345 | 473,245 | 467,748 | 468,700 | 349,726 | 299,619 |
| Targeted case management | | | | | | | | | | |
| Number of consumers | 481 | 487 | 486 | 458 | 443 | 435 | 469 | 431 | 405 | 412 |
| Number of units | 81,779 | 67,978 | 50,997 | 57,743 | 57,844 | 55,088 | 54,652 | 52,408 | 44,662 | 30,589 |
| Crisis Intervention | | | | | | | | | | |
| Number of consumers | 653 | 752 | 819 | 740 | 870 | 1,014 | 1,099 | 1,080 | 960 | 1,018 |
| Number of units | 7,636 | 10,182 | 11,236 | 5,841 | 7,234 | 8,494 | 9,031 | 8,280 | 7,276 | 8,234 |
| <i>Intellectual and Developmental Disabilities</i> | | | | | | | | | | |
| Number of consumers served | 1,093 | 1,089 | 1,076 | 1,058 | 981 | 1,017 | 1,010 | 997 | 974 | 999 |
| Number of transportation units | 4,986 | 4,094 | 6,027 | 6,182 | 3,035 | 2,002 | 2,302 | 2,304 | 1,347 | 959 |
| Number of residential units | 1,922 | 1,827 | 2,277 | 2,648 | 2,529 | 2,588 | 2,493 | 2,525 | 2,445 | 2,177 |
| Number of workshop/vocational units | 44,039 | 53,779 | 52,614 | 58,072 | 54,203 | 37,641 | 58,293 | 58,620 | 38,744 | 14,346 |
| <i>Office of aging:</i> | | | | | | | | | | |
| Senior transportation trips | 47,740 | 45,496 | 44,732 | 44,066 | 42,850 | 38,475 | 46,484 | 42,223 | 26,608 | 27,362 |
| Information and assistance contracts | 13,014 | 14,003 | 6,616 | 6,227 | 4,068 | 4,802 | 4,737 | 4,460 | 4,830 | 6,962 |
| Congregate meals served | 31,260 | 31,830 | 33,446 | 31,417 | 35,183 | 34,549 | 34,721 | 33,058 | 32,139 | 28,407 |
| Adult day care days provided | 2,907 | 1,072 | 1,707 | 3,124 | 4,175 | 3,278 | 2,967 | 2,485 | 631 | 232 |
| Home delivered meals served | 3,960 | 4,140 | 5,718 | 8,661 | 11,795 | 12,530 | 16,897 | 17,943 | 24,894 | 20,352 |
| Maintenance/modification of homes | 152 | 151 | 412 | 317 | 913 | 551 | 389 | 187 | 97 | 150 |
| <i>Drug and alcohol:</i> | | | | | | | | | | |
| Community-based outpatient treatment (in hours unless otherwise noted) | | | | | | | | | | |
| Assessment/evaluations | 700 | 754 | 692 | 547 | 303 | 471 | 419 | 371 | 488 | 447 |
| Individual counseling | 4,003 | 3,773 | 3,885 | 3,831 | 1,180 | 2,577 | 3,124 | 2,132 | 3,096 | 2,547 |
| Intensive outpatient group | 5,824 | 6,414 | 7,016 | 4,858 | 1,976 | 2,875 | 2,044 | 2,899 | 3,686 | 4,245 |
| Group | 2,350 | 2,726 | 3,137 | 2,972 | 1,375 | 1,911 | 2,069 | 1,393 | 1,924 | 1,583 |
| Prison-based treatment and intervention service hours | 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 | 74 | 68 | 70 | 67 | 69 | 68 | 67 | 65 | 34 | 12 |

(continued)

OPERATING INFORMATION
Operating Indicators by Function

Last Ten Years

| COUNTY OF CUMBERLAND, PENNSYLVANIA (continued) | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|--------------------|---------|---------|------|------|------|------|------|------|------|
| | (unaudited) | | | | | | | | | |
| Business - type: | | | | | | | | | | |
| Transportation * | | | | | | | | | | |
| One way trips | 143,590 | 136,485 | 127,440 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Mileage | 757,171 | 726,916 | 758,722 | N/A | 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 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Governmental activities | | | | | | | | | | |
| General government - administrative | | | | | | | | | | |
| Administration | | | | | | | | | | |
| Square footage of Main 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 Historic 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 | 36,000 | 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 | 15,000 | 15,000 | 15,000 | 15,000 |
| Bureau of Elections | | | | | | | | | | |
| Electronic voting machines | 693 | 693 | 693 | 693 | 693 | 694 | 694 | 694 | 400 | 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 | 720 | 720 | 720 | 720 | 720 | 720 | 720 | 720 | 720 |
| Square footage of the prison | 145,064 | 178,410 | 178,410 | 178,410 | 178,410 | 178,410 | 178,410 | 178,410 | 178,410 | 178,410 |
| Conservation | | | | | | | | | | |
| Number of agricultural easements acquired | 126 | 128 | 135 | 140 | 150 | 157 | 169 | 181 | 187 | 196 |
| Acres in the agricultural easement program | 15,311 | 15,437 | 16,144 | 16,750 | 17,236 | 17,977 | 19,051 | 20,009 | 20,583 | 21,786 |
| Acres in agricultural secured areas | 73,544 | 74,450 | 75,685 | 72,711 | 72,876 | 73,562 | 73,885 | 74,313 | - | 73,000 |
| 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)

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Human Services | | | | | | | | | | |
| Square footage of human services building (including parking garage) | 47,844 | 47,844 | 47,844 | 47,844 | 47,844 | 47,844 | 47,844 | 47,844 | 47,844 | 47,844 |
| Square footage of Aging/Community Services | 8,024 | 8,024 | 8,024 | 8,024 | 8,024 | 8,024 | 8,024 | 8,024 | 8,024 | 8,024 |
| 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 (1) | 29 | 35 | 31 | 31 | 31 | - | - | - | - | - |
| 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 | 282 | 282 | 282 | 282 | 282 | 282 |

Note:

(1) 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

