

County of Cumberland, Pennsylvania

POPULAR ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2021



PREPARED BY THE OFFICE OF THE CONTROLLER
ALFRED L. WHITCOMB, CONTROLLER
www.ccpa.net

To the Citizens of Cumberland County:

I am pleased to provide you with Cumberland County, Pennsylvania's 2021 Annual Report Summary.

The information contained in this Annual Report Summary is unaudited and was derived from Cumberland County's audited 2021 Annual Comprehensive Financial Report (ACFR).

Except for the financial information on page 10, financial information is presented on the full accrual basis of accounting. This basis, used by businesses, presents revenues when earned and expenses when incurred. The information on page 12 is from Commonwealth reports/websites. In contrast, the financial information on page 10 is presented on the modified accrual basis of accounting and so reflects only those revenues that are received in the period or that will be received shortly after year-end and excludes certain expense accruals such as unpaid interest.

We encourage you to read the County's ACFR, which is comprised of management's discussion and analysis, financial statements, notes and schedules. The ACFR is available at the Controller's Office, One Courthouse Square, Room 207, Carlisle, PA 17013, on the County's website www.ccpa.net from the Controller's page or by calling (717) 240-6185.

This Annual Report Summary presents demographic, economic and operating information to show who we are and indicate where we are headed. Financial information reflects all County operations, except the Cumberland County Industrial Development Authority and the Cumberland County Conservation District which are discretely presented component units.

This report is presented in a simple and easy to understand format. It does not conform to Generally Accepted Accounting Principles for governments as it excludes many material disclosures, financial statements, notes and schedules found in the County's ACFR. Responsibility for the accuracy of these financial reports rests with me, as I fulfill the responsibilities of the Controller of Cumberland County.

I hope you find this report both interesting and informative.

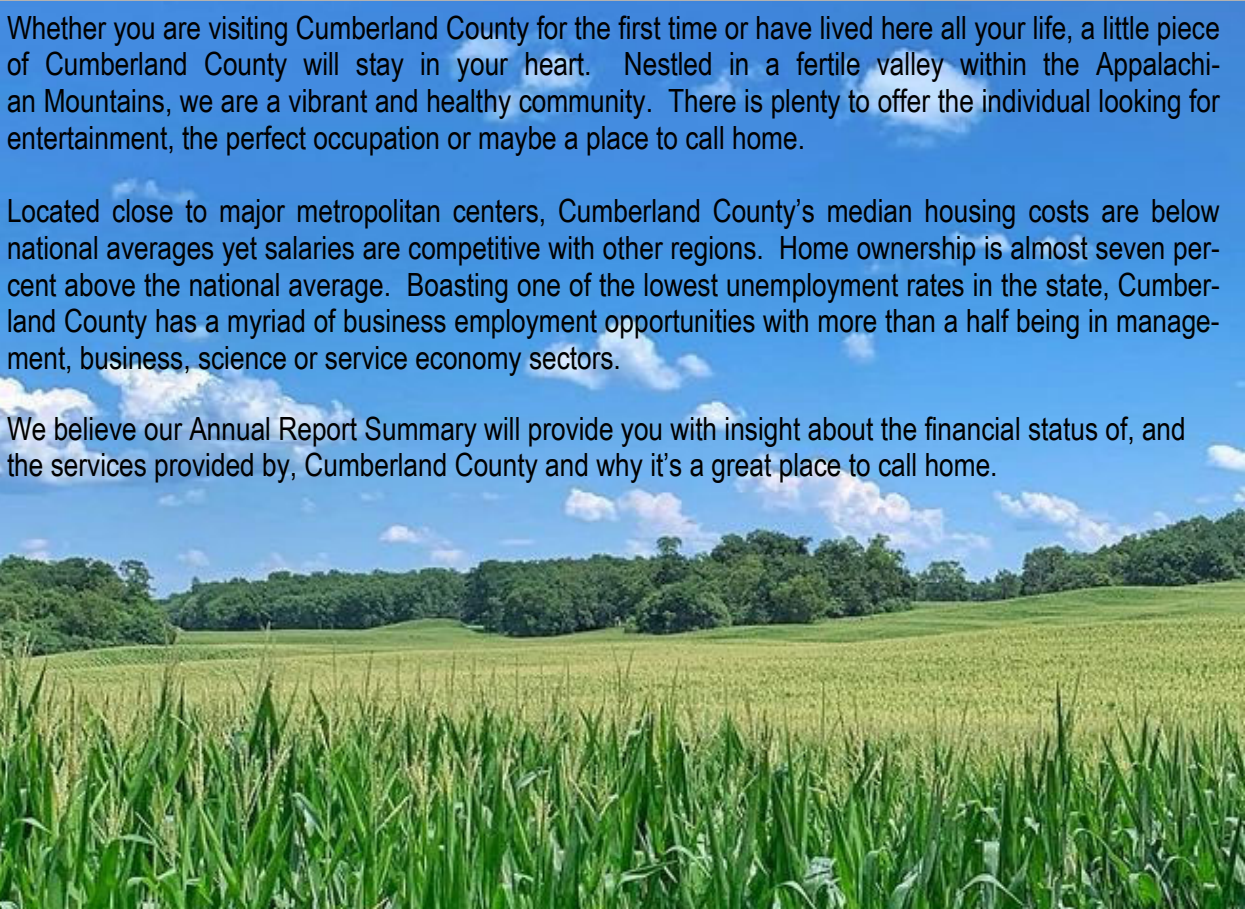


Sincerely,

A handwritten signature in black ink, appearing to read 'Alfred L. Whitcomb'. The signature is fluid and cursive, with a long, sweeping underline.

Alfred L. Whitcomb
Controller of Cumberland County
Email: awhitcomb@ccpa.net

Welcome Home to Cumberland County!



Whether you are visiting Cumberland County for the first time or have lived here all your life, a little piece of Cumberland County will stay in your heart. Nestled in a fertile valley within the Appalachian Mountains, we are a vibrant and healthy community. There is plenty to offer the individual looking for entertainment, the perfect occupation or maybe a place to call home.

Located close to major metropolitan centers, Cumberland County’s median housing costs are below national averages yet salaries are competitive with other regions. Home ownership is almost seven percent above the national average. Boasting one of the lowest unemployment rates in the state, Cumberland County has a myriad of business employment opportunities with more than a half being in management, business, science or service economy sectors.

We believe our Annual Report Summary will provide you with insight about the financial status of, and the services provided by, Cumberland County and why it’s a great place to call home.

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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. The photo on this page is courtesy of the Cumberland Valley Visitors Bureau (CVVB) at @cumberlandvalleypa on Instagram. The *Left hand margin photographs used on pages 3, 5, 7, 9 and 13 from top to bottom are courtesy of: Cumberland County, CVVB, CVVB, CVVB, Shippensburg University, CVVB, CVVB, CVVB.*



Working for You...

ELECTED OFFICIALS

BOARD OF COMMISSIONERS

(717) 240-6150
commissioners@ccpa.net



From left:
Jean Foschi, Vice Chairman;
Gary Eichelberger, Chairman;
Vince DiFilippo, Secretary

*Term in office began January 1, 2022

- Ensure compliance with provisions of the County Code.
- Granted authority to establish the annual County operating budget, approve expenditure of County dollars, authorize all County contracts and manage all County properties and buildings.

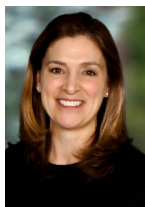
- Under the Commissioners' governance, in 2021 Cumberland County ended the year with approximately five months expenditures and program subsidies in its general fund unrestricted fund balance.



Alfred L. Whitcomb
Controller

(717) 240-6185
awhitcomb@ccpa.net

- Supervises the County's fiscal affairs, per law.
- Authorizes, or investigates if warranted, fiscal transactions.
- Maintains the County's books and financial reporting.
- Administers the County's payroll, accounts payable, retirement, fraud hotline and internal audit function.



Kelly Neiderer
Treasurer

(717) 240-6380
treasurer@ccpa.net

- Receives, deposits, records and invests all monies for the operational accounts/funds of the County. Investment income contributes to the operating budget in 2021.
- Agent for State licensing programs including dog, hunting, fishing, sportsmen firearm permits, bingo and small games of chance.
- During 2021, safely maintained operations on site, within the Courthouse, to assure cash flow was not interrupted.



Tammy L. Shearer
Recorder of Deeds

(717) 240-6370
recorderofdeeds@ccpa.net

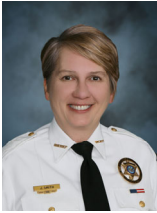
- Maintains a permanent public record of deeds and documents related to real estate in the County.
- 7,792 deeds and 14,746 mortgages were recorded in 2021.



Seán M. McCormack*
District Attorney

(717) 240-6210
districtattorney@ccpa.net

- Investigates and prosecutes of all crimes in the county.
- Ensures that the rights of all victims are upheld as required by Pennsylvania's Crime Victim's Bill of Rights.
- Serves as a leader in establishing justice system innovations that promote public safety and community well-being.



Jody S. Smith*
Sheriff

(717) 240-6390
sheriff@ccpa.net

- Serves civil process documents and enforces orders of the court.
- Provides security at county facilities and transports prisoners for court appearances.
- Managed 29,410 active licenses to carry concealed firearms in 2021.
- Locates fugitives from justice and serves court issued warrants.
- Provides law enforcement support and community service.



Charles E. Hall
Coroner

(717) 766-6418
chall@ccpa.net

- Investigates sudden, unexplained, violent or suspicious deaths occurring in the County.
- Investigated 1,367 cases for manner of death in 2021.
- Investigated 1,989 cremation referral cases in 2021.



Dennis E. Lebo
Clerk of Court

(717) 240-6250
clerkofcourts@ccpa.net

- Official record keeper for all matters relating to the Criminal Division of the Court of Common Pleas.
- Responsible for administration of court fees.
- 66,592 docket entries and 63,255 payment receipts pertinent to criminal court cases were processed in 2021.



Lisa M. Grayson, Esq.
Register of Wills &
Clerk of Orphans' Court

(717) 240-6345
regofwills@ccpa.net

- Maintains records for Register of Wills and the Orphans' Court Division of the Court of Common Pleas dating back to 1750.
- A total of 1,922 new cases were processed in 2021 including 1,740 new estates, 84 adoptions, 58 guardianships and 40 miscellaneous matters.
- Processed 1,326 marriage license applications in 2021.



Dale Sabadish
Prothonotary

(717) 240-6195
prothonotary@ccpa.net

- Maintains records of the Court of Common Pleas.
- All civil litigation is filed with the Prothonotary.
- Five star rated acceptance agent for processing public passports.
- 10,364 new civil court cases processed in 2021.
- 655 passports were processed in 2021.

Appointed Position



Stacy M. Snyder
Chief Clerk

(717) 240-6150
smsnyder@ccpa.net

- Appointed by the Commissioners.
- Manages the daily operations of County government.

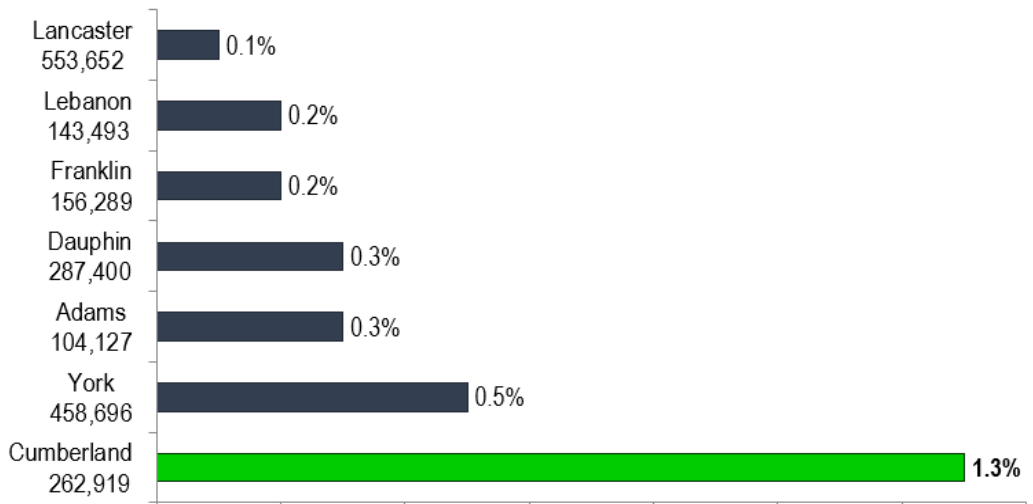


Who we are & What we are doing...

People

Cumberland County was the fastest growing County in the state between 2010 to 2020. The graph below shows the Cumberland County's surging growth percentage. It also shows each county's population.

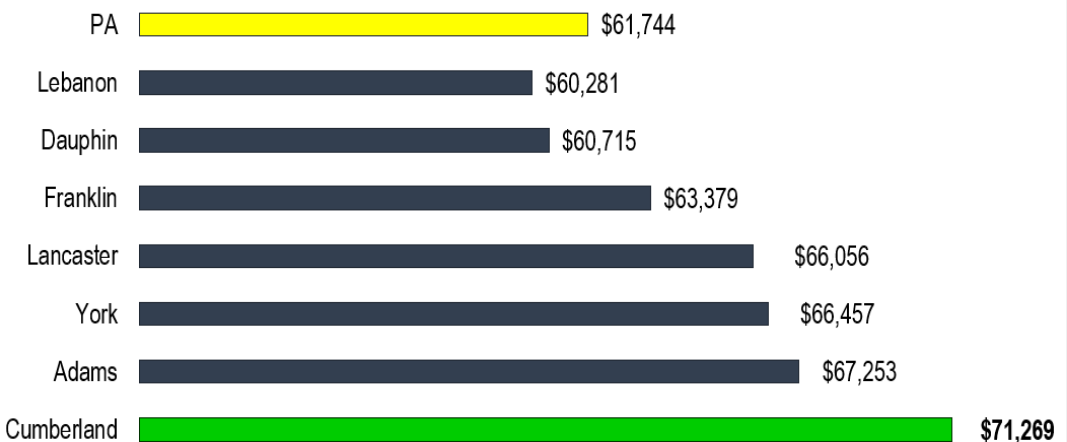
Population Growth 2020-2021 (Estimated)



Income

The graph below shows the median household income for employees across all industries in local counties and the state. On average, Cumberland County income was 16% and 12% higher than the Pennsylvania and regional averages, respectively.

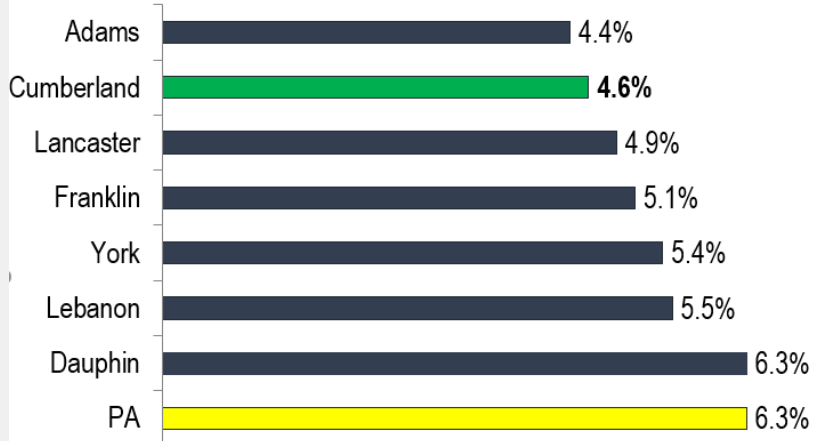
Median Household Income



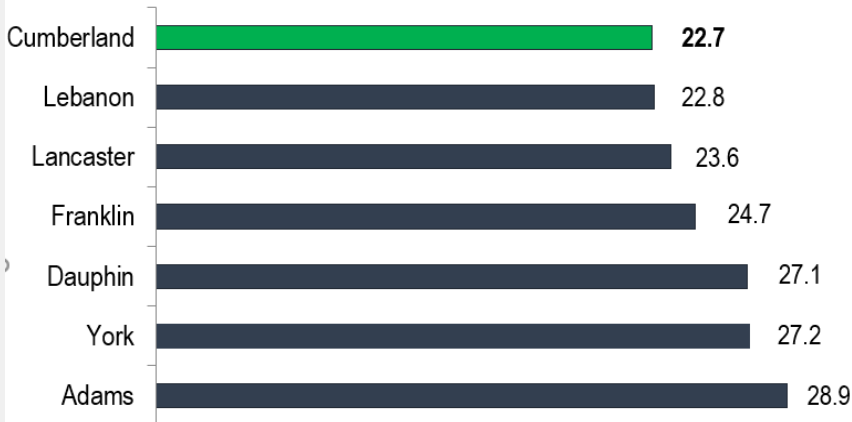
Economic Conditions

The graph to the right shows the unemployment rate in the region and the state. As per Cumberland Area Economic and Development Corporation, *"This positive employment climate is partly due to major employers in the government, healthcare, retail, transportation and warehousing industries that are located and, in many cases, headquartered here."*

Unemployment Rate



Commute to Work in Minutes



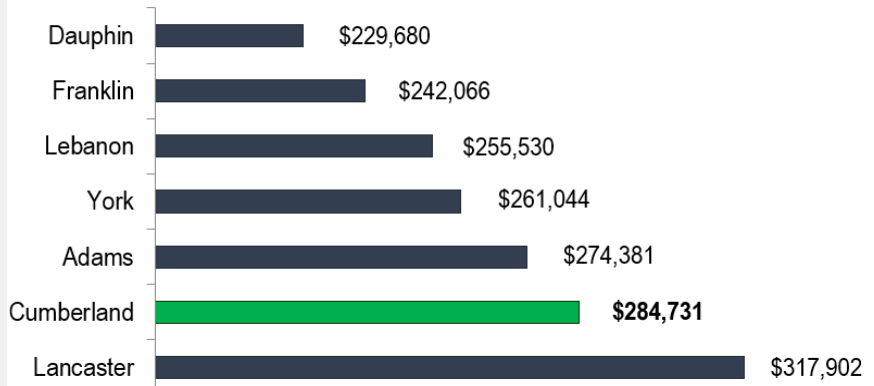
Quality of Life

Although statewide we are the fastest growing County and have the second lowest unemployment rate, more of our residents jobs are located either here or nearby. The graph to the left indicates we have the shortest commute in the region.

Housing

The graph to the right shows the median home value for a single-family home in the mid-state. It shows Cumberland County as the second highest in the region yet single family homes are affordable to most families.

Median Home Prices





Financial Section

To help you understand the financial presentations...

All of the County's financial information, except for the financial information presented on page 10, is presented on the full accrual basis of accounting. The information on page 12 is from Commonwealth reports/websites.

The full accrual basis reports revenues when earned and expenses when the liability is incurred regardless of the timing of related cash flows. This is the same basis businesses use to report their results.

The information not specified in the first paragraph above is presented on the modified accrual basis of accounting which differs from a full accrual presentation most materially in its recognition of revenue based on its availability to fund current liabilities and the recognition of capital purchases as expenditures rather than capitalizing and depreciating them. The County's general fund, reported on the modified accrual basis, is the main operating fund of the County and is the primary user of County general tax revenues.

Statements of Net Position

The summary of the County's financial position, below, shows the County's total resources at year-end versus the amount owed at year-end. The amounts below are on the full accrual basis and measure financial position as would a business.

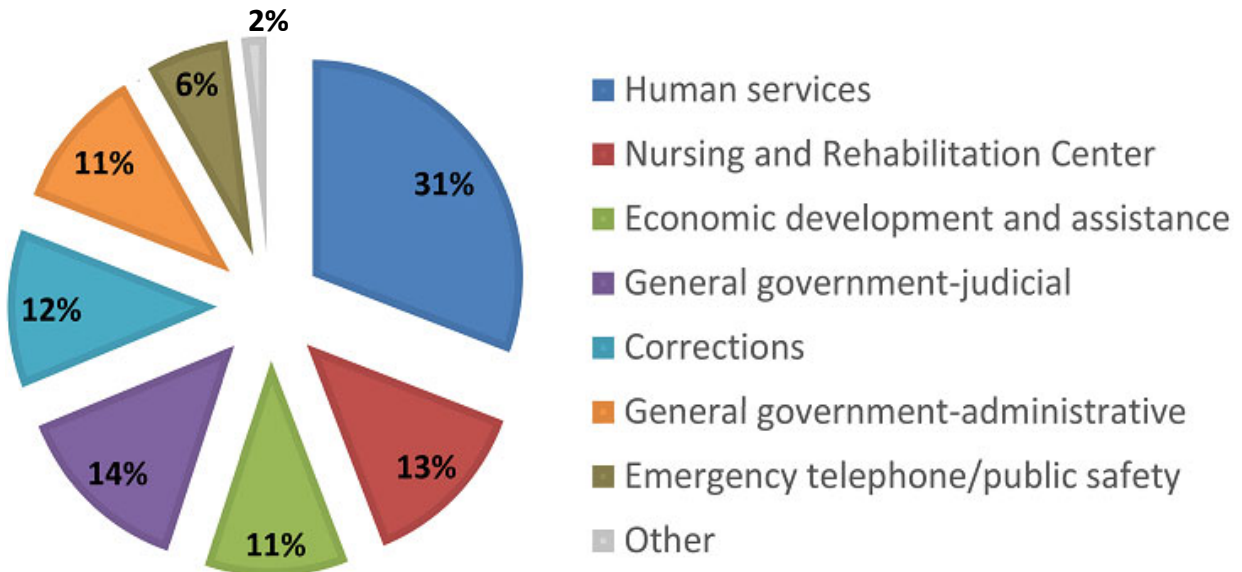
	2021	2020	2019
Assets:			
Current and other assets	\$ 150,232,107	\$ 110,503,355	\$ 88,844,518
Capital assets	106,966,759	105,821,664	91,893,288
Total assets	<u>257,198,866</u>	<u>216,325,019</u>	<u>180,737,806</u>
Deferred outflows of resources	<u>8,123,467</u>	<u>9,172,189</u>	<u>10,977,210</u>
Liabilities:			
Other liabilities	49,211,065	22,557,036	37,487,248
Long-term liabilities	32,591,754	37,780,094	21,633,744
Total liabilities	<u>81,802,819</u>	<u>60,337,130</u>	<u>59,120,992</u>
Deferred inflows of resources	<u>25,576,124</u>	<u>16,219,722</u>	<u>10,862,698</u>
Net position	<u>\$ 157,943,390</u>	<u>\$ 148,940,356</u>	<u>\$ 121,731,326</u>

Statements of Net Activities

The summary of the County's financial activities shows County-wide revenues and expenses on the full accrual basis, similar to how a business measures its financial results.

	2021	2020	2019
Revenues:			
Charges for services	\$ 43,093,467	\$ 55,206,097	\$ 52,956,438
Grants	68,475,768	86,964,485	74,897,409
Real estate taxes	55,238,720	54,950,607	53,750,856
Hotel taxes and other	2,101,429	1,185,249	2,106,019
Investment earnings	318,797	670,861	1,414,301
Total revenues	<u>169,228,181</u>	<u>198,977,299</u>	<u>185,125,023</u>
Expenses:			
Salaries	59,190,340	61,470,800	59,327,205
Benefits and payroll taxes	14,670,683	19,072,767	25,568,804
Operating	86,364,124	91,126,800	92,176,369
Total expenses	<u>160,225,147</u>	<u>171,670,367</u>	<u>177,072,378</u>
Change in net position	<u>\$ 9,003,034</u>	<u>\$ 27,306,932</u>	<u>\$ 8,052,645</u>

The following pie chart breaks down 2021 expenses (\$160,225,147) by type along with the respective percentage. You can see further detail in the complete annual report available at www.ccpa.net.





Major County Initiatives

Long-Term Financial Planning

A myriad of factors present long-term impacts on the County's fiscal planning; some negative, a few positive. Below are a listing a several impacting the County's finances:

Inflation Impact on Rising Costs and Real Estate Taxes

The County is not immune to rising costs for goods and services, including wage inflation. Currently, the County is facing a structural imbalance between the real estate market and increasing expenditures related to continued pressures to provide additional services in the fastest growing county, the tight labor market and accelerating inflationary trends. The County's primary revenue source is real estate taxes. Due to the slow appreciation of the real estate taxable assessed value, tax revenues have increase at a steady one and a half percent. However, the consumer price index increased five percent in 2021. That is a gap of three and a half percent. The County will continue to monitor this imbalance in future budget cycles.

Staffing Shortages and Related Issues

Closely related to inflation is the staffing crisis, which has been widespread since the beginning of the pandemic. Currently, the volume of applications the County receives has fallen by nearly two-thirds. This has lead to some applicants with less robust qualifications than we received in the past. As a result, it takes longer to fill positions. To compete, the County has provided hazard pay and other incentives to employees. Additionally, hybrid schedules and the potential to work remotely has been used as marketing tools for some County positions.

Continued Impact of the Pandemic

The pandemic continues to affect the County in many ways. As with many businesses, the emergency shut-down, 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 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 committed 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.

Divesture of the County Owned Nursing Facility

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.

In the first quarter of 2022, the County transferred the ownership of Claremont Nursing and Rehabilitation Center to Allaire Health Services. This transfer will secure the long-term viability of the facility while providing high level of care for residents and a positive work environment for employees.

Additional Demands on County Human Service Departments

The County human service departments serve the most vulnerable citizens and through partnerships with community organizations improve the quality of life for those involved. Federal and state funding comprises about seventy-nine percent of human service department revenues. There is a significantly growing demand in the areas of child protection, mental health, developmental disabilities, drug and alcohol, and aging services.

In recent years many of these services have been flat funded and any further expense absorbed by the general fund. As the fastest growing county in the state, the ever-increasing need for services has placed a significant financial challenge on the County.

Your Money At Work

Who receives your real estate tax dollar.....The following graph depicts for each dollar of real estate taxes paid, who is receiving it.



Per resident spending.....

Reading left to right, the information below shows how much, on average, a resident in Cumberland County pays for each general fund department service, net of revenue earned by that department. The cost per department along with subsidy to County programs are offset by general revenues to lead to the net deficit (surplus) per resident.

County department	2021	2020	Percent Change- (Favorable) Unfavorable	County department	2021	2020	Percent Change- (Favorable) Unfavorable
Information management and technology	\$ 9.91	\$ 7.83	27 %	Treasurer	1.27	1.25	2
County buildings and grounds	11.98	11.11	8	Coroner	5.20	4.91	6
Finance	4.60	5.49	(16)	Clerk of Courts	(1.20)	(1.27)	6
Bureau of elections	4.73	9.90	(52)	Prothonotary	(0.18)	0.04	550
Tax administration	1.21	1.46	(17)	Sheriff	10.47	10.37	1
Human resources	2.44	2.91	(16)	Security	1.13	1.27	(11)
Administrative services	3.95	4.21	(6)	Register of Wills	(0.67)	(1.48)	55
Total general government-administrative	38.82	42.91		Total County row offices	14.74	15.28	
District Attorney	13.21	14.15	(7)	Other departments	1.13	1.17	(3)
District justices	9.50	9.09	5	Debt service	10.96	10.65	3
Criminal courts system	18.56	19.31	(4)	Subsidy to county programs:			
Public defender	6.77	6.24	8	Emergency telephone/911	7.31	2.05	257
Total general government-judicial	48.04	48.79		Human services	22.56	20.60	10
County prison	43.17	43.16	0	Domestic relations	4.74	4.63	2
Adult and juvenile probation	17.93	18.63	(4)	Public safety	1.20	1.17	3
Total corrections	61.10	61.79		Nursing and rehab center	2.63	0	100
Public safety administration	3.51	2.48	42	CARES act funding	(0.27)	(5.28)	95
Conservation and planning	7.29	7.69	(5)	General revenues	(225.54)	(227.69)	1
Commissioners Office	4.03	3.72	8	Net deficit (surplus) per capita	\$2.25	\$(10.04)	
Controller	4.55	4.53	0				
Recorder of Deeds	(5.83)	(4.34)	(34)				

Cumberland County Conservative Fiscal Results

HIGHEST CREDIT RATING

In May 2022, Standard & Poor's reaffirmed Cumberland County's 'AAA' long-term credit rating, adding that "the outlook is stable" for the County.

The County has held a AAA credit rating, the highest achievable, since 2008. A high credit rating allows the County to save substantial interest costs.



WHAT EARNED CUMBERLAND COUNTY ITS HIGH RATING?

The following are excerpts from the S&P Global May, 2022 credit ratings report.

*"We believe **the county can maintain better credit characteristics than the U.S. in a stress scenario**"*

*Cumberland County has a "**strong economy**"*

*Cumberland County maintains a "**healthy financial position**"*

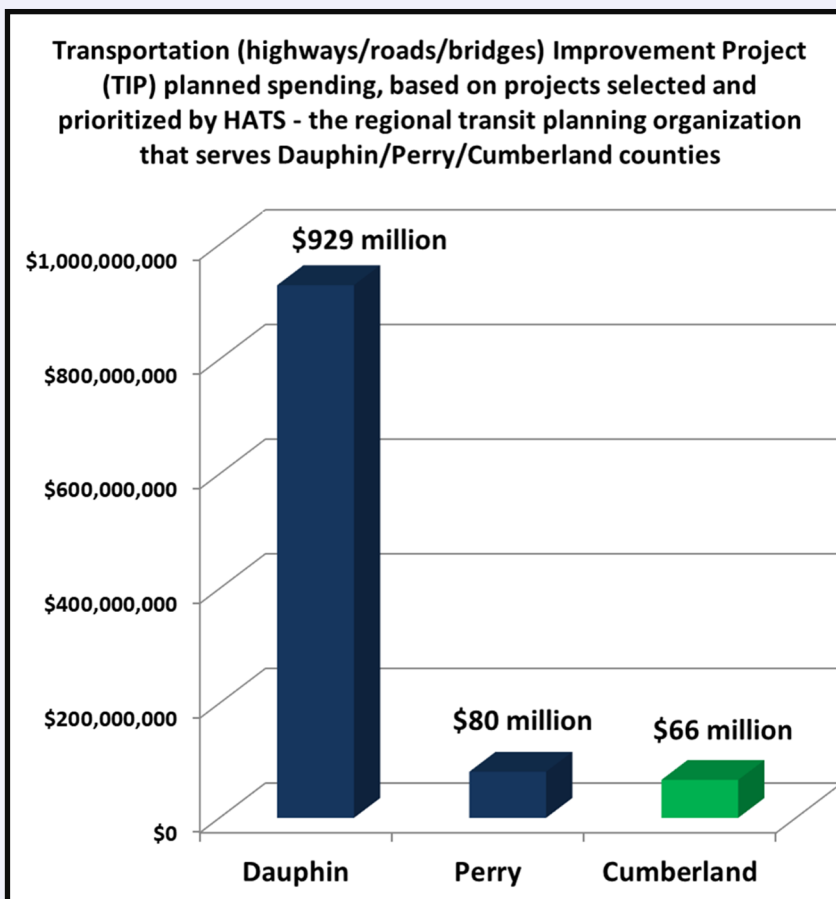
*Cumberland County has "**strong financial policies and practices**"*

*Cumberland County maintains a "**low debt burden...and manageable debt plans**"*

*Cumberland County "**budgets conservatively**"*

*Cumberland County elected officials employ "**very strong management**"*

Transportation Improvement Planning; Fairness in Results?



Dauphin, Perry and Cumberland counties share a transit planning organization — Harrisburg Area Transportation Study also known as HATS. HATS is wholly staffed by the employees of the Tri-County Regional Planning Commission in Harrisburg—an organization governed by a board appointed by Dauphin and Perry counties and the City of Harrisburg.

Currently, HATS has awarded \$14 to transportation projects in Dauphin County for every \$1 dollar that they have awarded to transit improvement projects in Cumberland County, despite Dauphin and Cumberland having nearly identical Federal/state highway length and highway use within their borders.

Source: As to planned transportation improvement spending: www.gis.pennndot.gov/paprojects/PAProjects.aspx. As to total highway miles and use, by county: PennDOT pub 600(9-21).



Cumberland County contacts

Go to www.ccpa.net and browse services offered, or call the numbers below.

Aging and Community Services	(717)240-6110
Agricultural land preservation	(717)240-5383
Child services	(717)240-6120
Conservation District	(717)240-7812
Crisis intervention (mental health crisis):	
• Camp Hill area	(717)763-2222
• Carlisle area	(717)243-6005
• All other areas	(866)350-HELP
Cumberland County Library System	(717)240-6175
Domestic Relations (child support)	(717)240-6225
Drug & Alcohol	(717)240-6300
Economic development	(717)240-7180
Elections	(717)240-6385
Emergency Communications (in emergency)	9-1-1
Jury Services	(717)240-6200
Mental Health/Intellectual & Developmental Disabilities	(717)240-6320
Penn State Cooperative Extension Office	(717)240-6500
Prison	(717)245-8787
Recycling	(717)240-6489
Transportation	
• Shared ride	(800)632-9063
• Fixed route	(717)238-8304
Weights & Measures	(717)240-6349
Veterans Affairs	(717)240-6178

Recognition



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

County of Cumberland

Pennsylvania

For its Annual Financial Report
for the Fiscal Year Ended

December 31, 2020

Christopher P. Morrill

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Cumberland County, Pennsylvania for its Popular Annual Financial Report for the fiscal 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.

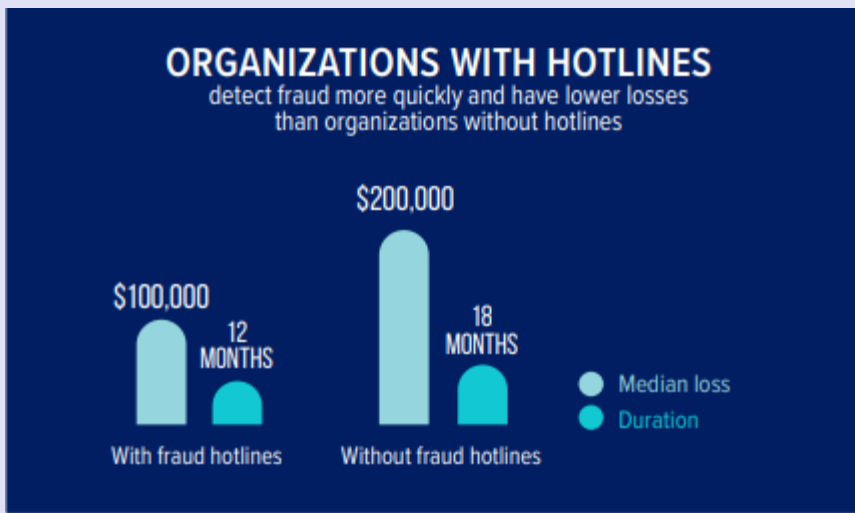
In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

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 are submitting it to the GFOA.



Photos courtesy of the Cumberland Valley Visitors Bureau (www.visitcumberlandvalley.com). (left to right) West Shore Farmers Market, Lemoyne; Children's Lake, Boiling Springs; Carlisle Arts Learning Center, Carlisle; Doubling Gap Lake, Newville; Carlisle Events Car Show, Carlisle; Army Heritage and Education Center's Army Heritage Trail, Carlisle.

CUMBERLAND COUNTY CONTROLLER FRAUD TIP HOTLINE



Report the following:

- Person(s) involved
- Physical location where fraud, waste and abuse is suspected.
- Nature of the fraud/abuse – false reports, stealing, etc.
- Date and/or duration of occurrences
- Approximate dollar amount/value involved
- Any other witnesses

Reporting options:

- Submit your tip electronically: Go to www.ccpa.net and on the Controller page click on 'Fraud & Abuse Hotline'.
- Mail your tip to: Fraud Hotline, P.O. Box 1079, Carlisle, PA 17013 (access to this PO Box is strictly enforced)
- Call (717) 240-6192