

County of Cumberland, Pennsylvania

ANNUAL COMPREHENSIVE FINANCIAL REPORT

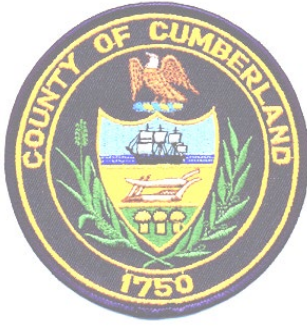
For The Year Ended December 31, 2023



PREPARED BY THE OFFICE OF THE CONTROLLER
ALFRED L. WHITCOMB, CONTROLLER
www.cumberlandcountypa.gov



Alfred L. Whitcomb
Controller



COUNTY OF CUMBERLAND, PENNSYLVANIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023

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ALFRED L. WHITCOMB, CONTROLLER

COUNTY OF CUMBERLAND, PENNSYLVANIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2023

TABLE OF CONTENTS

<u>INTRODUCTORY SECTION</u>	<u>Page(s)</u>
Letter of Transmittal	1-5
Certificate of Achievement for Excellence in Financial Reporting	6
Organizational Chart	7
List of Elected Officials	8
Map of the County	9
 <u>FINANCIAL SECTION</u>	
Report of Independent Auditors	11-13
Management's Discussion and Analysis	14-26
 <u>Basic Financial Statements</u>	
Government-wide Financial Statements	
Statement of Net Position	28-30
Statement of Activities	31
 Fund Financial Statements	
Description of Major Governmental Funds	32
Balance Sheet – Governmental Funds	33
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	34
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	35
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	36-37
Description of Major Proprietary Funds	38
Statement of Net Position – Proprietary Funds	39
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	40
Statement of Cash Flows – Proprietary Funds	41
Description of Fiduciary Funds	42
Statement of Fiduciary Net Position – Fiduciary Funds	43
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	44

COUNTY OF CUMBERLAND, PENNSYLVANIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2023

TABLE OF CONTENTS

	<u>Page(s)</u>
Notes to the Financial Statements	46-97
 <u>Required Supplementary Information</u>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - General Fund	99-100
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - Mental Health/Intellectual and Developmental Disabilities	101
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Children and Youth	102
Employees’ Retirement Plan – Schedule of Changes in Net Pension Liability/ Asset and Related Ratios – Last 10 Years	104-105
Employees’ Retirement Plan – Schedule of County Contributions – Last 10 Years	106-107
Employees’ Retirement Plan – Schedule of Investment Returns – Last 10 Years	108-109
Notes to Required Supplemental Information – Employee’s Retirement Plan Schedules	110
Other Postemployment Benefits Plan – Schedule of Changes in the County’s Total OPEB Liability and Related Ratios	112-113
Notes to Required Supplementary Information – OPEB Schedules and Budgetary Information	114-117
 <u>Supplementary Information</u>	
Description of Nonmajor Governmental Funds	120-121
Combining Balance Sheet – Nonmajor Governmental Funds	122-125
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	126-129
Nonmajor Governmental Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Liquid Fuels Tax	131
Nonmajor Governmental Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Domestic Relations Office	132

COUNTY OF CUMBERLAND, PENNSYLVANIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2023

TABLE OF CONTENTS

	<u>Page(s)</u>
Nonmajor Governmental Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Office of Aging	133
Nonmajor Governmental Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Human Services Development	134
Nonmajor Governmental Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Food and Shelter	135
Nonmajor Governmental Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Drug and Alcohol	136
Nonmajor Governmental Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Fiscal Employer Agent	137
Nonmajor Governmental Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Witness Assistance	138
Nonmajor Governmental Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – ARD/DUI Program	139
Nonmajor Governmental Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Records Improvement	140
Nonmajor Governmental Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Recycling and Waste	141
Nonmajor Governmental Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Affordable Housing	142
Nonmajor Governmental Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Hotel Tax	143
Nonmajor Governmental Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Emergency Telephone	144
Nonmajor Governmental Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – American Rescue Plan	145
Nonmajor Governmental Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service	146
Nonmajor Governmental Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Capital Projects	147
Description of Other General Fund Programs	149
Other General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – County Grant Program	150
Other General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Insurance Fraud Prevention Authority	151

COUNTY OF CUMBERLAND, PENNSYLVANIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2023

TABLE OF CONTENTS

	<u>Page(s)</u>
Other General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Criminal Justice Services	152
Other General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Opioid Crisis Relief Fund	153
Other General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Offender Supervision	154
Other General Fund Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual – STOP Grant	155
Other General Fund Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual – Demolition Fund	156
Other General Fund Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget and Actual – District Attorney – Federal Forfeitures	157
Description of Internal Service Funds	159
Combining Statement of Net Position – Internal Service Funds	160
Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds	161
Combining Statement of Cash Flows – Internal Service Funds	162
Description of Custodial Funds	164
Combining Statement of Fiduciary Net Position – Custodial Funds	166-167
Combining Statement of Change in Fiduciary Net Position – Custodial Funds	168-169
 <u>STATISTICAL SECTION</u>	
Description of Statistical Section	171
Financial Trends	
Net Position by Component	172-173
Changes in Net Position	174-179
Fund Balances of Governmental Funds	180-183
Changes in Fund Balances of Governmental Funds	184-187
Revenue Capacity	
Assessed Value and Estimated Actual Value of Taxable Property	188
Direct and Overlapping Property Tax Rates	189-190
Principal Property Taxpayers	191

COUNTY OF CUMBERLAND, PENNSYLVANIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2023

TABLE OF CONTENTS

	<u>Page(s)</u>
County Real Estate Tax Levies and Collections	192
Library Tax Levies and Collections	193
Debt Capacity	
Ratio of Outstanding Debt by Type	194
Ratios of General Bonded Debt Outstanding	195
Direct and Overlapping Governmental Activities Debt	196
Legal Debt Margin Information	198-199
Demographic and Economic Information	
Demographic and Economic Information	200
Principal Employers – Ten Years Ago and Current	201
Operating Information	
Full-Time Equivalent County Employees by Function/Program	202-205
Operating Indicators by Function	206-209
Capital Asset Statistics by Function	210-212

PHOTOGRAPHY CREDITS

The cover photograph was taken in Adams-Ricci Park in Enola, Cumberland County. Cover photograph is courtesy of Susan Catalano.

Controller of Cumberland County

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ROBERT J. DAGROSA, CPA
FIRST DEPUTY CONTROLLER

LISA R. WATTS, MBA, CPA
SECOND DEPUTY CONTROLLER/
AUDIT MANAGER

JAMES D. BOGAR
SOLICITOR

June 24, 2024

TO: THE CITIZENS AND COMMISSIONERS OF CUMBERLAND COUNTY

I am pleased to present the Annual Comprehensive Financial Report (ACFR) for Cumberland County (the County) for the year ended December 31, 2023. The financial information presented herein is accurate in all material aspects and is reported in a manner designed to fairly set forth the County's financial position and result of its operations. The report observes the recommended guidelines of the Government Finance Officers Association for full financial disclosure and is designed to furnish information to various users including creditors, investors, government officials and the public.

This ACFR was prepared by the Controller's Office in accordance with U.S. generally accepted accounting principles (GAAP) for governments. This report supports the Controller's transparency and accountability objectives by its publication. The Annual Comprehensive Financial Report's basic financial statements were audited by an independent firm of certified public accountants, Boyer & Ritter, LLC, in cooperation with the Controller's audit staff. The independent auditor concluded there to be a reasonable basis upon which to render an unmodified opinion that the County's financial statements for the year ended December 31, 2023 are fairly presented in conformity with GAAP. The independent auditor's report is presented in 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.

This report consists of County management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management, in cooperation with the Controller, 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.

The County is subject to Governmental Accounting Standards Board (GASB) Statement No. 34 (GASB 34). Accordingly, this ACFR presents two “government-wide” financial statements. The Statement of Net Position and the Statement of Activities help County residents, taxpayers, and other readers to assess the finances of the County in its entirety, 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 and see how the County finances its programs – through user fees and other program revenues versus County tax revenues.

GASB 34 also 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

History and Background

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 Controller is elected to serve as the County’s “check and balance” of the County’s management and administrators by supervising the fiscal affairs of the County.

Cumberland County provides its residents with a wide variety of services in areas such as public safety, courts (both criminal and civil), probation, prison, veterans affairs, agriculture, development and planning services, and health and human services which include mental health and intellectual and developmental disabilities, children and youth, aging and community services, the library system, and others.

Cumberland Area Economic Development Corporation (CAEDC) serves as the County’s authorized agency charged with leveraging and promoting Cumberland County’s and the broader 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 consultation, tourism grants and loans, travel planning and other services.

The County is in the south-central part of the state between two Appalachian Mountain ranges. The midway point of the Appalachian Trail is in the County. Cumberland County is also home to the longest flat section of the trail, making 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. It is also the home of Jubilee Day, the longest running one day street fair on the east coast and world-renowned car shows held annually in Carlise, the county seat.

There are eleven boroughs and twenty-two townships in the County. The County has a land area of 555 square miles and an estimated 2023 population of 270,738. It is the 15th most populous county in the state and ranks 41st of 67 counties in size. [*U.S. Census Bureau’s Annual Estimates of Resident Populations of Counties in Pennsylvania: July 1, 2023.*]

Cumberland County is one of the fastest growing counties in Pennsylvania, by population, growing an estimated 4.3% since the 2020 census. [*U.S. Census Bureau’s Annual Estimates of Resident Populations of Counties in Pennsylvania: July 1, 2023.*]

Component Units

The County adheres to GASB Statement No. 14 (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 and so are presented discretely on the government-wide financial statements and not at all in the fund financial statements.

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. [Source: *Pennsylvania Department of Labor & Industry – Center for Workforce Information and Analysis; 3rd Quarter 2023*]

Cumberland County ended 2023 with an unemployment rate of 2.8%, compared to a rate of 3.5% for the State of Pennsylvania. [Source: *Pennsylvania Department of Labor & Industry – Center for Workforce Information and Analysis; December 2023*]

Cumberland County per capita personal income was \$43,535; whereas the statewide average was \$41,234. Cumberland County median household income was \$82,849; whereas the statewide average was \$73,170. [Source: *U.S. Census Quick facts reflecting 2022 data, as 2023 data was unavailable.*]

Long-Term Financial Planning

The County develops a strategic plan, financial policies, capital improvement plans and an operating budget as part of its long-term financial planning. Understanding long-term trends and potential risk factors that may impact overall financial sustainability allows the County to proactively address these issues. Below are several risk factors that present impactful challenges to County fiscal planning.

Impact of Inflation

Inflation increases short-term and long-term costs of doing government business. The cost of both service delivery and capital projects increases while the value of revenue collections decreases with inflation. These factors combined with tight labor markets have a negative budget impact, most notably on the cost of the mandated services that the County provides its constituents.

Staffing Constraints

While the County workforce is well-trained dedicated to providing services to residents, recruitment and retention have negatively impacted the County since the beginning of the pandemic. The County faces an increase in employee departures while concurrently receiving fewer applications for open positions. The County has traditionally relied on employee benefits to improve our total compensation package, however due to high inflation and related pressures, the benefits package is decreasing in value among active job seekers. In 2023, the County implemented total compensation study recommendations in hopes of reversing the recent trends and to stabilize the workforce.

Growing Demands for Services

As the County continues to rapidly grow, as does the demand on county services, particularly within the safety and human services departments. County human service departments have been tasked with providing existing services while also implementing new initiatives although federal and state budgets have remained stagnant. The County is also mandated to provide certain mental health services to residents, yet the state has not increased funding to meet the growing need nor account for the increased population. While elected officials actively pressure the Commonwealth for additional funding the cost burden remains and will consequently either the cost will be borne by residents through reduced services or increased taxes to fund the services.

Tax Abatement

As of December 31, 2023, the County of Cumberland has a tax abatement agreement with one entity. A complete cost/benefit analysis can be found within Cumberland County Ordinance No. 2019-1, available in the Cumberland County Commissioner's Office located at 1 Courthouse Square, 2nd Floor, Suite 200, Carlisle, PA 17013.

The tax abatement agreement was negotiated under the Pennsylvania Local Economic Revitalization Tax Assistance (LERTA) Act of 1977. LERTA authorizes local taxing authorities to exempt from real property taxation, within certain limitations, the assessed valuation of improvements to, and new construction of, industrial, commercial, and other business property in areas designated for such purpose by the governing body of the municipality. The County desires to provide economic incentives contributing to the general welfare of East Pennsboro Township by spurring economic activity and promoting improvement in the designated LERTA area of the Township.

Please see the financial statements accompanying footnote disclosure #5 – Tax Abatement, for additional information.

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. Although 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 establishing financial objectives and underlying fiscal policies and procedures. The Board has also adopted formal financial policies covering budget, capital planning, investing, 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.

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 (COA) for Excellence in Financial Reporting to Cumberland County for its ACFR for the fiscal year ended December 31, 2022. This was the 35th consecutive year that the County has achieved this prestigious award. We believe that this report continues to meet the COA requirements.

Award for Outstanding Achievement in Popular Annual Financial Reporting

The GFOA has given an Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) to Cumberland County for its popular annual financial report for the year ended December 31, 2023. This was the 20th consecutive year that the County has achieved this prestigious award. To receive is award, the government must publish a PAFR, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

Distinguished Budget Presentation Award

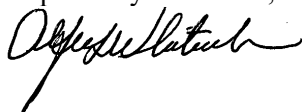
The GFOA awarded their Distinguished Budget Presentation Award to Cumberland County for its annual budget document, prepared by the County Finance Office, for the fiscal year beginning January 1, 2023. This was the 16th consecutive year the County has received this prestigious award. To qualify for the 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**

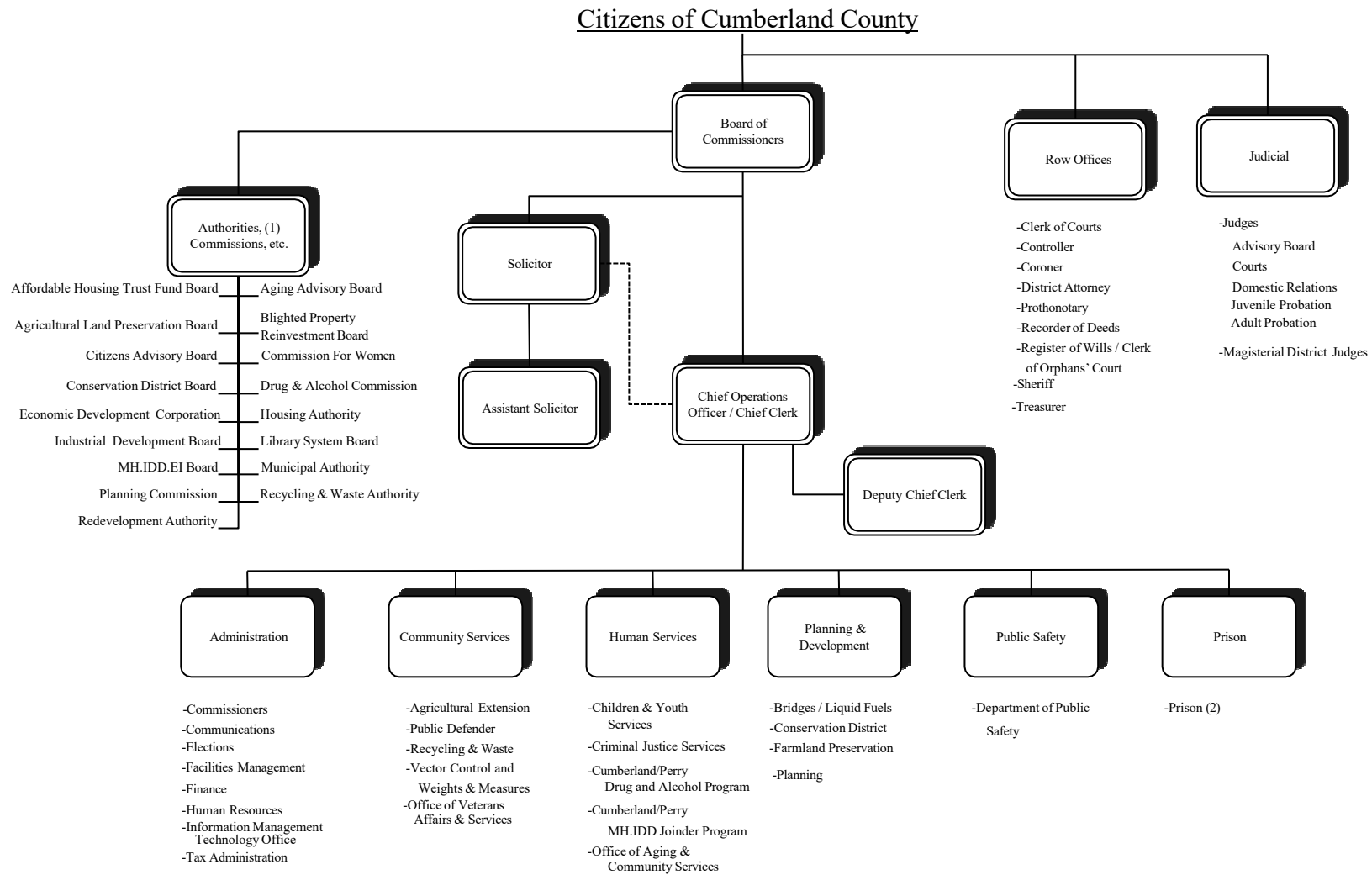
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO

Cumberland County, Pennsylvania Organizational Chart



(1) The Board of Directors for the authorities, commissioners, 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, 2023

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 Jessica E. Brewbaker
Honorable Carrie E. Hyams
Honorable Matt Smith
Honorable Michelle H. Sibert

TREASURER

Kelly Neiderer

SHERIFF

Jody S. Smith

CONTROLLER

Alfred L. Whitcomb

REGISTER OF WILLS

Lisa M. Grayson

CORONER

Charles E. Hall

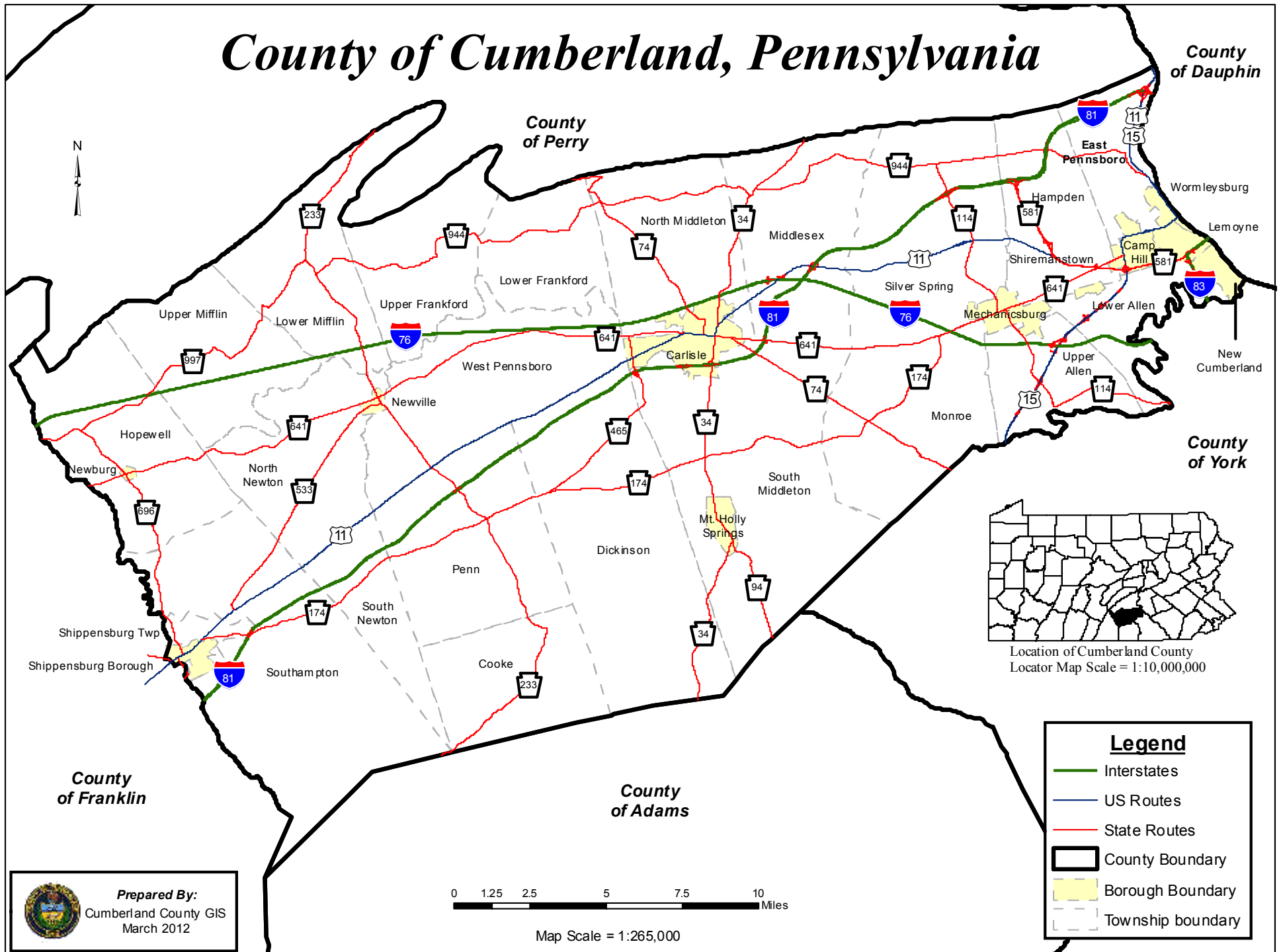
RECORDER OF DEEDS

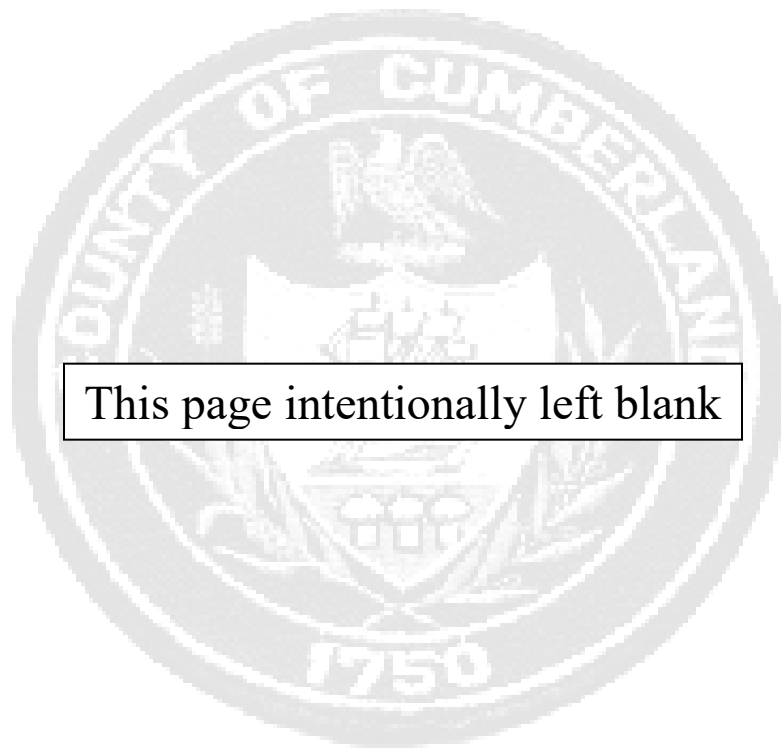
Tammy Shearer

DISTRICT ATTORNEY

Sean M. McCormack

County of Cumberland, Pennsylvania





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INDEPENDENT AUDITOR'S REPORT

County Commissioners
County of Cumberland, Pennsylvania
Carlisle, Pennsylvania

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Cumberland, Pennsylvania (County) as of and for the year ended December 31, 2023, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Cumberland, Pennsylvania as of December 31, 2023, 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 Cumberland County Conservation District and the Cumberland County Industrial Development Authority, the discretely presented component units of the County which represent 100% of the assets and revenues of the aggregate discretely presented component units as of December 31, 2023, 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 3% and 2%, respectively, of the assets and revenues of the aggregate remaining fund information as of December 31, 2023, 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.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the County adopted the provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 96, *Subscription-Based Information Technology Arrangements*, as of January 1, 2023. Our opinion is not modified with respect to this matter.

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, which 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, which 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 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 black ink, reading "Boyer & Ritter". The signature is written in a cursive, flowing style with a large, sweeping initial 'B' and 'R'.

Camp Hill, Pennsylvania
June 24, 2024

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, 2023. 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 \$204,620,995 (*net position*). Of this amount, \$94,697,439 (*unrestricted net position*) may be used to meet the County's general ongoing obligations to citizens and creditors, whereas an additional \$29,634,205 of *restricted net position* is available for funding specific activities benefiting the citizens.
- The government's total net position increased by \$4,485,615 in 2023, which is comprised of the current year change in net position of \$4,099,557 and a restatement of net position of \$386,058. The restatement resulted from the implementation of the Governmental Accounting Standards Board Statement 96 - *Subscription-based Information Technology Arrangements*.
- The current year change in net position of \$4,099,557 is the result of the reasons outlined in the government-wide financial analysis section of this management discussion and analysis.
- As of December 31, 2023, Cumberland County's governmental funds reported combined ending fund balances of \$122,945,324, an increase of \$2,813,866. The increase is comprised of a current year change in fund balance of \$2,845,143 and a restatement which decreased fund balance by \$31,277. The restatement resulted from the implementation of the Governmental Accounting Standards Board Statement 96 - *Subscription-based Information Technology Arrangements*.
- Of Cumberland County's governmental fund balance at December 31, 2023, approximately 59 percent of the amount (\$72,141,514) is *available for spending* at the government's discretion (*unrestricted fund balance*).
- The County's general fund total fund balance was \$96,743,687 at the end of 2023. This is an increase of 3.6 percent or \$3,371,393 from 2022.
- At the end of 2023, general fund unassigned fund balance was \$28,621,089 and assigned fund balance was \$36,955,206 for public safety, future budgetary requirements, capital projects, ARPA recovery funds, risk liability, nursing home proceeds, prison canteen, planning assistance, stimulus, criminal justice services, and blighted property remediation.
- At the end of 2023, general fund committed fund balance was \$23,713,003 for the county grant program and future strategic initiatives.
- In 2023, Cumberland County's total general obligation debt decreased by \$2,738,584 which was due to the County's scheduled principal payments and changes in bond premium.
- The County preserved 935 acres of premium farmland in 2023 with 2,285 acres pending settlement at the end of 2023. In October 2019, the Commissioner's enacted a resolution with the goal of preserving at least 30,000 acres of working farmland by 2030.
- The County's actuarially determined retirement contribution increased in 2023 and the County continued to fully fund the liability.
- Public Safety emergency radio and infrastructure capital project was in the tower site construction and infrastructure design stage at the end of 2023. The project is estimated to be completed by mid-2025.
- 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 and June 2022. The County allocated \$34,349,328 in 2022 and \$14,964,824 in 2023 to the general fund to cover salary and benefit costs.

- With the proceeds from American Rescue Plan Act (ARPA), the County Grant Program was established to provide economic assistance grants to several categories established by the County. Below is a summary of how the County Grant Program proceeds have been spent in 2022 and 2023.

The County Grant Program has allocated the following in millions:

○ Mental & Physical Health	\$ 7.1
○ Infrastructure	\$ 7.1
○ Non-Profit/Business	\$ 1.8
○ Higher Education	\$ 2.5
○ Project P25 municipal radios	\$ 3.8
○ County Projects	\$ 25.3
○ Contingency	\$ 1.6

- In 2023, subsidy to other programs decreased due to the following reasons:
 - MH/IDD subsidy decreased \$2,203,523 due to additional one-time funding from the state and Capital Area Behavioral Health Collaborative (CABHC).
 - 9-1-1 subsidy increased \$1,503,707 due to increased expenses and the new bond payment.

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 County did not have any business-type activities for the year ended December 31, 2023, however some comparative schedules reflect the operation of Claremont Nursing and Rehabilitation Center thru the date of its sale to an third-party on March 13, 2022.

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 28 through 31 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the year and, therefore, have a budget orientation. Governmental fund information may be useful in evaluating a government's near-term financing requirements.

Because the focus of spendable resources of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances are reconciled to *governmental activities* on pages 34, 36 and 37 of this report.

The County maintains governmental funds, consisting of the County's general fund, numerous special revenue funds, a capital project fund and a 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, mental health/intellectual and developmental disabilities fund special revenue fund, and the children and youth special revenue fund are considered major funds. Major funds represent individually a significant portion of a government's financial activity.

Data from the other governmental funds is combined into a single, aggregated presentation entitled "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 33 and 35 of this report.

Proprietary funds. The County maintains an internal service fund as a proprietary 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 only 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 only benefits governmental functions and therefore, although the net expenses of this activity are allocated to all benefiting activities in the government-wide *statement of activities*, the net position of this activity is included within *governmental activities* in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 39 through 41 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 43 and 44 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 46 through 97 of this report.

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* including budget to actual comparison schedules for the general fund and major special revenue funds and information concerning the County's progress in funding its obligation to provide pension and other postemployment benefits to its employees. The County adopts annual appropriated budgets for its funds. Budgetary comparison schedules have been provided for the general fund and each major special revenue fund which can be found on pages 99 through 117 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 \$204,620,995 at the close of the most recent calendar year.

Cumberland County's Net Position

	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and other assets \$	173,535,394	175,118,385	-	-	173,535,394	175,118,385
Capital assets	109,174,106	104,869,850	-	-	109,174,106	104,869,850
Total assets	282,709,500	279,988,235	-	-	282,709,500	279,988,235
Deferred outflows of resources	23,638,584	37,157,115	-	-	23,638,584	37,157,115
Liabilities:						
Current and other liabilities	40,377,295	42,557,326	-	-	40,377,295	42,557,326
Long-term liabilities	60,624,183	73,850,699	-	-	60,624,183	73,850,699
Total liabilities	101,001,478	116,408,025	-	-	101,001,478	116,408,025
Deferred inflows of resources	725,611	601,945	-	-	725,611	601,945
Net position:						
Net investment in capital assets	80,289,351	77,516,379	-	-	80,289,351	77,516,379
Restricted	29,634,205	31,515,480	-	-	29,634,205	31,515,480
Unrestricted	94,697,439	91,103,521	-	-	94,697,439	91,103,521
Total net position	\$ 204,620,995	200,135,380	-	-	204,620,995	200,135,380

Thirty-nine 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 (\$29,634,205). The remaining balance of *unrestricted net position* (\$94,697,439) may be used to meet the government's ongoing obligations to citizens and creditors.

Deferred outflow of resources decreased \$13,518,531 predominantly due to amortization of the difference of projected pension investment earnings compared to actual earnings. The difference in pension earnings is amortized over five years; 2023's amortization included the time period of 2019 through 2023 in the amount of \$11,984,302 primarily consisting of 2022 pension earnings amortization of \$10,771,682.

Deferred inflow of resources increased \$123,666.

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.

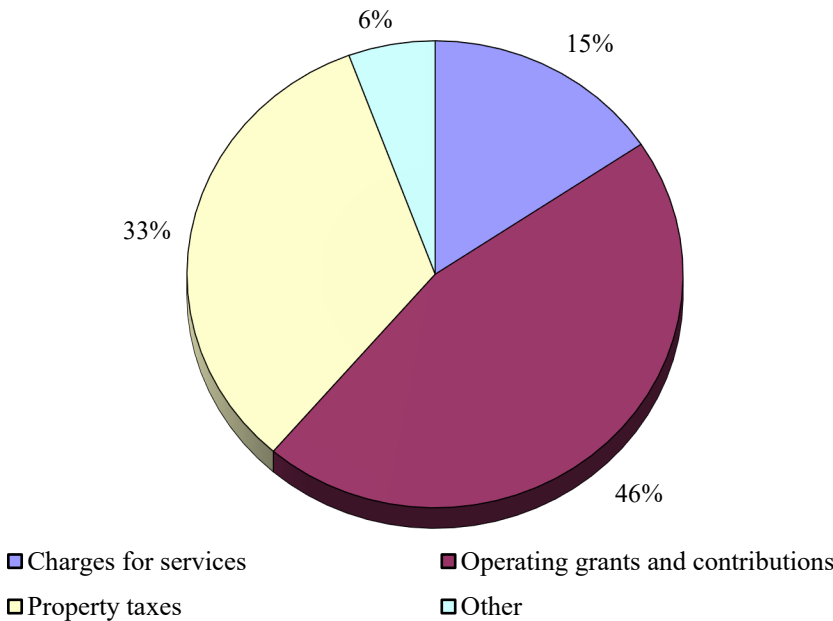
Cumberland County's Change in Net Position

	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 27,032,589	\$ 25,156,552	-	4,229,994	27,032,589	29,386,546
Operating grants and contributions	79,156,394	103,629,112	-	-	79,156,394	103,629,112
Capital grants and contributions	386,106	110,325	-	-	386,106	110,325
General revenues:						
Property taxes and other	57,243,344	56,521,236	-	-	57,243,344	56,521,236
Hotel taxes	2,640,953	2,483,252	-	-	2,640,953	2,483,252
Unrestricted investment earnings	6,765,107	1,319,621	-	188,392	6,765,107	1,508,013
Total revenues	173,224,493	189,220,098	-	4,418,386	173,224,493	193,638,484
Expenses:						
General government-administrative	20,339,637	20,102,422	-	-	20,339,637	20,102,422
General government-judicial	28,593,401	26,597,232	-	-	28,593,401	26,597,232
Corrections	23,366,162	22,987,596	-	-	23,366,162	22,987,596
Emergency telephone	7,212,815	6,776,142	-	-	7,212,815	6,776,142
Public safety	6,503,421	6,022,201	-	-	6,503,421	6,022,201
Roads and bridge maintenance	1,128,429	890,330	-	-	1,128,429	890,330
Recycling and waste management	531,642	486,859	-	-	531,642	486,859
Human services	61,210,495	57,302,467	-	-	61,210,495	57,302,467
Culture and recreation	271,582	861,263	-	-	271,582	861,263
Conservation	1,181,384	1,215,867	-	-	1,181,384	1,215,867
Community redevelopment and housing	203,998	249,384	-	-	203,998	249,384
Economic development and assistance	17,264,204	7,745,583	-	-	17,264,204	7,745,583
Interest on long-term debt	1,317,766	1,128,442	-	-	1,317,766	1,128,442
Indirect expenses	-	(128,171)	-	128,171	-	-
Claremont Nursing and Rehabilitation Center	-	-	-	6,714,948	-	6,714,948
Total expenses	169,124,936	152,237,617	-	6,843,119	169,124,936	159,080,736
Increase (decrease) in net position						
before transfers	4,099,557	36,982,481	-	(2,424,733)	4,099,557	34,557,748
Transfer	-	14,002,987	-	(14,002,987)	-	-
Special items:						
Gain on sale of nursing home	-	-	-	11,784,242	-	11,784,242
Pension contribution	-	-	-	(4,150,000)	-	(4,150,000)
Increase (decrease) in net position	4,099,557	50,985,468	-	(8,793,478)	4,099,557	42,191,990
Net position, beginning, restated*	200,521,438	149,149,912	-	8,793,478	200,521,438	157,943,390
Net position, ending	\$ 204,620,995	\$ 200,135,380	-	-	204,620,995	200,135,380

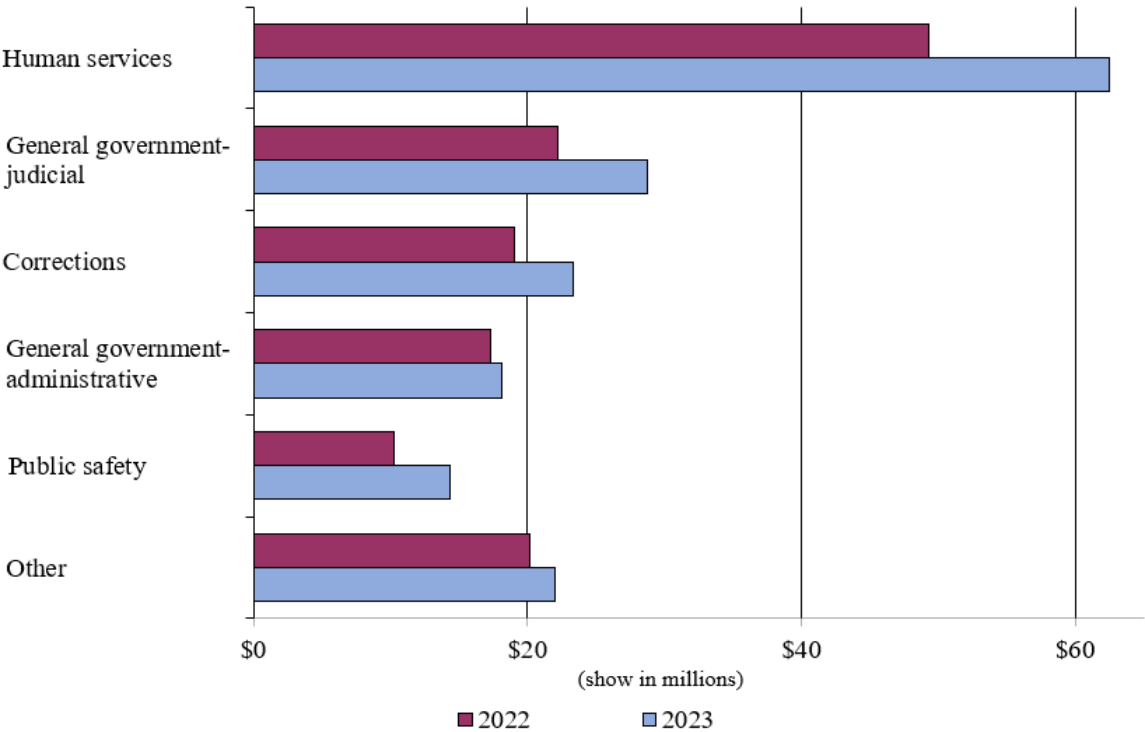
*The 2022 ending balance was restated due to the implementation of Governmental Accounting Standards Board Statement 96 - Subscription-based Information Technology Arrangements.

Governmental activities. The following charts graphically depict the sources of revenue and functional expenses of governmental activities for the fiscal year ended December 31, 2023:

Revenues by Source - Governmental Activities



Expense Comparison by Activity - Governmental Activities



Governmental activities increased Cumberland County's net position by \$4,099,557. The primary changes in revenues and expenses are:

- Revenues decreased \$15,995,605. The majority of the change was in operating grants and contributions.
 - Operating grants and contributions decreased \$24,472,718. The County allocated \$34,349,328 of the American Rescue Plan Act (ARPA) monies received to cover salaries and benefits in 2022. In 2023, the remaining \$14,964,824 of the ARPA money was allocated to the General Fund.
- Expenses increased by \$16,887,319. The majority of the change was in three areas.
 - Pension expense increased due to the funding requirements based on the County's actuarially determined contribution increasing 5.7% year over year.
 - Salary and benefits (excluding the net pension liability) increased due to the implementation of the County's 5-Factor policy based on wage adjustment, turnover trends, position upgrades, and new positions.
 - Capital expenditures increased due to internal projects approved and funded by the County Grant Program.

Business-type activities. There were no business-type activities to report for the County for the fiscal year ended December 31, 2023.

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. Particularly, 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 2023, Cumberland County's governmental funds reported combined ending fund balances of \$122,945,324; and an increase of \$2,813,866 in comparison to the prior year. Approximately 59 percent of the total amount (\$72,141,514) constitutes *unrestricted fund balance*, which is available for spending at the County's discretion. The remainder of the fund balance is *nonspendable* (\$1,978,352), *committed* (\$23,713,003) *or restricted* (\$25,112,455) 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, economic development and assistance, debt service, the County grant program and future strategic initiatives.

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 \$36,955,206 while total fund balance was \$96,743,687. As a measure of the general fund's liquidity, it is useful to compare both unrestricted fund balance and total fund balance to fund expenditures. General fund unrestricted fund balance (\$65,576,295) and total fund balance (\$96,743,687) represents 74 percent and 109 percent, respectively, of total general fund expenditures.

The fund balance of Cumberland County's general fund increased by \$3,371,393 during the current year. In 2023, the Commissioners committed \$23,713,003 of fund balance for the County grant program and future strategic initiatives.

Proprietary Fund. Cumberland County's proprietary fund is solely an internal service fund whose purpose is to provide services to governmental activities. Therefore, the proprietary fund is found in the governmental activities of the government-wide financials statements.

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 \$917,740 or .032 percent under the amended budget.

- Grants were under budget \$2,205,179 due to modification of the original schedules for the following projects:
 - District attorney's office ballistics laboratory
 - Watershed program
 - Redevelopment Authority pass through grants from the HOME Investment Partnerships Program (HOME) and Community Development Block Grant (CDBG) programs.
- Interest revenue was over budget \$4,508,990 due to efforts to optimize proceeds from higher than anticipated interest rates on short term investments.
- Transfers in were under budget \$5,057,130 due to more American Rescue Plan funds used in 2022 than anticipated. This reduced the amount of available funds to be used in 2023. This also affected the transfer out in the expenditure section.
- Proceeds from Long Term Debt were over budget \$853,172 due the implementation of the Governmental Accounting Standards Board Statement 96 - *Subscription-based Information Technology Arrangements*.

Actual general fund expenditures (including other financing uses) were under budget by \$33,428,199. The following major items were under budget due to project scope and schedule modifications:

• Transfers Out	\$ 19,208,945
• County Buildings	2,661,606
• County Prison	2,123,934
• Conservation and Development	1,627,053
• Economic Development	1,322,009
• Forensic Investigation Division	1,284,546
• Elections	1,059,756
• Information management	591,924
• Tax Assessment	521,004

Opioid Crisis Relief Fund Budgetary Highlights

Actual Opioid Crisis Relief Fund revenues were over amended budget \$1,439,084 and expenses were under amended budget \$634,014. Revenues and expenses were budgeted based on anticipated spend for 2023. Upon release of additional guidance on GASB 33 surrounding the exchange and non-exchange transactions, the subdivision revenue was recognized at the time distributor litigation settlement was approved. As a result, the County recognized \$2,073,098 in anticipated revenue. Actual cash payments will be received over multiple years. Expenses were less than anticipated due to pending litigation delaying allocation of funds.

County Grant Program Budgetary Highlights

Actual revenues (including other financing sources) and expenses were under amended budget by \$21,708,796. The County Grant Program is funding grants for Mental and Physical Health, Infrastructure, Non-Profits, Higher Education Institutions, and P25 radios. Due to project schedule modifications actual grant spending was less than anticipated in 2023. The county anticipates spending the full allocation of county grant program dollars in future years.

American Rescue Plan Budgetary Highlights

Actual revenues and expenses (including other financing uses) were under amended budget by \$5,035,176. The American Rescue Plan funded eligible general fund salary and benefits and COVID testing supplies. More American Rescue Plan funds were used in 2022 than anticipated reducing the amount of available funds to be used in 2023.

Children and Youth Budgetary Highlights

Actual children and youth revenues (including other financing sources) and expenses were \$653,034 under the amended budget. Salary & Benefits were under budget due to staff turnover. The decrease in expense reduced grant revenue and county subsidy.

Mental Health, Intellectual, & Developmental Disabilities Budgetary Highlights

Actual revenues (including other financing sources) and expenses were under amended budget \$512,642 and \$635,165, respectively. Grant funding was \$1,702,635 more than budgeted. This additional grant funding offset the need for county subsidy and reduced the transfers in. Expenses were under budget due to less spending on professional services than anticipated.

Capital Projects Budgetary Highlights

Actual revenues and expenses (including other financing uses) were under amended budget \$667,785 and \$15,808,265. Interest was over budget due to higher interest rates and cash balance. Expenses were under budget due to modification of the original schedule of the 9-1-1 radio project.

Capital Asset and Debt Administration

Capital Assets. Cumberland County's investment in capital assets for its governmental activities as of December 31, 2023, amounted to \$109,174,106 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, agricultural easements, buildings and systems, lease buildings, subscription-based IT arrangements, improvements other than buildings, machinery and equipment and bridges.

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

	Governmental activities	
	2023	2022
Land	\$ 2,900,407	2,900,407
Construction in progress	12,340,486	7,789,068
Agricultural easements	13,599,133	12,839,357
Buildings and systems	31,895,906	33,909,134
Lease buildings	1,524,825	1,096,059
Subscription-based IT arrangements	1,964,604	2,019,997
Improvements other than buildings	1,160,143	1,299,036
Machinery and equipment	11,493,025	11,997,963
Bridges	32,295,577	33,038,826
Total	<u>\$ 109,174,106</u>	<u>106,889,847</u>

Total governmental activities net capital assets increased in 2023 by \$2,284,259.

Construction in progress increased \$4,551,418 primarily from the ongoing investment in emergency telephone radio tower infrastructure and first responder P25 radio equipment.

Additionally, County buildings, improvements other than buildings, and machinery and equipment categories decreased primarily from depreciation.

Additional information on Cumberland County's capital assets can be found in Note 7 on pages 79 through 80.

Debt Administration

At the end of the current fiscal year, Cumberland County had net outstanding bonded debt of \$30,983,349. The County's net general obligation notes total \$2,310,180. 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, 2023 and 2022 were:

	Governmental activities	
	2023	2022
General Obligation Bonds	\$ 30,983,349	33,721,932
General Obligation Notes	2,310,180	2,811,397
Total	<u>\$ 33,293,529</u>	<u>36,533,329</u>

Cumberland County's general obligation debt decreased by \$3,239,800.

Principal payments paid in 2023 were \$2,996,217.

Cumberland County's rating was confirmed "AAA" from Standard and Poor's for general obligation debt in 2023.

The current debt limitation for Cumberland County is \$392,973,684 which is significantly more than Cumberland County's outstanding general obligation debt.

Additional information on Cumberland County's long-term debt can be found in Note 9 on pages 82 through 84 of this report.

Economic Factors and Next Year's Budget

Economic Conditions in 2023

Economic indicators improved in 2023, even as interest rates continued to rise, growth was still within a normal range. The County's diverse economy has fared better than national and state averages, in part, because of its significant base of federal and state employers and prime location in the region's transportation corridors. Cumberland County's December unemployment rate was 2.2% while the statewide and national rates were 3.7% and 3.6%, respectively. Neighboring counties have unemployment rates between 2.2% and 2.7%. 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.]

The Consumer Price Index for All Urban Consumers (CPI-U) remains at above-average levels, 6.5% in 2022 and 3.3% in 2023. This inflation increases the County's expenditures and decreases citizens' purchasing power. Rising costs and flat revenues create a growing deficit that will eat away at fund balance without intervention or a shift in economic conditions.

Cumberland County remains one of the fastest-growing county in the Commonwealth growing 7% versus -0.3% for Pennsylvania since the previous U.S. Census in 2020 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 3.12% of assessed values as of December 31, 2023.

Next Year's Budget

As the amended budget was presented, Cumberland County is in a stable, yet changeable, short-term financial situation as we enter the 2024 budget cycle. 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. To address this imbalance, the Board of Commissioners voted to impose a 15% real estate millage increase. Over the past several years, the County has seen increases in many mandated services in mental health, children and youth, courts and court mandated services, prison, 9-1-1, etc. The increase in tax revenue is necessary to maintain the quality services that are needed. The Board of Commissioners met with departments early in 2024 to discuss additional changes to operations and expenses and to monitor this imbalance to ensure uninterrupted services continue.

Although a deficit of \$29,925,684 was budgeted in 2023, the County made aggressive changes that decreased the general fund's fund balance by \$3,092,300. This was done through a combination of revenue enhancements and cost-cutting measures.

The General Fund budget for 2024 is showing a shortfall of \$32,186,730 between revenue and expenditures. However, this amount is reduced by \$29 million, which is transferred from committed and assigned reserves, leaving a decrease in the unassigned fund balance of \$3,211,038. To address long-term cost drivers and provide sustainable reductions and moderations in the cost of government, the Commissioners are taking efforts to reduce this amount further. It is projected that there will not be a decrease in fund balance. The County uses a combination of unassigned fund balance and assigned for future budgetary requirements as the "fund balance" for budgeting purposes.

Highlights of the County's initiatives in the 2024 budget include:

- 15% Real Estate Millage increase
- Impacts of Inflation
- Staffing Shortages
- Child Protective Cases
- Opioid Epidemic
- 9-1-1 Radios and Infrastructure Project
- Bridge Infrastructure Investments
- Investment in the County's workforce productivity through Performance Management, prudent automation, skills training, management development, gainsharing, and salary survey
- Long-term integrated financial planning particularly in big-ticket capital projects
- Ongoing search for innovative ways to lower overall costs to the taxpayer
- County Grant Program

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, 2023***COUNTY OF CUMBERLAND, PENNSYLVANIA**

	Primary Government	Discretely Presented Component Units	
	Governmental Activities	Conservation District	Industrial Development Authority
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 81,558,387	1,297,019	38,016
Investments	59,844,367	1,750,000	30,000
Receivables (net of allowance):			
Taxes	1,422,471	—	—
Due from other governments	15,275,135	488,972	—
Accounts receivable	11,942,264	24,500	4,798,431
Court costs and fines receivable	1,984,731	—	—
Notes receivable	—	—	738,640
Prepaid items	1,187,905	100	1,284
Other assets	120,996	—	—
Restricted assets:			
Cash and cash equivalents	199,138	—	—
Total current assets	<u>173,535,394</u>	<u>3,560,591</u>	<u>5,606,371</u>
NONCURRENT ASSETS			
Capital assets			
Nondepreciated assets	28,840,026	—	—
Depreciated assets, net	<u>80,334,080</u>	<u>24,610</u>	<u>—</u>
Total noncurrent assets	<u>109,174,106</u>	<u>24,610</u>	<u>—</u>
Total assets	<u>282,709,500</u>	<u>3,585,201</u>	<u>5,606,371</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred differences:			
Pension expected and actual experience	6,465,619	81,180	—
Pension projected and actual earnings	11,007,892	138,212	—
Pension change of assumptions	5,823,322	73,116	—
OPEB expected and actual experience	334,186	2,933	—
Deferred charges on bond refunding	<u>7,565</u>	<u>—</u>	<u>—</u>
Total deferred outflows of resources	<u>23,638,584</u>	<u>295,441</u>	<u>—</u>

(continued)

STATEMENT OF NET POSITION

December 31, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(continued)

	Primary Government	Discretely Presented Component Units	
	Governmental Activities	Conservation District	Industrial Development Authority
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued expenses	\$ 8,442,929	18,603	4,722,877
Accrued payroll	2,871,911	38,155	—
Due to other governments	9,393	—	—
Due to primary government	—	77,667	—
Accrued interest payable	189,333	—	—
Unearned revenues	22,926,304	1,991,517	—
Funds held as fiduciary	244,613	—	—
Self insurance claims payable	846,000	—	—
Sick and vacation accrual	511,002	7,437	—
Workers' compensation	115,864	—	—
General obligation bonds payable	2,615,000	—	—
Notes payable:			
Direct borrowing	514,460	—	—
CAEDC	16,077	—	—
Leases	476,734	—	—
Subscription-based IT arrangements	453,821	—	—
Total OPEB liability	143,854	1,263	—
Total current liabilities	40,377,295	2,134,642	4,722,877
NONCURRENT LIABILITIES			
General obligation bonds payable	28,368,348	—	—
Notes payable:			
Direct borrowing	1,795,720	—	—
CAEDC	1,198,521	—	—
Leases	939,750	—	—
Subscription-based IT arrangements	1,329,168	—	—
Sick and vacation accrual	4,506,787	70,063	—
Workers' compensation claims payable	408,842	—	—
Arbitrage payable	153,952	—	—
Total OPEB liability	1,547,303	13,580	—
Net pension liability	20,375,792	255,832	—
Total noncurrent liabilities	60,624,183	339,475	—
Total liabilities	101,001,478	2,474,117	4,722,877
DEFERRED INFLOWS OF RESOURCES			
Deferred differences:			
OPEB expected and actual experience	475,596	4,174	—
OPEB change of assumptions	61,554	540	—
Deferred amount on bond refunding	188,461	—	—
Total deferred inflows of resources	725,611	4,714	—

(continued)

STATEMENT OF NET POSITION*December 31, 2023***COUNTY OF CUMBERLAND, PENNSYLVANIA**

(continued)

	Primary Government	Discretely Presented Component Units	
	Governmental Activities	Conservation District	Industrial Development Authority
NET POSITION			
Net investment in capital assets	\$ 80,289,351	24,611	—
Restricted for:			
Conservation	4,291,944	1,314,712	—
Human services	11,554,014	—	—
Judicial services	474,520	—	—
Public safety	1,682,425	—	—
Emergency telephone	2,659,744	—	—
Records improvement	651,314	—	—
Economic development	5,528,054	—	883,494
Roads and bridges	2,792,190	—	—
Unrestricted	94,697,439	62,488	—
Total net position	\$ <u>204,620,995</u>	<u>1,401,811</u>	<u>883,494</u>

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

STATEMENT OF ACTIVITIES

For the year ended December 31, 2023

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	Conservation District	Industrial Development Authority
Primary government:								
Governmental activities:								
General government - administrative	\$ 20,339,637	(2,168,781)	4,659,504	1,611,151	—	(11,900,201)	—	—
General government - judicial	28,593,401	206,445	4,310,448	3,532,869	—	(20,956,529)	—	—
Corrections	23,366,162	—	2,732,793	792,498	—	(19,840,871)	—	—
Emergency telephone	7,212,815	651,080	6,018,360	75,442	—	(1,770,093)	—	—
Public safety	6,503,421	—	1,842,225	1,143,040	386,106	(3,132,050)	—	—
Roads and bridge maintenance	1,128,429	54,206	1,332,175	715,632	—	865,172	—	—
Recycling and waste management	531,642	16,216	378,037	336,534	—	166,713	—	—
Human services:								
Mental health/intellectual and developmental disabilities	22,298,290	315,793	3,376,555	19,418,834	—	181,306	—	—
Children and youth	27,038,912	479,391	303,678	22,665,020	—	(4,549,605)	—	—
Food and shelter	882,787	32,209	—	920,243	—	5,247	—	—
Office of aging	4,596,614	265,387	733,019	4,179,414	—	50,432	—	—
Other	6,393,892	148,054	666,795	1,980,165	—	(3,894,986)	—	—
Culture and recreation	271,582	—	—	132,205	—	(139,377)	—	—
Conservation	1,181,384	—	49,368	742,863	—	(389,153)	—	—
Community redevelopment and housing	203,998	—	146,752	—	—	(57,246)	—	—
Economic development and assistance	17,264,204	—	482,880	20,910,484	—	4,129,160	—	—
Interest on long-term debt	1,317,766	—	—	—	—	(1,317,766)	—	—
Total governmental activities	169,124,936	—	27,032,589	79,156,394	386,106	(62,549,847)	—	—
Discretely presented component units:								
Conservation District	\$ 2,551,993		529,932	2,185,480	—		163,419	—
Industrial Development Authority	4,094,718		41,446	4,027,302	—		—	(25,970)
Total discretely presented component units	\$ 6,646,711		571,378	6,212,782	—		163,419	(25,970)
General revenues:								
Real estate taxes and other						57,243,344	—	—
Hotel taxes						2,640,953	—	—
Unrestricted investment earnings						6,765,107	79,321	33,438
Total general revenues						66,649,404	79,321	33,438
Change in net position						4,099,557	242,740	7,468
Net position, beginning of year, restated						200,521,438	1,159,071	876,026
Net position, end of year						\$ 204,620,995	1,401,811	883,494

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

MAJOR GOVERNMENTAL FUNDS

DESCRIPTION OF FUNDS

Governmental Funds

Governmental funds, including the general fund, special revenue funds and the capital projects fund, are used to account for the majority of the County's activities.

General Fund – The general fund is the County's chief operating fund. It accounts for all financial resources of the County, except those required to be accounted for in another fund. The majority of administrative, judicial, prison and other public safety, debt service and subsidies to human service programs are financed through the revenues of the general fund.

Major Special Revenue Funds:

Mental Health and Intellectual and Developmental Disabilities Fund – The mental health and intellectual and developmental disabilities fund accounts for the administration of a full range of services to persons with serious and persistent mental illness or persons with intellectual/developmental disabilities who live in Cumberland or Perry County. Federal (including waivers) and state grants fund the vast majority of these services.

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

Nonmajor Funds – Other nonmajor funds is the aggregate of those governmental funds not individually meeting the "financial significance" criteria established by the U.S. generally accepted accounting principles for reporting as a major fund. Other nonmajor governmental funds are separately identified, described and reported in the Supplementary Information section.

BALANCE SHEET**Governmental Funds***December 31, 2023***COUNTY OF CUMBERLAND, PENNSYLVANIA**

	General Fund	Mental Health/ Intellectual & Developmental Disabilities	Children and Youth	Nonmajor Funds	Total
ASSETS					
Cash and cash equivalents	\$ 51,302,302	5,760,177	300	19,574,185	76,636,964
Investments	41,354,463	13,000,000	—	2,491,338	56,845,801
Restricted cash	—	—	—	199,138	199,138
Receivables (net of allowance):					
Taxes	1,422,471	—	—	187,467	1,609,938
Due from other governments	1,131,745	2,420,670	8,208,789	3,436,264	15,197,468
Accounts receivable	9,122,374	995,963	—	1,591,058	11,709,395
Court costs and fines receivable	1,984,731	—	—	—	1,984,731
Due from other funds	10,018,830	—	—	2,890,730	12,909,560
Due from component unit	128,014	—	—	—	128,014
Prepaid items	641,505	26,884	3,625	317,107	989,121
Other assets	121,123	—	—	—	121,123
Total assets	\$ <u>117,227,558</u>	<u>22,203,694</u>	<u>8,212,714</u>	<u>30,687,287</u>	<u>178,331,253</u>
LIABILITIES					
Accounts payable	\$ 2,181,925	2,656,726	1,706,259	1,888,772	8,433,682
Accrued liabilities and withholdings	1,992,712	155,969	266,098	452,647	2,867,426
Due to other funds	2,342,465	1,698,663	6,200,917	2,448,103	12,690,148
Due to other governments	9,393	—	—	—	9,393
Unearned revenue	5,439,409	16,888,150	39,440	473,645	22,840,644
Funds held as fiduciary	218,268	—	—	26,345	244,613
Total liabilities	<u>12,184,172</u>	<u>21,399,508</u>	<u>8,212,714</u>	<u>5,289,512</u>	<u>47,085,906</u>
DEFERRED INFLOWS OF RESOURCES					
Total unavailable revenue	<u>8,299,699</u>	<u>—</u>	<u>—</u>	<u>324</u>	<u>8,300,023</u>
FUND BALANCES					
Nonspendable	641,505	26,884	3,625	1,306,338	1,978,352
Restricted	6,812,884	777,302	—	17,522,269	25,112,455
Committed	23,713,003	—	—	—	23,713,003
Unrestricted:					
Assigned	36,955,206	—	—	6,571,227	43,526,433
Unassigned	28,621,089	—	(3,625)	(2,383)	28,615,081
Total fund balances	<u>96,743,687</u>	<u>804,186</u>	<u>—</u>	<u>25,397,451</u>	<u>122,945,324</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>117,227,558</u>	<u>22,203,694</u>	<u>8,212,714</u>	<u>30,687,287</u>	<u>178,331,253</u>

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

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

December 31, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

Total fund balances-governmental funds	\$ 122,945,324
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.	109,174,106
Certain receivables are not available to pay for current period expenditures and, therefore, are deferred inflows of resources in the funds.	8,314,075
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 pension experience	6,465,619
Deferred difference-projected and actual pension earnings	11,007,892
Deferred difference-change of pension assumptions	5,823,322
Deferred difference-expected and actual OPEB experience	334,186
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.	7,565
Internal service fund used by management to charge the costs of the self-insurance to individual funds:	
Workers' compensation	302,302
Self insurance fund	6,117,338
Long-term liabilities are not due and payable in the current period and, therefore, are not reported at the fund level:	
Bonds payable	(29,075,000)
Notes payable	(3,524,778)
Net premium on bonds and notes	(1,908,348)
Leases	(1,416,484)
Subscription-based IT arrangements	(1,782,989)
Sick and vacation payable	(5,017,789)
Net pension liability	(20,375,792)
Total OPEB liability	(1,691,157)
Arbitrage payable	(153,952)
Accrued expenses are not due and payable in the current period and, therefore, are not reported in governmental funds.	(198,834)
Cumulative pension fund and OPEB activity have created deferred inflows that are amortized to expense over an actuarially determined period of time and are reported as deferred inflows of resources on the statement of net position as follows:	
Deferred difference-expected and actual OPEB experience	(475,596)
Deferred difference-OPEB assumptions	(61,554)
Deferred amount on refunding	(188,461)
Net position of governmental activities	\$ <u>204,620,995</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, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

	General Fund	Mental Health/ Intellectual & Developmental Disabilities	Children and Youth	Nonmajor Funds	Total
REVENUES					
Taxes	\$ 57,334,575	—	—	2,640,953	59,975,528
Licenses and permits	231,425	—	—	—	231,425
Grants	12,753,514	19,418,834	22,664,741	28,230,297	83,067,386
County charges	10,692,144	3,283,106	303,678	9,676,065	23,954,993
Court costs, fines and forfeitures	2,229,854	—	—	172,926	2,402,780
Investment earnings	5,378,819	259,662	—	821,858	6,460,339
Payment in lieu of taxes	205,004	—	—	—	205,004
Contributions and other	246,093	93,449	279	78,994	418,815
Total revenues	<u>89,071,428</u>	<u>23,055,051</u>	<u>22,968,698</u>	<u>41,621,093</u>	<u>176,716,270</u>
EXPENDITURES					
Current:					
General government – administrative	15,733,012	—	—	265,200	15,998,212
General government – judicial	23,810,018	—	—	4,149,745	27,959,763
Corrections	22,124,672	—	—	—	22,124,672
Public safety	4,820,202	—	—	—	4,820,202
Emergency telephone	—	—	—	7,032,325	7,032,325
Public works and enterprises	—	—	—	856,733	856,733
Human services	1,809,729	22,587,536	27,485,259	11,226,556	63,109,080
Culture and recreation	239,179	—	—	—	239,179
Conservation and development	1,018,283	—	—	—	1,018,283
Economic development and assistance	11,989,488	—	—	2,884,795	14,874,283
Debt service:					
Principal retirement	—	—	—	4,349,544	4,349,544
Debt interest	—	—	—	1,347,669	1,347,669
Capital outlay	5,051,122	—	—	3,997,791	9,048,913
Payments for other governments	2,556,262	—	—	429,502	2,985,764
Total expenditures	<u>89,151,967</u>	<u>22,587,536</u>	<u>27,485,259</u>	<u>36,539,860</u>	<u>175,764,622</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(80,539)</u>	<u>467,515</u>	<u>(4,516,561)</u>	<u>5,081,233</u>	<u>951,648</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	15,017,607	110,958	4,620,448	12,659,161	32,408,174
Transfers out	(12,974,016)	(18,696)	(103,887)	(19,311,221)	(32,407,820)
Sale of general assets	134,327	—	—	—	134,327
Subscription-based IT arrangements	853,172	—	—	340,395	1,193,567
Leases (as lessee)	448,359	—	—	113,128	561,487
Insurance recovery	3,760	—	—	—	3,760
Total other financing sources (uses)	<u>3,483,209</u>	<u>92,262</u>	<u>4,516,561</u>	<u>(6,198,537)</u>	<u>1,893,495</u>
Net change in fund balances	<u>3,402,670</u>	<u>559,777</u>	<u>—</u>	<u>(1,117,304)</u>	<u>2,845,143</u>
Fund balances, beginning of year, as restated	<u>93,341,017</u>	<u>244,409</u>	<u>—</u>	<u>26,514,755</u>	<u>120,100,181</u>
Fund balances, end of year	<u>\$ 96,743,687</u>	<u>804,186</u>	<u>—</u>	<u>25,397,451</u>	<u>122,945,324</u>

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

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

For the year ended December 31, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

Net change in fund balances-total governmental funds	\$	2,845,143
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		9,048,905
Depreciation expense		(6,748,055)
Disposal of capital assets		(16,591)
Deferred outflows of resources not reported in the fund statements:		
Deferred difference-expected and actual pension experience		1,442,544
Deferred difference-projected and actual pension earnings		(11,984,302)
Deferred difference-change in pension assumptions		(2,752,220)
Deferred difference-expected and actual OPEB experience		(222,807)
Deferred difference-deferred charges on refunding		(1,746)
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 lease agreement		(785,551)
Issuance of subscription-based IT agreement		(966,300)
Long term bond paid		2,495,000
Long term note paid		501,217
Long term note paid - CAEDC		90,372
Lease agreement paid		476,983
Subscription-based IT agreement debt paid		785,972
Arbitrage payable		(153,952)
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, opioid class action lawsuit settlement) in the governmental funds but are earned in the statement of activities.		
		(3,927,340)
Deferred inflows of resources not reported in the fund statements:		
Net premium on bonds and notes		243,584
Deferred difference-expected and actual pension experience		38,210
Deferred difference-expected and actual OPEB experience		(255,285)
Deferred difference-OPEB assumptions		67,710
Deferred amount on bonds refunding		25,699
Post employment benefits are reflected on the statement of activities but are not considered a current expenditure for the fund statements:		
OPEB		259,328
Pension		11,436,522
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.		
		(328,861)
Governmental funds do not recognize interest on long term debt until legally due, while the statement of net position accrues for interest payable.		
		21,888

(continued)

**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, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(continued)

Internal service funds are used by management to charge the cost of self-insurance claims	
to individual funds:	
Workers' compensation	(83,758)
Health reimbursement arrangement	2,547,248
Change in net position of governmental activities	\$ 4,099,557

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.

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, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Governmental Activities Internal Service Funds
ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	\$ 4,921,424
Investments	2,998,566
Accounts receivable (net of allowance)	45,402
Prepaid	198,784
Total current assets	<u>8,164,176</u>
Total assets	<u>8,164,176</u>
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable	4,123
Accrued liabilities and withholdings:	
Accrued payroll	4,487
Due to other funds	219,412
Unearned revenue	85,337
Self-insurance claims payable	961,864
Total current liabilities	<u>1,275,223</u>
NONCURRENT LIABILITIES:	
Due in more than one year:	
Self-insurance claims payable	408,842
Total noncurrent liabilities	<u>408,842</u>
Total liabilities	<u>1,684,065</u>
NET POSITION	
Unrestricted	6,480,111
Total net position	<u>\$ 6,480,111</u>

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

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Proprietary Funds

For the year ended December 31, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Governmental Activities Internal Service Funds
OPERATING REVENUES	
Charges for services:	
County charges	\$ 13,640,570
Total operating revenues	<u>13,640,570</u>
OPERATING EXPENSES	
Client services	<u>11,459,639</u>
Total operating expenses	<u>11,459,639</u>
Operating income	<u>2,180,931</u>
NONOPERATING REVENUES	
Interest income	<u>304,769</u>
Total net nonoperating revenues	<u>304,769</u>
Income before contributions and transfers	<u>2,485,700</u>
TRANSFERS	
Transfer out	<u>(354)</u>
Total transfers	<u>(354)</u>
Change in net position	<u>2,485,346</u>
Net position, beginning of year	<u>3,994,765</u>
Net position, end of year	<u>\$ 6,480,111</u>

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

STATEMENT OF CASH FLOWS

Proprietary Funds

For the year ended December 31, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Governmental Activities
	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received on county charges	\$ 13,724,784
Payments to vendors	(11,593,744)
Payments to employees	(106,612)
Net cash provided by operating activities	<u>2,024,428</u>
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES	
Transfer from other funds	(354)
Net cash used in non-capital and related financing activities	<u>(354)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Sale of investments	(1,307,184)
Investment income received	269,601
Net cash used in investing activities	<u>(1,037,583)</u>
Net increase in cash and cash equivalents	986,491
Cash and cash equivalents, January 1	3,934,933
Cash and cash equivalents, December 31	<u>\$ 4,921,424</u>
Reconciliation of operating gain to net cash provided by operating activities:	
Operating income	\$ 2,180,931
Adjustments to reconcile operating income to net cash used in operating activities:	
Accounts receivable	(50)
Due from other funds	84,225
Prepaid items	(198,784)
Accounts payable	(2,213)
Accrued liabilities and withholdings	1,920
Unearned revenues	84,264
Self-insurance claims payable	(125,865)
Total adjustments	<u>(156,503)</u>
Net cash provided by operating activities	<u>\$ 2,024,428</u>

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, 2023*****COUNTY OF CUMERLAND, PENNSYLVANIA**

	Pension Trust - Employees' Retirement Fund	Custodial Funds
ASSETS		
Cash and cash equivalents	\$ 3,345,800	5,642,873
Investments:		
U.S. fixed income securities	72,265,036	—
U.S. equity securities	95,165,332	—
Global equity securities	28,337,210	—
Non-U.S. equity securities	43,927,951	—
Real estate	12,996,362	—
Infrastructure	14,796,390	—
Total investments	267,488,281	—
Due from broker	255,337	—
Accrued interest and dividends receivable	494,764	—
Total assets	271,584,182	5,642,873
LIABILITIES		
Due to other governments	—	2,382,992
Due to broker	200,391	—
Other liabilities	143,280	—
Total liabilities	343,671	2,382,992
NET POSITION		
Restricted for:		
Pensions	271,240,511	—
Individuals, organizations and other governments	—	3,259,881
	\$ 271,240,511	3,259,881

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, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

	Pension Trust Employees' Retirement Fund	Custodial Funds
ADDITIONS		
Contributions:		
Employer	\$ 4,244,510	—
Plan members	4,206,886	—
Total contributions	8,451,396	—
Investment income:		
Net appreciation in fair value of investments	26,262,634	—
Interest	1,694,356	—
Dividends	4,651,056	—
Total investment earnings	32,608,046	—
Less investment costs	636,233	—
Net investment earnings	31,971,813	—
Other governments:		
Fees, costs, fines and licenses	—	6,503,191
Taxes	—	71,634,859
Escrow	—	8,423,116
Total additions	40,423,209	86,561,166
DEDUCTIONS		
Benefits	14,249,451	—
Refunds of contributions	424,733	—
Administrative expenses	271,518	—
Other governments:		
Fees, costs, fines and licenses	—	6,503,191
Taxes	—	71,631,506
Escrow	—	8,607,159
Total deductions	14,945,702	86,741,856
Change in net position	25,477,507	(180,690)
Net position - beginning of the year	245,763,004	3,440,571
Net position - end of the year	\$ 271,240,511	3,259,881

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 summary of significant accounting policies of Cumberland County, Pennsylvania (County) is presented to assist in understanding the county's financial statements. These policies conform to accounting principles generally accepted in the United States of America (GAAP) as applied to government units; and have been consistently applied in the preparation of the financial statements. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial accounting principles. The following is a summary of the significant accounting policies of the County.

A. The Financial 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 of Pennsylvania. It is a County of the third class founded January 27, 1750, and is governed by an elected three-member Board of Commissioners. The County provides a wide range of services including judicial, public safety, corrections, human and social services, economic development, and general administration, to its estimated 270,738 residents (United States Census Bureau population estimate as of July 1, 2023).

The financial reporting entity consists of the primary government and its component units. 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 elected officials of the primary government are financially accountable. In addition, the primary government may choose to include a legally separate organization for which the nature and significance of the component unit's relationship with the County are such that its exclusion would cause the reporting entity'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, a legally separate governmental non-profit corporation, was founded in 2005 by the County Board of Commissioners. CAEDC is the County's authorized agency charged with leveraging and promoting economic development and tourism. CAEDC is led by an Executive Director who reports to a Board of Directors. Members of the Board of Directors are appointed by the County Commissioners, who are also public sector CAEDC board members.

The County financially benefits from the CAEDC by their performance of activities that are set forth in the County's strategic plan, mission and vision – thereby relieving the County of this budgetary and

administrative burden. 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 determined by the County, CAEDC is fiscally dependent on the County.

The CAEDC financial statements may be requested at their office at 230 South Sporting Hill Road, Suite 100, Mechanicsburg, PA 17050.

Cumberland County Recycling & Waste Authority (CCRWA)

The CCRWA is a legally separate organization to which the County Commissioners appoints board members. CCRWA has a financial benefit/burden relationship with the County by the County's funding of the CCRWA in accordance with a delegation agreement. The delegation agreement allows the CCRWA to advise and recommend to the County on all matters relating to municipal waste and recycling within the County – a core statutory County responsibility.

The CCRWA is reported as a blended component unit because the 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 the GASB, 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 considering 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 that 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 the IDA board members and, representing the potential for the County to impose its will, can remove board members without cause.

The audited financials of the IDA are available at the Authority's office at 230 South Sporting Hill Road, Suite 100, Mechanicsburg, PA 17050.

Joint Ventures

The County reports four joint ventures.

Cumberland-Dauphin-Harrisburg Transit Authority

The County is a participant in the Cumberland-Dauphin-Harrisburg Transit Authority (CDH) - a joint venture. The CDH was previously known as Capital Area Transit.

The CDH provides both fixed route bus services and door-to-door demand responsive transportation services in specially equipped vehicles to qualifying County residents at special fares. The CDH is governed by a seven-member board appointed by the sponsoring municipalities. The Cumberland County Commissioners appoint two members.

The CDH is primarily funded by grants received through the Susquehanna Regional Transportation Authority. The County has no interest in the equity of the CDH, and as a result, there is no equity interest in the CDH recorded in the County's financial statements.

In 2023, the County paid the CDH \$395,750. The County's annual subsidy (local match share) payment was \$377,264 in 2023. Additionally, the County paid \$18,486 to the CDH for transportation services for Shippensburg Borough.

The CDH 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) (doing business as rabbittransit) - a joint venture.

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

The CPTA is primarily funded by grants received through the Susquehanna Regional Transportation Authority (SRTA) and acts as a purchased service provider to the SRTA. The County has no interest in the equity of the CPTA, and as a result, there is no equity interest in the CPTA recorded in the County's financial statements.

The CPTA issues publicly available financial statements that may be obtained at 415 North Zarfoss Drive, York, PA 17404.

Susquehanna Regional Transportation Authority

The County is a participant in Susquehanna Regional Transportation Authority (SRTA) – a joint venture. The SRTA was formed on July 23, 2021. The SRTA entered into agreements with both the CDH and CPTA to provide seamless public transportation in the geographic area previously served by both the CDH and CPTA. Both agreements were adopted in December of 2021 and expire on June 30, 2024, at which time the contracts may be renewed upon mutual agreement on a month-to-month basis. The SRTA provides executive, management, administrative and support services to the CDH and CPTA and is governed by an eleven-member board appointed by the sponsoring municipalities. The Cumberland County Commissioners appoint two members.

The SRTA is funded by a combination of passenger fares, operating revenues, and federal, state, and local operating, planning and capital grants. The County has no interest in the equity of the SRTA, and as a result, there is no equity interest in the SRTA recorded in the County's financial statements.

The SRTA issues publicly available financial statements that may be obtained at 415 North 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 2023, the County's share of Agricultural Extension program expenses was \$333,506 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 is the accepted standard-setting body and 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 activities, where applicable, 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, hotel taxes and other items not meeting the definition of program revenues 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. When applicable, *governmental activities* which 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 government-wide and fund financial statements are presented, however, they are interrelated. The governmental activities column on the Statement of Activities incorporates data from government funds and internal service funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds (General Fund, Mental Health/Intellectual and Developmental Disabilities, and Children and Youth) 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 financial statements and fiduciary fund financial statements.

Government-wide financial statements report revenues are recorded when earned and expenses are recorded when a 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 recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility

requirements 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 when they are both measurable and available. Revenues, including grants, are *measurable* when the amount of the transaction can be determined and *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. Grant reimbursements are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. 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 principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, are recorded only when payment is due. General capital asset acquisitions, including contracts giving the County right to use leased assets, are reported as expenditure in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

The County reports the following governmental fund types:

A general fund is the government's primary operating fund. It accounts for all financial resources of the County except those required to be accounted for in another fund. The general fund is reported as a major fund.

Special revenue funds account for revenues that are restricted or committed to expenditures for specified purposes other than capital projects. The mental health and intellectual and developmental disabilities fund and children and youth fund are special revenues presented as major funds.

The mental health and intellectual and developmental disabilities fund accounts for the administration of a full range of services to persons with serious and persistent mental illness or persons with intellectual/developmental disabilities who live in Cumberland or Perry County. Federal (including waivers) and state grants fund the vast majority of these services.

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

A *debt service fund* accounts for the accumulation of resources for, and the payment of, governmental long-term debt principal and interest.

Capital projects funds account for significant capital projects and capital expenditures that are not financed by proprietary funds.

The County reports the following proprietary fund types:

Internal service funds, consisting of the County's self-insured workers' compensation and health care self-insurance, are used to accumulate and allocate the cost of the aforementioned activities 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 a 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 individuals, private organizations, and other governments for whom it was collected. The portion of cash held by custodial funds due to the County at year end is reported as assets of the appropriate County funds.

The County reports its *General Fund*, *Mental Health/Intellectual and Developmental Disabilities Fund*, and *Children and Youth Fund* as major governmental funds. Descriptions of these individual funds precede their presentation in the basic financial statements.

E. Interfund Eliminations

The effect of interfund activity has been eliminated from the government-wide financial statements. 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 primarily include County real estate and hotel taxes and unrestricted investment earnings.

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. Operating and Nonoperating Revenues

Proprietary funds distinguish operating revenues and expenses from nonoperating items.

Operating revenues consist primarily of internal service billings for the cost of health insurance associated with the County's self-insurance fund. Operating expenses primarily consists of self-insurance medical claims.

All other revenues and expenses are reported as nonoperating revenues and expenses.

H. 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.

I. 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.

J. Restricted Assets and Related Liabilities

Restricted cash and cash equivalents in the 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.

K. Fair Value Measurements

Investments are reported at their fair value, except for investments in external investment pools that qualify, which are reported at amortized cost. Investments reported at net asset value approximate fair value.

Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants on the measurement date. Purchases and sales of securities are reflected on a trade-date basis. The County categorizes its fair value measurements within the fair value hierarchy prescribed by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and categorizes assets into three levels: Level 1 inputs are quoted prices in active markets for identical assets and liabilities; Level 2 inputs are significant observable inputs other than Level 1; Level 3 inputs are significant unobservable inputs.

Any donated capital asset, donated work of art or historical treasure, or any capital asset received from a service concession arrangement is recognized at acquisition value rather than fair value.

L. 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 governmental activities column 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. The 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:

<u>Description</u>	<u>Useful Life in Years</u>
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

M. 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, unused vacation time and paid time off up to a maximum of 30 days, will be paid to the individual as part of the final pay check.
- Upon termination, individuals 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 forward 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.

N. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond and note premiums or discounts 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 premiums or discounts. Bond issuance costs are recognized as an outflow of resources in the reporting period in which they are incurred.

In the governmental fund financial statements, bond premiums or discounts, 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. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

O. 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.

P. Subscription based intellectual technology arrangements

The County is a subscriber for non-cancellable intellectual technology arrangements of software. A subscription based intellectual technology arrangement (SBITA) liability and a subscription asset is recognized in the government-wide financial statements.

Individual subscription based intellectual technology arrangement liability with an initial, individual value of \$50,000 or more are recognized.

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

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

- The County uses the interest rate charged by the licensor as the discount rate. When the interest rate charged by the licensor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for the subscription based intellectual technology arrangements.
- The SBITA term includes the non-cancellable period of the agreement.
- SBITA payments included in the measurement of the 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 could require remeasurement of all SBITAs and related assets and liabilities and if the changes occurring are expected to significantly impact SBITA liabilities.

SBITA assets are reported with other capital assets and arrangement 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 the following 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-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.

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 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 the following 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 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.

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.

The governmental fund's 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 - The general fund recognizes unavailable revenue in the governmental fund statements related to the opioid class action lawsuit settlement (\$5,531,969), property taxes (\$825,633), court costs and fines (\$1,918,937), hazmat revenues (\$23,160) and CAEDC revenue (\$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 and medical benefit health plan liabilities and has accounted for them 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.

Fund balance for 2023 was as follows:

	General Fund	MH/IDD	Children & Youth	Nonmajor Funds	Total
Nonspendable:					
Prepaid items	\$ 641,505	26,884	3,625	1,306,338	1,978,352
Restricted for:					
Farmland preservation	2,170,574	—	—	—	2,170,574
Offender supervision	893,119	—	—	—	893,119
Juvenile probation restitution funds	39,271	—	—	—	39,271
Criminal investigation	320,130	—	—	—	320,130
Register of Wills-Act 34	78,600	—	—	—	78,600
Coroner - Act 122	99,316	—	—	—	99,316
Roads and bridge maintenance	—	—	—	3,530,106	3,530,106
Human services	2,111,235	777,302	—	1,349,461	4,237,998
Hazardous materials emergency planning	32,345	—	—	—	32,345
Public safety	—	—	—	10,263,310	10,263,310
Row office automation	347,948	—	—	303,394	651,342
Marcellus shale	720,346	—	—	573,487	1,293,833
Conservation	—	—	—	1,264,284	1,264,284
Economic development and assistance	—	—	—	238,211	238,211
Debt service	—	—	—	16	16
Total restricted	6,812,884	777,302	—	17,522,269	25,112,455
Committed:					
County grant program	16,230,958	—	—	—	16,230,958
Future strategic initiative	7,482,045	—	—	—	7,482,045
Total committed	23,713,003	—	—	—	23,713,003
Assigned:					
Human services	—	—	—	1,107,816	1,107,816
Public safety	1,386,350	—	—	—	1,386,350
Future budgetary requirements	3,211,038	—	—	—	3,211,038
Capital projects	6,625,000	—	—	63,749	6,688,749
Economic development and assistance	—	—	—	5,399,662	5,399,662
ARPA recovery grants	19,915,577	—	—	—	19,915,577
Risk liability	250,000	—	—	—	250,000
Nursing home proceeds	3,771,964	—	—	—	3,771,964
Prison canteen	1,108,832	—	—	—	1,108,832
Stimulus	71,332	—	—	—	71,332
Planning assistance	73,634	—	—	—	73,634
Blighted property remediation	533,677	—	—	—	533,677
Criminal justice services	7,802	—	—	—	7,802
Total assigned	36,955,206	—	—	6,571,227	43,526,433
Unassigned	28,621,089	—	(3,625)	(2,383)	28,615,081
Total fund balance	\$ 96,743,687	804,186	—	25,397,451	122,945,324

Nonspendable Fund Balance

Nonspendable fund balance is the component of fund balance that is not available for expenditure and typically represents prepaid expenditures.

Restricted Fund Balance

Restricted fund balance represents amounts that can be spent only for the specific purposes allowed by the resource providers, i.e. grantors or applicable legislation. The County's restrictions are as follows:

Farmland preservation – The County has set aside cash and investments to provide required matching contributions to a state program that allows farmers to sell their rights to develop agriculture land. The program is designed to reduce the development of County farmland.

Offender supervision – The County receives administrative fees from probationers within the County. The funds are reserved for probation expenditures.

Juvenile probation restitution fund – The County receives monies from juvenile probationers within the County for disbursement to appropriate crime victims.

Criminal investigation – The County receives monies from grants, restitution and contributions which are to be used for criminal investigation expenditures.

Register of Wills – Act 34 – Filing fees collected, per statute, are reserved for adoption counseling by individuals who cannot afford to pay for it.

Coroner – Act 122 – Monies collected, per statute, are reserved to be used for training and equipment for the Coroner's Office.

Roads and bridge maintenance – Monies received for the restricted purpose of maintaining and replacing roads and County owned bridges.

Human services – Monies received for the provision of human services activities for County residents.

Hazardous materials emergency planning – Monies collected, per statute, for training programs, public and facility owner education, information and participation programs, general administrative and operational expenses.

Public safety – Monies received to coordinate essential public safety activity among federal, state, regional, county, municipal agencies, and volunteer organizations to provide quick, reasoned responses to the needs of County citizens in times of emergency.

Row Office automation:

- *Clerk of Court automation* - Monies collected, per statute, on behalf of the Clerk of Court automation fund are reserved solely for the purpose of automation and continued automation updates of the Clerk of Court office.

- *Prothonotary automation* - Monies collected, per statute, on behalf of the Prothonotary automation fund are reserved solely for the purpose of automation and continued automation updates of the Prothonotary office.
- *Register of Wills automation* - Monies collected, per statute, on behalf of the Register of Wills and Clerk of Orphans' Court automation fund are reserved solely for the purpose of automation and continued automation updates of the Register of Wills and Clerk of the Orphans' Court office.

Marcellus Shale – These funds are the County's portion of the Pennsylvania's Marcellus Legacy Fund which, at the state-level, represents forty percent of the proceeds from the natural gas drilling impact fee.

General fund – Monies are restricted for the planning, acquisition, development, rehabilitation and repair of greenway projects.

Capital projects – Monies are restricted to replace or repair locally owned, at-risk deteriorated bridges.

Conservation – Monies restricted to provide the long-term capacity and disposal of County municipal waste in an environmentally sound and cost effective manner. Also, to reduce overall County waste generation while increasing County recycling, and provide county residents with proper disposal options for certain items that are generally inappropriate for municipal solid waste disposal facilities.

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

Debt service – Monies established for the payment of long term general obligation debt.

Committed Fund Balance

County grant program - Monies committed to projects and grants determined and approved by the Board of Commissioners.

Future strategic initiative – Monies committed for future qualifying projects and initiatives determined and approved by the Board of Commissioners.

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 2023.

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.

ARPA recovery grants – Monies assigned for a County grant program to support health, initiatives, infrastructure projects, and business/non-profit COVID-19 recovery efforts.

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

Nursing home proceeds – Monies assigned to cover ongoing cost and potential future costs associated with the sale of Claremont Nursing & Rehab facility.

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 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 is 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 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 implemented GASB No. 96 during 2023.

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 County implemented GASB No. 99 during 2023.

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. The County will be implementing GASB Statement No. 101 in 2024.

In December 2023, GASB issued a Statement No. 102, Certain Risk Disclosures. The objective of this Statement is to provide users of government financial statements with essential information about risks related to government’s vulnerabilities due to certain concentrations or constraints. This statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt that is vulnerable to the risk of a substantial impact. If a government determines the criteria specified in this statement for disclosure have been met for a concentration or constraint, this statement states that the government should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government’s vulnerability to the risk of a substantial impact. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The County will review the effects of GASB 102, when preparing future financial statements of Cumberland County.

In April 2024, GASB issued Statement No. 103, Financial Reporting Model Improvements. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues. This statement provides guidance on the content to be presented in the management discussion and analysis and on the presentation of unusual and infrequent items in government wide, governmental fund and proprietary fund statements. The statement also provides new guidance on presenting operating revenues and expenses and non-operating revenues and expenses, component unit reporting and the presentation of budgetary comparisons. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

The County will review the effects of GASB 102, when preparing future financial statements of Cumberland County.

2. Restatement of Net Position/Restatement of Beginning Balances

As a result of implementing Governmental Accounting Standards Board Statement (GASB) No. 96, *Subscription-Based Information Technology Arrangements*, the County restated its governmental balance sheet and the government-wide statement of net position. The resulting criterion from GASB 96 required the inclusion of subscription liability and underlying asset associated with the nonfinancial, subscription-based assets resulting in the government-wide statement of net position.

Additionally, we had a change in governmental major funds based on the required major fund calculation, which resulted in one major fund from the prior year being reclassified to a non-major fund in the current year.

As a result of an error correction, the Industrial Development Authority (IDA) which is reported as a discretely presented component unit, and receives an external audit, restated their beginning net position to correct various balances previously reported. Please refer to the IDA's 2023 financial statements for further information.

Governmental Fund Balance Sheet

	General Fund	Mental Health/ Intellectual and Developmental Disabilities	Children and Youth	Nonmajor Funds	Total
Fund balances, as previously reported, at December 31, 2022	\$ 93,372,294	244,409	-	26,514,755	120,131,458
Subscription-based agreement prepayment adjustment (GASB 96)	(31,277)	-	-	-	(31,277)
Fund balances, as restated, as of December 31, 2022	<u>\$ 93,341,017</u>	<u>244,409</u>	<u>-</u>	<u>26,514,755</u>	<u>120,100,181</u>

Government-wide Statement of Net Position

	Primary Government	Discretely Presented Component Units	
	Governmental Activities	Conservation District	Industrial Development Authority
Net position, as previously reported, at December 31, 2022	\$ 200,135,380	1,159,071	801,878
Subscription-based agreement prepayment adjustment (GASB 96)	(31,277)	-	-
Subscription-based agreement asset and liability and liability (GASB 96)	417,335	-	-
Accounts payable	-	-	10,000
Account receivable	-	-	64,148
Net position, as restated, at December 31, 2022	<u>\$ 200,521,438</u>	<u>1,159,071</u>	<u>876,026</u>

3. Deposits and Investments

The County reports deposits and investments in accordance with U.S. generally accepted accounting principles (GAAP), which requires enhanced disclosure of 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 County Code 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 aforesaid types in pools that are managed in accordance with SEC Rule 2a7

The County's investment policy does not apply to pension cash and investments, nor does it apply to funds collected or held by the county in escrow for other parties, or funds otherwise restricted by indentures, or by limitations imposed by applicable laws, regulations, or documents, which are covered by separate policy/procedure covering escrow funds. The County's investment policy is consistent with the restrictions cited above. The policy provides further diversification and limitations, including limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury and government agency securities) and limiting investment in securities that have higher credit risks.

(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 an annualized 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 average of asset-class benchmark indices.

The Pension Policy establishes targeted investment allocations of:

Investment	Target	Benchmark
Domestic equity	41%	Russell 3000 Index
International equity	16%	MSCI ACWI ex U.S. IMI (net)
Bonds	29%	Bloomberg U.S. Intermediate Government/Credit
Real estate	5%	NCREIF ODCE Index
Private Infrastructure	5%	Secured Overnight Financing Rate Index +3%
Private Credit	3%	Credit Suisse Leveraged Loans Index
Cash	1%	ML 90-day T-Bill

The Pension Policy provides specific guidelines for each type of investment asset-class and includes risk mitigation measures to manage custodial credit risk and interest rate risk. One example of a risk mitigation measure is that commercial paper holdings shall be A1 or P1 or Prime. Another example, the holdings of zero coupon bonds are capped at 20% of the fixed income portfolio. Further, 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, and
- 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.

B. Risks

(1) Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that in the event of a bank failure, the County may not be able to recover its deposits or related 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 may not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) and collateralized in accordance with Pennsylvania's Act 72 (the "Act"). The 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. Under the Act, financial institutions secure deposits

of public bodies by pledging a pool of assets, as defined in the Act, to cover all public funds deposited in excess of the amount insured by the FDIC.

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

Custodial credit risk – non-pension deposits – As of December 31, 2023, \$97,769,416 of the County's bank balance of \$103,571,638 were exposed to custodial credit risk which is collateralized in accordance with Act 72 of the Pennsylvania state legislature, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name.

Custodial credit risk – fiduciary fund deposits – Excluding the brokered certificates of deposit held by the County's Pension Fund as of December 31, 2023, \$3,721,641 of the County's bank balance of its fiduciary funds of \$6,120,273 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 – As of December 31, 2023, \$498,566 of 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.

As of December 31, 2023, the County has \$48,037,808 invested in the Pennsylvania Local Government Investment Trust (PLGIT) and \$9,034,859 invested in the Commonwealth of Pennsylvania Treasury Department's INVEST Program for Local Governments (INVEST). These external investment pools ensure safety and maximize efficiency, liquidity and yield for County funds. The County has indirect exposure to PLGIT and INVEST's custodial credit risk. PLGIT and INVEST's custodial credit risk disclosures are contained in their most recent audited annual financial statements available at www.plgit.com and www.painvest.gov, respectively.

(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, 2023, the County had debt securities with the following maturities:

Workers' Compensation Fund Investments

Investment Type	Fair Value	Investment Maturity (in years)	
		Less than 1	1-5
<i>Debt securities</i>			
U.S. Treasury Bonds	\$ 498,566	297,660	200,906
Total debt securities	\$ 498,566	297,660	200,906
		60%	40%

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's various funds hold \$30,395,238 and \$8,107 in external investment pools PLGIT/Prime and PLGIT-Class, respectively, on December 31, 2023, that both maintain a weighted average maturity of pooled investments of 60 days or less.

The County's various funds hold \$17,634,463 and \$9,034,859 in external investment pools PLGIT/Term and PA INVEST Daily, respectively, on December 31, 2023, that both maintain a weighted average maturity of pooled investments of not greater than one year.

Though the GASB does not require a reconciliation between non-pension investments as reported on the statement of net position, as of December 31, 2023, and non-pension investments per GASB 40 in Note 2, the \$59,844,367 of aggregate non-pension investments reported on the County's statement of net position includes \$42,560,000 of bank certificates of deposit which are not considered investments for GASB 40 footnote disclosures. Further, \$32,403,345 and \$9,034,859 shares in external PLGIT and PA INVEST investment pools, respectively, are reported as cash and cash equivalents on the County's statement of net position yet are considered investments by GASB 40 for footnote disclosure purposes.

In aggregate, the County reports \$58,722,571, as of December 31, 2023, of non-pension investments in Note 2, consisting of an aggregate \$48,037,808 in PLGIT external investment pools across several funds, \$9,034,859 in PA INVEST external investment pools in the general fund, \$498,566 of U.S. Treasury Bonds in the County's self-insurance fund, and \$1,151,338 of investments reported by the County's blended component unit, the CAEDC.

Interest rate risk – pension investments – As of December 31, 2023, the County’s pension trust fund had the following investments:

Pension Trust Fund Investments

		Investment Maturities (in years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	More than 10
<u>Debt investments</u>					
Money market mutual funds	\$ 3,345,800	3,345,800	-	-	-
Brokered bank certificates of deposit	235,578	-	235,578	-	-
U.S. government	6,495,060	-	3,296,853	3,198,207	-
U.S. agencies	12,589,918	-	1,560,992	8,022,473	3,006,453
Corporate bonds and notes	13,710,839	-	6,669,335	5,870,861	1,170,643
Asset backed securities	3,002,394	30,696	1,660,939	170,517	1,140,242
Collateralized mortgage obligations	3,395,627	-	848,671	576,853	1,970,103
Intermediate-duration debt mutual fund	15,604,671	-	-	15,604,671	-
Short-duration debt mutual fund	17,230,949	-	17,230,949	-	-
Total debt investments	<u>75,610,836</u>	<u>3,376,496</u>	<u>31,503,317</u>	<u>33,443,582</u>	<u>7,287,441</u>
		4.5%	41.7%	44.2%	9.6%
<u>Other investments</u>					
Equity-securities-U.S.	10,328,901				
Equity mutual funds-U.S.	84,836,431				
Equity mutual funds-global	28,337,210				
Equity mutual funds-non-U.S.	43,927,951				
Infrastructure	14,796,390				
Real estate-U.S.	12,996,362				
Total investments	\$ 270,834,081				

The fair value of the intermediate-duration debt, short-duration debt, and the high yield debt mutual funds are reported in the columns above that correspond to weighted average maturities of their holdings on December 31, 2023.

The total pension trust fund investments of \$270,834,081, include \$3,345,800 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 \$2,977,979 of asset backed securities, \$11,870,081 of corporate securities, \$2,318,511 of collateralized mortgage obligations, and \$10,999,990 of U.S. agency securities of at December 31, 2023, 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.

(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 on December 31, 2023, is as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Credit Quality Ratings**</u>
<u>Debt securities</u>		
U.S Treasury Bonds	\$ 498,566	AAA
Total debt securities	<u>\$ 498,566</u>	

** The Credit Rating is based on both Moody's and S&P. In case of differences, the lower rating is reported.

The County has \$48,037,808 in PLGIT/Prime, PGLIT/Term and PLGIT-Class accounts with a Standard & Poors (S&P) credit quality rating ranging from A-1 to AAAM and exempt, which represents U.S Treasury securities which are not considered to be subject to overall credit risk per GASB.

The County has \$9,034,859 in a PA INVEST Daily account with a Standard & Poors (S&P) credit quality rating of AAAM, the highest S&P rating available for funds of this type.

Credit risk – pension investments – Exposure to credit risk in the County pension trust fund at December 31, 2023, is as follows:

		Credit Quality Ratings*			
Investment Type	Fair Value	AAA	AA	A	BBB
Debt investments					
Money market mutual funds	\$ 3,345,800	3,345,800	-	-	-
Brokered bank certificates of deposit	235,578	-	235,578	-	-
U.S. government	6,495,060	-	6,495,060	-	-
U.S. agencies	12,589,918	-	12,589,918	-	-
Corporate bonds and notes	13,710,839	437,002	521,602	7,226,429	5,525,806
Asset backed securities	3,002,394	2,977,979	24,415	-	-
Collateralized mortgage obligations	3,395,627	400,304	2,854,057	141,266	-
Total debt investments	\$ 42,775,216	7,161,085	22,720,630	7,367,695	5,525,806
		10.6%	59.2%	15.2%	15.0%

* The Credit Rating is based on both Moody's and S&P. In case of differences, the lower rating is reported.

Brokered bank certificates of deposits are subject to FDIC coverage as per regulations.

The County pension trust fund holdings, on December 31, 2023, of an intermediate-term Treasury mutual fund, short-duration debt mutual fund, and high yield debt mutual fund are unrated.

(4) Concentration of Credit Risk

Concentration of credit risk is the risk of loss that is attributed to the magnitude of an investment in the debt securities of a single issuer.

Neither the County nor the County pension trust fund holds more than five percent of its investments as of December 31, 2023, 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 County retirement trust fund's asset managers manage foreign currency risk through hedging activities. The pension trust fund is exposed to foreign currency risk through its \$43,927,951 investment in foreign equity mutual funds as of December 31, 2023. The pension trust fund is exposed to foreign currency risk through the foreign equity holdings of global equity mutual funds of \$28,337,210 as of December 31, 2023. The pension trust fund is also exposed to foreign currency risk in its \$14,796,390 of investments in international infrastructure limited partnerships. Exposure by currency denomination is unavailable.

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

The pension trust fund characterizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The pension trust fund has the following recurring fair value measurements at December 31, 2023:

Pension Trust Fund Investments

Fair Value Measurements Using				
Investment Types	Total	Quoted Prices	Significant	Significant
		in Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Reported at fair value				
<u>Debt investments</u>				
Money market mutual fund	\$ 3,345,800	3,345,800	-	-
Brokered bank certificates of deposit	235,578	-	235,578	-
U.S. government	6,495,060	6,495,060	-	-
U.S. agencies	12,589,918	-	12,589,918	-
Corporate bonds and notes	13,710,839	-	13,710,839	-
Asset backed securities	3,002,394	-	3,002,394	-
Collateralized mortgage obligations	3,395,627	-	3,395,627	-
Intermediate-duration debt mutual fund	15,604,671	15,604,671	-	-
Short-duration debt mutual fund	17,230,949	17,230,949	-	-
Total debt investments	75,610,836	42,676,480	32,934,356	-
<u>Other investments</u>				
Equity securities - U.S.	10,328,901	10,328,901	-	-
Equity mutual funds - U.S.	84,836,431	84,836,431	-	-
Equity mutual funds - global	28,337,210	28,337,210	-	-
Equity mutual fund - non-U.S.	43,927,951	43,927,951	-	-
Total investments at fair value level	243,041,329	210,106,973	32,934,356	-
Reported at net asset value (NAV)				
Infrastructure	14,796,390			
Real estate - U.S.	12,996,362			
Total investments at NAV	27,792,752			
Total investments measured at fair value	\$ 270,834,081			

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

Investments classified in Level 2 inputs are significant observable inputs other than Level 1.

Investments classified as Level 3 of the fair value hierarchy are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available and are used in situations where there is little, if any, market activity for the asset or liability at the measurement date. The county has no Level 3 investments.

The County retirement fund's shares in two private 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.

The two private infrastructure limited partnerships that the County retirement fund holds shares in determine fair value for their shares using predominantly third-party valuers on a quarterly basis. The underlying projects - their assets and liabilities - which the limited partnerships are invested in are predominantly valued based on level 3 inputs.

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>
Infrastructure:				
IFM Global Infrastructure (US), L.P.	\$8,741,294	None	A limited partner may request to withdraw all or any portion of its interest in the partnership at any time. Redemption will occur at the prevailing unit price when funds are available. Significant volumes of redemption requests may require a meeting of investors to agree on an orderly process.	90 days advance notice required.
JPMorgan Infrastructure Investment Fund (IIF) Hedged L.P.	\$6,055,096	None	Redemption dates occur on March 31 and September 30th and are subject to the fund manager's discretion. Investors are subject to a 4 year soft lockup. Investors whose 4 year lock has not expired will be subject to a 4% repurchase discount on redemptions made within 4 years of the date that the last portion of their commitment is drawn.	90 days advance notice required.

Real estate - U.S.:

TA Realty Core Property Fund, L.P.	\$4,662,191	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 days advance notice required.
Clarion Lion Properties Fund, L.P.	\$8,334,171	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.

Non-pension investments

The \$498,566 of investments in the County's workers' compensation self-insurance internal service fund, consisting of U.S. Treasury Bonds, are classified as Level 1, which are valued using prices quoted in active markets for identical securities.

The County's various funds hold \$30,395,238, \$17,634,463 and \$8,107 in external investment pools PLGIT/Prime, PLGIT/Term and PLGIT-Class, respectively, on December 31, 2023. Per PLGIT's Annual Report as of December 31, 2022, PLGIT's investment pools meet the GASB Statement No. 79 criteria allowing the valuation of pool investments at amortized cost which, PLGIT asserts in their Annual Report, approximates fair value.

The County's various funds hold \$9,034,859 in the external investment pool PA INVEST Daily, on December 31, 2023. Per PA INVEST's Annual Report as of December 31, 2022, PA INVEST investment pools meet the GASB Statement No. 79 criteria allowing the valuation of pool investments at amortized cost.

PLGIT seeks to manage its PLGIT/Prime and PLGIT-Class portfolios to maintain a stable net asset value of \$1.00 per share. PLGIT seeks to manage its PLGIT/Term portfolio to maintain \$1.00 per share at maturity. However, PLGIT does not guarantee that they will be able to maintain \$1.00 per share. PA INVEST seeks to manage its Daily Pool portfolio to maintain a stable net asset value of \$1.00 per share throughout the period. The pool has not provided any legally binding guarantees to support the value of the shares.

The County investment in the PA INVEST and PLGIT's pools represents no unfunded commitments and imposes no redemption restrictions other than limiting the number of withdrawals to two per month (PLGIT/Prime) or at maturity (PLGIT/Term).

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. The Commonwealth of Pennsylvania provides external regulatory oversight of PLGIT's investment pools. All participation in PLGIT is voluntary.

The PA INVEST program is a diversified investment portfolio open to local governments in the Commonwealth of Pennsylvania and is overseen by the Treasury Department.

4. Real Estate Taxes

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

The County is permitted by the County Code of the Commonwealth of Pennsylvania to levy real estate taxes up to 25 mills on every dollar of adjusted valuation for general County purposes exclusive of the requirements for the payment of interest and principal on bonded debt. For 2023, County real estate taxes were levied at the rate of 2.195 mills for general County purposes.

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

5. Tax Abatement

Cumberland County negotiates property tax abatement agreements on an individual basis. As of December 31, 2023, the County of Cumberland has a tax abatement agreement with one entity with one property.

The agreement was negotiated under the Pennsylvania Local Economic Revitalization Tax Assistance Act of December 1, 1977, referred to as LERTA. LERTA permits local taxing authorities such as Cumberland County to provide tax abatement for new construction on deteriorated industrial, commercial or other business property in economically depressed communities. The exemption amount, if approved by a Board of Commissioners' resolution, would be the valuation of the new construction or improvement. The Act establishes that the length of exemption shall not exceed ten years, with a schedule stipulating the portion of the new construction or improvements to be exempted by year. The current County LERTA property has an established ten year declining tax assessment percentages of 100, 90, 80, 70, 60, 50, 40, 30, 20 and 10 percent, per year respectively.

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

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

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

For the year ended December 31, 2023, the following schedule provides the LERTA eligible properties and their tax abatement:

LERTA County Property Tax Abatement

Owner of Tax Parcel	Year of Abatement	Exempted Real Estate Valuation	Percentage of Abatement	Abated 2023 Real Estate Taxes
5 Centerpark Drive, East Pennsboro Township	2	\$ 1,498,700	90%	\$ 2,961

Note: The County millage for 2023 was 2.195 mills

6. Receivables

This note is to address the accounts receivable categories of the governmental balance sheet. Provided is explanations of substantial balances within those categories.

Taxes receivable is reduced by an allowance for uncollectible accounts of \$737,037 for 2023 which is determined by a review of account status. Of the County's delinquent taxes receivable, \$333,228 is expected to be collected beyond one year.

Amounts due from other governments are primarily grants receivable from the Commonwealth of Pennsylvania as of December 31, 2023, which are expected to be collected within one year.

Within the accounts receivable a substantial portion (\$7,877,628) is attributable to the opioid class action lawsuit settlement that will be distributed to the County by court order over seventeen years through a trust established by the Pennsylvania Legislature. The County will fully collect that balance, however, \$7,119,592 is expected to be collected in greater than 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, 2023, is \$10,015,301. Of that balance, the County has recognized an allowance for doubtful accounts of \$8,030,570. Of the County's court costs and fines receivable, \$321,215 is expected to be collected beyond one year.

7. Capital Assets

Capital asset activity for the year ended December 31, 2023, was as follows:

	Beginning Balance, restated	Additions	Sales and Other Dispositions *	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 2,900,407	—	—	2,900,407
Construction in progress	7,789,068	5,324,422	(773,004)	12,340,486
Agricultural easements	12,839,357	759,776	—	13,599,133
Total capital assets, not being depreciated	23,528,832	6,084,198	(773,004)	28,840,026
Capital assets, being depreciated:				
Buildings and systems	86,513,107	311,980	(446,170)	86,378,917
Lease buildings	3,777,456	912,710	(228,948)	4,461,218
Improvements other than buildings	2,728,245	—	—	2,728,245
Subscription-based IT arrangements	2,589,745	806,295	—	3,396,040
Machinery and equipment	34,260,039	1,706,726	(658,986)	35,307,779
Bridges	40,400,703	—	—	40,400,703
Total capital assets, being depreciated	170,269,295	3,737,711	(1,334,104)	172,672,902
Less accumulated depreciation for:				
Buildings and systems	(52,603,973)	(2,325,208)	446,170	(54,483,011)
Lease buildings	(2,681,397)	(468,240)	213,244	(2,936,393)
Improvements other than buildings	(1,429,209)	(138,893)	—	(1,568,102)
Subscription-based IT arrangements	(569,748)	(861,688)	—	(1,431,436)
Machinery and equipment	(22,262,076)	(2,210,777)	658,099	(23,814,754)
Bridges	(7,361,877)	(743,249)	—	(8,105,126)
Total accumulated depreciation	(86,908,280)	(6,748,055)	1,317,513	(92,338,822)
Total capital assets, being depreciated, net	83,361,015	(3,010,344)	(16,591)	80,334,080
Governmental activities capital assets, net	\$ 106,889,847	3,073,854	(789,595)	109,174,106

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

Depreciation expense was charged to the functions/programs of the County in 2023 as follows:

Governmental activities

General government - administrative	\$	2,363,154
General government - judicial		870,773
Corrections		1,265,251
Emergency telephone		677,305
Public safety		660,409
Roads and bridge maintenance		743,250
Recycling and waste management		117,492
Human services:		
Mental health/intellectual and developmental disabilities		12,140
Children and youth		680
Food and shelter		1,930
Office of aging		8,405
Other		175
Culture and recreation		12,726
Conservation		2,633
Economic development and assistance		11,732
Governmental activities-depreciation expense	\$	<u>6,748,055</u>

8. Interfund and Transfer Accounts

The composition of interfund balances at December 31, 2023, follows:

Receivable Fund	Payable Fund	Amount
General	Mental health/intellectual and developmental disabilities	\$ 1,698,663
	Children and youth	6,200,917
	Non-major governmental funds	1,899,838
	Internal service fund	219,412
Non-major governmental funds	General	2,342,465
	Non-major governmental funds	548,265
Total		<u>\$ 12,909,560</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.

The composition of interfund transfers for the year ended December 31, 2023, follows:

Transfer in:					
	General Fund	Mental health/ Intellectual and Developmental Disabilities	Children and Youth	Governmental Non-major	Total
Transfer out:					
General fund	\$ -	110,958	4,620,448	8,242,610	12,974,016
Children and Youth	-	-	-	103,887	103,887
MHIDD	-	-	-	18,696	18,696
Governmental non-major funds	15,017,607	-	-	4,293,614	19,311,221
Internal service fund	-	-	-	354	354
Total transfers out	<u>\$ 15,017,607</u>	<u>110,958</u>	<u>4,620,448</u>	<u>12,659,161</u>	<u>32,408,174</u>

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 human service programs. Transfers are also used to move unrestricted funds from the general fund and non-major governmental funds such as emergency telephone and capital projects to pay debt service.

Other common recurring non-major governmental fund transfers occurred between the hotel tax fund and the economic development fund (CAEDC) in the amount of \$2,534,208.

9. Long-term Liabilities

The following is a summary of the changes in the County's long-term liabilities for the year ended December 31, 2023:

<u>Liabilities</u>	Balance January 1, 2023, restated	Additions	Reductions	Balance December 31, 2023	Due Within One Year
Governmental activities					
Bonds and notes payable:					
Bonds	\$ 31,570,000	-	2,495,000	29,075,000	2,615,000
CAEDC Notes	1,304,970	-	90,372	1,214,598	16,077
Premium on bonds	2,151,932	-	243,584	1,908,348	-
Total bonds and notes payable	35,026,902	-	2,828,956	32,197,946	2,631,077
Direct borrowing:					
Notes	2,811,397	-	501,217	2,310,180	514,460
Arbitrage payable	-	153,952	-	153,952	-
Sick and vacation	4,685,464	5,569,658	5,237,333	5,017,789	511,002
Other postemployment benefit obligations	1,950,485	267,721	527,049	1,691,157	143,854
Net pension liability	31,812,314	-	11,436,522	20,375,792	-
Workers' compensation	493,571	270,327	239,192	524,706	115,864
Leases	1,107,916	785,551	476,983	1,416,484	476,734
Subscription-based IT arrangements	1,602,661	966,300	785,972	1,782,989	453,821
Governmental activities long-term liabilities	\$ 79,490,710	8,013,509	22,033,224	65,470,995	4,846,812

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 will liquidate 64 percent, and the Children and Youth will liquidate 7 percent, MHIDD will liquidate 6 percent and Emergency Telephone and Domestic Relations will liquidate 5 percent.

For other post-employment benefit obligations, the general fund normally liquidates 64 percent, and the Children and Youth, Emergency Telephone and MH/IDD liquidate 10 percent, 5 percent and 4 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 governmental-type activities.

The County is subject to federal arbitrage laws governing the use of proceeds of tax exempt debt. There was an arbitrage payable of \$153,932 due as of December 31, 2023.

All bonds and notes outstanding at December 31, 2023, 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
General obligation bonds:				
G.O. bonds – 2016 issue	2% - 5%	2028	\$ 11,470,000	6,290,000
G.O. bonds – 2018 issue	1.4% - 3%	2031	12,140,000	8,845,000
G.O. bonds – 2022 issue	1.85% - 3.9%	2042	14,395,000	13,940,000
Total general obligation bonds			38,005,000	29,075,000
Notes from direct borrowing:				
PA infrastructure bank note	2.625%	2030	5,000,000	2,310,180
Total direct borrowing			5,000,000	2,310,180
Long-term debt at December 31, 2023				31,385,180
Premium/Discount on notes				1,908,348
Net long-term debt at December 31, 2023				\$ 33,293,528

Of the outstanding balance at December 31, 2023, of the 2016 bond issue, \$6,290,000 benefits the general fund, therefore, repayment will be budgeted in the general fund.

Of the outstanding balance at December 31, 2023, of the 2018 bond issue, \$8,845,000 benefits the general fund, therefore, repayment will be budgeted in the general fund.

Of the outstanding balance at December 31, 2023, of the 2022 bond issue, \$13,940,000 benefits the emergency telephone fund, therefore, repayment will budgeted in the emergency telephone fund.

The \$2,310,180 outstanding balance at December 31, 2023 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 December 31, 2023, net nonelectoral debt limit, and combined net nonelectoral debt and net lease rental debt limit are \$392,973,684 and \$534,426,640 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, 2023, including interest payments, are as follows:

Governmental-type Activities					
		Bonds		Notes from direct borrowing	
		Principal	Interest	Principal	Interest
2024	\$	2,615,000	1,040,025	514,460	57,288
2025		2,730,000	924,925	528,054	43,695
2026		2,830,000	823,350	542,006	29,743
2027		2,935,000	722,925	556,327	15,421
2028		3,025,000	624,050	169,333	2,222
2029-2042		14,940,000	3,638,575	—	—
Total	\$	29,075,000	7,773,850	2,310,180	148,369

10. Leases

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

The County's building leases contain scheduled rents payable. Of these scheduled payments, the County does not have any variable payment leases which commonly use the consumer price index or similar indices. Building leases have expiration dates extending through 2028.

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, 2023:

Governmental Activities		
		Principal Interest
2024	\$	476,734 42,239
2025		384,381 31,037
2026		279,502 16,920
2027		186,858 8,229
2028		89,009 1,608
Total	\$	<u>1,416,484</u> <u>100,033</u>

11. Subscription-based Information Technology Arrangements

The County has entered into several subscription-based information technology arrangements (SBITAs) for several County offices. At inception, the arrangements range from three to ten years in duration.

The County's SBITAs contain scheduled subscription payments. Of these scheduled payments, the County does not have any variable payment arrangements which commonly use the consumer price index or similar indices. SBITAs have expiration dates extending through 2030.

The following is a schedule of future minimum subscription payments for SBITAs with initial or remaining terms in excess of one year as of December 31, 2023:

		Activities	
		Principal	Interest
2024	\$	453,821	58,477
2025		379,854	48,093
2026		276,836	34,116
2027		238,250	25,994
2028		141,240	17,472
2029-2030		292,988	23,424
Total	\$	1,782,989	207,576

12. 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 a normal annuity payments from the Cumberland County Retirement Plan. Additionally, employees are required to have at least ten years of service credited to them in the retirement plan. Finally, employees that start receiving normal annuities must utilize OPEB benefits within five years of retiring. 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.

The County has opted not to charter a trust for the County's OPEB, therefore the County does not issue a separate financial report and the financial statements are included below.

Membership of the OPEB Plan consisted of the following at January 1, 2024, the date of the latest actuarial valuation:

	Primary Government	Component Unit	Total
Retirees and beneficiaries receiving benefits	20	-	20
Retirees entitled to but not receiving benefits	-	-	-
Active employees	912	8	920
Total membership	<u>932</u>	<u>8</u>	<u>940</u>

At retirement, we assume that 25 percent of employees will elect to participate in the plan.

Because the OPEB Plan relates solely to the County's decision to provide other postemployment benefits through the payment of the implied subsidy by extending medical benefits to retirees at the above mentioned blended rate, no stand-alone financial report for the plan is available. The OPEB Plan is not included in the financial report of another entity.

B. Total OPEB Liability

The County's total OPEB liability of \$1,706,000 was measured as of December 31, 2023.

The calculations were based on an actuarial valuation as of January 1, 2023. 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, 2023, were determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.6 percent
Wage increases	3.50 percent, average, including inflation
Discount rate	4.00 percent
Healthcare cost trend rates	6.75 percent from 2024 to 2025, followed by 6.50 percent from 2025 to 2026 decreasing to an ultimate rate of 4.04 percent by 2075
Retirees' share of benefit-related costs	100 percent of projected health insurance premiums for retirees

The discount rate of 4.00 percent is based on the S&P Municipal Bond 20-Year High Grade Index as of December 31, 2023.

Mortality rates were based on the Pub-2010 Headcount-Weighted table General Employees projected fully generationally using MP-2021.

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

	OPEB Liability
Balance at January 1, 2023	\$ <u>1,970,784</u>
Changes for the year:	
Service cost	85,904
Interest	85,549
Changes in benefit terms	(11,177)
Difference between expected and actual experience	(375,381)
Changes in assumptions or other inputs	95,438
Benefit payments	<u>(145,117)</u>
Net changes	<u>(264,784)</u>
Balance at December 31, 2023	\$ <u><u>1,706,000</u></u>

There were changes of benefit terms during the year. To be eligible to receive the benefits of the health insurance plan, a retiree must be receiving a normal annuity payments from the Cumberland County Retirement Plan. Additionally, employees are required to have at least ten years of service credited to them in the retirement plan. Also, employees that start receiving normal annuities must utilize OPEB benefits within five years of retiring. Finally, dependents may not become the primary OPEB benefit holder.

The changes in assumptions or other inputs were as a result of a change in discount rate from 4.31 to 4.00 percent. Health care cost trend rates changed from last year's assumption of 5.75 percent for 2023 to 2024 decreasing to 3.94 percent by 2075, to this year's assumption of 6.75 percent from 2024 to 2025, followed by 6.50 percent from 2025 to 2026 decreasing to an ultimate rate of 4.04 percent by 2075.

E. Sensitivity of Assumptions

Sensitivity of the total OPEB liability to change in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be, if it were calculated using a discount rate that is 1-percentage-point lower (3.00 percent) or 1-percentage-point higher (5.00 percent) than the current discount rate:

	1% Decrease (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
Primary government	\$ <u>1,827,181</u>	<u>1,691,157</u>	<u>1,563,230</u>
Component unit	<u>16,036</u>	<u>14,843</u>	<u>13,719</u>
Total OPEB Liability	\$ <u><u>1,843,217</u></u>	<u><u>1,706,000</u></u>	<u><u>1,576,949</u></u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be, if it were calculated using healthcare cost trend rate that are 1-percentage-point lower (5.75 percent decreasing to 3.04) or 1-percentage-point higher (7.75 percent decreasing to 5.04 percent)

	1% Decrease (5.75% decreasing to 3.04%)	Healthcare Cost Trend Rates (6.75% decreasing to 4.04%)	1% Increase (7.75% decreasing to 5.04%)
Primary government	\$ 1,511,231	1,691,157	1,903,243
Component unit	13,263	14,843	16,704
Total OPEB Liability	<u>\$ 1,524,494</u>	<u>1,706,000</u>	<u>1,919,947</u>

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

For the year ended December 31, 2023, the County recognized an OPEB expense of \$149,538. At December 31, 2023, 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	\$ 334,186	2,933	337,119
Total deferred outflow of resources	<u>\$ 334,186</u>	<u>2,933</u>	<u>337,119</u>

Deferred inflow of resources:

	Primary Government	Component Unit	Total
Expected and actual OPEB experience	\$ 475,596	4,174	479,770
Changes of OPEB assumptions	61,554	540	62,094
Total deferred inflow of resources	<u>\$ 537,150</u>	<u>4,714</u>	<u>541,864</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
2024	\$ 119,117	1,045	120,162
2025	(50,414)	(442)	(50,856)
2026	(137,138)	(1,204)	(138,342)
2027	(88,280)	(775)	(89,055)
2028	(46,249)	(405)	(46,654)
	<u>\$ (202,964)</u>	<u>(1,781)</u>	<u>(204,745)</u>

13. 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, 2023, employee membership data related to the pension plan was as follows:

	Primary Government	Component Unit	Total
Inactive plan members or beneficiaries currently receiving benefits	840	4	844
Inactive plan members entitled to but not yet receiving benefits	231	3	234
Active employees	912	8	920
Total membership	<u>1,983</u>	<u>15</u>	<u>1,998</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 2023 was \$4,244,510 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.

The Cumberland County's Employees' Retirement Trust Fund (the Plan) does not issue a separate report; therefore financial statements are included below.

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, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.49 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, 2023, 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, 2023, the pension plan does not have any allocated insurance contracts that are excluded from pension plan assets.

F. Reserves

As of December 31, 2023, the pension plan does not have any reserves set aside for future benefit increases or decreased employer contributions.

G. Deferred Retirement Option Program

The County does not offer plan participants a deferred retirement option program upon retirement.

H. Net Pension Liability

The components of net pension liability at December 31, 2023, were as follows:

	Primary government	Component unit	Total
Total pension liability	\$ 288,394,424	3,620,991	292,015,415
Plan fiduciary net position (allocated)	268,018,632	3,365,159	271,383,791
Net pension liability	\$ 20,375,792	255,832	20,631,624
Plan fiduciary net position as a percentage of the total pension liability	92.93%	92.93%	92.93%

There is a \$143,280 difference between the Pension Trust statement of fiduciary net position on page 43 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, 2023, 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 PubG-2010 RP annuitant and non-annuitant mortality tables for males and females set forward one year with generational mortality improvement using MP2020.

The actuarial assumptions used in the December 31, 2023, 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, 2023, (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	5.0%
International equity	5.1
Infrastructure	3.8
Real estate	3.6
Fixed income	2.2
Cash	1.6

J. Discount Rate

In 2023, the discount rate (long-term expected rate of return) used to measure the total pension liability was 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**

	Increase/(Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of December 31, 2022	\$ 278,039,183	245,837,225	32,201,958
Changes for the year:			
Service cost	4,274,021	-	4,274,021
Interest	19,591,927	-	19,591,927
Differences between expected and actual experience	4,784,468	-	4,784,468
Contributions-employer	-	4,244,510	(4,244,510)
Contributions-member	-	4,206,886	(4,206,886)
Net investment income	-	31,971,838	(31,971,838)
Benefit payments, including refunds of members contribution	(14,674,184)	(14,674,184)	-
Plan administration expense	-	(202,484)	202,484
Net changes	<u>13,976,232</u>	<u>25,546,566</u>	<u>(11,570,334)</u>
Balances as of December 31, 2023	\$ <u>292,015,415</u>	<u>271,383,791</u>	<u>20,631,624</u>

Sensitivity of the net pension liability to changes in the discount rate

The net pension liability/(asset) of the County is calculated using the current discount rate of 7.00 percent. The table below illustrates what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) and 1-percentage-point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount (7.00%)	1% Increase (8.00%)
Primary government	\$ 54,405,018	20,375,792	(5,174,542)
Component unit	683,093	255,832	(64,970)
Total net pension liability/ (asset)	<u>\$ 55,088,111</u>	<u>20,631,624</u>	<u>(5,239,512)</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, 2023, pension expense was \$6,085,138. Pension expense for governmental, component unit and fiduciary funds was a \$6,001,505, \$73,464 and \$10,169, respectively.

At December 31, 2023, 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	\$ 6,465,619	81,180	6,546,799
Deferred difference- projected and actual pension earnings	11,007,892	138,212	11,146,104
Deferred difference-change of pension assumptions	5,823,322	73,116	5,896,438
Total deferred outflows of resources	<u>\$ 23,296,833</u>	<u>292,508</u>	<u>23,589,341</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
2024	\$ 7,223,908	90,701	7,314,609
2025	8,734,077	109,662	8,843,739
2026	10,298,550	129,305	10,427,855
2027	(2,959,702)	(37,160)	(2,996,862)
	<u>\$ 23,296,833</u>	<u>292,508</u>	<u>23,589,341</u>

At December 31, 2023, 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.

14. 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, 2023.

15. Commitments and Contingencies

Commitments

The County has significant contractual commitments related to various construction projects. At December 31, 2023, the County's commitments are as follows:

Project	Expended Through December 31, 2023	Remaining Commitment
Radio tower upgrade project	\$ 2,448,936	4,411,899
Emergency telephone radio project	3,796,000	27,599,566
County recovery grant program	2,218,804	11,753,834
Tax assessment software	181,687	545,062

The radio tower upgrade and emergency telephone radio projects, in the County's non-major funds, will be funded with a 2022 bond issue.

The County recovery grant program, in the County general fund, will be funded by funds made available for use from ARPA funds.

The tax assessment software project will be funded from the general fund.

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.

16. 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 \$600,000 for each individual worker's compensation occurrence. 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, 2023, and December 31, 2022, were:

		Beginning of Year Liability	Provision for Claims		Claim Payments		End of Year Liability
			Current Year	Prior Years	Current Year	Prior Years	
2023	\$	493,571	212,389	57,938	64,413	174,779	524,706
2022	\$	543,992	341,842	(243,192)	164,117	(15,046)	493,571

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	
2023	\$	1,003,000	12,030,640	(995,253)	11,184,640	7,747	846,000
2022	\$	1,062,000	14,164,296	(1,052,118)	13,161,296	9,882	1,003,000

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, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget			Variance with
	Original	Amended	Actual Amounts	Amended Budget
REVENUES				
Taxes:				
Real estate taxes	\$ 57,320,738	57,320,738	57,334,256	13,518
Per capita taxes	275	275	319	44
Library taxes	4,331,441	4,331,441	4,337,129	5,688
Licenses and permits	235,228	235,228	231,425	(3,803)
Grants	7,156,857	12,161,790	9,956,611	(2,205,179)
County charges	13,981,378	13,981,378	14,693,932	712,554
Court costs, fines, and forfeitures	1,488,247	1,488,247	1,258,172	(230,075)
Interest	865,600	865,600	5,374,590	4,508,990
Contributions and other	129,200	129,200	229,581	100,381
Payment in lieu of taxes	205,950	205,950	205,004	(946)
Total revenues	85,714,914	90,719,847	93,621,019	2,901,172
EXPENDITURES				
Current:				
General government – administrative:				
Commissioners	1,131,978	1,155,429	1,005,344	150,085
Solicitors	404,269	404,269	381,412	22,857
Controller	1,445,054	1,445,124	1,396,250	48,874
Treasurer	434,952	441,012	396,515	44,497
Recorder of Deeds	485,330	485,330	495,831	(10,501)
Finance office	1,618,027	1,632,554	1,609,466	23,088
Grant administration	—	1,594	1,565	29
Tax assessment	1,407,191	1,857,221	1,336,217	521,004
Tax claims	261,082	265,882	237,166	28,716
Tax collectors administration	365,546	382,099	375,788	6,311
Personnel	874,339	898,377	913,017	(14,640)
Communications	310,095	310,135	306,473	3,662
Administrative services	129,867	186,887	78,236	108,651
Information management	3,595,422	3,816,618	3,224,694	591,924
Enterprise resource management office	1,197,093	1,413,917	1,045,091	368,826
Elections	2,085,727	2,855,808	1,796,052	1,059,756
CARES act technology agreements	51,441	51,441	14,396	37,045
Insurance	497,637	497,637	472,597	25,040
County buildings	5,396,126	6,829,079	4,167,473	2,661,606
Planning	1,092,661	1,134,657	1,159,324	(24,667)
Pooled reserves-program innovation, improvements and contingencies	800,000	(254,028)	—	(254,028)
Pooled reserves-contingencies	2,644,250	359,613	—	359,613
Debt retirement	3,604	4,224	2,751	1,473
Homestead	69,269	80,976	79,051	1,925
Uniform Parcel Identifier	125,950	125,970	94,732	31,238
Program subsidy	169,300	169,300	98,922	70,378
Total general government – administrative	26,596,210	26,551,125	20,688,363	5,862,762
General government – judicial:				
Courts	8,189,031	9,057,435	8,690,634	366,801
Court appointed advocate	339,233	340,448	466,207	(125,759)
District judges	1,479,775	1,821,368	1,732,563	88,805

(continued)

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

General Fund

For the year ended December 31, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
(continued)				
EXPENDITURES				
Current (continued):				
General government - judicial (continued):				
Law library	\$ 272,422	442,615	368,085	74,530
Clerk of Court	903,355	917,840	664,705	253,135
Coroner	1,667,565	1,785,130	1,546,278	238,852
Public defender	2,425,859	2,445,245	2,241,558	203,687
District Attorney	3,490,450	3,526,965	3,343,372	183,593
Prothonotary	627,992	708,842	667,652	41,190
Register of Wills	694,278	1,030,971	876,017	154,954
Sheriff	4,729,288	4,898,223	4,926,858	(28,635)
Total general government – judicial	24,819,248	26,975,082	25,523,929	1,451,153
Public safety:				
DA crime investigation	765,734	807,181	837,558	(30,377)
Forensic investigation division	1,657,370	3,518,164	2,233,618	1,284,546
Hazmat	266,166	360,012	213,858	146,154
Vector control	322,529	322,529	298,975	23,554
Fire training	29,896	29,896	14,620	15,276
Public safety	727,903	976,533	688,335	288,198
Total public safety	3,769,598	6,014,315	4,286,964	1,727,351
Corrections:				
County prison	16,862,020	18,311,363	16,187,429	2,123,934
Probation and parole	6,168,079	6,188,079	6,079,687	108,392
Total corrections	23,030,099	24,499,442	22,267,116	2,232,326
Human services	278,249	300,725	350,889	(50,164)
Culture and recreation	5,532,285	5,683,488	5,636,724	46,764
Conservation and development	3,447,299	3,538,227	1,911,174	1,627,053
Economic development	3,090,573	7,154,175	5,832,166	1,322,009
Total expenditures	90,563,561	100,716,579	86,497,325	14,219,254
Excess (deficiency) of revenues over expenditures	(4,848,647)	(9,996,732)	7,123,694	17,120,426
OTHER FINANCING SOURCES (USES)				
Transfers in	20,149,737	20,149,737	15,092,607	(5,057,130)
Transfers out	(45,428,174)	(41,375,689)	(22,166,744)	19,208,945
Sale of general assets	—	—	134,327	134,327
Subscription-based IT arrangements	—	—	853,172	853,172
Leases (as lessee)	201,400	201,400	448,359	246,959
Insurance recovery	—	—	3,760	3,760
Total other financing sources (uses)	(25,077,037)	(21,024,552)	(5,634,519)	15,390,033
Net change in fund balance	(29,925,684)	(31,021,284)	1,489,175	32,510,459
Fund balance, beginning of year, as restated	33,228,086	33,228,086	91,476,690	58,248,604
Fund balance, end of year	\$ 3,302,402	2,206,802	92,965,865	90,759,063

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, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Grants	\$ 17,361,841	17,543,257	19,245,892	1,702,635
County charges	2,010,882	2,054,739	2,087,393	32,654
Interest	15,025	39,000	50,077	11,077
Contributions and other	130,899	128,428	104,204	(24,224)
Total revenues	<u>19,518,647</u>	<u>19,765,424</u>	<u>21,487,566</u>	<u>1,722,142</u>
EXPENDITURES				
Current:				
Human services	<u>20,177,034</u>	<u>22,736,827</u>	<u>22,101,662</u>	<u>635,165</u>
Total expenditures	<u>20,177,034</u>	<u>22,736,827</u>	<u>22,101,662</u>	<u>635,165</u>
Deficiency of revenues under expenditures	<u>(658,387)</u>	<u>(2,971,403)</u>	<u>(614,096)</u>	<u>2,357,307</u>
OTHER FINANCING SOURCES				
Transfers in	<u>658,387</u>	<u>2,971,403</u>	<u>736,619</u>	<u>(2,234,784)</u>
Total other financing sources	<u>658,387</u>	<u>2,971,403</u>	<u>736,619</u>	<u>(2,234,784)</u>
Net change in fund balance	<u>—</u>	<u>—</u>	<u>122,523</u>	<u>122,523</u>
Fund balance, beginning of year	<u>1,111,660</u>	<u>1,111,660</u>	<u>217,311</u>	<u>(894,349)</u>
Fund balance, end of year	<u>\$ 1,111,660</u>	<u>1,111,660</u>	<u>339,834</u>	<u>(771,826)</u>

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

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

Children and Youth

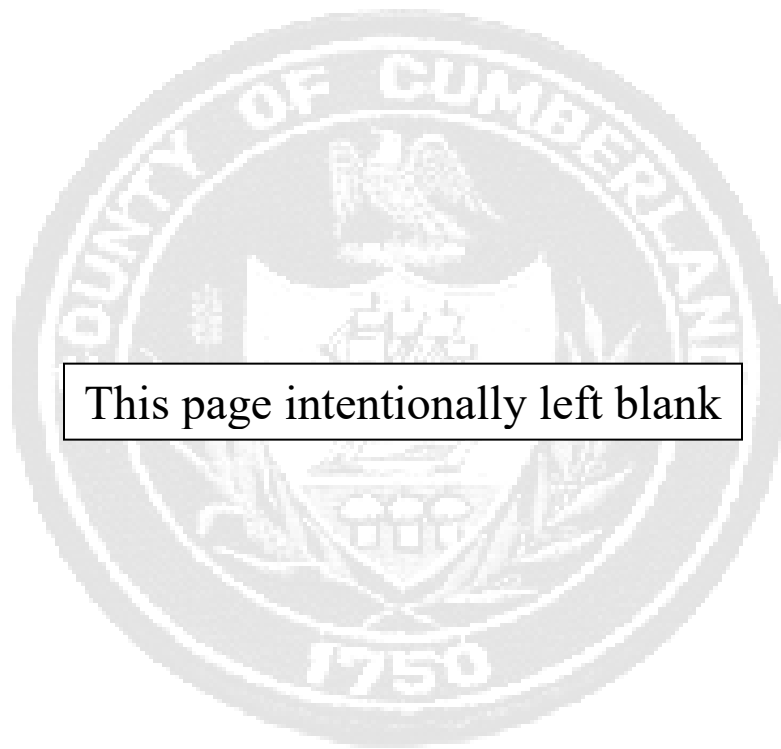
For the fiscal year ended June 30, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Grants	\$ 21,250,296	21,250,296	21,300,669	50,373
County charges	395,755	395,755	286,883	(108,872)
Total revenues	21,646,051	21,646,051	21,587,552	(58,499)
EXPENDITURES				
Current:				
Human services	26,262,522	26,262,522	25,609,488	653,034
Total expenditures	26,262,522	26,262,522	25,609,488	653,034
Deficiency of revenues under expenditures	(4,616,471)	(4,616,471)	(4,021,936)	594,535
OTHER FINANCING SOURCES (USES)				
Transfers in	4,685,971	4,685,971	4,091,436	(594,535)
Transfers out	(69,500)	(69,500)	(69,500)	—
Total other financing sources (uses)	4,616,471	4,616,471	4,021,936	(594,535)
Net change in fund balance	—	—	—	—
Fund balance, beginning of year	—	—	—	—
Fund balance, end of year	\$ —	—	—	—

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



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REQUIRED SUPPLEMENTARY INFORMATION
EMPLOYEES' RETIREMENT PLAN SCHEDULES

COUNTY OF CUMBERLAND, PENNSYLVANIA

Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios
Last 10 Years Available

	2014	2015	2016	2017
Pension liability				
Service cost	\$ 4,816,633	4,826,080	5,076,860	5,309,011
Interest	12,375,857	13,010,850	13,894,384	14,522,698
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	11,257,243	61,932	3,037,001	(769,513)
Changes of assumptions	-	-	-	-
Benefit payments, including refunds of member contributions	(8,425,180)	(9,071,203)	(9,494,172)	(10,428,840)
Net change in total pension liability	20,024,553	8,827,659	12,514,073	8,633,356
Total pension liability-beginning	154,556,942	174,581,495	183,409,154	195,923,227
Total pension liability-ending	\$ 174,581,495	183,409,154	195,923,227	204,556,583
Plan fiduciary net position				
Contributions-employer	\$ 4,134,246	3,620,219	4,046,264	3,805,364
Contributions-member	2,913,238	3,021,193	3,149,641	3,352,587
Net investment income	9,714,262	(623,463)	11,625,004	28,128,035
Benefit payments, including refunds of member contributions	(8,425,180)	(9,071,203)	(9,494,172)	(10,428,840)
Administrative expense	(150,259)	(235,911)	(231,535)	(208,237)
Net change in plan fiduciary net position	8,186,307	(3,289,165)	9,095,202	24,648,909
Plan fiduciary net position-beginning	174,657,294	182,843,601	179,554,436	188,649,638
Plan fiduciary net position-ending	\$ 182,843,601	179,554,436	188,649,638	213,298,547
Net pension liability/(asset)	\$ (8,262,106)	3,854,718	7,273,589	(8,741,964)
Plan fiduciary net position as a percentage of the total pension liability	104.73 %	97.90 %	96.29 %	104.27 %
Covered payroll	\$ 52,236,859	50,760,752	53,864,765	54,909,779
Net pension liability/(asset) as a percentage of covered payroll	(15.82) %	7.59 %	13.50 %	(15.92) %

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, 2023

(unaudited)

2018	2019	2020	2021	2022	2023
4,139,378	4,407,504	4,524,592	4,564,600	4,601,734	4,274,021
14,949,775	15,736,110	16,422,452	17,220,170	18,680,566	19,591,927
-	-	-	-	-	-
(1,005,613)	3,032,936	1,539,523	3,207,756	2,498,704	4,784,468
11,064,623	-	-	-	10,613,590	-
(10,551,987)	(11,782,546)	(12,215,447)	(13,402,303)	(14,763,517)	(14,674,184)
18,596,176	11,394,004	10,271,120	11,590,223	21,631,077	13,976,232
204,556,583	223,152,759	234,546,763	244,817,883	256,408,106	278,039,183
223,152,759	234,546,763	244,817,883	256,408,106	278,039,183	292,015,415
2,854,381	3,856,188	4,202,702	3,872,671	8,189,124	4,244,510
3,551,808	3,859,308	4,144,052	3,898,874	3,923,727	4,206,886
(12,138,299)	38,752,976	26,193,722	35,408,284	(34,156,247)	31,971,838
(10,551,987)	(11,782,546)	(12,215,447)	(13,402,303)	(14,763,517)	(14,674,184)
(253,043)	(243,382)	(240,006)	(189,764)	(232,598)	(202,484)
(16,537,140)	34,442,544	22,085,023	29,587,762	(37,039,511)	25,546,566
213,298,547	196,761,407	231,203,951	253,288,974	282,876,736	245,837,225
196,761,407	231,203,951	253,288,974	282,876,736	245,837,225	271,383,791
26,391,352	3,342,812	(8,471,091)	(26,468,630)	32,201,958	20,631,624
88.17 %	98.57 %	103.46 %	110.32 %	88.42 %	92.93 %
55,755,116	58,391,246	59,660,040	59,963,352	58,404,966	54,500,485
47.33 %	5.72 %	(14.20) %	(44.14) %	55.14 %	37.86 %

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>	<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 %

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, 2023

(unaudited)

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
2,854,381	3,856,188	4,202,702	3,872,671	4,039,124	4,244,510
<u>2,854,381</u>	<u>3,856,188</u>	<u>4,202,702</u>	<u>3,872,671</u>	<u>8,189,124</u>	<u>4,244,510</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,150,000)</u>	<u>-</u>
55,755,116	58,391,246	59,660,040	59,963,352	58,404,966	54,500,485
5.12 %	6.60 %	7.04 %	6.46 %	14.02 %	7.79 %

REQUIRED SUPPLEMENTARY INFORMATION
EMPLOYEES' RETIREMENT PLAN SCHEDULES

COUNTY OF CUMBERLAND, PENNSYLVANIA

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, 2023

(unaudited)

2018	2019	2020	2021	2022	2023
(5.39) %	20.30 %	11.77 %	14.50 %	(12.02) %	13.49 %

1. Employees' Retirement Plan

For 2023, the inflation rate assumption was three percent, the same as last year. The overall payroll growth rate was three and a half percent, the same as last year. The long-term expected rate of return was seven percent.

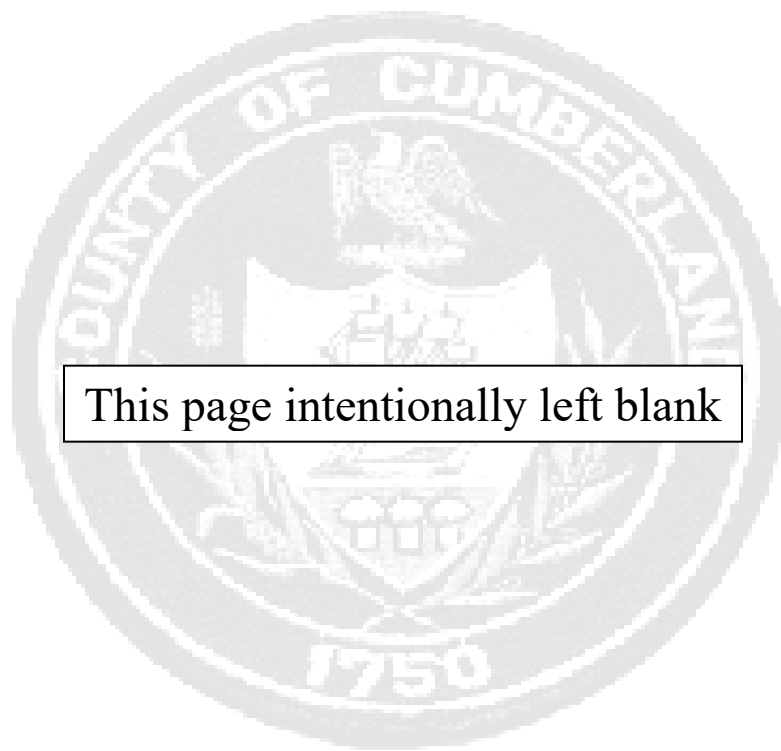
The actuarial asset valuation method uses the *market value for unrecognized gain and losses from prior years*. The mortality rates were based on the *PubG-2010 RP annuitant and non-annuitant mortality tables for males and females set forward one year with generational mortality improvement using MP2020*.

Also, retirement benefits for plan members are calculated as a percent of the member's highest three year average salary times the member's years of service depending on class basis. Beginning January 1st, 2022, new hires class basis is a 1/80th factor whereas any employee hired before January 1st, 2022 are a 1/70th factor.

Finally, the County contributed \$4,244,510 in 2023 which is the actuarially determined contribution.

The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Valuation Date	January 1, 2023
Measurement Date	December 31, 2023
Actuarial Cost Method	Entry-Age Normal
Asset Valuation Method	Market Value
Assumptions:	
Inflation	3.0%
Active member payroll growth	3.5% average, including inflation
Investment Rate of Return	7.0%, net of pension plan investment expense, including inflation
Discount Rate	7.0%
Retirement Age	Age 60, or 55 with 20 years of service
Mortality	PubG-2010 RP annuitant and non-annuitant mortality tables for males and females set forward one year with generational mortality improvement using MP2020
Cost of Living Adjustments	Ad hoc, N/A



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	(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

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, 2023

(unaudited)

<u>2021</u>	<u>2022</u>	<u>2023</u>
127,134	115,392	85,904
55,031	46,510	85,549
-	-	(11,177)
(333,906)	83,062	(375,381)
4,338	(341,512)	95,438
<u>(164,405)</u>	<u>(171,287)</u>	<u>(145,117)</u>
(311,808)	(267,835)	(264,784)
<u>2,550,427</u>	<u>2,238,619</u>	<u>1,970,784</u>
<u><u>2,238,619</u></u>	<u><u>1,970,784</u></u>	<u><u>1,706,000</u></u>

2. Other Postemployment Benefits (OPEB)

There are no changes in actuarial methods. Salary increases were assumed to be 3.50% and inflation was assumed to be 2.6%. The inflation rate used last year was 3.0%.

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

The mortality table used for 2023 changed from using *Pub-2010 Headcount-Weighted table General Employees projected fully generationally* using MP-2020 to *Pub-2010 General Employees/Retirees Headcount-Weighted Mortality table projected fully generationally* using MP-2021.

The assumed healthcare cost trend rate used for each reporting year are as follows:

2023	6.75% from 2024 to 2025, followed by 6.50% from 2025 to 2026, decreasing to an ultimate rate of 4.04% by 2075
2022	5.75% from 2023 to 2024 decreasing to an ultimate rate of 3.94% by 2075
2021	6.00% from 2022 to 2023 decreasing to an ultimate rate of 3.94% by 2075
2020	5.40% from 2020 to 2021 decreasing to an ultimate rate of 3.94% by 2075
2019	5.40% from 2019 to 2020 decreasing to an ultimate rate of 3.94% by 2075
2018	5.50% for 2019 decreasing to an ultimate rate of 3.84% by 2075
2017	5.90% for 2018 decreasing to an ultimate rate of 3.84% by 2075

The discount rate for the 2023 OPEB valuation was 4.00% based on the S&P Municipal Bond 20-Year Grade Index as of December 31, 2022 which is different from last year which used the Bond Buyer 20-Bond GO Index.

The discount rates used in the actuarial assumptions have changed over the prior years as follows:

2023	4.00%
2022	4.31
2021	2.05
2020	2.12
2019	2.74
2018	4.11
2017	3.44

The net OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Valuation Date	January 1, 2024
Measurement Date	December 31, 2023
Inflation	2.60%
Salary Increases	3.50%
Discount Rate	4.00%
Mortality Table	Pub-2010 General Employees/Retirees Headcount-Weighted table Projected fully generationally using MP-2021

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (unaudited) December 31, 2023

Medical/Rx Trends

6.75% from 2024 to 2025, followed by 6.50% from 2025 to 2026, decreasing to an ultimate rate of 4.04% by 2075

3. 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, 2023, or on a fiscal year ended June 30, 2023. 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, 2023, follows:

	<u>General Fund</u>
Budgetary basis- net change in fund balance, December 31, 2023	\$ 1,489,175
Adjustments:	
To adjust revenues, expenditures and other financing sources/uses:	
Net fund budget-related revenues, expenditures and other financing sources/uses:	101,638
Fund balance effect from funds included in GAAP statements:	
Opioid crisis relief fund	2,073,098
District attorney federal forfeiture account	(7,798)
Offender supervision fund	(206,090)
Demolition-blighted property fund	<u>(47,353)</u>
GAAP basis - net change in fund balance, December 31, 2023	<u>\$ 3,402,670</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (unaudited) December 31, 2023

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, 2023	\$ 122,523
Adjustments for timing difference between fiscal years:	
Revenue	1,567,485
Expenditures	(485,874)
Other financing sources	<u>(644,357)</u>
GAAP basis - net change in fund balance as of December 31, 2023	<u>\$ 559,777</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, 2023	\$ -
Adjustments for timing difference between fiscal years:	
Revenue	1,381,146
Expenditures	(1,875,771)
Other financing sources	<u>494,625</u>
GAAP basis - net change in fund balance as December 31, 2023	<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.
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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (unaudited) December 31, 2023

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**

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.

Emergency Telephone – Used to account for the operation of the County's emergency 9-1-1 call center. The 9-1-1 call center operates 24/7, 365 days a year responding promptly to emergency calls in the community, alerting public safety providers and coordinating and facilitating emergency responses.

Cumberland Area Economic Development Corporation (CAEDC) – CAEDC's mission is to preserve, facilitate, promote and foster economic development within Cumberland County and the surrounding region. CAEDC is a governmental not-for-profit entity that, despite being legally separate, is reported as a blended component unit (a non-major, special revenue fund).

NONMAJOR GOVERNMENTAL FUNDS
DESCRIPTION OF FUNDS

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.

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, 2023

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
ASSETS						
Cash and cash equivalents	\$ 3,344,293	114,680	1,086,326	—	—	12,240
Investments	—	—	—	—	—	—
Restricted cash	—	—	—	—	—	—
Receivables (net of allowance):						
Taxes	—	—	—	—	—	—
Due from other governments	339,084	570,480	119,599	—	11,146	443,019
Accounts receivable	—	—	339,802	—	53,084	15,540
Due from other funds	—	—	—	5,408	1,078,896	880,873
Prepaid items	—	2,383	—	—	—	—
Total assets	<u>\$ 3,683,377</u>	<u>687,543</u>	<u>1,545,727</u>	<u>5,408</u>	<u>1,143,126</u>	<u>1,351,672</u>
LIABILITIES						
Accounts payable	\$ 153,271	5,657	132,649	32	71,995	288,532
Accrued liabilities and withholdings	—	97,981	72,878	5,376	6,432	56,807
Due to other funds	—	557,560	481,446	—	—	—
Unearned revenue	—	—	337,430	—	28,340	106,739
Funds held as fiduciary	—	26,345	—	—	—	—
Total liabilities	<u>153,271</u>	<u>687,543</u>	<u>1,024,403</u>	<u>5,408</u>	<u>106,767</u>	<u>452,078</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	—	—	—	—	—	—
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
FUND BALANCES						
Nonspendable:						
Prepaid items	—	2,383	—	—	—	—
Restricted:						
Roads and bridge maintenance	3,530,106	—	—	—	—	—
Human services	—	—	266,208	—	183,659	899,594
Public safety	—	—	—	—	—	—
Row office automation	—	—	—	—	—	—
Marcellus shale	—	—	—	—	—	—
Conservation	—	—	—	—	—	—
Economic development and assistance	—	—	—	—	—	—
Debt service	—	—	—	—	—	—
Assigned:						
Human services	—	—	255,116	—	852,700	—
Capital projects	—	—	—	—	—	—
Economic development and assistance	—	—	—	—	—	—
Unassigned	—	(2,383)	—	—	—	—
Total fund balances	<u>3,530,106</u>	<u>—</u>	<u>521,324</u>	<u>—</u>	<u>1,036,359</u>	<u>899,594</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,683,377</u>	<u>687,543</u>	<u>1,545,727</u>	<u>5,408</u>	<u>1,143,126</u>	<u>1,351,672</u>

(continued)

COMBINING BALANCE SHEET

Nonmajor Governmental Funds

December 31, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Special Revenue					
	Witness Assistance	ARD/DUI Program	Records Improvement	Recycling and Waste	Affordable Housing	Hotel Tax
(continued)						
ASSETS						
Cash and cash equivalents	\$ 5,213	—	83,410	549,046	148,739	1,244,742
Investments	—	—	150,000	450,000	—	—
Restricted cash	—	—	—	—	—	—
Receivables (net of allowance):						
Taxes	—	—	—	—	—	187,467
Due from other governments	116,554	—	—	337,620	—	—
Accounts receivable	—	—	1,400	5,100	—	—
Due from other funds	178,496	790	109,962	—	—	—
Prepaid items	3,811	—	—	—	—	—
Total assets	<u>\$ 304,074</u>	<u>790</u>	<u>344,772</u>	<u>1,341,766</u>	<u>148,739</u>	<u>1,432,209</u>
LIABILITIES						
Accounts payable	\$ 2,751	790	39,373	63,662	102,358	222,054
Accrued liabilities and withholdings	25,968	—	2,005	5,165	—	—
Due to other funds	—	—	—	7,519	7,308	1,210,155
Unearned revenue	—	—	—	1,136	—	—
Funds held as fiduciary	—	—	—	—	—	—
Total liabilities	<u>28,719</u>	<u>790</u>	<u>41,378</u>	<u>77,482</u>	<u>109,666</u>	<u>1,432,209</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	—	—	—	—	—	—
Total deferred inflows of resources	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
FUND BALANCES						
Nonspendable:						
Prepaid items	3,811	—	—	—	—	—
Restricted:						
Roads and bridge maintenance	—	—	—	—	—	—
Human services	—	—	—	—	—	—
Public safety	271,544	—	—	—	—	—
Row office automation	—	—	303,394	—	—	—
Marcellus shale	—	—	—	—	—	—
Conservation	—	—	—	1,264,284	—	—
Economic development and assistance	—	—	—	—	39,073	—
Debt service	—	—	—	—	—	—
Assigned:						
Human services	—	—	—	—	—	—
Capital projects	—	—	—	—	—	—
Economic development and assistance	—	—	—	—	—	—
Unassigned	—	—	—	—	—	—
Total fund balances	<u>275,355</u>	<u>—</u>	<u>303,394</u>	<u>1,264,284</u>	<u>39,073</u>	<u>—</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 304,074</u>	<u>790</u>	<u>344,772</u>	<u>1,341,766</u>	<u>148,739</u>	<u>1,432,209</u>

(continued)

COMBINING BALANCE SHEET**Nonmajor Governmental Funds***December 31, 2023***COUNTY OF CUMBERLAND, PENNSYLVANIA****(unaudited)**

	Special Revenue			
	Emergency Telephone	CAEDC	American Rescue Plan	Total Special Revenue
(continued)				
ASSETS				
Cash and cash equivalents	\$ 839,276	3,718,079	—	11,146,044
Investments	—	1,151,338	—	1,751,338
Restricted cash	—	199,138	—	199,138
Receivables (net of allowance):				—
Taxes	—	—	—	187,467
Due from other governments	1,498,762	—	—	3,436,264
Accounts receivable	—	1,164,332	—	1,579,258
Due from other funds	88,040	548,265	—	2,890,730
Prepaid items	292,304	18,609	—	317,107
Total assets	<u>\$ 2,718,382</u>	<u>6,799,761</u>	<u>—</u>	<u>21,507,346</u>
LIABILITIES				
Accounts payable	\$ 42,958	192,797	—	1,318,879
Accrued liabilities and withholdings	180,035	—	—	452,647
Due to other funds	—	—	—	2,263,988
Unearned revenue	—	—	—	473,645
Funds held as fiduciary	—	—	—	26,345
Total liabilities	<u>222,993</u>	<u>192,797</u>	<u>—</u>	<u>4,535,504</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	—	324	—	324
Total deferred inflows of resources	<u>—</u>	<u>324</u>	<u>—</u>	<u>324</u>
FUND BALANCES				
Nonspendable:				
Prepaid items	292,304	1,007,840	—	1,306,338
Restricted:				
Roads and bridge maintenance	—	—	—	3,530,106
Human services	—	—	—	1,349,461
Public safety	2,203,085	—	—	2,474,629
Row office automation	—	—	—	303,394
Marcellus shale	—	—	—	—
Conservation	—	—	—	1,264,284
Economic development and assistance	—	199,138	—	238,211
Debt service	—	—	—	—
Assigned:				
Human services	—	—	—	1,107,816
Capital projects	—	—	—	—
Economic development and assistance	—	5,399,662	—	5,399,662
Unassigned	—	—	—	(2,383)
Total fund balances	<u>2,495,389</u>	<u>6,606,640</u>	<u>—</u>	<u>16,971,518</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,718,382</u>	<u>6,799,761</u>	<u>—</u>	<u>21,507,346</u>

(continued)

COMBINING BALANCE SHEET

Nonmajor Governmental Funds

December 31, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

		Debt Service	Capital Projects Fund	Total Nonmajor Governmental Funds
(continued)				
ASSETS				
Cash and cash equivalents	\$	16	8,428,125	19,574,185
Investments		—	740,000	2,491,338
Restricted cash		—	—	199,138
Receivables (net of allowance):				
Taxes		—	—	187,467
Due from other governments		—	—	3,436,264
Accounts receivable		—	11,800	1,591,058
Due from other funds		—	—	2,890,730
Prepaid items		—	—	317,107
Total assets	\$	16	9,179,925	30,687,287
LIABILITIES				
Accounts payable	\$	—	569,893	1,888,772
Accrued liabilities and withholdings		—	—	452,647
Due to other funds		—	184,115	2,448,103
Unearned revenue		—	—	473,645
Funds held as fiduciary		—	—	26,345
Total liabilities		—	754,008	5,289,512
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue		—	—	324
Total deferred inflows of resources		—	—	324
FUND BALANCES				
Nonspendable:				
Prepaid items		—	—	1,306,338
Restricted:				
Roads and bridge maintenance		—	—	3,530,106
Human services		—	—	1,349,461
Public safety		—	7,788,681	10,263,310
Row office automation		—	—	303,394
Marcellus shale		—	573,487	573,487
Conservation		—	—	1,264,284
Economic development and assistance		—	—	238,211
Debt service		16	—	16
Assigned:				
Human services		—	—	1,107,816
Capital projects		—	63,749	63,749
Economic development and assistance		—	—	5,399,662
Unassigned		—	—	(2,383)
Total fund balances		16	8,425,917	25,397,451
Total liabilities, deferred inflows of resources and fund balances	\$	16	9,179,925	30,687,287

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

Nonmajor Governmental Funds

For the year ended December 31, 2023

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
REVENUES						
Taxes	\$ —	—	—	—	—	—
Grants	715,632	2,727,170	4,133,160	129,274	920,243	3,175,740
County charges	1,332,175	709	733,019	—	—	457,534
Court costs, fines and forfeitures	—	1,202	—	—	—	171,175
Investment earnings	114,704	1,014	9,942	—	1,399	—
Contributions and other	—	—	46,255	—	—	19,059
Total revenues	<u>2,162,511</u>	<u>2,730,095</u>	<u>4,922,376</u>	<u>129,274</u>	<u>921,642</u>	<u>3,823,508</u>
EXPENDITURES						
Current:						
General government – administrative	—	—	—	—	—	—
General government – judicial	—	4,057,953	—	—	—	—
Emergency telephone	—	—	—	—	—	—
Public works and enterprises	428,923	—	—	—	—	—
Human services	—	—	4,700,260	215,160	919,899	4,498,683
Economic development and assistance	—	—	—	—	—	—
Debt service:						
Principal retirement	—	—	—	—	—	—
Debt interest	—	—	—	—	—	—
Fiscal charges	—	—	—	—	—	—
Capital outlay	—	11,785	—	—	—	—
Payments to other governments	10,463	—	150,000	—	—	7,129
Total expenditures	<u>439,386</u>	<u>4,069,738</u>	<u>4,850,260</u>	<u>215,160</u>	<u>919,899</u>	<u>4,505,812</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,723,125</u>	<u>(1,339,643)</u>	<u>72,116</u>	<u>(85,886)</u>	<u>1,743</u>	<u>(682,304)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	—	1,346,204	—	86,240	—	318,712
Transfers out	(571,719)	(6,561)	(14,214)	(354)	(16,925)	(8,820)
Intellectual technology license agreement	—	—	—	—	—	—
Leases (as leasee)	—	—	—	—	—	—
Total other financing sources (uses)	<u>(571,719)</u>	<u>1,339,643</u>	<u>(14,214)</u>	<u>85,886</u>	<u>(16,925)</u>	<u>309,892</u>
Net changes in fund balances	1,151,406	—	57,902	—	(15,182)	(372,412)
Fund balances, beginning of year	2,378,700	—	463,422	—	1,051,541	1,272,006
Fund balances, end of year	<u>\$ 3,530,106</u>	<u>—</u>	<u>521,324</u>	<u>—</u>	<u>1,036,359</u>	<u>899,594</u>

(continued)

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

Nonmajor Governmental Funds

For the year ended December 31, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Special Revenue					
	Witness Assistance	ARD/DUI Program	Records Improvement	Recycling and Waste	Affordable Housing	Hotel Tax
(continued)						
REVENUES						
Taxes	\$ —	—	—	—	—	2,640,953
Grants	409,140	—	—	331,534	—	—
County charges	11,890	186,385	124,815	378,037	146,752	—
Court costs, fines and forfeitures	549	—	—	—	—	—
Investment earnings	75	—	7,193	22,501	1,704	4,333
Contributions and other	—	—	—	5,000	—	—
Total revenues	<u>421,654</u>	<u>186,385</u>	<u>132,008</u>	<u>737,072</u>	<u>148,456</u>	<u>2,645,286</u>
EXPENDITURES						
Current:						
General government – administrative	—	—	201,754	—	32,168	—
General government – judicial	—	91,792	—	—	—	—
Emergency telephone	—	—	—	—	—	—
Public works and enterprises	—	—	—	427,810	—	—
Human services	892,554	—	—	—	—	—
Economic development and assistance	—	—	—	—	—	105,592
Debt service:						
Principal retirement	—	—	—	—	—	—
Debt interest	—	—	—	—	—	—
Fiscal charges	—	—	—	—	—	—
Capital outlay	—	—	—	61,426	—	—
Payments to other governments	—	—	—	—	171,830	—
Total expenditures	<u>892,554</u>	<u>91,792</u>	<u>201,754</u>	<u>489,236</u>	<u>203,998</u>	<u>105,592</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(470,900)</u>	<u>94,593</u>	<u>(69,746)</u>	<u>247,836</u>	<u>(55,542)</u>	<u>2,539,694</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	480,456	—	—	—	—	—
Transfers out	(4,235)	(94,593)	(705)	(1,060)	—	(2,539,694)
Intellectual technology license agreement	—	—	—	—	—	—
Leases (as lessee)	—	—	—	—	—	—
Total other financing sources (uses)	<u>476,221</u>	<u>(94,593)</u>	<u>(705)</u>	<u>(1,060)</u>	<u>—</u>	<u>(2,539,694)</u>
Net changes in fund balances	5,321	—	(70,451)	246,776	(55,542)	—
Fund balances, beginning of year	270,034	—	373,845	1,017,508	94,615	—
Fund balances, end of year	<u>\$ 275,355</u>	<u>—</u>	<u>303,394</u>	<u>1,264,284</u>	<u>39,073</u>	<u>—</u>

(continued)

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

Nonmajor Governmental Funds

For the year ended December 31, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

(continued)	Special Revenue			Total Special Revenue
	Emergency Telephone	CAEDC	American Rescue Plan	
REVENUES				
Taxes	\$ —	—	—	2,640,953
Grants	75,292	114,086	14,964,824	27,696,095
County charges	6,018,360	286,389	—	9,676,065
Court costs, fines and forfeitures	—	—	—	172,926
Investment earnings	11,940	111,432	—	286,237
Contributions and other	150	5,000	—	75,464
Total revenues	<u>6,105,742</u>	<u>516,907</u>	<u>14,964,824</u>	<u>40,547,740</u>
EXPENDITURES				
Current:				
General government – administrative	—	—	—	233,922
General government – judicial	—	—	—	4,149,745
Emergency telephone	7,032,325	—	—	7,032,325
Public works and enterprises	—	—	—	856,733
Human services	—	—	—	11,226,556
Economic development and assistance	—	2,779,203	—	2,884,795
Debt service:				
Principal retirement	—	112,422	—	112,422
Debt interest	—	8,015	—	8,015
Fiscal charges	—	—	—	—
Capital outlay	70,024	644,522	—	787,757
Payments to other governments	—	—	—	339,422
Total expenditures	<u>7,102,349</u>	<u>3,544,162</u>	<u>—</u>	<u>27,631,692</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(996,607)</u>	<u>(3,027,255)</u>	<u>14,964,824</u>	<u>12,916,048</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,084,124	2,770,208	—	7,085,944
Transfers out	(1,087,517)	—	(14,964,824)	(19,311,221)
Intellectual technology license agreement	—	340,395	—	340,395
Leases (as lessee)	—	113,128	—	113,128
Total other financing sources (uses)	<u>996,607</u>	<u>3,223,731</u>	<u>(14,964,824)</u>	<u>(11,771,754)</u>
Net changes in fund balances	—	196,476	—	1,144,294
Fund balances, beginning of year	<u>2,495,389</u>	<u>6,410,164</u>	<u>—</u>	<u>15,827,224</u>
Fund balances, end of year	<u>\$ 2,495,389</u>	<u>6,606,640</u>	<u>—</u>	<u>16,971,518</u>

(continued)

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

Nonmajor Governmental Funds

For the year ended December 31, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Debt Service	Capital Projects Fund	Nonmajor Governmental Funds
(continued)			
REVENUES			
Taxes	\$ —	—	2,640,953
Grants	—	534,202	28,230,297
County charges	—	—	9,676,065
Court costs, fines and forfeitures	—	—	172,926
Investment earnings	33	535,588	821,858
Contributions and other	3,530	—	78,994
Total revenues	<u>3,563</u>	<u>1,069,790</u>	<u>41,621,093</u>
EXPENDITURES			
Current:			
General government – administrative	—	31,278	265,200
General government – judicial	—	—	4,149,745
Emergency telephone	—	—	7,032,325
Public works and enterprises	—	—	856,733
Human services	—	—	11,226,556
Economic development and assistance	—	—	2,884,795
Debt service:			
Principal retirement	4,237,122	—	4,349,544
Debt interest	1,339,654	—	1,347,669
Fiscal charges	—	—	—
Capital outlay	—	3,210,034	3,997,791
Payments to other governments	—	90,080	429,502
Total expenditures	<u>5,576,776</u>	<u>3,331,392</u>	<u>36,539,860</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,573,213)</u>	<u>(2,261,602)</u>	<u>5,081,233</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	5,573,217	—	12,659,161
Transfers out	—	—	(19,311,221)
Intellectual technology license agreement	—	—	340,395
Leases (as lessee)	—	—	113,128
Total other financing sources (uses)	<u>5,573,217</u>	<u>—</u>	<u>(6,198,537)</u>
Net changes in fund balances	4	(2,261,602)	(1,117,304)
Fund balances, beginning of year	12	10,687,519	26,514,755
Fund balances, end of year	<u>\$ 16</u>	<u>8,425,917</u>	<u>25,397,451</u>

Nonmajor Governmental Fund Budgetary Schedules

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

Liquid Fuels Tax

For the year ended December 31, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Grants:				
Liquid fuels tax	\$ 630,000	630,000	715,632	85,632
County charges	1,831,200	1,831,200	1,332,175	(499,025)
Investment earnings	12,000	12,000	114,704	102,704
Total revenues	<u>2,473,200</u>	<u>2,473,200</u>	<u>2,162,511</u>	<u>(310,689)</u>
EXPENDITURES				
Current:				
Public works and enterprises	1,444,734	1,502,234	428,923	1,073,311
Capital outlay	57,500	—	—	—
Payments to other governments	260,000	260,000	10,463	249,537
Total expenditures	<u>1,762,234</u>	<u>1,762,234</u>	<u>439,386</u>	<u>1,322,848</u>
Excess of revenues over expenditures	<u>710,966</u>	<u>710,966</u>	<u>1,723,125</u>	<u>1,012,159</u>
OTHER FINANCING USES				
Transfer out	<u>(571,750)</u>	<u>(571,750)</u>	<u>(571,719)</u>	<u>31</u>
Total other financing uses	<u>(571,750)</u>	<u>(571,750)</u>	<u>(571,719)</u>	<u>31</u>
Net change in fund balance	139,216	139,216	1,151,406	1,012,190
Fund balance, beginning of year	<u>1,964,035</u>	<u>1,964,035</u>	<u>2,378,700</u>	<u>414,665</u>
Fund balance, end of year	<u>\$ 2,103,251</u>	<u>2,103,251</u>	<u>3,530,106</u>	<u>1,426,855</u>

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

Domestic Relations Office

For the year ended December 31, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Grants	\$ 2,857,501	2,857,501	2,727,170	(130,331)
County charges	3,050	3,050	709	(2,341)
Court costs, fines, and forfeitures	—	—	1,202	1,202
Investment earnings	1,000	1,000	1,014	14
Total revenues	2,861,551	2,861,551	2,730,095	(131,456)
EXPENDITURES				
Current:				
General government – judicial	4,121,021	4,108,250	4,064,514	43,736
Capital outlay	40,000	52,771	11,785	40,986
Total expenditures	4,161,021	4,161,021	4,076,299	84,722
Deficiency of revenues under expenditures	(1,299,470)	(1,299,470)	(1,346,204)	(46,734)
OTHER FINANCING SOURCES				
Transfers in	1,299,470	1,299,470	1,346,204	46,734
Total other financing sources	1,299,470	1,299,470	1,346,204	46,734
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

Office of Aging

For the fiscal year ended June 30, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Grants	\$ 3,721,288	3,894,624	3,996,015	101,391
County charges	352,200	621,155	700,253	79,098
Investment earnings	450	450	5,066	4,616
Contributions and other	22,600	22,600	42,057	19,457
Total revenues	4,096,538	4,538,829	4,743,391	204,562
EXPENDITURES				
Current:				
Human services	4,470,675	4,672,124	4,566,659	105,465
Payment to other governments	—	150,000	150,000	—
Total expenditures	4,470,675	4,822,124	4,716,659	105,465
Excess (deficiency) of revenues over (under) expenditures	(374,137)	(283,295)	26,732	310,027
OTHER FINANCING SOURCES				
Transfers in	370,271	596,480	226,212	(370,268)
Total other financing sources	370,271	596,480	226,212	(370,268)
Net change in fund balance	(3,866)	313,185	252,944	(60,241)
Fund balance, beginning of year	254,389	254,389	254,339	(50)
Fund balance, end of year	\$ 250,523	567,574	507,283	(60,291)

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

Human Services Development

For the fiscal year ended June 30, 2023

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	197,570	216,107	215,288	819
Total expenditures	197,570	216,107	215,288	819
Deficiency of revenues over expenditures	(68,383)	(86,920)	(86,101)	819
OTHER FINANCING SOURCES (USES)				
Transfers in	86,920	86,920	86,101	(819)
Transfers out	(18,537)	—	—	—
Total other financing sources (uses)	68,383	86,920	86,101	(819)
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, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Amended</u>	<u>Amounts</u>	<u>with Amended</u>
				<u>Budget</u>
REVENUES				
Grants	\$ 823,892	823,892	800,680	(23,212)
County charges	2,200	2,200	233	(1,967)
Investment earnings	20	20	1,399	1,379
Total revenues	826,112	826,112	802,312	(23,800)
EXPENDITURES				
Current:				
Human services	852,302	854,701	815,087	39,614
Total expenditures	852,302	854,701	815,087	39,614
Deficiency of revenues under expenditures	(26,190)	(28,589)	(12,775)	15,814
OTHER FINANCING SOURCES (USES)				
Transfer in	27,190	27,190	904,562	877,372
Transfers out	(1,000)	(16,601)	(16,601)	—
Total other financing sources (uses)	26,190	10,589	887,961	877,372
Net change in fund balance	—	(18,000)	875,186	893,186
Fund balance, beginning of year	141,090	141,090	141,109	19
Fund balance, end of year	\$ 141,090	123,090	1,016,295	893,205

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

Drug and Alcohol

For the fiscal year ended June 30, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Amended</u>	<u>Amounts</u>	<u>with Amended</u>
				<u>Budget</u>
REVENUES				
Grants	\$ 3,877,206	3,877,206	3,226,411	(650,795)
County charges	556,709	556,709	432,635	(124,074)
Court costs, fines and forfeitures	206,000	206,000	172,242	(33,758)
Contributions and other	14,037	14,037	19,059	5,022
	<u>4,653,952</u>	<u>4,653,952</u>	<u>3,850,347</u>	<u>(803,605)</u>
EXPENDITURES				
Current:				
Human services	4,994,537	4,973,672	4,379,513	594,159
Payments to other governments	5,035	7,130	7,129	1
	<u>4,999,572</u>	<u>4,980,802</u>	<u>4,386,642</u>	<u>594,160</u>
Deficiency of revenues over expenditures	<u>(345,620)</u>	<u>(326,850)</u>	<u>(536,295)</u>	<u>(209,445)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	345,620	345,620	313,581	(32,039)
Transfers out	<u>—</u>	<u>(18,770)</u>	<u>(18,770)</u>	<u>—</u>
	<u>345,620</u>	<u>326,850</u>	<u>294,811</u>	<u>(32,039)</u>
Net change in fund balance	<u>—</u>	<u>—</u>	<u>(241,484)</u>	<u>(241,484)</u>
Fund balance, beginning of year	<u>1,328,353</u>	<u>1,328,353</u>	<u>1,328,354</u>	<u>1</u>
Fund balance, end of year	<u>\$ 1,328,353</u>	<u>1,328,353</u>	<u>1,086,870</u>	<u>(241,483)</u>

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

Fiscal Employer Agent

For the fiscal year ended June 30, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Contributions and other	\$ —	—	1,190,503	1,190,503
Investment earnings	—	—	5,085	5,085
Total revenues	—	—	1,195,588	1,195,588
EXPENDITURES				
Current:				
Human services	—	—	—	—
Total expenditures	—	—	—	—
Excess of revenues over expenditures	—	—	1,195,588	1,195,588
OTHER FINANCING USES				
Transfers out	—	(1,247,000)	(1,243,638)	3,362
Total other financing uses	—	(1,247,000)	(1,243,638)	3,362
Net change in fund balance	—	(1,247,000)	(48,050)	1,198,950
Fund balance, beginning of year	—	—	48,050	48,050
Fund balance, end of year	\$ —	(1,247,000)	—	1,247,000

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

Witness Assistance

For the year ended December 31, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Grants	\$ 433,804	438,793	409,140	(29,653)
County charges	30,000	30,000	11,890	(18,110)
Court, costs, fines and forfeitures	500	500	549	49
Investment earnings	—	—	75	75
Total revenues	464,304	469,293	421,654	(47,639)
EXPENDITURES				
Current:				
Human services	928,078	933,067	896,789	36,278
Total expenditures	928,078	933,067	896,789	36,278
Deficiency of revenues under expenditures	(463,774)	(463,774)	(475,135)	(11,361)
OTHER FINANCING SOURCES				
Transfers in	463,774	463,774	480,456	16,682
Total other financing sources	463,774	463,774	480,456	16,682
Net change in fund balance	—	—	5,321	5,321
Fund balance, beginning of year	270,000	270,000	270,034	34
Fund balance, end of year	\$ 270,000	270,000	275,355	5,355

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

ARD/DUI Program

For the year ended December 31, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual	Variance
	Original	Amended	Amounts	with Amended Budget
REVENUES				
County charges	\$ 260,000	260,000	186,385	(73,615)
Total revenues	260,000	260,000	186,385	(73,615)
EXPENDITURES				
Current:				
General government – judicial	123,441	123,441	91,792	31,649
Total expenditures	123,441	123,441	91,792	31,649
Excess of revenues over expenditures	136,559	136,559	94,593	(41,966)
OTHER FINANCING USES				
Transfers out	(136,559)	(136,559)	(94,593)	41,966
Total other financing uses	(136,559)	(136,559)	(94,593)	41,966
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, 2023

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	\$ 162,000	162,000	124,815	(37,185)
Investment earnings	25	25	7,193	7,168
Total revenues	162,025	162,025	132,008	(30,017)
EXPENDITURES				
Current:				
General government – administrative	225,972	260,972	202,459	58,513
Total expenditures	225,972	260,972	202,459	58,513
Deficiency of revenues under expenditures	(63,947)	(98,947)	(70,451)	28,496
Fund balance, beginning of year	491,700	491,700	373,845	(117,855)
Fund balance, end of year	\$ 427,753	392,753	303,394	(89,359)

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

Recycling and Waste

For the year ended December 31, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Grants	\$ 485,576	485,576	331,534	(154,042)
County charges	403,935	403,935	378,037	(25,898)
Investment earnings	3,000	3,000	22,501	19,501
Contributions and other	—	—	5,000	5,000
Total revenues	892,511	892,511	737,072	(155,439)
EXPENDITURES				
Current:				
Public works and enterprises	536,877	536,877	428,870	108,007
Capital outlay	344,000	344,000	61,426	282,574
Total expenditures	880,877	880,877	490,296	390,581
Excess of revenues over expenditures	11,634	11,634	246,776	235,142
Fund balance, beginning of year	1,116,767	1,116,767	1,017,508	(99,259)
Fund balance, end of year	\$ 1,128,401	1,128,401	1,264,284	135,883

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

Affordable Housing

For the year ended December 31, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
County charges	\$ 196,000	196,000	146,752	(49,248)
Investment earnings	100	100	1,704	1,604
Total revenues	196,100	196,100	148,456	(47,644)
EXPENDITURES				
Current:				
General government - administrative	39,776	39,776	32,168	7,608
Payments to other governments	207,000	207,000	171,830	35,170
Total expenditures	246,776	246,776	203,998	42,778
Deficiency of revenues under expenditures	(50,676)	(50,676)	(55,542)	(4,866)
Fund balance, beginning of year	131,524	131,524	94,615	(36,909)
Fund balance, end of year	\$ 80,848	80,848	39,073	(41,775)

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

Hotel Tax

For the year ended December 31, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Taxes	\$ 2,300,500	3,100,500	2,640,953	(459,547)
County charges	20	20	—	(20)
Investment earnings	—	—	4,333	4,333
Total revenues	<u>2,300,520</u>	<u>3,100,520</u>	<u>2,645,286</u>	<u>(455,234)</u>
EXPENDITURES				
Current:				
Economic development and assistance	<u>46,000</u>	<u>114,663</u>	<u>105,592</u>	<u>9,071</u>
Total expenditures	<u>46,000</u>	<u>114,663</u>	<u>105,592</u>	<u>9,071</u>
Excess of revenues over expenditures	<u>2,254,520</u>	<u>2,985,857</u>	<u>2,539,694</u>	<u>(446,163)</u>
OTHER FINANCING USES				
Transfers out	<u>(2,254,520)</u>	<u>(2,985,857)</u>	<u>(2,539,694)</u>	<u>446,163</u>
Total other financing uses	<u>(2,254,520)</u>	<u>(2,985,857)</u>	<u>(2,539,694)</u>	<u>446,163</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

Emergency Telephone

For the fiscal year ended December 31, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Grants	\$ 821,685	821,685	75,292	(746,393)
County charges	5,831,842	5,831,842	6,018,360	186,518
Investment earnings	2,000	2,000	11,940	9,940
Contributions and other	500	500	150	(350)
Total revenues	6,656,027	6,656,027	6,105,742	(550,285)
EXPENDITURES				
Current:				
Emergency telephone	7,777,371	7,848,730	7,057,017	791,713
Capital outlay	1,041,677	970,318	70,024	900,294
Total expenditures	8,819,048	8,819,048	7,127,041	1,692,007
Deficiency of revenues under expenditures	(2,163,021)	(2,163,021)	(1,021,299)	1,141,722
OTHER FINANCING SOURCES (USES)				
Transfers in	3,225,846	3,225,846	2,084,124	(1,141,722)
Transfers out	(1,062,825)	(1,062,825)	(1,062,825)	—
Total other financing sources (uses)	2,163,021	2,163,021	1,021,299	(1,141,722)
Net change in fund balance	—	—	—	—
Fund balance, beginning of year	2,495,389	2,495,389	2,495,389	—
Fund balance, end of year	\$ 2,495,389	2,495,389	2,495,389	—

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

American Rescue Plan

For the fiscal year ended December 31, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual	Variance with
	Original	Amended	Amounts	Amended Budget
REVENUES				
Grants	\$ 20,000,000	20,000,000	14,964,824	(5,035,176)
Total revenues	20,000,000	20,000,000	14,964,824	(5,035,176)
EXPENDITURES				
Current:				
Economic development	—	—	—	—
Total expenditures	—	—	—	—
Excess of revenues over expenditures	20,000,000	20,000,000	14,964,824	(5,035,176)
OTHER FINANCING USES				
Transfers out	(20,000,000)	(20,000,000)	(14,964,824)	5,035,176
Total other financing uses	(20,000,000)	(20,000,000)	(14,964,824)	5,035,176
Net change in fund balance	—	—	—	—
Fund balance, beginning of year	7,800,000	7,800,000	—	(7,800,000)
Fund balance, end of year	\$ 7,800,000	7,800,000	—	(7,800,000)

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, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Investment earnings	\$ 500	500	33	(467)
Total revenues	500	500	33	(467)
EXPENDITURES				
Debt service:				
Principal retirement	3,400,480	3,886,503	3,905,694	(19,191)
Debt interest	1,304,189	1,363,546	1,313,129	50,417
Total expenditures	4,704,669	5,250,049	5,218,823	31,226
Deficiency of revenues under expenditures	(4,704,169)	(5,249,549)	(5,218,790)	30,759
OTHER FINANCING SOURCES (USES)				
Transfer in	4,704,169	5,249,549	5,218,794	(30,755)
Total other financing sources (uses)	4,704,169	5,249,549	5,218,794	(30,755)
Net change in fund balance	—	—	4	4
Fund balance, beginning of year	—	—	12	12
Fund balance, end of year	\$ —	—	16	16

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

Capital Projects

For the year ended December 31, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Grants	\$ 400,000	400,000	534,202	134,202
Investment earnings	2,000	2,005	535,588	533,583
Total revenues	402,000	402,005	1,069,790	667,785
EXPENDITURES				
Current expenditures	—	32,025	31,278	747
Capital outlay	18,526,000	18,525,000	3,210,034	15,314,966
Payments to other governments	613,662	582,637	90,080	492,557
Total expenditures	19,139,662	19,139,662	3,331,392	15,808,270
Deficiency of revenues under expenditures	(18,737,662)	(18,737,657)	(2,261,602)	16,476,055
OTHER FINANCING USES				
Transfer out	—	(5)	—	5
Total other financing uses	—	(5)	—	5
Net change in fund balance	(18,737,662)	(18,737,662)	(2,261,602)	16,476,060
Fund balance, beginning of year	18,737,662	18,737,662	10,687,519	(8,050,143)
Fund balance, end of year	\$ —	—	8,425,917	8,425,917

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 Grant Program – To provide County organizations economic assistance for projects and grants determined and approved by the Board of Commissioners.

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.

Opioid Crisis Relief Fund – To provide treatment and remediation to Cumberland County's opioid abuse crisis.

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 Grant Program

For the year ended December 31, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Grants	\$ —	—	—	—
Total revenues	—	—	—	—
EXPENDITURES				
Current:				
Economic development and assistance	30,000,000	22,605,435	6,135,578	16,469,857
Payment to other governments	—	6,394,565	2,155,626	4,238,939
Total expenditures	30,000,000	29,000,000	8,291,204	20,708,796
Deficiency of revenues under expenditures	(30,000,000)	(29,000,000)	(8,291,204)	20,708,796
OTHER FINANCING SOURCES (USES)				
Transfers in	30,000,000	30,000,000	8,291,204	(21,708,796)
Transfers out	—	(1,000,000)	—	1,000,000
Total other financing sources (uses)	30,000,000	29,000,000	8,291,204	(20,708,796)
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

Insurance Fraud Prevention Authority

For the fiscal year ended June 30, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Grants	\$ 300,293	300,293	201,178	(99,115)
County charges	30	30	55	25
Investment earnings	6	6	340	334
Total revenues	300,329	300,329	201,573	(98,756)
EXPENDITURES				
Current:				
Public safety	246,607	246,607	201,573	45,034
Capital outlay	53,722	53,722	—	53,722
Total expenditures	300,329	300,329	201,573	98,756
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, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Grants	\$ 500,080	500,080	400,590	(99,490)
County charges	2,000	2,000	2,550	550
Court costs, fines and forfeitures	—	—	1,110	1,110
Contributions and other	7,000	7,000	1,000	(6,000)
Total revenues	509,080	509,080	405,250	(103,830)
EXPENDITURES				
Current:				
Human services	1,675,468	1,675,468	1,459,936	215,532
Total expenditures	1,675,468	1,675,468	1,459,936	215,532
Deficiency of revenues under expenditures	(1,166,388)	(1,166,388)	(1,054,686)	111,702
OTHER FINANCING SOURCES (USES)				
Transfers in	1,198,048	1,198,048	1,086,346	(111,702)
Transfers out	(31,660)	(31,660)	(31,660)	—
Total other financing sources (uses)	1,166,388	1,166,388	1,054,686	(111,702)
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

Opioid Crisis Relief Fund

For the year ended December 31, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Grants	\$ —	724,366	2,163,938	1,439,572
Investment earnings	—	16,000	15,512	(488)
Total revenues	—	740,366	2,179,450	1,439,084
EXPENDITURES				
Current:				
Public safety	—	740,366	106,352	634,014
Total expenditures	—	740,366	106,352	634,014
Excess of revenues over expenditures	—	—	2,073,098	2,073,098
Fund balance, beginning of year	—	—	—	—
Fund balance, end of year	\$ —	—	2,073,098	2,073,098

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

Offender Supervision

For the fiscal year ended June 30, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Amended</u>	<u>Amounts</u>	<u>with Amended</u>
				<u>Budget</u>
REVENUES				
Court costs, fines, and forfeitures	\$ 801,000	801,000	663,868	(137,132)
Total revenues	801,000	801,000	663,868	(137,132)
EXPENDITURES				
Current:				
Public safety	817,839	817,839	752,722	65,117
Total expenditures	817,839	817,839	752,722	65,117
Deficiency of revenues over expenditures	(16,839)	(16,839)	(88,854)	(72,015)
OTHER FINANCING USES				
Transfers out	(75,000)	(75,000)	(75,000)	—
Total other financing uses	(75,000)	(75,000)	(75,000)	—
Net change in fund balance	(91,839)	(91,839)	(163,854)	(72,015)
Fund balance, beginning of year	1,136,602	1,136,602	1,136,603	1
Fund balance, end of year	\$ 1,044,763	1,044,763	972,749	(72,014)

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

STOP Grant

For the year ended December 31, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Grants	\$ 125,000	125,000	114,950	(10,050)
County charges	—	—	34	34
Investment earnings	2	2	63	61
Total revenues	125,002	125,002	115,047	(9,955)
EXPENDITURES				
Current:				
Public safety	221,781	221,781	202,532	19,249
Total expenditures	221,781	221,781	202,532	19,249
Deficiency of revenues under expenditures	(96,779)	(96,779)	(87,485)	9,294
OTHER FINANCING SOURCES				
Transfers in	96,779	96,779	87,485	(9,294)
Total other financing sources	96,779	96,779	87,485	(9,294)
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, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
County charges	\$ 310,500	310,500	191,491	(119,009)
Total revenues	310,500	310,500	191,491	(119,009)
EXPENDITURES				
Current:				
Economic development and assistance	19,540	29,540	21,744	7,796
Payments to other governments	195,000	285,000	217,100	67,900
Total expenditures	214,540	314,540	238,844	75,696
Excess (deficiency) of revenues over (under) expenditures	95,960	(4,040)	(47,353)	(43,313)
Fund balance, beginning of year	482,890	482,890	581,030	98,140
Fund balance, end of year	\$ 578,850	478,850	533,677	54,827

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

District Attorney-Federal Forfeitures

For the ended December 31, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Budget		Actual Amounts	Variance with Amended Budget
	Original	Amended		
REVENUES				
Investment earnings	\$ 10	10	548	538
Total revenues	10	10	548	538
EXPENDITURES				
Current:				
Human services	8,500	18,500	8,346	10,154
Total expenditures	8,500	18,500	8,346	10,154
Deficiency of revenues under expenditures	(8,490)	(18,490)	(7,798)	10,692
Fund balance, beginning of year	50,200	50,200	36,576	(13,624)
Fund balance, end of year	\$ 41,710	31,710	28,778	(2,932)

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, 2023***COUNTY OF CUMBERLAND, PENNSYLVANIA****(unaudited)**

	Workers' Compensation	Health Care Self Insurance	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 203,111	4,718,313	4,921,424
Investments	498,566	2,500,000	2,998,566
Accounts receivable (net of allowance)	6,677	38,725	45,402
Prepaid	85,817	112,967	198,784
Total current assets	794,171	7,370,005	8,164,176
Total assets	794,171	7,370,005	8,164,176
LIABILITIES			
Current liabilities:			
Accounts payable	2,500	1,623	4,123
Accrued payroll	664	3,823	4,487
Due to other funds	31,451	187,961	219,412
Unearned revenue	—	85,337	85,337
Self-insurance claims payable	115,864	846,000	961,864
Total current liabilities	150,479	1,124,744	1,275,223
Noncurrent liabilities:			
Due in more than one year:			
Self-insurance claims payable	408,842	—	408,842
Total noncurrent liabilities	408,842	—	408,842
Total liabilities	559,321	1,124,744	1,684,065
NET POSITION			
Unrestricted	234,850	6,245,261	6,480,111
Total net position	\$ 234,850	6,245,261	6,480,111

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Internal Service Funds

For the year ended December 31, 2023

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	\$ 301,897	13,338,673	13,640,570
Total operating revenues	<u>301,897</u>	<u>13,338,673</u>	<u>13,640,570</u>
Operating expenses:			
Client services	<u>424,607</u>	<u>11,035,032</u>	<u>11,459,639</u>
Total operating expenses	<u>424,607</u>	<u>11,035,032</u>	<u>11,459,639</u>
Operating income	<u>(122,710)</u>	<u>2,303,641</u>	<u>2,180,931</u>
Nonoperating revenues:			
Interest income	<u>38,756</u>	<u>266,013</u>	<u>304,769</u>
Total nonoperating revenues (loss)	<u>38,756</u>	<u>266,013</u>	<u>304,769</u>
Transfers			
Transfer out	<u>—</u>	<u>(354)</u>	<u>(354)</u>
Change in net position	<u>(83,954)</u>	<u>2,569,300</u>	<u>2,485,346</u>
Total net position, beginning of year	<u>318,804</u>	<u>3,675,961</u>	<u>3,994,765</u>
Total net position, end of year	<u>\$ 234,850</u>	<u>6,245,261</u>	<u>6,480,111</u>

COMBINING STATEMENT OF CASH FLOWS
Internal Service Funds

December 31, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	<u>Workers'</u> <u>Compensation</u>	<u>Health Care</u> <u>Self Insurance</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received on county charges	\$ 301,897	13,422,887	13,724,784
Payments to vendors	(463,245)	(11,130,499)	(11,593,744)
Payments to employees	—	(106,612)	(106,612)
Net cash provided by (used in) operating activities	<u>(161,348)</u>	<u>2,185,776</u>	<u>2,024,428</u>
CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES			
Transfers from other funds	—	(354)	(354)
Net cash used in non-capital and related financing activities	<u>—</u>	<u>(354)</u>	<u>(354)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale (purchase) of investments	192,816	(1,500,000)	(1,307,184)
Gain on investments	34,179	235,422	269,601
Net cash provided by (used in) investing activities	<u>226,995</u>	<u>(1,264,578)</u>	<u>(1,037,583)</u>
Net increase in cash and cash equivalents	65,647	920,844	986,491
Cash and cash equivalents, January 1	137,464	3,797,469	3,934,933
Cash and cash equivalents, December 31	<u>\$ 203,111</u>	<u>4,718,313</u>	<u>4,921,424</u>
Reconciliation of operating income (loss) to net cash used by operating activities:			
Operating income/(loss)	\$ (122,710)	2,303,641	2,180,931
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Changes in assets and liabilities in:			
Accounts receivable	—	(50)	(50)
Due from other funds	19,262	64,963	84,225
Prepaid	(85,817)	(112,967)	(198,784)
Accounts payable	(3,300)	1,087	(2,213)
Accrued liabilities and withholdings	82	1,838	1,920
Unearned revenues	—	84,264	84,264
Self-insurance debt-claims payable	31,135	(157,000)	(125,865)
Total adjustments	<u>(38,638)</u>	<u>(117,865)</u>	<u>(156,503)</u>
Net cash provided by (used in) operating activities	<u>\$ (161,348)</u>	<u>2,185,776</u>	<u>2,024,428</u>

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 other governments or other not-for-profit entities or citizens for whom they were collected. These funds are as follows:

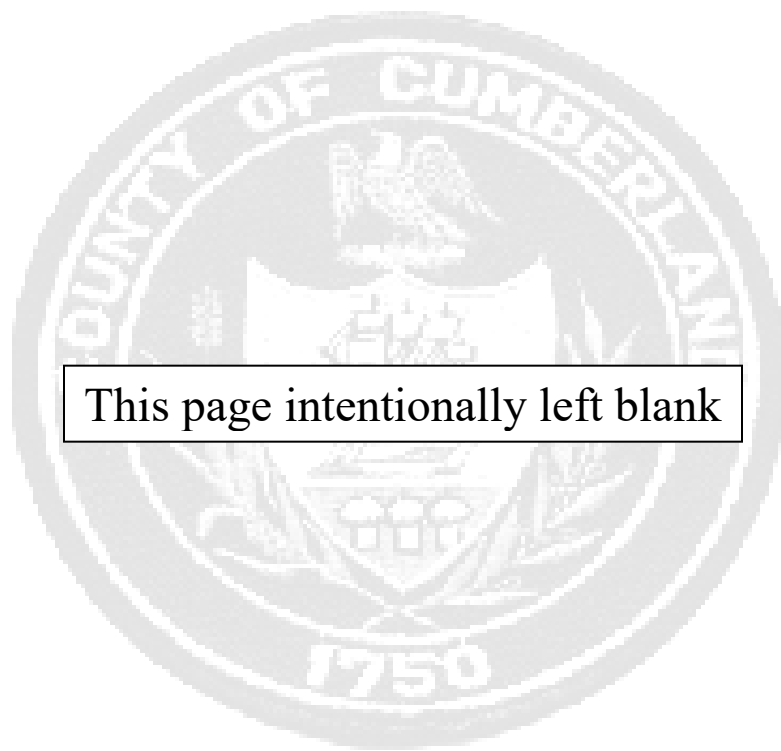
- Clerk of Court
- Prothonotary
- Recorder of Deeds
- Treasurer
- Register of Wills
- Sheriff
- District Attorney

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.

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

	<u>Prison Work Release</u>	<u>Prison Inmate Accounts</u>	<u>Clerk of Court</u>	<u>Prothonotary</u>	<u>Recorder of Deeds</u>	<u>Treasurer</u>
ASSETS						
Cash and cash equivalents	\$ 29,053	230,221	611,446	45,885	1,559,367	15,669
Total assets	<u>\$ 29,053</u>	<u>230,221</u>	<u>611,446</u>	<u>45,885</u>	<u>1,559,367</u>	<u>15,669</u>
LIABILITIES						
Due to other governments	\$ —	—	94,051	10,594	1,559,367	15,669
Total liabilities	<u>—</u>	<u>—</u>	<u>94,051</u>	<u>10,594</u>	<u>1,559,367</u>	<u>15,669</u>
Net Position	<u>\$ 29,053</u>	<u>230,221</u>	<u>517,395</u>	<u>35,291</u>	<u>—</u>	<u>—</u>

December 21, 2023

(unaudited)

Register of Wills	Sheriff	District Attorney	Flexible Spending Account	Tax Sale Surplus	Deferred Taxes	Magisterial District Court Accounts	Total
5,378	1,223,430	484,719	24,170	644,538	592,092	176,905	5,642,873
5,378	1,223,430	484,719	24,170	644,538	592,092	176,905	5,642,873
5,378	22,950	—	—	—	592,092	82,891	2,382,992
5,378	22,950	—	—	—	592,092	82,891	2,382,992
—	1,200,480	484,719	24,170	644,538	—	94,014	3,259,881

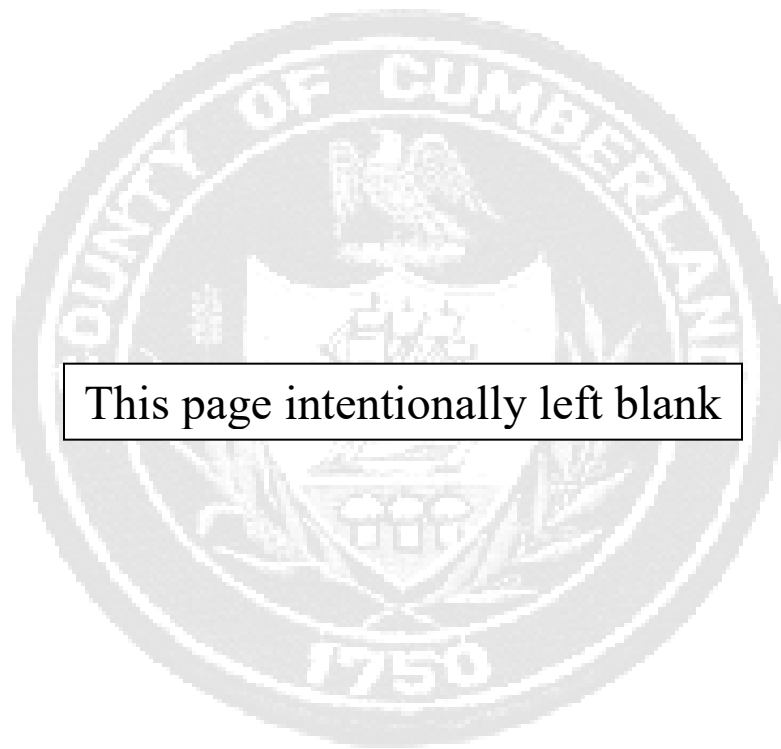
Combining Statement of Change in Fiduciary Net Position

All Custodial Funds

		Prison Work Release	Prison Inmate Accounts	Clerk of Court	Prothonotary	Recorder of Deeds	Treasurer
Additions							
Other governments:							
Fees, costs, fines & licenses	\$	—	—	1,318,309	107,753	—	112,524
Taxes		—	—	—	—	36,236,714	—
Escrow		584,998	1,135,927	1,156,511	45,094	—	—
Total additions		584,998	1,135,927	2,474,820	152,847	36,236,714	112,524
Deductions							
Other governments:							
Fees, costs, fines & licenses		—	—	1,318,309	107,753	—	112,524
Taxes		—	—	—	—	36,236,714	—
Escrow		583,358	1,102,198	1,174,514	468,415	—	—
Total deductions		583,358	1,102,198	2,492,823	576,168	36,236,714	112,524
Net increase (decrease) in Fiduciary Net Position		1,640	33,729	(18,003)	(423,321)	—	—
Net position - beginning		27,413	196,492	535,398	458,612	—	—
Net position - ending	\$	29,053	230,221	517,395	35,291	—	—

For the year ended December 31, 2023

Register of Wills	Sheriff	District Attorney	Flexible Spending Account	Tax Sale Surplus	Deferred Taxes	Magisterial District Court Accounts	Total
67,230	141,200	—	—	—	—	4,756,175	6,503,191
28,178,638	—	—	—	126,003	7,093,504	—	71,634,859
—	4,102,208	225,522	56,878	450,404	30,935	634,639	8,423,116
28,245,868	4,243,408	225,522	56,878	576,407	7,124,439	5,390,814	86,561,166
67,230	141,200	—	—	—	—	4,756,175	6,503,191
28,178,638	—	—	—	122,650	7,093,504	—	71,631,506
—	4,228,891	203,304	53,009	129,012	30,935	633,523	8,607,159
28,245,868	4,370,091	203,304	53,009	251,662	7,124,439	5,389,698	86,741,856
—	(126,683)	22,218	3,869	324,745	-	1,116	(180,690)
—	1,327,163	462,501	20,301	319,793	-	92,898	3,440,571
—	1,200,480	484,719	24,170	644,538	-	94,014	3,259,881



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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)

	2014	2015	2016	2017
Governmental activities				
Net investment in capital assets	\$ 30,386,044	34,018,215	36,791,935	44,481,499
Restricted	8,832,346	10,851,199	12,085,563	13,675,898
Unrestricted	27,835,433	31,827,828	37,147,508	43,859,985
Total governmental activities net position	\$ <u>67,053,823</u>	<u>76,697,242</u>	<u>86,025,006</u>	<u>102,017,382</u>
Business-type activities				
Net investment in capital assets	\$ 1,768,189	2,269,224	2,975,768	3,720,244
Unrestricted	4,807,185	5,371,159	5,695,517	4,802,623
Total business-type activities net position	\$ <u>6,575,374</u>	<u>7,640,383</u>	<u>8,671,285</u>	<u>8,522,867</u>
Primary government				
Net investment in capital assets	\$ 32,154,233	36,287,439	39,767,703	48,201,743
Restricted	8,832,346	10,851,199	12,085,563	13,675,898
Unrestricted	32,642,618	37,198,987	42,843,025	48,662,608
Total primary government net position	\$ <u>73,629,197</u>	<u>84,337,625</u>	<u>94,696,291</u>	<u>110,540,249</u>

*As of the year ended indicated***(unaudited)**

2018	2019	2020	2021	2022	2023
49,481,224	56,035,497	69,736,180	74,098,369	77,516,379	80,289,351
19,408,754	17,604,860	19,690,572	22,391,580	31,515,480	29,634,205
37,280,435	41,525,905	47,511,675	52,659,963	91,103,521	94,697,439
<u>106,170,413</u>	<u>115,166,262</u>	<u>136,938,427</u>	<u>149,149,912</u>	<u>200,135,380</u>	<u>204,620,995</u>
4,270,322	5,321,075	6,202,927	6,149,391	-	-
3,109,735	1,243,989	5,799,002	2,644,087	-	-
<u>7,380,057</u>	<u>6,565,064</u>	<u>12,001,929</u>	<u>8,793,478</u>	<u>-</u>	<u>-</u>
53,751,546	61,356,572	75,939,107	80,247,760	77,516,379	80,289,351
19,408,754	17,604,860	19,690,572	22,391,580	31,515,480	29,634,205
40,390,170	42,769,894	53,310,677	55,304,050	91,103,521	94,697,439
<u>113,550,470</u>	<u>121,731,326</u>	<u>148,940,356</u>	<u>157,943,390</u>	<u>200,135,380</u>	<u>204,620,995</u>

FINANCIAL TRENDS

Changes in Net Position

COUNTY OF CUMBERLAND, PENNSYLVANIA (accrual basis of accounting)

	2014	2015	2016	2017
Expenses				
Governmental activities				
General government - administrative	\$ 13,728,858	13,631,117	14,810,069	14,479,524
General government - judicial	18,396,045	18,751,395	20,888,619	20,971,925
Corrections	18,955,396	18,568,390	19,330,948	18,680,545
Emergency telephone	5,444,274	5,272,839	5,469,089	5,186,230
Public safety	4,125,147	4,029,829	4,635,939	4,491,900
Transportation services	2,506,885	1,465,829	131,285	-
Roads and bridge maintenance	327,879	920,955	818,420	504,229
Recycling and waste management	266,872	271,432	254,298	399,114
Human services:				
Mental health/intellectual and developmental disabilities	17,837,104	16,842,101	17,230,628	16,450,746
HealthChoices - Cumberland County	28,653,048	29,681,949	36,322,582	38,747,541
Children and youth	14,873,696	16,660,594	18,000,735	19,149,179
Food and shelter	1,204,422	1,054,332	758,684	886,130
Office of aging	3,297,677	3,798,961	4,144,889	4,365,657
Other	3,907,128	3,514,705	3,753,249	3,993,007
Culture and recreation	38,657	435,407	26,192	14,664
Conservation	571,509	462,380	546,916	558,314
Community redevelopment and housing	198,051	180,019	192,851	195,676
Economic development and assistance	4,058,868	3,715,216	3,537,217	4,592,886
Interest on long-term debt	1,702,282	1,579,219	1,389,520	1,224,814
Indirect expenses	(676,395)	(560,442)	(635,987)	(660,484)
Total governmental activities expenses	139,417,403	140,276,227	151,606,143	154,231,597
Business-type activities				
County nursing home (1)	24,480,806	24,481,218	26,709,058	27,284,499
Indirect expenses	676,395	560,442	635,987	660,484
Total business-type activities expenses	25,157,201	25,041,660	27,345,045	27,944,983
Total primary government expenses	\$ 164,574,604	165,317,887	178,951,188	182,176,580
Program revenues				
Governmental activities				
Charges for services				
General government - administrative	\$ 3,954,301	4,408,795	4,264,648	4,330,066
General government - judicial	2,690,559	4,006,868	4,202,217	4,620,892
Corrections	2,126,004	2,157,892	2,207,594	2,456,615
Emergency telephone	1,638,261	5,719,438	5,935,193	6,116,261
Public safety	1,582,213	1,871,093	1,689,680	1,872,049
Transportation services	1,280,478	604,374	-	-
Roads and bridge maintenance	80	971,680	1,201,297	1,506,085
Recycling and waste management	121,023	111,899	120,571	253,064
Human services	4,515,227	3,439,248	3,640,729	3,322,160

For the year ended indicated

(unaudited)

2018	2019	2020	2021	2022	2023
15,758,996	16,101,447	16,075,398	17,357,002	20,102,422	20,339,637
22,958,993	23,525,229	22,217,708	22,170,225	26,597,232	28,593,401
20,767,652	20,197,576	19,210,033	19,006,915	22,987,596	23,366,162
5,493,643	5,488,194	5,216,318	5,614,675	6,776,142	7,212,815
4,967,090	4,825,274	4,894,269	4,669,689	6,022,201	6,503,421
-	-	-	-	-	-
314,513	626,877	501,690	744,420	890,330	1,128,429
462,056	419,699	485,829	492,831	486,859	531,642
16,979,398	17,879,541	19,560,312	18,450,784	22,232,015	22,298,290
41,642,653	21,354,714	-	-	-	-
21,057,856	22,114,286	21,695,225	21,195,003	23,513,258	27,038,912
855,309	880,848	795,672	785,530	839,274	882,787
4,626,004	4,347,858	3,670,046	3,815,751	4,386,026	4,596,614
5,159,038	5,193,094	5,131,151	5,013,534	6,331,894	6,393,892
99,313	120,091	107,848	8,835	861,263	271,582
644,513	648,319	829,763	717,102	1,215,867	1,181,384
192,421	183,923	168,812	191,492	249,384	203,998
4,288,632	4,241,101	23,492,855	17,735,150	7,745,583	17,264,204
1,025,575	1,080,800	936,503	942,071	1,128,442	1,317,766
(659,621)	(665,900)	(585,220)	(683,427)	(128,171)	-
166,634,034	148,562,971	144,404,212	138,227,582	152,237,617	169,124,936
28,692,036	27,843,507	26,680,935	21,314,138	6,714,948	-
659,621	665,900	585,220	683,427	128,171	-
29,351,657	28,509,407	27,266,155	21,997,565	6,843,119	-
195,985,691	177,072,378	171,670,367	160,225,147	159,080,736	169,124,936
4,120,742	4,107,225	4,814,928	5,592,379	4,748,484	4,659,504
4,745,433	4,790,761	4,366,473	4,415,451	3,951,005	4,310,448
2,744,455	2,416,267	2,133,024	2,468,067	2,380,354	2,732,793
5,713,151	5,945,523	6,284,881	6,032,963	5,847,409	6,018,360
2,010,638	1,900,834	1,737,098	1,725,250	1,753,803	1,842,225
-	-	-	-	-	-
1,063,036	1,363,154	1,313,500	1,339,980	1,232,331	1,332,175
310,821	334,865	311,341	374,228	355,653	378,037
3,655,136	3,730,998	3,911,604	3,667,632	3,709,632	5,080,047

(continued)

FINANCIAL TRENDS

Changes in Net Position

COUNTY OF CUMBERLAND, PENNSYLVANIA

(accrual basis of accounting)

	2014	2015	2016	2017
Program revenues				
(continued)				
Conservation	53,613	37,207	53,412	45,558
Community redevelopment and housing	176,318	190,107	201,676	192,326
Economic development and assistance	-	-	-	342,629
Operating grants and contributions				
General government - administrative	451,533	527,623	350,237	541,456
General government - judicial	2,722,094	2,747,005	2,707,945	2,801,029
Corrections	738,753	665,351	618,714	508,831
Emergency telephone	1,484,096	575,422	651	300
Public safety	708,927	776,487	843,102	1,004,211
Transportation services	1,101,968	664,806	131,285	-
Roads and bridge maintenance	446,947	605,852	520,611	656,459
Recycling and waste management	75,303	348,835	106,249	106,062
Human services:				
Mental health/intellectual and developmental disabilities	14,403,100	14,423,979	14,536,070	14,440,988
HealthChoices - Cumberland County	28,652,699	29,681,670	36,322,288	38,746,200
Children and youth	12,083,726	13,534,980	14,359,595	15,137,519
Food and shelter	999,975	880,510	612,996	756,853
Office of aging	3,169,562	3,709,887	3,871,651	4,145,094
Other	2,656,276	2,159,564	2,434,801	2,634,223
Culture and recreation	-	500,000	-	5,335
Conservation	279,065	295,199	304,912	251,471
Economic development and assistance	1,901,964	1,387,870	1,456,078	1,991,704
Capital grants and contributions				
General government - administrative	109,043	68,602	-	-
Public safety	78,338	21,932	25,515	19,970
Roads and bridge maintenance	119,073	545,602	588,762	3,149,410
Economic development and assistance	-	-	-	-
Total governmental activities program revenues	90,320,519	97,639,777	103,308,479	111,954,820
Business-type activities				
Charges for services				
County nursing home (1)	25,693,602	26,084,652	27,091,190	27,902,156
Operating grants and contributions				
County nursing home	220,525	6,747	9,961	2,063
Total business-type activities program revenues	25,914,127	26,091,399	27,101,151	27,904,219
Total primary government program revenues	\$ 116,234,646	123,731,176	130,409,630	139,859,039

For the year ended indicated

(unaudited)

2018	2019	2020	2021	2022	2023
59,272	87,335	42,448	74,778	59,233	49,368
184,472	188,152	233,416	259,279	197,225	146,752
343,162	425,640	705,179	796,109	921,423	482,880
395,221	492,691	658,349	343,002	860,107	1,611,151
2,780,745	2,972,107	3,153,891	3,220,045	3,274,215	3,532,869
495,916	559,835	620,375	593,556	735,638	792,498
300	505	207,759	417	176,403	75,442
1,029,082	1,162,602	1,312,045	1,248,012	1,133,605	1,143,040
-	-	-	-	-	-
570,690	679,240	523,576	674,372	594,802	715,632
355,696	480,903	110,518	483,450	142,596	336,534
14,655,657	15,464,342	17,014,719	16,578,808	17,899,178	19,418,834
41,654,825	21,370,870	-	-	-	-
17,420,040	18,986,489	18,711,407	17,930,045	18,539,807	22,665,020
693,349	755,054	824,283	834,140	843,127	920,243
3,950,861	3,591,370	3,374,529	3,684,415	3,805,876	4,179,414
3,442,485	3,496,997	3,311,690	3,258,551	14,457,972	1,980,165
392	-	4,279	-	698,563	132,205
321,325	383,554	344,869	338,683	950,943	742,863
1,469,188	1,870,945	24,394,453	16,257,339	39,516,280	20,910,484
-	-	2,661,988	-	-	-
22,348	160,718	165,250	20,448	21,489	386,106
485,354	2,462,726	6,753,917	1,264,476	88,836	-
68,505	-	-	-	-	-
114,762,297	100,181,702	110,001,789	93,475,875	128,895,989	106,575,089
28,189,387	27,665,684	29,352,205	16,347,351	4,229,994	-
1,215	6,461	2,816,588	1,746,009	-	-
28,190,602	27,672,145	32,168,793	18,093,360	4,229,994	-
142,952,899	127,853,847	142,170,582	111,569,235	133,125,983	106,575,089

(continued)

FINANCIAL TRENDS

Changes in Net Position

COUNTY OF CUMBERLAND, PENNSYLVANIA

(accrual basis of accounting)

	2014	2015	2016	2017
(continued)				
Net expense:				
Governmental activities	\$ (49,096,884)	(42,636,450)	(48,297,664)	(42,276,777)
Business-type activities	756,926	1,049,739	(243,894)	(40,764)
Total primary government net expense	<u>\$ (48,339,958)</u>	<u>(41,586,711)</u>	<u>(48,541,558)</u>	<u>(42,317,541)</u>

General Revenues and Other Changes in Net Position

Governmental activities

Taxes:

Real estate taxes \$ 49,915,747 50,564,085 51,340,102 52,084,725

Per capita taxes 26,631 5,897 96 1,331

Hotel taxes 1,676,860 1,896,626 2,081,392 2,106,822

Special item - (378,887) (706,760) -

Unrestricted investment earnings 198,052 150,214 249,731 512,855

Transfers - - - -

Total governmental activities 51,817,290 52,237,935 52,964,561 54,705,733

Business-type activities

Unrestricted investment earnings 4,744 3,657 3,596 6,570

Transfers - - - -

Special items - - - -

Total business-type activities 4,744 3,657 3,596 6,570

Total primary government \$ 51,822,034 52,241,592 52,968,157 54,712,303

Changes in Net Position

Governmental activities \$ 2,720,406 9,601,485 4,666,897 12,428,956

Business-type activities 761,670 1,053,396 (240,298) (34,194)

Total primary government \$ 3,482,076 10,654,881 4,426,599 12,394,762

Notes:

- (1) On March 13, 2022, the County sold operating assets and associated operations related to Claremont Nursing and Rehabilitation Center.

For the year ended indicated

(unaudited)

2018	2019	2020	2021	2022	2023
(51,871,737)	(48,381,269)	(34,402,423)	(44,751,707)	(23,341,628)	(62,549,847)
(1,161,055)	(837,262)	4,902,638	(3,904,205)	(2,613,125)	-
(53,032,792)	(49,218,531)	(29,499,785)	(48,655,912)	(25,954,753)	(62,549,847)
52,994,780	53,750,856	54,950,607	55,238,720	56,520,873	57,243,025
765	1,100	682	396	363	319
2,178,798	2,104,919	1,184,567	2,101,033	2,483,252	2,640,953
(220,978)	-	-	-	-	-
1,071,403	1,392,032	652,135	314,634	1,319,621	6,765,107
-	-	(515,501)	(691,591)	14,002,987	-
56,024,768	57,248,907	56,272,490	56,963,192	74,327,096	66,649,404
18,245	22,269	18,726	4,163	188,392	-
-	-	515,501	691,591	(14,002,987)	-
-	-	-	-	7,634,242	-
18,245	22,269	534,227	695,754	(6,180,353)	-
56,043,013	57,271,176	56,806,717	57,658,946	68,146,743	66,649,404
4,153,031	8,867,638	21,870,067	12,211,485	50,985,468	4,099,557
(1,142,810)	(814,993)	5,436,865	(3,208,451)	(8,793,478)	-
3,010,221	8,052,645	27,306,932	9,003,034	42,191,990	4,099,557

FINANCIAL TRENDS

Fund Balances of Governmental Funds

COUNTY OF CUMBERLAND, PENNSYLVANIA

(modified accrual basis of accounting)

	2014	2015	2016	2017
General fund				
Nonspendable:				
Prepaid items	\$ 240,956	387,486	339,389	375,395
Restricted:				
Landfill closure	203,492	130,438	56,443	-
Farmland preservation	318,409	437,718	658,973	943,857
Offender supervision	675,229	989,446	1,058,353	1,184,513
Juvenile probation restitution funds	18,920	27,402	33,818	31,493
Criminal investigation	747,271	672,896	540,179	399,283
Register of Wills-Act 34	74,025	74,925	75,450	76,500
Coroner - Act 122	33,861	35,061	38,589	55,988
Human services	-	-	-	-
Hoffer scholarship	10,503	-	-	-
Hazardous materials emergency planning	14,098	25,813	27,504	16,975
Row office automation	153,201	128,260	144,142	206,084
Marcellus Shale	324,283	375,815	351,338	391,489
Committed:				
County grant program	-	-	-	-
Future strategic initiative	-	-	-	-
Unrestricted:				
Assigned:				
Public safety	-	-	-	429,953
Future budgetary requirements	4,252,825	3,888,647	2,693,969	4,980,133
Capital projects	3,725,000	3,725,000	3,725,000	4,831,870
ARPA recovery grants	-	-	-	-
Risk liability	250,000	250,000	250,000	250,000
Farmland preservation	603,101	613,274	628,860	641,748
Nursing home proceeds	-	-	-	-
Prison canteen	425,502	473,203	557,861	669,358
Planning assistance	-	-	-	-
Stimulus	-	-	-	-
Technological improvements	-	-	-	-
Blighted property remediation	-	-	-	-
Criminal justice services	3,947	5,047	4,123	6,076
Unassigned	19,493,060	22,744,035	26,734,235	26,720,906
Total general fund	\$ 31,567,683	34,984,466	37,918,226	42,211,621

As of the year ended indicated

(unaudited)					
2018	2019	2020	2021	2022	2023
418,519	1,524,014	1,077,859	946,913	785,054	641,505
-	-	-	-	-	-
1,054,979	803,394	1,040,557	1,427,691	2,007,238	2,170,574
1,285,121	1,340,654	1,288,648	1,259,275	1,099,210	893,119
18,243	18,226	18,278	28,148	35,433	39,271
290,393	315,007	167,959	279,982	226,290	320,130
77,325	78,000	78,300	78,300	78,525	78,600
74,807	97,558	100,920	95,000	101,981	99,316
-	-	-	-	38,138	2,111,235
-	-	-	-	-	-
9,131	9,613	29,363	32,345	32,345	32,345
291,614	339,315	320,660	352,784	382,545	347,948
421,532	581,115	578,552	582,779	609,539	720,346
-	-	-	-	31,650,228	16,230,958
-	-	-	-	7,482,045	7,482,045
913,778	1,386,350	1,386,350	1,386,350	1,386,350	1,386,350
5,655,783	6,228,397	11,877,030	15,491,784	29,925,684	3,211,038
5,646,596	7,346,596	6,625,000	6,625,000	6,625,000	6,625,000
-	-	-	-	-	19,915,577
250,000	250,000	250,000	250,000	250,000	250,000
715,000	715,000	715,000	715,000	-	-
-	-	-	-	3,796,639	3,771,964
744,493	592,631	663,201	906,924	1,004,452	1,108,832
-	84,100	73,634	73,634	73,634	73,634
-	-	620,478	71,332	71,332	71,332
-	-	242,532	-	-	-
-	-	-	432,914	581,030	533,677
405	8,167	7,802	7,802	7,802	7,802
28,171,978	28,598,196	26,223,935	21,550,888	5,121,800	28,621,089
46,039,697	50,316,333	53,386,058	52,594,845	93,372,294	96,743,687

(continued)

FINANCIAL TRENDS

Fund Balances of Governmental Funds

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

	2014	2015	2016	2017
(continued)				
All other governmental funds				
Nonspendable:				
Prepaid items	\$ 115,233	165,182	157,018	323,866
Loans receivable greater than one year	-	-	-	1,056,268
Restricted:				
Roads and bridge maintenance	1,376,674	809,135	1,079,875	1,519,101
Human services	996,026	973,405	1,292,477	1,292,477
Public safety	39,660	2,688,735	3,606,138	3,697,867
Row office automation	511,936	320,125	337,731	160,368
Conservation	842,633	777,915	832,962	865,680
Marcellus shale	134,664	396,917	500	298,541
Economic development and housing	-	10,125	19,035	432,493
Debt service	-	-	-	-
Capital projects	697,246	7,171	500	2,708
Unrestricted:				
Assigned:				
Capital projects	500,000	500,000	500,000	504,579
Transportation	420,524	-	-	-
Economic development and housing	-	-	-	2,317,132
Human services	34,343	67,822	59,481	7,533
Unassigned	(102,563)	-	-	-
Total all other governmental funds	\$ 5,566,376	6,716,532	7,885,717	12,478,613

As of the year ended indicated

(unaudited)					
2018	2019	2020	2021	2022	2023
311,556	307,538	1,288,921	1,575,409	364,984	1,306,338
895,310	-	-	-	-	-
2,572,229	3,598,794	6,498,952	6,593,643	2,378,700	3,530,106
1,452,441	1,629,386	1,712,066	1,856,995	1,914,143	1,349,461
4,091,487	3,091,843	2,570,601	2,411,322	12,979,108	10,263,310
157,651	170,380	239,261	322,950	373,845	303,394
911,081	815,914	883,684	895,220	1,015,322	1,264,284
669,326	1,044,443	1,353,725	383,305	39,286	573,487
415,338	244,497	359,306	367,945	1,277,652	238,211
14,793	-	-	-	12	16
-	-	-	-	-	-
469,336	141,753	104,583	147,614	155,612	63,749
-	-	-	-	-	-
2,162,908	2,830,415	2,174,909	3,480,379	5,151,920	5,399,662
17,681	32,844	45,513	50,831	1,115,817	1,107,816
-	-	-	(32,048)	(7,237)	(2,383)
<u>14,141,137</u>	<u>13,907,807</u>	<u>17,231,521</u>	<u>18,053,565</u>	<u>26,759,164</u>	<u>25,397,451</u>

FINANCIAL TRENDS

Changes in Fund Balances of Governmental Funds

COUNTY OF CUMBERLAND, PENNSYLVANIA

(modified accrual basis of accounting)

	2014	2015	2016	2017
Revenues:				
Taxes	\$ 51,491,496	52,645,000	53,488,317	54,250,290
Licenses and permits	185,585	195,612	216,698	207,437
Grants	71,866,816	73,829,762	79,475,324	86,503,597
County charges	16,605,675	20,424,530	20,364,725	21,548,112
Court, costs, fines and forfeitures	2,288,064	2,629,286	2,469,085	2,886,027
Investment earnings	165,456	131,984	236,531	502,008
Payment in lieu of taxes	134,637	133,151	131,075	155,472
Contributions and other	447,672	412,660	447,672	513,776
Total revenues	143,185,401	150,401,985	156,829,427	166,566,719
Expenditures:				
Current:				
General government - administrative	10,946,238	11,199,523	12,377,168	11,287,449
General government - judicial	18,381,527	18,873,288	20,302,969	20,823,087
Corrections (1)	17,555,792	17,490,930	17,644,252	17,525,468
Public safety	2,995,701	2,961,102	3,275,383	3,291,043
Emergency telephone (2)	4,606,338	4,567,837	4,545,142	4,786,398
Public works and enterprises	521,391	1,037,277	879,227	606,179
Transportation (2)	2,201,417	1,341,181	131,285	-
Human services:				
Mental health/intellectual and developmental disabilities	18,001,412	17,052,397	17,288,997	16,680,764
Children and youth	15,082,777	16,975,067	18,107,927	19,472,049
HealthChoices - Cumberland County	28,653,048	29,681,950	36,322,582	38,747,541
Food and shelter	1,209,950	1,104,063	771,121	909,102
Office of aging	3,385,571	3,874,498	4,228,387	4,516,737
Drug and alcohol	2,943,133	2,694,853	2,701,553	2,840,279
Fiscal Employer Agent	310	-	-	-
General fund	924,334	781,586	946,037	1,133,095
Witness assistance	443,565	497,410	515,377	512,110
Human services development	115,332	133,890	124,278	135,544
Culture and recreation	3,593	483,877	2,278	5,770
Conservation and development	445,748	382,018	409,951	274,327
Economic development and assistance	3,981,712	3,638,216	3,537,217	4,579,358
Debt service:				
Principal retirement	4,623,934	4,714,186	4,723,520	4,430,875
Debt interest	1,720,603	1,598,116	1,393,222	1,238,913
Fiscal charges	39,226	-	133,654	-
Payment to refunding bond escrow	-	-	-	-

For the year ended indicated

(unaudited)					
2018	2019	2020	2021	2022	2023
55,180,037	55,908,140	55,848,747	57,778,757	59,144,052	59,975,528
224,858	211,694	240,697	241,417	239,581	231,425
89,572,920	74,666,440	83,917,716	66,505,278	92,910,318	83,067,386
21,154,482	21,742,939	22,424,980	23,094,733	21,922,818	23,954,993
3,191,324	2,871,863	2,806,704	3,048,584	2,168,611	2,402,780
1,038,432	1,327,420	615,347	316,384	1,264,611	6,460,339
241,053	215,425	206,961	212,219	205,154	205,004
348,755	368,343	354,495	354,841	1,860,442	418,815
170,951,861	157,312,264	166,415,647	151,552,213	179,715,587	176,716,270
11,375,971	12,313,213	13,218,111	14,006,441	14,925,809	15,998,212
21,367,304	22,742,899	22,937,694	23,715,486	25,319,274	27,959,763
18,420,395	18,415,675	18,707,539	19,226,972	20,987,521	22,124,672
3,508,200	3,421,903	3,698,037	3,619,180	4,282,201	4,820,202
4,907,131	5,181,317	5,785,032	5,927,176	6,396,646	7,032,325
642,418	651,567	508,856	704,090	624,162	856,733
-	-	-	-	-	-
16,894,059	17,909,006	20,037,774	19,170,256	22,280,411	22,587,536
20,909,415	22,233,879	22,473,501	22,285,932	23,615,824	27,485,259
41,658,403	21,374,166	-	-	-	-
852,754	889,545	842,301	848,841	866,807	919,899
4,620,452	4,426,580	3,977,643	4,240,502	4,457,881	4,700,260
3,492,492	3,547,963	3,575,272	3,613,692	4,396,694	4,498,683
-	-	-	-	-	-
1,428,155	1,510,535	1,638,519	1,664,947	1,715,631	1,809,729
515,046	729,851	791,446	822,780	833,187	892,554
126,009	130,352	165,198	203,245	214,858	215,160
2,678	64,700	126,617	97,013	794,738	239,179
588,404	494,444	635,056	575,983	966,943	1,018,283
4,399,622	4,370,914	22,313,133	17,938,826	7,590,096	14,874,283
4,602,347	3,064,035	3,436,200	3,521,185	4,817,693	4,349,544
875,290	1,118,362	953,737	962,578	1,050,529	1,347,669
144,552	-	-	-	235,536	-
235,684	-	-	-	-	-

(continued)

FINANCIAL TRENDS

Changes in Fund Balances of Governmental Funds

COUNTY OF CUMBERLAND, PENNSYLVANIA

(modified accrual basis of accounting)

	2014	2015	2016	2017
(continued)				
Expenditures:				
Capital Outlay	2,457,080	4,346,320	2,449,417	8,987,660
Payments to other governments	367,473	295,169	340,429	368,173
Total expenditures	141,607,205	145,724,754	153,151,373	163,151,921
Excess (deficiency) of revenues over (under) expenditures	1,578,196	4,677,231	3,678,054	3,414,798
Other financing sources (uses):				
Transfers in	13,226,813	14,030,811	12,228,090	14,448,532
Transfers out	(13,226,813)	(14,030,811)	(12,228,090)	(14,448,532)
Debt issued	2,365,000	238,231	11,470,000	1,591,703
Payment to refund bonds	(2,401,932)	-	(12,706,082)	-
Bond premium (discount)	76,644	-	1,370,948	-
Sale of assets	4,897	-	8,969	3,315
Insurance recovery	5,884	30,364	58,558	-
Loss from insurance recovery denial	-	-	-	-
Total other financing sources (uses)	50,493	268,595	202,393	1,595,018
Special Item				
Discontinued operation	-	(378,887)	-	-
Total special item	-	(378,887)	-	-
Net change in fund balances	\$ 1,628,689	4,566,939	3,880,447	5,009,816
Debt service as a percentage of noncapital expenditures	% 4.56	4.46	4.08	3.67

- (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)					
2018	2019	2020	2021	2022	2023
5,174,925	8,279,713	19,155,274	7,429,143	10,626,725	9,048,913
266,088	355,875	1,532,340	931,211	1,385,645	2,985,764
167,007,794	153,226,494	166,509,280	151,505,479	158,384,811	175,764,622
3,944,067	4,085,770	(93,633)	46,734	21,330,776	951,648
13,806,860	12,735,135	12,425,884	16,276,876	67,016,431	32,408,174
(13,806,860)	(12,900,089)	(12,543,081)	(16,968,246)	(54,530,232)	(32,407,820)
13,313,834	35,422	5,475,447	587,835	14,823,295	1,755,054
(13,075,429)	-	-	-	-	-
1,094,774	-	-	-	841,430	-
17,123	1,663	960,938	36,585	1,348	134,327
196,231	63,774	161,009	51,047	-	3,760
-	(106,580)	-	-	-	-
1,546,533	(170,675)	6,480,197	(15,903)	28,152,272	1,893,495
-	-	-	-	-	-
-	-	-	-	-	-
5,490,600	3,915,095	6,386,564	30,831	49,483,048	2,845,143
3.53	2.89	2.98	3.11	3.97	3.42

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)
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	17,649,819,500	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
2022	17,996,782,900	7,235,521,500	1,041,786,800	41,469,600	26,315,560,800	4,287,869,800	2.361	30,706,605,367	85.7
2023	18,269,041,900	7,579,552,400	1,050,468,000	41,326,500	26,940,388,800	4,302,132,400	2.361	33,300,851,421	80.9

Notes:

Properties valued at 2010 reassessment base year

(1) Direct Tax Rate:

	County	Library	Total
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
2022	2.195	0.166	2.361
2023	2.195	0.166	2.361

* Millage adjustment due to 5% cap for reassessment

(2) Estimated market 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, the State Tax Equalization Board's (STEB) is now the Tax Equalization Division (TED) and is under Department of Community and Economic Development (DCED).

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

Source: County Board of Assessment

REVENUE CAPACITY

Direct and Overlapping Property Tax Rates

Last Ten Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	Year Taxes Are Payable									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
County Direct Rates										
General	2.195	2.195	2.195	2.195	2.195	2.195	2.195	2.195	2.195	2.195
Library	0.143	0.143	0.143	0.166	0.166	0.166	0.166	0.166	0.166	0.166
Total Direct Rate	2.338	2.338	2.338	2.361	2.361	2.361	2.361	2.361	2.361	2.361
School Districts										
Big Spring	12.9771	13.2885	13.7004	14.0429	14.3238	14.6461	15.0128	15.5002	15.8877	16.126
Camp Hill	13.7573	14.4828	15.4876	15.9367	16.3988	16.8415	17.3467	17.9538	18.4026	18.6786
Carlisle Area	12.9333	13.2436	13.6409	14.0365	14.4716	14.9057	15.3528	15.6598	15.9729	16.3722
Cumberland Valley	8.898	9.067	9.284	9.516	9.744	9.968	10.227	10.533	10.891	11.337
East Pennsboro	11.2378	11.5749	11.8411	12.1963	12.3792	12.3792	12.7753	13.0691	13.618	14.2716
Mechanicsburg	12.535	12.535	12.8	13.056	13.3693	13.7302	14.1558	14.6654	15.208	15.7022
Shippensburg Area	10.6808	10.9475	11.089	11.2199	11.9117	11.7884	11.9006	12.0731	12.6163	13.482
South Middleton	9.1549	9.3288	9.5526	10.2484	10.5621	10.8182	11.00995	11.4292	11.8177	12.3022
West Shore Area	9.68	10.1988	10.9162	11.2014	11.6457	11.9487	12.32	12.7512	13.0569	13.5621
Municipalities										
Camp Hill	3.022	3.022	3.022	3.022	3.022	3.022	3.022	3.022	3.022	3.022
Carlisle	3.275	3.275	3.275	3.495	3.495	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*	0.084*	0.084*	0.25*	0.25*	0.25*	0.25*	0.25*	0.25*	1
East Pennsboro	1.05	1.3	1.3	1.3	1.64	1.64	1.84	1.84	1.84	2.39
Hampden	0.156	0.156	0.156	0.156	0.156	0.156	0.156	0.156	0.156	0.156
Hopewell	-	-	-	-	-	-	-	-	-	-
Lemoyne	2.3	2.31	2.31	2.52	3.13	3.13	3.13	3.13	3.13	3.23
Lower Allen	2.45	2.45	2.45	2.45	3.03	3.03	4	4	4	4
Lower Frankford	0.1211	0.3229	0.3229	0.3229	0.3229	0.3483	0.3483	0.4014	0.4014	0.4545
Lower Mifflin	-	-	-	-	-	-	-	-	-	-
Mechanicsburg	3.08	3.33	3.33	3.33	3.83	3.83	3.83	3.83	4.08	4.33
Middlesex	1.38	1.53	1.53	1.53	1.85	2.08	2.08	2.08	2.08	2.58
Monroe	0.556	0.556	0.556	0.556	0.556	0.577	0.658	0.658	0.658	0.658
Mt. Holly Springs	2.312	2.38	2.38	2.755	2.755	2.88	3.18	3.18	3.18	3.53
Newburg	1.75	2	2	2	2.25	2.5	2.25	2.25	2.25	2.25
New Cumberland	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.8	3.8	4
Newville	2.898	2.898	2.898	3.648	3.648	3.898	3.898	4.395	4.898	4.898
North Middleton	0.694	0.89	0.89	1.059	1.059	1.092	1.092	1.092	1.092	1.092
North Newton	-	-	-	-	-	-	-	-	-	-
Penn	-	-	-	-	-	-	-	-	-	-
Shippensburg Bor.	2.6	2.72	2.72	2.72	2.89	3	3.111	3.189	3.189	3.189

(continued)

REVENUE CAPACITY

Direct and Overlapping Property Tax Rates

Last Ten Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

(continued)	<u>Year Taxes Are Payable</u>									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Municipalities										
Shippensburg Twp.	0.675	0.975	0.975	0.975	0.975	0.975	0.975	1.15	1.15	1.15
Shiremanstown	2.0	2.0	2.0	2.0	2.2	2.2	2.2	2.2	2.2	2.2
Silver Spring	0.8045	1.3045	1.3045	1.3045	1.3045	1.3045	1.3045	1.3045	1.3045	1.3045
Southampton	-	-	-	-	-	-	-	0.25	0.25	0.25
South Middleton	0.17*	0.25*	0.25*	0.25*	.6*	.6*	.6*	.6*	.9*	.9*
South Newton	0.0933	0.0933	0.0933	0.0933	0.0933	0.0933	0.11	0.11	0.11	0.11
Upper Allen	1.8	2.3	2.3	2.3	2.4	2.4	2.5	2.55	2.65	2.65
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	3.361	3.361	3.361	3.361	3.361	3.577	3.577	3.837	3.837

Notes:

* South Middleton and Dickinson rate is a fire tax

Although the Countywide library tax is a direct tax of the County, 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

2014 and 2023 Tax Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	2014			2023		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value (1)	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value (2)
<u>Taxpayer</u>						
Allen Distribution	\$ 69,342,800	5	0.29 %	\$ 143,934,300	1	0.53 %
Prologis NA3 PA LP	166,109,800	1	0.71	123,560,500	2	0.46
Liberty Property LP				89,032,600	3	0.33
PR CC Limited Partnership	75,664,500	2	0.33	85,700,000	4	0.32
Goodman Carlisle LLC				73,175,000	5	0.27
Pennsylvania Blue Shield	72,584,100	4	0.31	72,584,100	6	0.27
Messiah Home				66,500,000	7	0.25
LIT Industrial LP	64,167,000	6	0.28	64,167,000	8	0.24
Compass Shippensburg Newco LLC				63,280,900	9	0.23
GSD Camp Hill Pradsvi Group LLC				56,718,200	10	0.21
Pancal 954 Centerville (Unit B) LLC	47,957,000	9	0.20			
KRT PA Cent LLC	60,300,000	8	0.26			
Cedar - Camp Hill LLC	61,766,800	7	0.27			
Carlisle HMA, Inc.	75,648,400	3	0.33			
BIT Investment LP	40,378,700	10	0.17			
Totals	\$ <u>733,919,100</u>		<u>3.16 %</u>	\$ <u>838,652,600</u>		<u>3.12 %</u>

Notes:

(1) Percentage based on total County taxable assessed valuation for 2014: \$23,222,492,800

(2) Percentage based on total County taxable assessed valuation for 2023: \$26,940,388,800

Source: County Board of Assessment

REVENUE CAPACITY
County Real Estate Tax Levies and Collections

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

Year Ended December 31	Total Tax Levy for Year (1) (4)	Subsequent Adjustments to Tax Levy for Year	Collected within the Year of the Levy		Collections in Subsequent Years (3)	Total Collections to Date	
			Amount (2)	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 49,855,721	\$ 182,205	\$ 48,393,357	97.06	\$ 1,644,285	\$ 50,037,642	100.00%
2015	50,454,280	210,700	49,036,480	97.19	1,628,221	50,664,066	100.00
2016	51,198,311	240,842	50,000,265	97.66	1,438,726	51,438,597	100.00
2017	51,956,631	199,360	50,774,924	97.73	1,380,679	52,155,603	100.00
2018	52,838,606	183,845	51,643,300	97.74	1,378,698	53,021,998	100.00
2019	53,627,315	174,674	52,459,267	97.82	1,341,964	53,801,231	100.00
2020	54,525,838	301,234	53,234,704	97.63	1,590,992	54,825,696	100.00
2021	55,360,823	158,985	54,300,537	98.08	1,205,114	55,505,651	99.97
2022	56,286,374	159,728	55,217,945	98.10	929,898	56,147,843	99.47
2023	57,253,485	N/A	56,083,482	97.95	N/A	-	0.00

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
2014	\$ 3,248,014	\$ 12,165	\$ 3,152,742	97.06%	\$ 107,417	\$ 3,260,159	100.00%
2015	3,287,007	13,914	3,194,639	97.19	106,264	3,300,903	100.00
2016	3,335,478	15,942	3,257,427	97.66	93,984	3,351,411	100.00
2017	3,929,292	14,661	3,839,923	97.73	104,001	3,943,924	100.00
2018	3,995,992	13,665	3,905,595	97.74	104,019	4,009,614	100.00
2019	4,055,639	13,298	3,967,304	97.82	101,569	4,068,873	100.00
2020	4,123,592	22,467	4,025,947	97.63	120,007	4,145,954	100.00
2021	4,186,739	11,962	4,106,553	98.08	91,090	4,197,643	99.97
2022	4,256,725	12,066	4,175,933	98.10	69,847	4,245,780	99.46
2023	4,329,875	N/A	4,241,391	97.95	N/A	-	0.00

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, 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	Subscription IT Agreements	Capital Leases	General Obligation Bonds			
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	33,483,000	0.21	130.87
2021	20,643,235	5,271,611	1,518,823	1,102,100	-	-	806,194	29,341,963	0.18	111.60
2022	33,721,932	2,811,397	1,304,970	1,107,916	1,602,661	-	-	40,548,876	0.23	150.98
2023	30,983,348	2,310,180	1,214,598	1,416,484	1,782,989	-	-	37,707,599	*	139.28

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
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
2022	33,721,932	2,811,397	12	36,533,317	0.12	136.02
2023	30,983,348	2,310,180	16	33,293,512	0.10	122.97

DEBT CAPACITY
Direct and Overlapping Governmental Activities Debt

December 31, 2023

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
School Districts:			
Big Spring	\$ 35,816,413	100%	\$ 35,816,413
Camp Hill	31,059,671	100	31,059,671
Carlisle Area	24,062,160	100	24,062,160
Cumberland Valley	350,912,303	100	350,912,303
East Pennsboro	48,855,000	100	48,855,000
Mechanicsburg	160,953,972	100	160,953,972
*Shippensburg Area	25,983,000	61 *	15,849,630
South Middleton	53,077,343	100	53,077,343
*West Shore Area	12,645,000	55 *	6,954,750
Total school districts			727,541,242
Municipalities:			
Camp Hill Borough	3,882,671	100	3,882,671
Carlisle Borough	8,344,180	100	8,344,180
East Pennsboro Township	31,422,358	100	48,855,000
Hampden Township	21,451,758	100	21,451,758
Lemoyne Borough	12,179,105	100	12,179,105
Lower Allen Township	4,527,588	100	4,527,588
Mechanicsburg Borough	10,601,000	100	10,601,000
Middlesex Township	6,823,803	100	6,823,803
Monroe Township	348,554	100	348,554
Newville Borough	800,000	100	800,000
Shippensburg Township	202,669	100	202,669
Silver Spring Township	3,454,808	100	3,454,808
South Middleton Township	4,702,779	100	4,702,779
Upper Allen Township	13,934,541	100	13,934,541
Upper Mifflin Township	765,900	100	765,900
Wormleysburg Borough	1,633,439	100	1,633,439
Total municipalities			142,507,795
Subtotal overlapping debt			870,049,037
Total direct debt - County			37,707,599
Total direct and overlapping debt			\$ 907,756,636

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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Debt limit	\$ 481,164,681	498,487,522	519,866,330	543,230,061
Total net-debt applicable to limit	<u>55,860,000</u>	<u>50,165,000</u>	<u>43,120,000</u>	<u>37,830,000</u>
Net nonelectoral debt limit	<u>\$ 425,304,681</u>	<u>448,322,522</u>	<u>476,746,330</u>	<u>505,400,061</u>
Total net debt applicable to the limit as a percentage of debt limit	11.61%	10.06%	8.29%	6.96%

(unaudited)					
2018	2019	2020	2021	2022	2023
566,717,651	565,621,241	537,385,811	468,934,550	432,204,094	424,358,864
31,390,000	27,420,000	28,830,000	25,176,611	34,381,397	31,385,180
<u>535,327,651</u>	<u>538,201,241</u>	<u>508,555,811</u>	<u>443,757,939</u>	<u>397,822,697</u>	<u>392,973,684</u>
5.54%	4.85%	5.36%	5.37%	7.95%	7.40%

Legal Debt Margin Calculation for year ending 2023

Borrowing base revenue:	
2021	\$ 127,955,560
2022	143,326,835
2023	<u>153,076,469</u>
Total revenue (1)	<u>\$ 424,358,864</u>

Debt Limit for General Obligation Debt

Average borrowing base revenues	\$ 141,452,955
Debt limit percentage	<u>300%</u>
Debt limit	<u>424,358,864</u>
Total amount of debt applicable to debt limit	<u>31,385,180</u>
Legal debt margin	<u>\$ 392,973,684</u>

Debt Limit for General Obligation Debt and Lease Rental Debt

Average borrowing base revenues	\$ 141,452,955
Debt limit percentage	<u>400%</u>
Debt limit	<u>565,811,820</u>
Total amount of debt applicable to debt limit	<u>31,385,180</u>
Legal debt margin	<u>\$ 534,426,640</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

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)
2014	243,301 (A)	\$ 11,957,926 (B)	\$ 48,791 (B)	\$ 60,826 (A)	33,029	4.5
2015	245,766 (A)	12,529,131 (B)	50,522 (B)	61,820 (A)	33,153	4.1
2016	247,435 (A)	12,676,704 (B)	50,675 (B)	62,640 (A)	33,167	4.0
2017	249,238 (A)	13,176,822 (B)	52,231 (B)	65,544 (A)	33,462	3.9
2018	251,423 (A)	13,825,916 (B)	54,246 (B)	68,895 (A)	33,712	3.5
2019	253,370 (A)	14,550,669 (B)	56,628 (B)	71,269 (A)	34,120	3.5
2020	259,469 (A)	15,936,676 (B)	61,296 (B)	71,979 (A)	34,507	6.6
2021	262,919 (A)	16,734,867 (B)	63,650 (B)	82,691 (A)	33,505	4.6
2022	268,579 (A)	17,485,966 (B)	65,105 (B)	80,926 (A)	34,792	2.9
2023	270,738 (A)	* (B)	* (B)	* (A)	35,818	2.8

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

DEMOGRAPHIC AND ECONOMIC INFORMATION
Principal Employers - Ten Years Ago and Current

2014 and 2023 Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

Industry	2014			2023		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Transportation and Warehousing	13,476	3	10.4 %	20,610	1	15.2 %
Health Care and Social Services	15,913	2	12.3	18,917	2	14.0
Retail Trade	16,296	1	12.6	16,114	3	11.9
Accommodation and Food Services	9,808	5	7.6	9,987	4	7.4
Manufacturing	9,057	7	7	9,277	5	6.8
Professional and Technical Services	7,414	9	5.7	8,864	6	6.5
Educational Services	9,540	6	7.4	8,675	7	6.4
Public Administration	7,212	10	5.6	7,430	8	5.5
Administrative and Waste Services	9,848	4	7.6	7,136	9	5.3
Finance and Insurance	8,844	8	6.8	6,001	10	4.4
Total	107,408		83.0 %	113,011		83.4 %

Notes:

Source: An initial listing of the top industries was furnished by the Pennsylvania Department of Labor and Industry, Center for Workforce Information & Analysis

OPERATING INFORMATION
Full-Time Equivalent County Employees by Function/Program

COUNTY OF CUMBERLAND, PENNSYLVANIA

Functions/Programs	2014	2015	2016
Primary Government:			
Governmental Activities:			
General Government-Administrative			
Commissioners	9	9	9
Solicitors	4	4	4
Communications	-	-	-
Elections	6	6	6
Controller	16	16	16
Finance	8	10	10
Tax Claims	2	2	2
Treasurer	5	5	6
Tax collector administration	17	16	16
Human resources	8	8	7
Tax assessment	19	18	18
Recorder of deeds	6	7	7
Administrative services	3	2	1
Information management and technology	14	15	14
Enterprise resource management	3	3	3
Geographic information systems	2	2	2
Human service fiscal operations	2	2	2
Grant Administration	-	-	-
Facilities	20	20	23
Planning	5	5	5
Domestic Relations	39	39	38
General Government-Judicial			
Building security	7	6	7
Courts (3)	44	46	45
Casa (3)	-	-	-
Courts Collection Unit (3)	-	-	-
District judges	36	39	38
Clerk of court	11	12	13
Coroner	7	6	7
Public defender	16	15	15
District attorney	26	28	26
Prothonotary	8	9	9
Register of wills	8	7	7
Sheriff	36	38	38
Public safety			
District attorney-criminal investigation	5	6	6
District attorney-forensic lab	3	3	4
Victim witness services	9	9	9
Prison	118	119	119

Last Ten Years

						(unaudited)
2017	2018	2019	2020	2021	2022	2023
9	8	7	7	8	7	8
4	3	3	3	3	4	3
-	3	3	3	3	3	3
6	5	7	10	9	9	9
15	15	15	15	14	16	15
10	11	11	11	11	11	12
2	2	2	2	2	2	1
5	5	5	5	7	6	6
16	15	15	15	15	15	15
9	10	10	9	9	9	9
18	18	19	15	19	16	11
7	7	7	7	7	7	7
3	1	1	1	1	1	-
14	15	14	16	16	17	18
3	3	3	3	3	3	3
2	2	3	3	2	4	8
2	2	2	2	2	2	2
-	-	-	-	-	-	1
23	21	22	22	22	22	22
5	5	5	4	5	5	6
39	38	39	35	38	39	39
7	7	7	5	6	7	7
50	49	52	53	56	46	46
-	-	-	-	-	5	5
-	-	-	-	-	7	7
39	39	38	39	37	36	35
13	12	12	11	12	9	11
8	9	10	10	12	11	10
18	17	16	16	19	18	21
26	29	26	27	25	26	31
9	8	9	9	9	9	10
7	7	8	7	8	8	8
39	41	38	42	38	43	44
5	7	8	9	8	8	9
5	5	6	5	7	11	11
9	8	10	10	10	10	9
118	118	123	119	114	120	119

(continued)

OPERATING INFORMATION
Full-Time Equivalent County Employees by Function/Program

COUNTY OF CUMBERLAND, PENNSYLVANIA

(continued)

Functions/Programs	2014	2015	2016
Adult probation	37	38	39
Juvenile probation	26	26	25
Emergency management & communications	4	8	8
Emergency Telephone	47	46	45
Vector control	3	3	3
Transportation (1)	28	-	-
Recycling and waste management	1	1	1
Human services:			
Mental health/intellectual and developmental disabilities	47	46	47
Children and youth	67	65	66
Office of aging	29	30	29
Community services	6	6	6
Drug and alcohol	19	18	20
Veteran's affairs	2	2	2
Criminal Justice Services	3	5	6
Culture and recreation	13	14	14
Conservation and development	6	6	6
Business-type Activities	270	276	268
County nursing home (2)			
Total Primary Government	1,130	1,122	1,117
Component Unit:			
Conservation district	7	8	9

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

(2) In 2022, the County Nursing Home was sold to Allaire Health Services

(3) Prior to 2022, Casa and Court Collection Unit were included in Courts

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

(continued)

Last Ten Years

(unaudited)

2017	2018	2019	2020	2021	2022	2023
37	37	37	37	36	38	39
26	26	26	26	26	26	26
8	8	5	7	8	8	8
44	43	44	47	47	49	53
3	3	2	3	4	3	3
-	-	-	-	-	-	-
1	2	2	1	1	2	2
47	46	48	47	46	51	53
75	73	76	77	80	90	95
27	29	24	25	26	27	27
6	6	5	5	5	5	5
20	18	18	17	19	21	20
2	2	3	3	3	4	4
8	6	7	9	8	9	9
14	15	14	13	14	13	14
6	6	6	5	5	3	2
264	253	242	182	152	-	-
1,133	1,118	1,115	1,054	1,037	921	941
9	9	9	9	9	10	10

OPERATING INFORMATION
Operating Indicators by Function

Last Ten Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental - type:										
General Government-administrative										
<i>Fiscal affairs</i>										
Deed transfers	5,956	6,430	6,785	6,781	6,893	6,783	6,908	7,792	6,978	5,660
Mortgage recorded	9,298	10,032	10,701	9,866	9,148	9,528	13,342	14,746	10,166	7,090
Subdivision plans filed	147	155	143	152	130	152	121	169	155	134
Miscellaneous documents and instruments	14,617	16,200	16,864	16,142	15,083	15,239	18,727	23,226	16,484	12,125
Number of Document and Instruments eRecorded	11,967	15,990	16,662	17,890	17,851	20,598	33,002	39,950	29,122	21,415
Percentage eRecorded	40%	49%	48%	54%	57%	65%	84%	87%	86%	86%
<i>Administration</i>										
General election information										
Registered voters	151,050	153,481	166,965	167,571	172,256	175,047	187,257	182,193	186,473	176,998
Votes cast	75,845	40,913	124,421	42,652	105,368	55,187	142,732	57,787	117,271	66,118
Percent of votes cast	50%	27%	75%	25%	61%	32%	76%	32%	63%	37%
General Government-judicial										
<i>Court services:</i>										
Criminal cases filed	3,786	3,540	4,159	4,240	3,552	3,610	3,063	3,245	3,084	3,260
Summary appeals	259	320	362	316	368	395	298	300	250	236
Juvenile delinquency	388	437	481	500	386	476	431	365	491	587
Juvenile dependency	231	285	233	199	237	175	126	102	183	201
Marriage license applications	1,317	1,255	1,267	1,208	1,229	1,134	1,197	1,326	1,368	1,285
Estates and wills probated	1,143	1,213	1,266	1,384	1,438	1,355	1,227	1,740	1,533	1,545
Orphans' court cases filed	82	106	99	86	100	96	104	101	76	97
Adoption cases	89	113	112	143	138	102	105	120	99	78
<i>Court administration:</i>										
Criminal jury trials	44	48	45	35	25	26	25	38	41	67

(continued)

OPERATING INFORMATION
Operating Indicators by Function

Last Ten Years

COUNTY OF CUMBERLAND, PENNSYLVANIA										(unaudited)
(continued)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public safety										
Criminal appointment of counsel	636	499	564	590	478	523	559	508	556	671
Hearings by domestic relations conference officers	3,748	3,492	3,928	3,477	3,480	3,188	2,335	2,459	2,090	2,701
<i>Sheriff:</i>										
Prisoner transports	4,284	4,079	4,611	4,806	4,583	3,794	1,270	684	2,167	2,835
<i>County prison:</i>										
Average daily population	422	401	415	454	413	356	277	283	339	346
Commitments to prison	3,319	3,383	3,228	3,603	3,602	3,523	1,977	1,953	2,336	2,679
Releases from prison	3,350	3,352	3,195	3,576	3,698	3,530	2,079	1,898	2,324	2,609
<i>Adult probation:</i>										
Average caseload	2,471	2,383	2,401	2,551	2,463	2,350	2,804	2,649	2,510	1,966
DUI-Intermediate Punishment Program										
Bed Days Saved at County Prison	11,312	13,912	11,136	10,453	15,592	14,834	9,659	7,835	7,428	10,267
ARD/DUI Program	672	523	615	696	575	607	502	411	495	446
<i>Day Reporting Center (1):</i>										
Bed Days Saved at County Prison	6,443	6,073	5,765	5,082	4,977	5,247	3,789	2,990	2,344	489
Human services										
<i>Children and youth</i>										
Number of referrals	1,455	1,993	1,930	1,929	2,082	2,038	1,719	2,247	2,743	2,807
Clients receiving in-home services	625	833	864	777	752	674	538	543	677	841
Clients requiring placement	271	281	329	351	366	349	327	294	287	299
<i>Mental health services:</i>										
Number of out-patient hours	12,418	12,993	9,721	9,226	11,260	9,337	6,054	1,581	1,634	1,442
Number of out-patient consumers	542	414	207	119	93	102	62	36	25	18
In-patient days	470	507	468	35	-	-	5	-	-	-
Number of in-patient consumers	24	21	15	5	-	-	1	-	-	-
Residential days	58,276	56,113	59,162	63,176	60,958	61,735	61,022	62,491	72,980	71,313
Number of residential consumers	216	224	204	227	216	197	151	218	234	226

(continued)

OPERATING INFORMATION
Operating Indicators by Function

Last Ten Years

COUNTY OF CUMBERLAND, PENNSYLVANIA										(unaudited)
(continued)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<i>HealthChoices:</i>										
In-patient psychiatric treatment										
Number of in-patient consumers	444	537	529	619	669	637	584	590	578	609
Number of in-patient days	8,519	10,800	9,208	11,822	13,428	13,370	12,515	14,620	13,728	13,906
Out-patient psychiatric treatment										
Number of out-patient consumers	4,082	4,537	5,794	6,535	6,791	6,800	6,885	6,782	7,032	7,546
Number of out-patient units	44,598	49,727	60,777	72,863	77,716	80,251	86,631	99,239	102,885	108,470
Children's residential and behavioral health rehabilitation										
Number of consumers	1,040	1,060	1,041	970	910	935	863	823	620	653
Number of units	665,898	602,368	554,345	473,245	467,748	468,700	349,726	299,619	351,962	394,720
Targeted case management										
Number of consumers	486	458	443	435	469	431	405	412	404	400
Number of units	50,997	57,743	57,844	55,088	54,652	52,408	44,662	30,589	39,763	34,387
Crisis Intervention										
Number of consumers	819	740	870	1,014	1,099	1,080	960	1,018	1,051	1,108
Number of units	11,236	5,841	7,234	8,494	9,031	8,280	7,276	8,234	8,478	8,921
<i>Intellectual and Developmental Disabilities</i>										
Number of consumers served	1,076	1,058	981	1,017	1,010	997	974	999	1,012	1,031
Number of transportation units	6,027	6,182	3,035	2,002	2,302	2,304	1,347	959	1,448	1,497
Number of residential units	2,277	2,648	2,529	2,588	2,493	2,525	2,445	2,177	2,187	1,982
Number of workshop/vocational units	52,614	58,072	54,203	37,641	58,293	58,620	38,744	14,346	19,895	20,502
<i>Office of aging:</i>										
Senior transportation trips	44,732	44,066	42,850	38,475	46,484	42,223	26,608	27,362	28,677	30,383
Information and assistance contacts	6,616	6,227	4,068	4,802	4,737	4,460	4,830	6,962	6,242	7,625
Congregate meals served	33,446	31,417	35,183	34,549	34,721	33,058	32,139	28,407	33,835	38,429

(continued)

OPERATING INFORMATION
Operating Indicators by Function

Last Ten Years

COUNTY OF CUMBERLAND, PENNSYLVANIA										(unaudited)
(continued)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Adult day care days provided	1,707	3,124	4,175	3,278	2,967	2,485	631	232	246	295
Home delivered meals served	5,718	8,661	11,795	12,530	16,897	17,943	24,894	20,352	18,952	25,821
Maintenance/modification of homes	412	317	913	551	389	187	97	150	172	121
<i>Drug and alcohol:</i>										
<i>Community-based outpatient treatment (in hours)</i>										
Assessment/evaluations	692	547	303	471	419	371	488	447	402	343
Individual counseling	3,885	3,831	1,180	2,577	3,124	2,132	3,096	2,547	3,160	3,875
Intensive outpatient group	7,016	4,858	1,976	2,875	2,044	2,899	3,686	4,245	3,815	3,408
Group	3,137	2,972	1,375	1,911	2,069	1,393	1,924	1,583	2,150	1,757
Prison-based treatment and intervention service hours	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	70	67	69	68	67	65	34	12	28	31
Business - type:										
Transportation (2)										
One way trips	127,440	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mileage	758,722	N/A	N/A	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

(1) In 2023, the County's Day Reporting Center ended.

(2) 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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
General government -										
administrative										
<i>Administration</i>										
Building square footage:										
Main Courthouse	91,058	91,058	91,058	91,058	91,058	91,058	91,058	91,058	91,058	91,058
Old Jail	31,108	31,108	31,108	31,108	31,108	31,108	31,108	31,108	31,108	31,108
Historic Courthouse	22,020	22,020	22,020	22,020	22,020	22,020	22,020	22,020	22,020	22,020
Allen Road building	29,160	29,160	29,160	29,160	29,160	29,160	29,160	29,160	29,160	29,160
1601 Ritner Highway	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	37,622	37,622
1615 Ritner Highway										
MH/IDD	N/A	N/A	N/A	N/A	15,000	15,000	15,000	15,000	15,000	14,028
<i>Bureau of Elections</i>										
Electronic voting machines	693	693	693	694	694	694	400	400	415	415
Court system and corrections										
<i>Domestic Relations</i>										
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
<i>Probations</i>										
Building square footage:										
Juvenile (DMB Building)	6,022	6,022	6,022	6,022	6,022	6,022	6,022	6,022	5,231	5,452
Adult Probation										
(Reed Building)	5,168	5,168	5,168	5,168	5,168	5,168	5,168	5,168	5,168	5,168

(continued)

OPERATING INFORMATION
Capital Asset Statistics by Function

Last Ten Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

(continued)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public safety										
<i>County prison</i>										
Maximum capacity of inmates	720	720	720	720	720	720	720	720	720	720
Square footage of the prison	178,410	178,410	178,410	178,410	178,410	178,410	178,410	178,410	178,410	178,410
Conservation										
Number of agricultural easements acquired	135	140	150	157	169	181	187	196	203	212
Acres in the agricultural easement program	16,144	16,750	17,236	17,977	19,051	20,009	20,583	21,786	22,451	23,386
Acres in agriculture secured areas	75,685	72,711	72,876	73,562	73,885	74,313	73,000	73,000	79,505	79,209
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
Human Services										
Building square footage:										
Dennis Marion building (including parking garage)	47,844	47,844	47,844	47,844	47,844	47,844	47,844	47,844	53,866	53,866
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

(continued)

OPERATING INFORMATION
Capital Asset Statistics by Function

Last Ten Years

COUNTY OF CUMBERLAND, PENNSYLVANIA

(unaudited)

(continued)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Transportation services (1)										
Buses and other vehicles	31	31	31	-	-	-	-	-	-	-
Business-type activities:										
Nursing home (2)										
Building square footage	164,951	164,951	164,951	164,951	164,951	164,951	164,951	164,951	-	-
Maximum resident capacity	290	290	282	282	282	282	282	282	-	-

Note:

(1) Shared ride buses were transferred to Rabbittransit beginning 2017

(2) Nursing Home was sold in March 2022

Sources:

- Capital asset reports from Controller's Office
- Planning Commission information
- Corrections Department information
- Nursing Home Reports