



Cumberland County's

2023

Financial Condition

Updated January 2025  
Next Update August 2025

# INDICATOR 1

## Revenues per Capita

### Warning Trend:

Decreasing net operating revenues per capita (constant dollars)

### Formula:

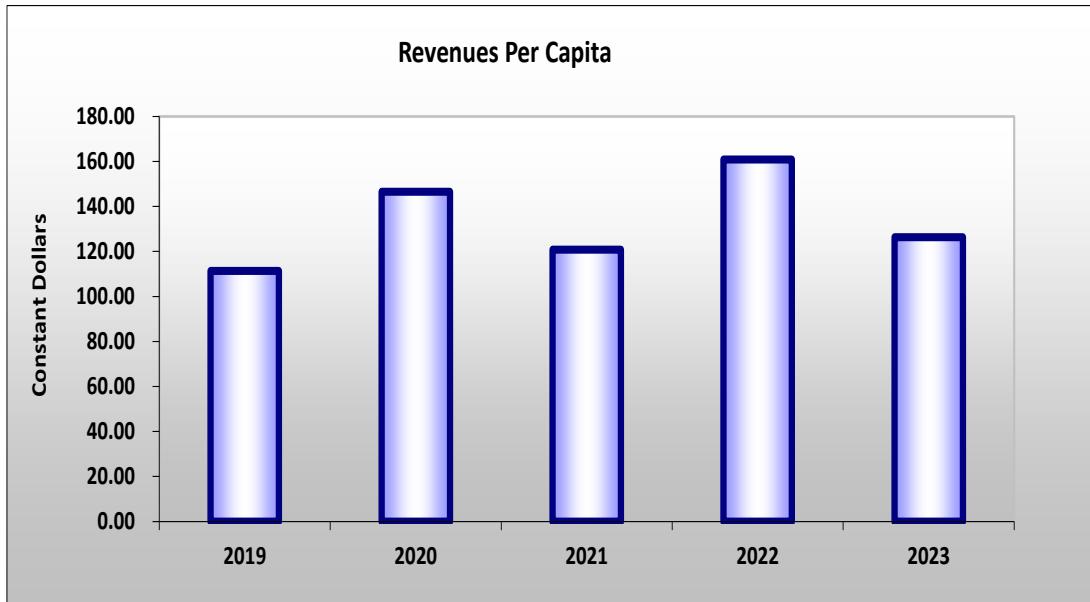
Net operating revenues & transfers (constant dollars)

Population

Fiscal year:	2019	2020	2021	2022	2023
Net operating revenues and transfers	72,152,169	98,400,294	86,060,303	126,474,427	104,227,122
Consumer price index	255.657	258.811	270.970	292.655	304.702
Net operating revenues & transfers (constant dollars)	28,222,254	38,020,136	31,760,085	43,216,219	34,206,248
Current population	253,370	259,469	262,919	268,579	270,738
<b>Net operating revenues &amp; transfers per capita (constant dollars)</b>	<b>111.39</b>	<b>146.53</b>	<b>120.80</b>	<b>160.91</b>	<b>126.34</b>

### Description:

Examining per capita revenues shows changes in revenues relative to changes in population size and rate of inflation. As population increases, it might be expected that revenues and the need for services would increase proportionately, and therefore that the level of per capita revenues would remain at least constant in real terms. If per capita revenues are decreasing, the government may be unable to maintain existing service levels unless it finds new revenue sources or ways to save money. This reasoning assumes that the cost of services is directly related to population size.



# INDICATOR 1

## Revenues per Capita

### Explanation:

The revenue trend is an increase from 2019 to 2023. There was significant growth in revenue in 2020 due to grants received for COVID-19 relief (\$24.3 million) and the grant received for purchasing new election equipment (\$2.4 million). Revenue decreased from 2020 to 2021 due to the one-time grants received in 2020. In 2021, the county received rental assistance stimulus (\$11.5 million). The transfer-in from the nursing home increased \$2.8 million due to a change in the IGT model where the payment is spread across the 12 months rather than one payment in May. In 2022 and 2023, the county received \$34.3 and \$15 million from the American Rescue Plan. This money was used to offset general fund salaries and benefits. The county also received \$1.2 million rental assistance stimulus each year. Due to the sale of the nursing home in March 2022, the county received \$12.5 million.

The last millage adjustment was in 2014 (3%). The population of Cumberland County is continuing to grow. The county continues to maintain one of the lowest tax rates for Pennsylvania counties.

The chart below shows constant dollars with County Relief Block Grant, ERAP, CHIRP, ARPA, and the transfer-in from the nursing home removed in 2020-2023. These were all one-time monies the county received but including this money portrays a false trend in revenue. If the county had not received that money in 2020-2023 the revenue trend would be decreasing per capita.

Fiscal year:	2019	2020	2021	2022	2023
Net operating revenues and transfers	72,152,169	75,518,739	71,660,980	77,583,065	79,806,609
Consumer price index	255.657	258.811	270.970	292.655	304.702
Net operating revenues & transfers (constant dollars)	28,222,254	38,020,136	26,446,094	26,510,077	26,191,692
Current population	253,370	259,469	262,919	268,579	270,738
<b>Net operating revenues &amp; transfers per capita (constant dollars)</b>	<b>111.39</b>	<b>148.74</b>	<b>100.59</b>	<b>98.70</b>	<b>96.74</b>

# INDICATOR 1A

## Revenues per Source

### Warning Trend:

Some revenue sources are growing faster than others

### Formula:

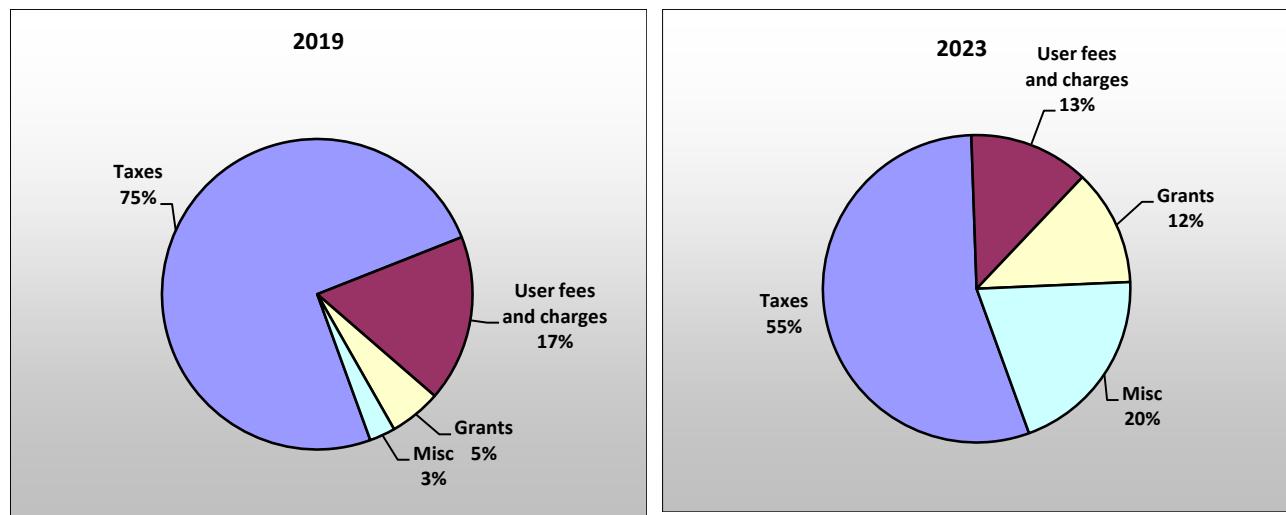
Revenue Sources

Revenue Source	2019		2020		2021	
	\$	%	\$	%	\$	%
Taxes	53,803,221	74.57%	54,664,180	55.54%	55,677,724	64.70%
User fees and charges	12,512,927	17.34%	12,354,395	12.56%	13,818,489	16.06%
Grants	3,902,134	5.41%	30,125,948	30.62%	15,795,908	18.35%
Misc	1,933,887	2.68%	1,255,771	1.28%	768,182	0.89%
Total Revenues	72,152,169	100.00%	98,400,294	100.00%	86,060,303	100.00%

Revenue Source	2022		2023	
	\$	%	\$	%
Taxes	56,660,800	44.79%	57,334,575	55.01%
User fees and charges	12,503,715	9.89%	13,153,423	12.62%
Grants	8,735,046	6.91%	12,753,514	12.24%
Misc	48,574,866	38.41%	20,985,610	20.13%
Total Revenues	126,474,427	100.00%	104,227,122	100.00%

### Description:

This can tell you if some revenue sources are growing faster than others, if the revenue burden is shifting from one segment of the population to another, and if the growth in the rates of some revenues have not been keeping pace with that of others. Any such changes in revenue structure should probably receive attention from policy makers.



# INDICATOR 1A

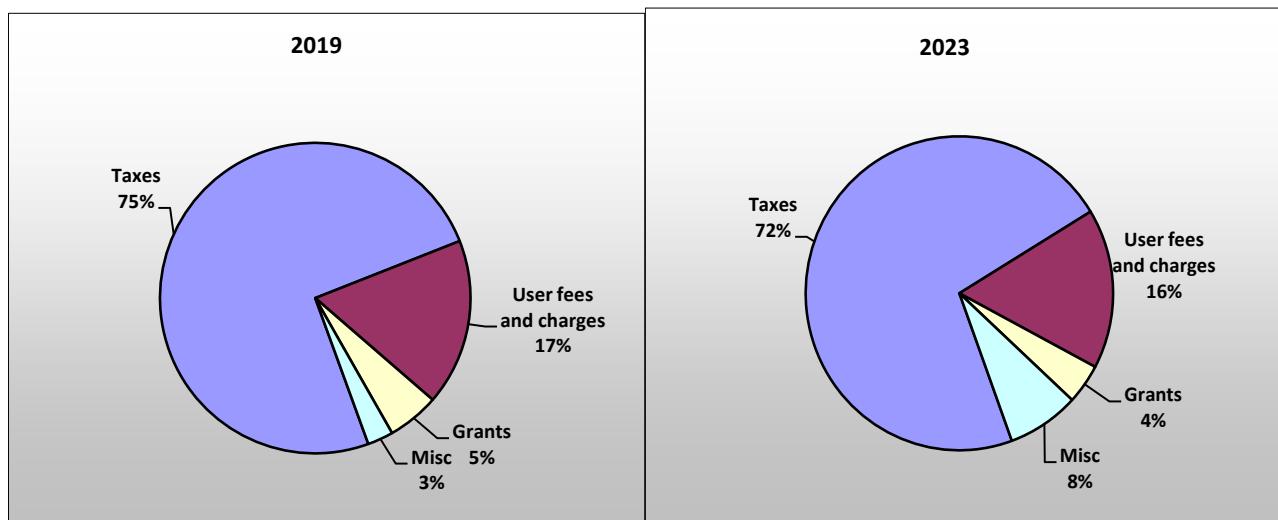
## Revenues per Source

### Explanation:

The revenue structure of Cumberland County has stayed relatively stable, however the structure shifted significantly in 2020-2022. Grants increased approximately \$26.2 million in 2020 due to COVID-19 relief grants and technology grant for election equipment received (\$26.7 million). In 2021, grants decreased from 2020, however, grants increased \$11.9 million from 2019 due to the rental assistance stimulus and CHIRP. In 2022, grants decreased from 2021, but grants increased \$4.8 million from 2019 due to an increase in CDBG and HOME money received, emergency rental assistance, and additional PennDot grants for the Greason Road project managed by the Planning Department. In 2023, grants increased \$4 million from 2022 due to additional CDBG and HOME spending and Opioid Settlement Funds received.

Miscellaneous revenue decreased \$1.2 million from 2019 to 2021 due to decreased interest rates. In 2022 interest increased \$756,000 due to increased cash balance, then in 2023 it increased \$4.4 million due to increased rates. Miscellaneous revenue also increased \$34.3 million due to the transfer-in of American Rescue Plan money in 2022, then decreased \$19.3 million in 2023.

The graphs below show the change in revenue structure from 2019 to 2023 with the one-time stimulus money removed from 2023. This shows that the revenue structure has not changed significantly since 2019.



# INDICATOR 6

## Property Tax Revenues

### Warning Trend:

Decline in property tax revenues (constant dollar)

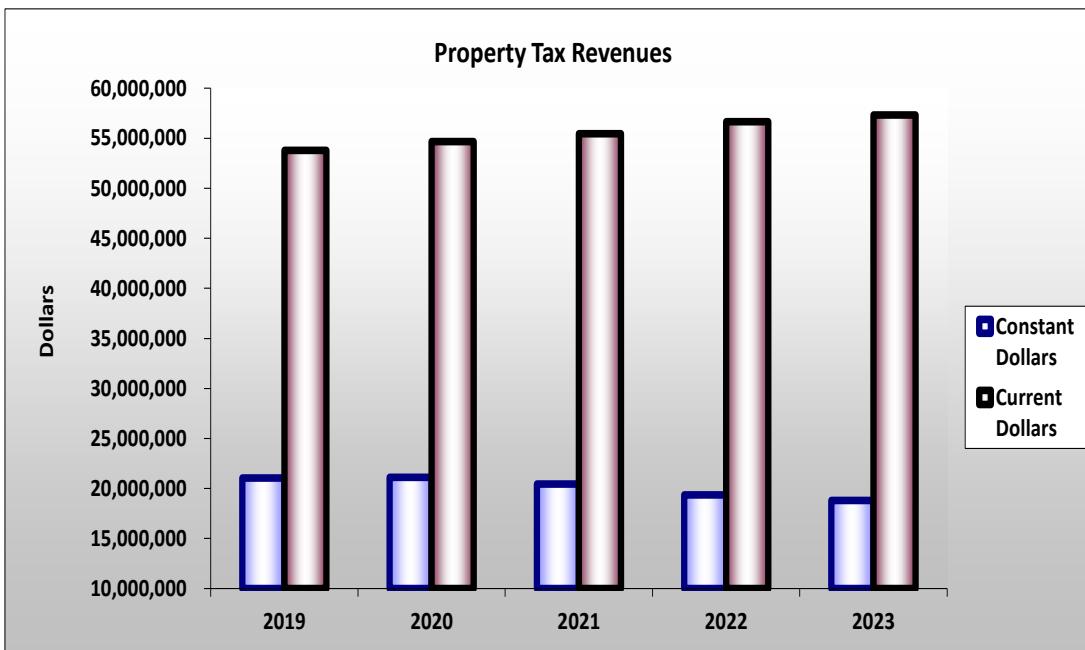
### Formula:

Property tax revenues  
(constant & current dollars)

Fiscal year:	2019	2020	2021	2022	2023
Property Tax Revenue	53,802,121	54,663,498	55,448,907	56,660,437	57,334,256
Consumer price index	255.657	258.811	270.970	292.655	304.702
CPI in decimal	2.557	2.588	2.710	2.927	3.047
Property Tax Revenue (current dollars)	53,802,121	54,663,498	55,448,907	56,660,437	57,334,256
Property Tax Revenue (constant dollars)	21,044,650	21,121,010	20,463,117	19,360,830	18,816,501

### Description:

Property tax revenue should be considered separately from other revenues because most governments rely heavily on them. A decline or a diminished growth rate in property taxes can have a number of causes. First, it may reflect an overall decline in property values. Second, it may result from unwilling default on property taxes by property owners. Third, it may result from inefficient assessment or appraisal. Finally, a decline can be caused by deliberate default by property owners, who realize that delinquency penalties are less than short-run interest rates and that nonpayment is therefore an economical way to borrow money.



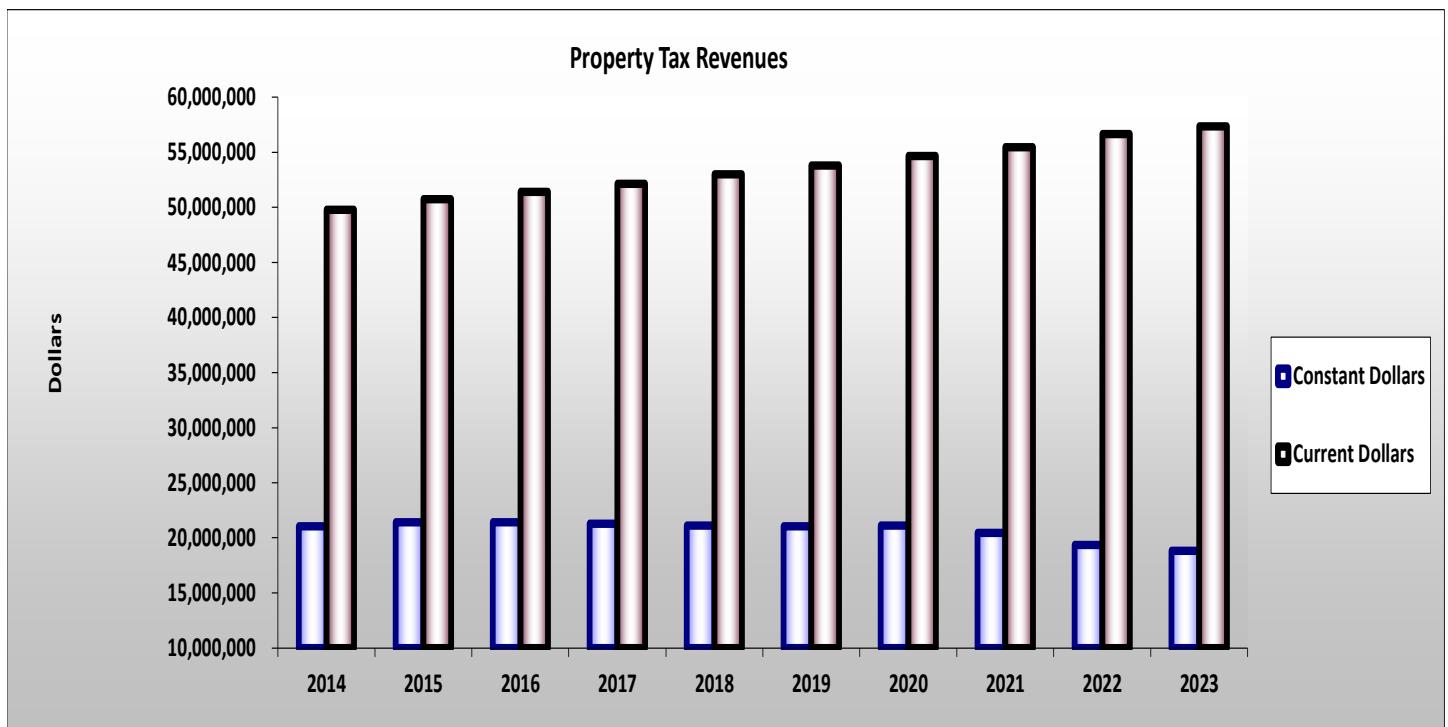
# INDICATOR 6

## Property Tax Revenues

### Explanation:

While property tax increases in current dollars, there is a slight decrease in property tax revenue in constant dollars from 2019 to 2023 because there has not been a millage increase. Natural growth and the Consumer Price Index (CPI) have been increasing at similar rates. Property tax collections have improved, which has lowered the amount of outstanding receivables and boosted collections for the current year.

The graph below shows the property tax revenue trend since the last tax increase in 2014. The constant dollars have a slight increase from 2014 to 2016 but then begin to slowly decline from 2017 to 2023. Between 2014 and 2023, the current dollars have increased 15%, while the constant dollars has decreased 10%.



# INDICATOR 7A

## Uncollected Current Levy

### Warning Trend:

Increasing amount of uncollected tax levy as a percentage of total tax levy

### Formula:

Uncollected current levy

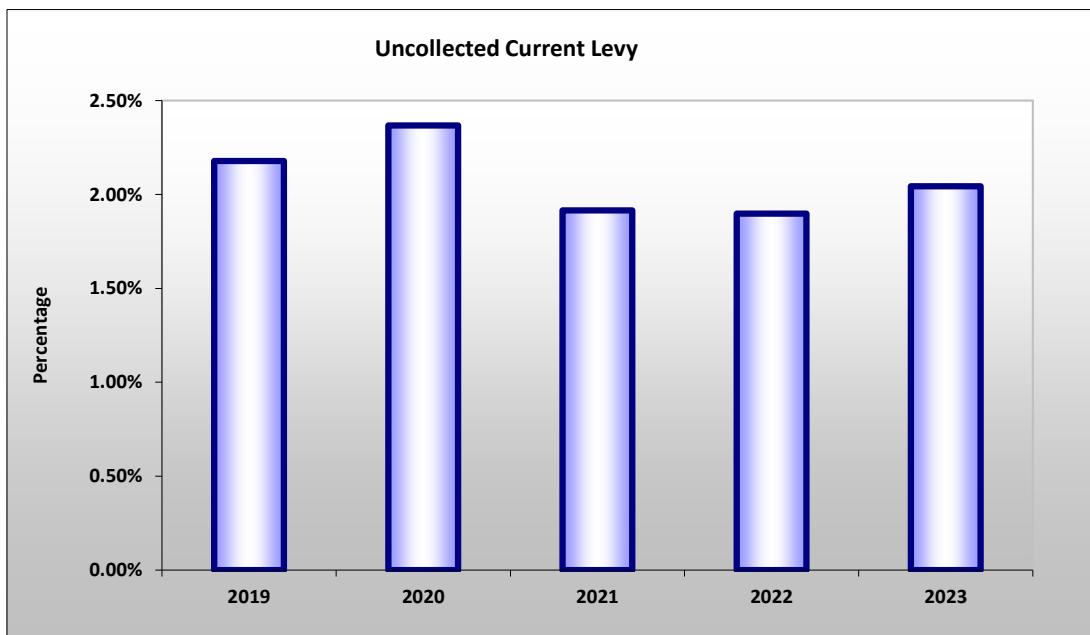
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Net property tax levy

Fiscal year:	2019	2020	2021	2022	2023
Net property tax levy	53,627,315	54,525,838	55,360,823	56,286,374	57,253,485
Uncollected current levy	1,168,048	1,291,134	1,060,286	1,068,429	1,170,003
Uncollected current levy as a percentage of net property tax levy	2.18%	2.37%	1.92%	1.90%	2.04%

### Description:

Every year, a percentage of property owners are unable to pay property taxes. If this percentage increases over time, it may indicate overall decline in the local government's economic health. Additionally, as uncollected current property taxes rise, liquidity is decreased and there is less cash on hand to pay bills or to invest.



# INDICATOR 7A

## Uncollected Current Levy

### Explanation:

This indicator is based on current real estate collections only. The county's uncollected taxes are within the range used by credit rating firms. They assume 2-3% of taxes are normally uncollectible within a year. The uncollectible rates from 1995-1999 were closer to 4%. Our collections have been improving over the last 20 years.

The trend from 2019 to 2023 is a decrease in the uncollected levy. In 2020, there was an increase in the uncollected levy due to COVID. The county is still within the 2-3% range.

# INDICATOR 8

## User Charge Coverage (9-1-1 Surcharge)

### Warning Trend:

Decreasing revenues from user charges as a percentage of total expenditures for related services

### Formula:

Revenues from user charges

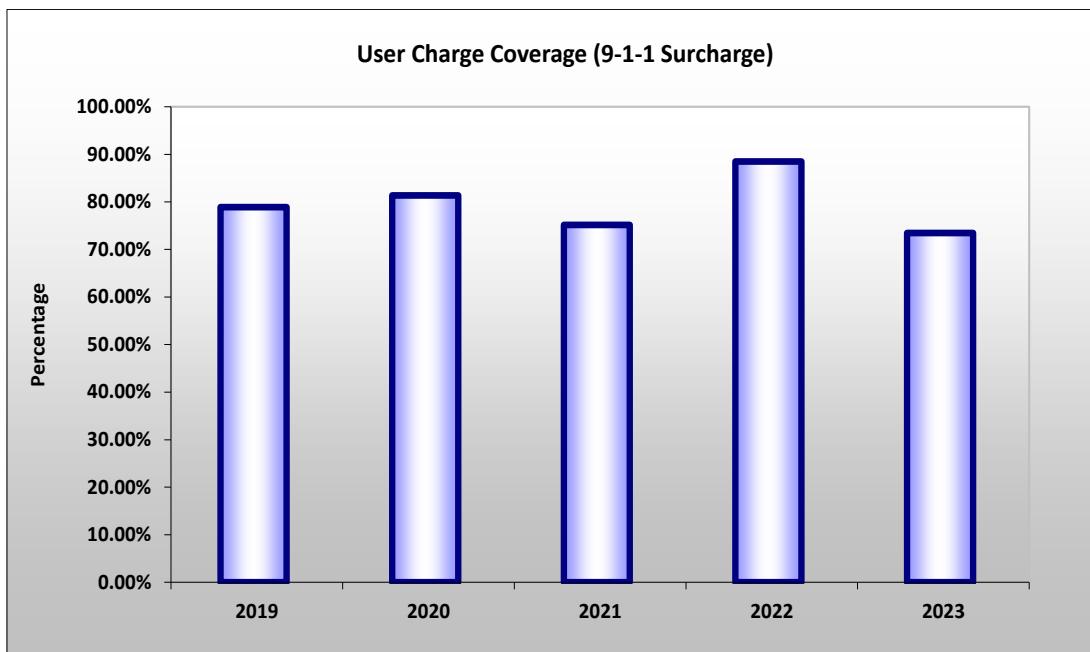
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Expenditures for related services

Fiscal year:	2019	2020	2021	2022	2023
Revenues from user charges	5,744,976	6,283,964	6,030,833	5,847,409	6,017,342
Expenditures for services for which there is a fee or user charge	7,282,906	7,723,416	8,023,546	6,608,407	8,189,865
Revenues from user charges as a percentage of total expenditures for related service	78.88%	81.36%	75.16%	88.48%	73.47%

### Description:

The term user charge coverage refers to whether fees and charges cover the entire cost of providing a service. As coverage declines, the burden on other revenues to support the services increases. Because the typical municipal accounting system does not employ cost-accounting techniques, it is easy for inflation and other factors to erode user charge coverage without being noticed.



# INDICATOR 8

## User Charge Coverage (9-1-1 Surcharge)

### Explanation:

Revenue has remained relatively constant since 2019. In 2020, funding increased \$540,000 due to higher fees collected (\$140,000) and the distribution the County received from PEMA (\$400,000). In 2022, uniform funding decreased \$183,000 and in 2023 increased \$167,000 due to the distribution the county received.

Capital increased \$1.2 million in 2019 due to the CAD project. \$90,000 was transferred to the Radio Project fund for consulting services and tower structural analysis.

In 2020, salary and benefits increased \$456,000 due to two new positions and increased overtime. Internal chargebacks increased \$151,000 due to an increase in GIS support required for the new CAD system.

Capital decreased \$679,000 in 2021 due to the CAD system being mostly completed in 2020. In 2021, transfer out increased \$837,000. \$963,000 was transferred to capital funds – bond for the P25 radio project. The transfer out – sinking fund decreased \$126,000 due to the decrease of payments and interest for the 2013 GOB. This was fully paid in May 2021.

Capital decreased in 2022 due to the completion of two new call-taking protocols completed in 2021.

In 2023, salary and benefits increased \$424,000 due to filling new positions. Transfer out - sinking funds increased \$854,000 due to the first bond issued for the P25 radio project.

# INDICATOR 9

## 9-1-1 Revenue Shortfall

### Warning Trend:

Increase in revenue shortfalls as a percentage of actual net operating revenues

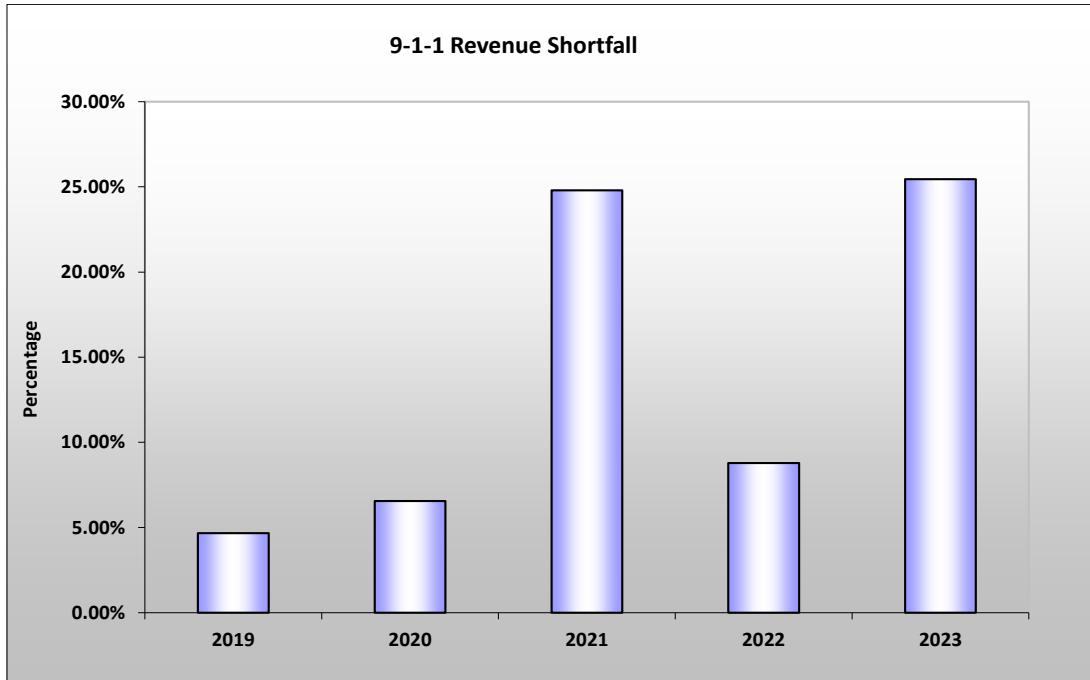
### Formula:

$$\frac{\text{Shortfall (Subsidy)}}{\text{Net operating revenues}}$$

Fiscal year:	2019	2020	2021	2022	2023
Subsidy (Revenue Shortfall)	293,340	456,189	1,989,894	580,417	2,084,124
Net Operating Revenue	6,276,685	6,965,357	8,023,545	6,608,407	8,189,865
Revenue shortfalls as a percentage of net operating revenue	4.67%	6.55%	24.80%	8.78%	25.45%
Consumer price index	255.7	258.8	271.0	292.7	304.7
CPI in decimal	2.557	2.588	2.710	2.927	3.047
Subsidy (constant dollar)	114,740	176,263	734,360	198,328	683,987

### Description:

This indicator examines the relationship between revenue surplus/deficit and net operating revenue. Major discrepancies that continue year after year can indicate a declining economy or inefficient collection procedures.



# INDICATOR 9

## 9-1-1 Revenue Shortfall

### Explanation:

9-1-1 revenue shortfall (subsidy) increased in 2020 due to revenues not increasing at the same rate as the increased expenses. Subsidy increased in 2021 due to the P25 project progressing further. Subsidy then decreased in 2022 due to having the bond to pay for the P25 project. Subsidy increased in 2023 due to now having to make payments on the bond.

The state changed the distribution formula and increased the surcharge rate from \$1.65 to \$1.95 per month effective March 1, 2024. Over this will be a positive impact for county funding.

# INDICATOR 9

## Children & Youth Revenue Shortfall

### Warning Trend:

Increase in revenue shortfalls as a percentage of actual net operating revenues

### Formula:

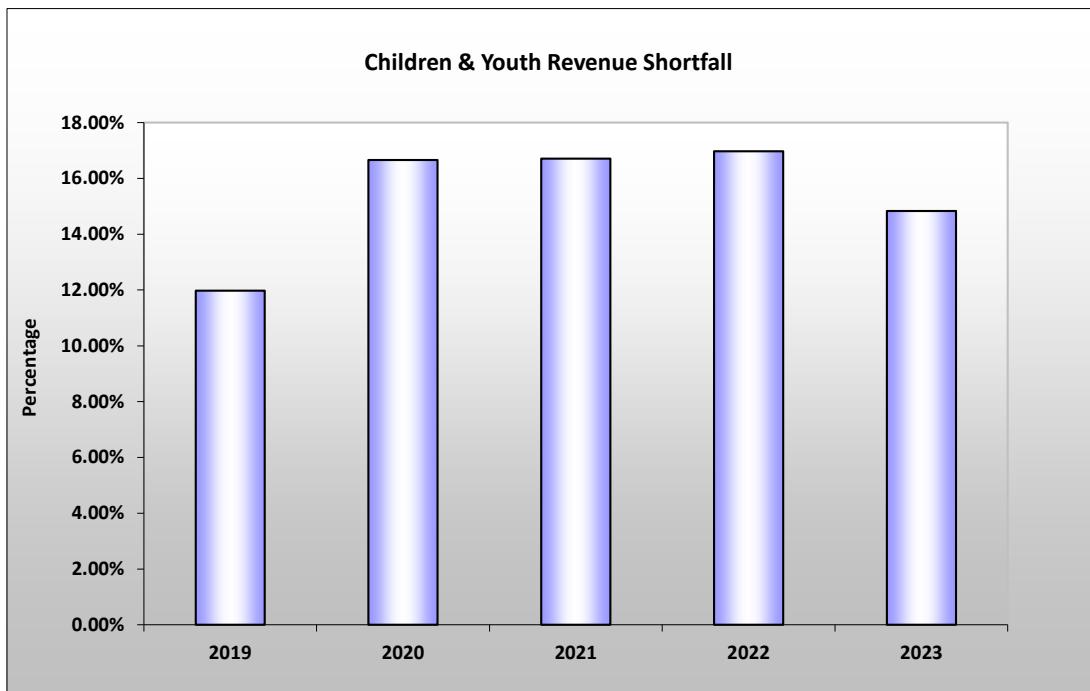
Shortfall (Subsidy)

Net operating revenues

Fiscal year:	2019	2020	2021	2022	2023
Subsidy (Revenue Shortfall)	2,670,965	3,754,771	3,734,387	4,019,896	4,091,436
Net Operating Revenue	22,301,879	22,542,249	22,355,432	23,685,324	27,589,146
Revenue shortfalls as a percentage of net operating revenue	11.98%	16.66%	16.70%	16.97%	14.83%

### Description:

This indicator examines the relationship between revenue surplus/deficit and net operating revenue. Major discrepancies that continue year after year can indicate a declining economy or inefficient collection procedures.



# INDICATOR 9

## Children & Youth Revenue Shortfall

### Explanation:

Children & Youth is always a high-risk area of the county because it is a mandated service. The opioid epidemic has increased expenses in Children & Youth due to placements increasing from families affected by the epidemic. Funding uncertainties currently exist in Children & Youth. This area needs to be watched on a continuous basis.

Subsidy increased in 2020 due to no overmatch required in 2019 and remained about the same in 2021 and 2022. Subsidy decreased slightly in 2023 due to an adjustment to how Youth Development Center was booked in prior years, increasing Act 148 receivable.

# INDICATOR 10

## Expenditures per Capita

### Warning Trend:

Increasing net operating expenditures per capita (constant dollars)

### Formula:

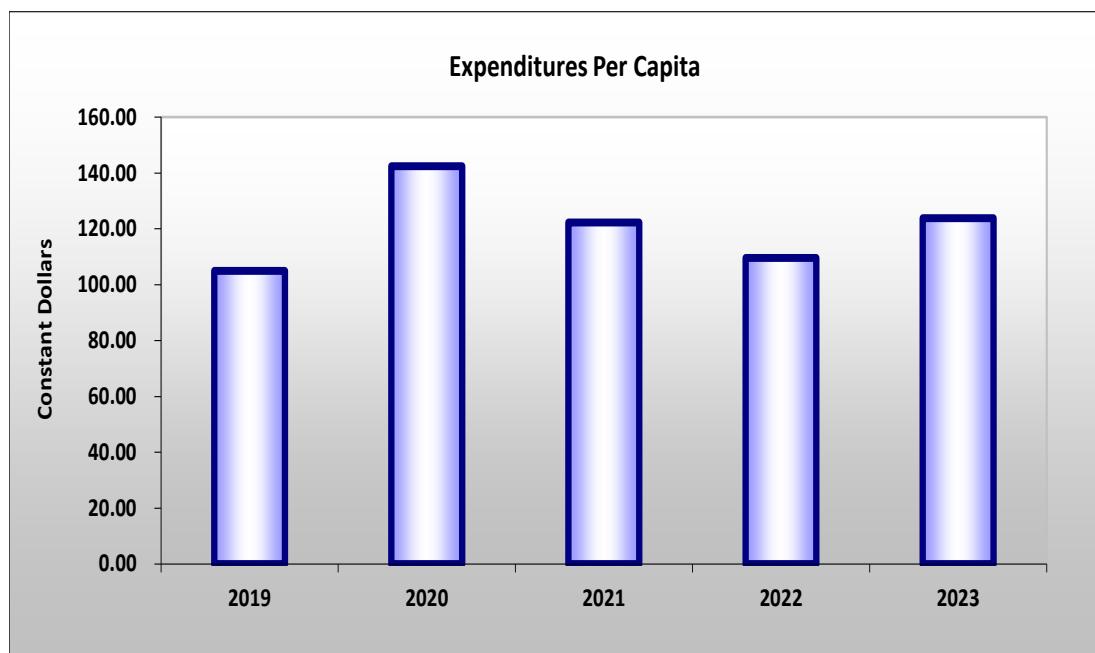
Net operating expenditures & transfers (constant dollars)

Population

Fiscal year:	2019	2020	2021	2022	2023
Net operating expenditures and transfers	68,005,881	95,632,561	87,106,394	86,126,621	102,125,983
Consumer price index	255.657	258.811	270.97	292.655	304.702
Net operating expenditures & transfers (constant dollars)	26,600,438	36,950,733	32,146,139	29,429,404	33,516,676
Current population	253,370	259,469	262,919	268,579	270,738
<b>Net operating expenditures &amp; transfers per capita (constant dollars)</b>	<b>104.99</b>	<b>142.41</b>	<b>122.27</b>	<b>109.57</b>	<b>123.80</b>

### Description:

Changes in per capita expenditures reflect changes in expenditures relative to changes in population. Increasing per capita expenditures can indicate that the cost of providing services is outstripping the community's ability to pay, especially if spending is increasing faster than the residents' collective personal income. From a different perspective, if the increase in spending is greater than can be accounted for by inflation or the addition of new services, it may indicate declining productivity -- that is, that the government is spending more real dollars to support the same level of services.



# INDICATOR 10

## Expenditures per Capita

### Explanation:

The county's expense drivers since 2019 are:

- Uniform funding for 9-1-1 increased each year, starting in 2015, which decreased the burden on the General Fund subsidy through 2020. Subsidy increased in 2021 due to the P25 radio project.
- 2019 medical rates increased in January, October, and December. 2020 rates increased in February. Rates remained constant for the rest of 2020, 2021, and 2022. Rates increased 7.9% in 2023.
- Election machines were purchased in 2020, increasing capital \$3.9 million.
- In 2020, COVID-19 was a big expense driver.
  - The County Relief Block Grant increased expenses \$22.3 million. There was a matching revenue to offset the expense.
  - Unemployment compensation increased \$300,000 due to an increase in furloughed employees (current and past employees). There was a 50% match from the state for claims related to COVID-19.
- In 2021, the expense drivers were the COVID-19 CHIRP monies and rental assistance stimulus the county received (\$14.4 million). There were matching revenues to offset the expense. The payments to the state increased \$2.8 million due to a change in the IGT distribution. This also has matching revenue to offset the expense.
- Greason Road project for the Planning Department started in 2022, increasing expenses \$1.1 million. This has an offsetting revenue.
- MH.IDD subsidy increased \$1.7 million in 2022. This is due to flat state funding and an increased demand for services.
- In 2023, there was an increase in spending on capital items and projects to improve the effectiveness and efficiency of county services. In addition to these capital purchases, grants were also awarded to organizations within the county as recovery grants.

# INDICATOR 11

## Employees per Capita

### Warning Trend:

Increasing number of county employees per capita

### Formula:

Number of county employees

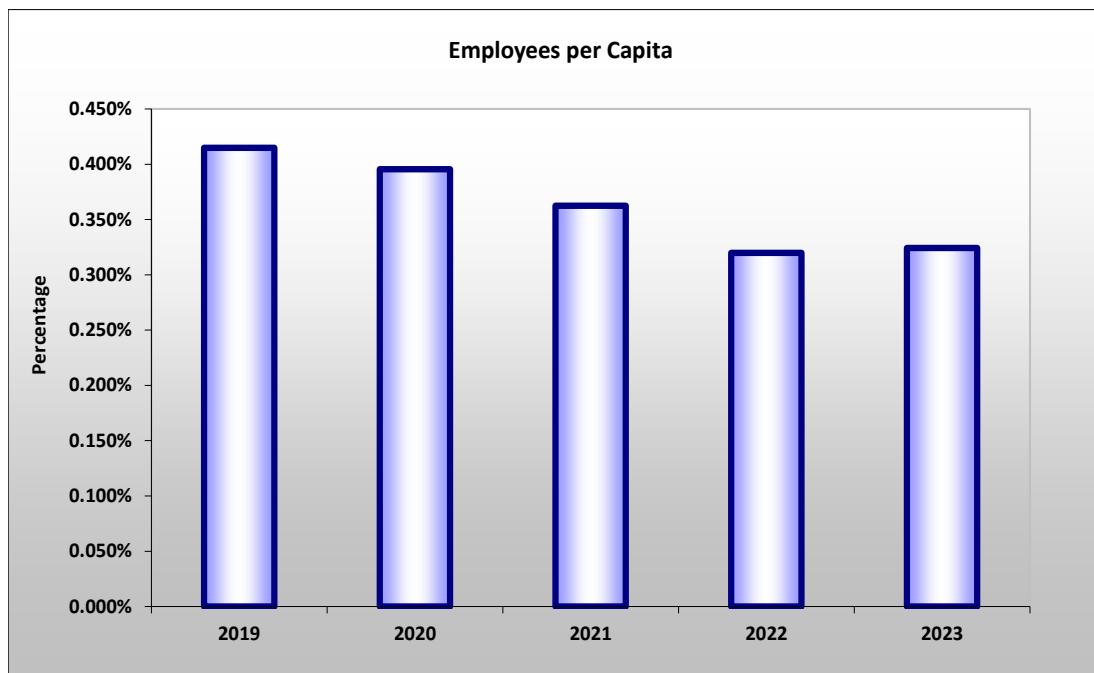
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Population

Fiscal year:	2019	2020	2021	2022	2023
Number of county employees	1,051	1,026	953	859	878
Population	253,370	259,469	262,919	268,579	270,738
Number of county employees per capita	0.415%	0.395%	0.362%	0.320%	0.324%

### Description:

Personnel costs are a major portion of a local government's operating budget, plotting changes in the number of employees per capita is a good way to measure changes in expenditures. An increase in employees per capita might indicate that expenditures are rising faster than revenues, that the government is becoming more labor intensive or that personnel productivity is declining.



# INDICATOR 11

## Employees per Capita

### Explanation:

The number of employees decreased significantly in 2021. This is due to staffing issues at the nursing home due to COVID, vaccine mandates on healthcare facilities, and the prolonged pending sale of the nursing home. The number of employees decreased again in 2022 due to the sale of the nursing home in March 2022. When comparing the number of county employees per capita between 2022 and 2023, the ratio stayed relatively the same. This can be attributed to the number of employees increasing by 19 and the population increased by 2,159.

# INDICATOR 13

## Fringe Benefits

### Warning Trend:

Increasing fringe benefit expenditures as a percentage of salaries and wages

### Formula:

General fund (only) fringe benefit expenditures

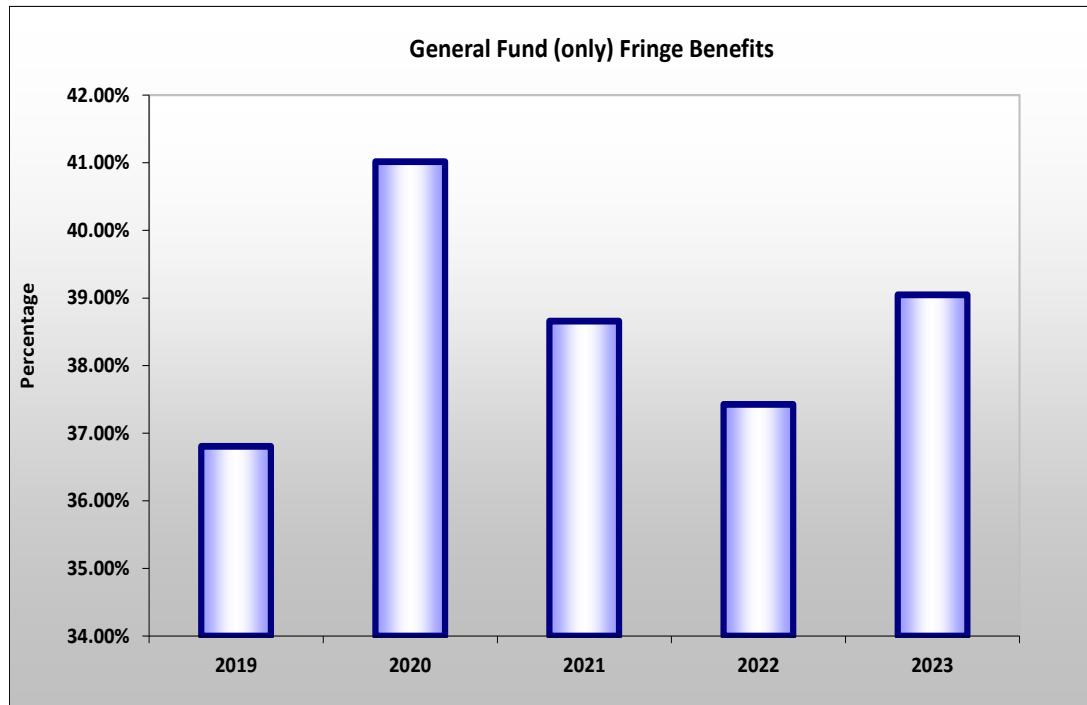
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General fund (only) salaries and wages

Fiscal year:	2019	2020	2021	2022	2023
General Fund (only) Fringe benefit expenditures	11,186,617	12,826,544	12,567,347	12,986,078	14,371,180
General Fund (only) Salaries and wages	30,392,900	31,270,976	32,508,354	34,697,563	36,805,187
General Fund (only) Fringe benefit expenditures as a percentage of salaries and wages	36.81%	41.02%	38.66%	37.43%	39.05%

### Description:

The most common forms of fringe benefits are pension plans, health, dental, vision and life insurance, vacation, deferred compensation, and disability insurance. Benefits represent a significant share of operating costs, often amounting to more than 30 percent of employee compensation.



# INDICATOR 13

## Fringe Benefits

### Explanation:

In 2019, retirement and medical rates increased. In 2020, medical rates increased. In 2020, unemployment compensation increased due to claims related to COVID that were charged to departments. These claims were reimbursed 50%. In 2021 and 2022, medical rates remained the same as 2020. In 2023, medical rates increased.

Examples of the cost saving measures the county has taken over the past several years are:

- Aggressively negotiated rates.
- Increased copays (90/10).
- Instituted a health and wellness program.
- Instituted a self-insurance plan for medical which in the long-term we will see savings.

The county has been successful at keeping the increases much lower than average.

Vacation, Sick, and Holiday pay are not included in this indicator.

The county has been self-insured since 2018. Rates are set by USI and the county to cover claims for the year and maintain a healthy fund balance to react when there are higher than expected claims. With six years of claims history and a healthy fund balance, rates increases can be kept minimal to maintain that balance.

# INDICATOR 16

## Fund Balances (Unassigned)

### Warning Trend:

Declining undesignated fund balances as a percentage of net operating revenues

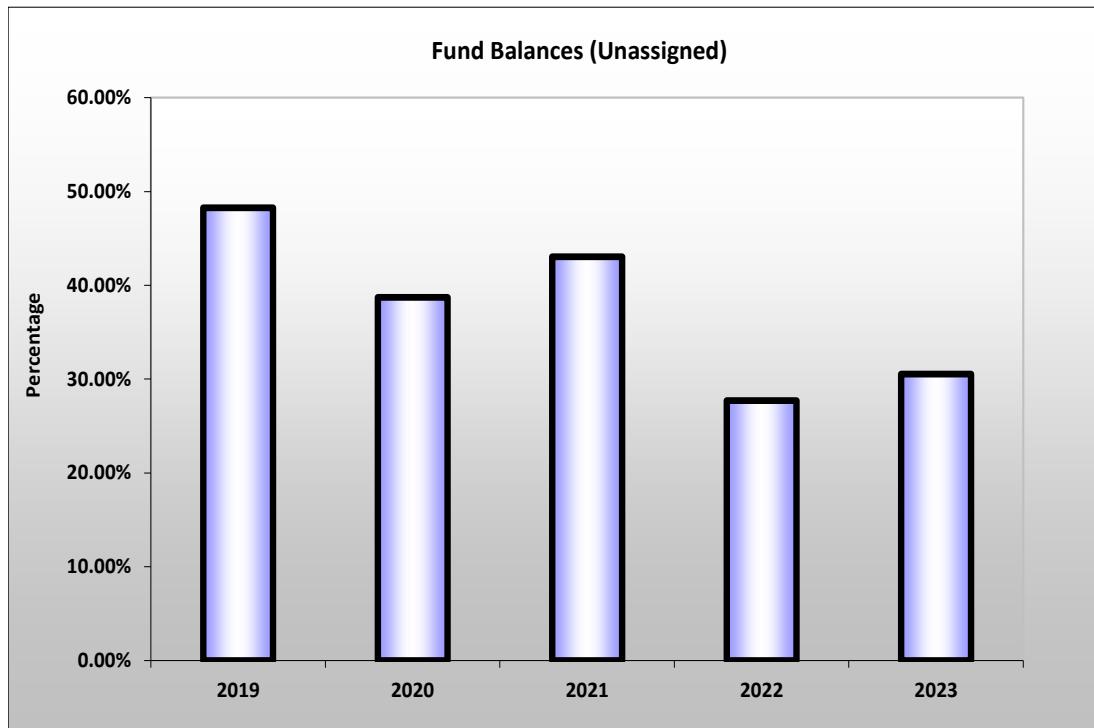
### Formula:

$$\frac{\text{Unassigned fund balances}}{\text{Net operating revenues}}$$

Fiscal year:	2019	2020	2021	2022	2023
Unassigned fund balances	34,826,593	38,100,965	37,042,672	35,047,484	31,832,127
Net operating revenues	72,152,169	98,400,294	86,060,303	126,474,427	104,227,122
Unassigned fund balances as a percentage of net operating revenues	48.27%	38.72%	43.04%	27.71%	30.54%

### Description:

The size of Cumberland County's fund balances can affect its ability to withstand financial emergencies. It can also affect its ability to accumulate funds for capital purchases without having to borrow.



# INDICATOR 16

## Fund Balances (Unassigned)

### Explanation:

The county has spent the past several years building fund balance in anticipation of future project needs. The county maintains a fund balance to preserve the AAA bond rating, avoid tax anticipation notes, fund major capital projects, respond to emergencies and unforeseen situations, and adhere to GFOA best practices. Over the next several years fund balance will decrease, but the county is committed to maintaining fund balance at a reasonable level in accordance with the county's fund balance policy.

The temporary decrease in 2020-2023 percentage of revenues are due to the temporary increase in revenue from the one-time stimulus money received those years. While our fund balance has remained steady, the percentage of revenues has decreased.

# INDICATOR 16

## Fund Balances (Unrestricted)

### Warning Trend:

Declining unreserved fund balances as a percentage of net operating revenues

### Formula:

Unrestricted fund balances

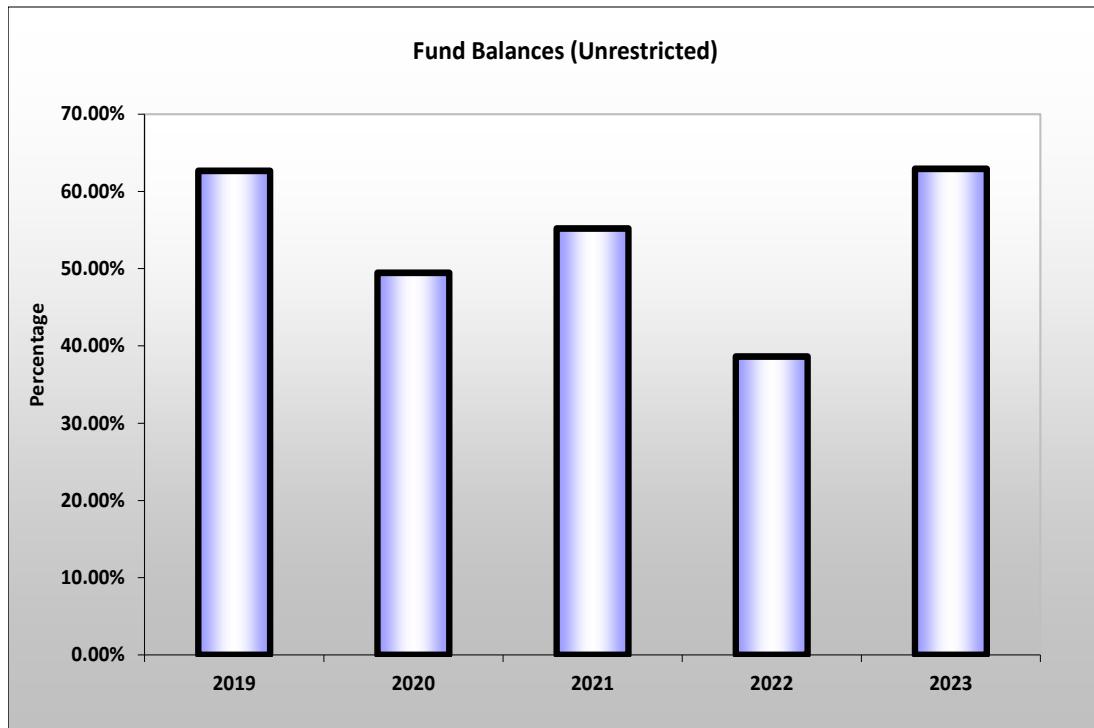
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Net operating revenues

Fiscal year:	2019	2020	2021	2022	2023
Unrestricted fund balances	45,209,437	48,684,962	47,511,628	48,843,723	65,576,295
Net operating revenues	72,152,169	98,400,294	86,060,303	126,474,427	104,227,122
Unrestricted fund balances as a percentage of net operating revenues	62.66%	49.48%	55.21%	38.62%	62.92%

### Description:

The size of Cumberland County's fund balances can affect its ability to withstand financial emergencies. It can also affect its ability to accumulate funds for capital purchases without having to borrow.



# INDICATOR 16

## Fund Balances (Unrestricted)

### Explanation:

The county has spent the past several years building fund balance in anticipation of future project needs. The county maintains a fund balance to increase the bond rating, to avoid tax anticipation notes, to fund major capital projects, to have the ability to respond to emergency and unforeseen situations, and to apply GFOA best practices. Over the next several years fund balance will decrease, but the county is committed to maintaining fund balance at a reasonable level in accordance with the county's fund balance policy.

The temporary decrease in 2020-2022 percentage of revenues are due to the temporary increase in revenue from the one-time stimulus money received those years. While our fund balance has remained steady, the percentage of revenues has decreased.

# INDICATOR 17

## Liquidity

### Warning Trend:

Decreasing amount of cash and short-term investments as a percentage of current liabilities

### Formula:

Cash and short-term investments

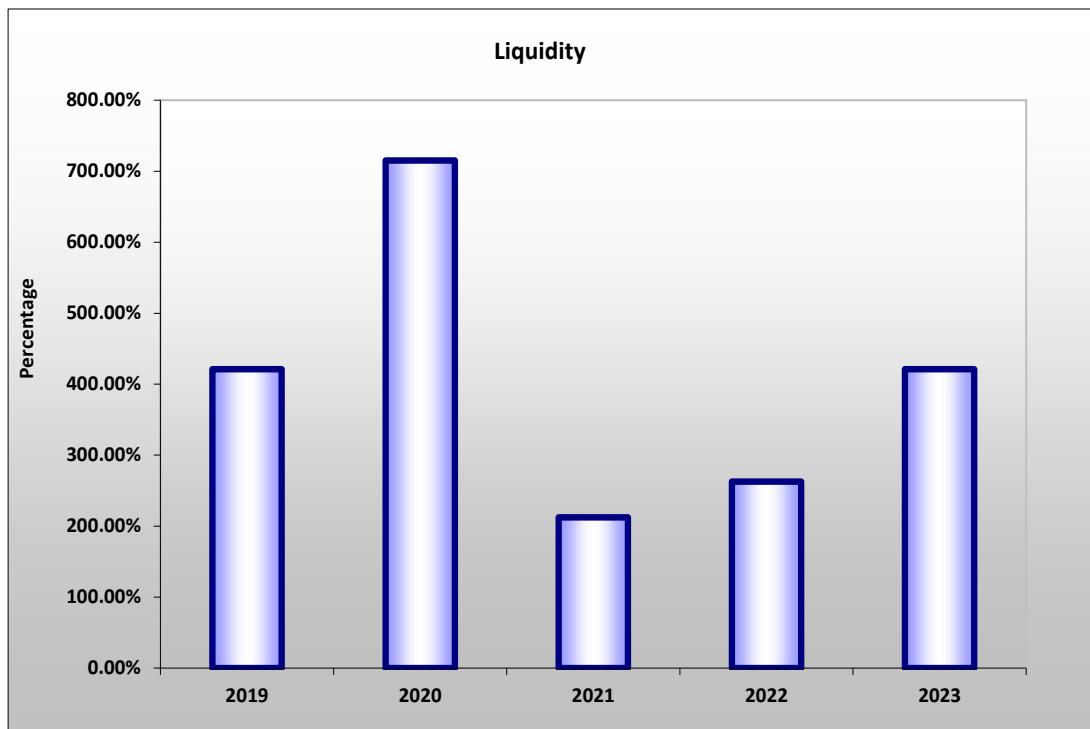
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Current liabilities

Fiscal year:	2019	2020	2021	2022	2023
Cash and short-term investments	24,709,514	53,588,576	70,486,833	85,884,468	51,302,302
Current liabilities	5,866,296	7,492,806	33,182,177	32,686,867	12,184,172
Cash and short-term investments as a percentage of current liabilities	421.21%	715.20%	212.42%	262.75%	421.06%

### Description:

A good measure of Cumberland County's short-run financial condition is its cash position.



# INDICATOR 17

## Liquidity

### Explanation:

The county's liquidity is healthy and has sufficient liquidity to meet its cash flow requirements for the year. In 2019, statement savings decreased \$7.2 million while short-term investments increased \$13.7 million. In 2020, CDs increased \$31.6 million due to the County Relief Block Grant money that was invested. In 2021, CDs increased \$17 million due to CARES act money that was invested. In 2022, CDs increased \$9.5 million due to a portion of American Rescue Plan money that was invested short-term. Statement savings also increased \$7.4 million. In 2023, CDs decreased \$23.5 million and statement savings decreased \$10.1 million due to spending of the County Grant Program.

# INDICATOR 18

## Current Liabilities

### Warning Trend:

Increasing current liabilities at the end of the year as a percentage of net operating revenues

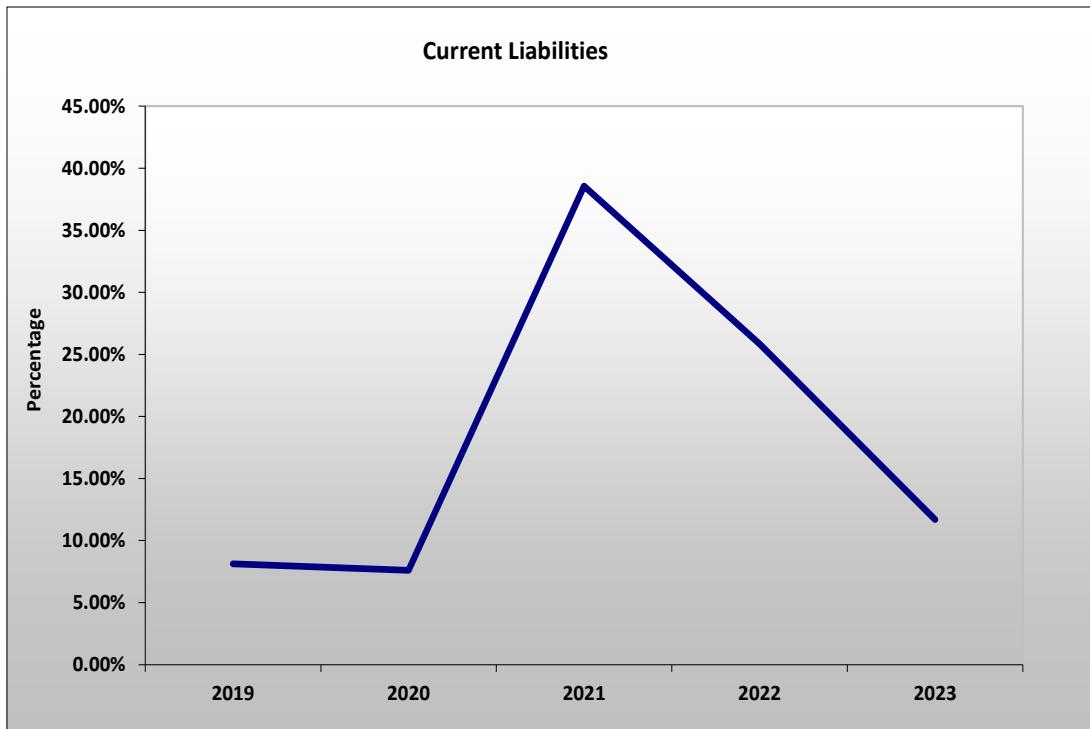
### Formula:

$$\frac{\text{Current liabilities}}{\text{Net operating revenues}}$$

Fiscal year:	2019	2020	2021	2022	2023
Current liabilities	5,866,296	7,492,806	33,182,177	32,686,867	12,184,172
Net Operating Revenues	72,152,169	98,400,294	86,060,303	126,474,427	104,227,122
Current liabilities as a percentage of net operating revenues	8.13%	7.61%	38.56%	25.84%	11.69%

### Description:

Current liabilities are defined as the sum of all liabilities due at the end of the fiscal year, including short-term debt, current portion of long-term debt, all accounts payable, accrued liabilities, and other current liabilities.



# INDICATOR 18

## Current Liabilities

### Explanation:

The county's current liabilities have stayed stable over time. The targeted range for current liabilities is 5% or less of net operating revenues. Current liabilities increased significantly in 2021-2022 due to the \$24.6 million in American Rescue Plan (ARP) money that is due to the General Fund. The liability associated with ARP is an internal liability. The increase is not negatively impacting the county. In 2023, the remaining ARP money was received, bringing us closer to the 5% or less target range.

# INDICATOR 19

## Long-Term Debt

### Warning Trend:

Increasing net direct bonded long-term debt as a percentage of assessed valuation

### Formula:

Net direct bonded long-term debt

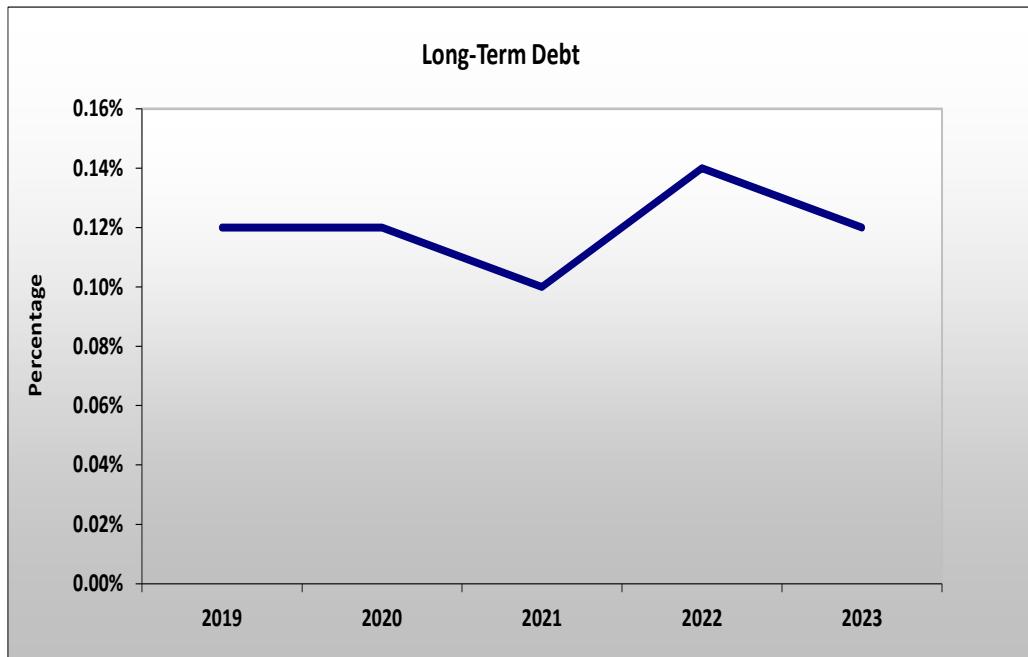
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Assessed valuation

Fiscal year:	2019	2020	2021	2022	2023
Assessed valuation	25,081,418,600	25,442,246,300	25,911,495,000	26,315,560,800	26,940,388,800
Net direct bonded long-term debt	29,569,972	30,622,438	26,721,040	36,533,317	33,293,512
Net direct bonded long-term debt as a percentage of assessed valuation	0.12%	0.12%	0.10%	0.14%	0.12%

### Description:

Direct debt is bonded debt for which the local government has pledged its full faith and credit. It does not include the debt of overlapping jurisdictions, such as separate school districts, even if the local government has pledged its full faith and credit for such debts. Self-supporting debt is bonded debt that the local government has pledged to repay from a source separate from its general tax revenues. Net direct debt is direct debt minus self-supporting debt. An increase in net direct bonded long-term debt as a percentage of assessed valuation can mean that the government's ability to repay is diminishing -- assuming that a government depends on the property tax to pay its debts.



# INDICATOR 19

## Long-Term Debt

### Explanation:

The county's assessed valuation is increasing over time by about 1% annually. As we pay the debt down and valuations increase, this percentage decreases. The county issued a \$15 million bond in 2022 for the Public Safety P25 Radio Project. The second bond was issued in November, 2024. The county will remain within the long-term debt policy.

# INDICATOR 20

## Debt Service

### Warning Trend:

Increasing net direct debt service as a percentage of operating revenues

### Formula:

Net direct debt service

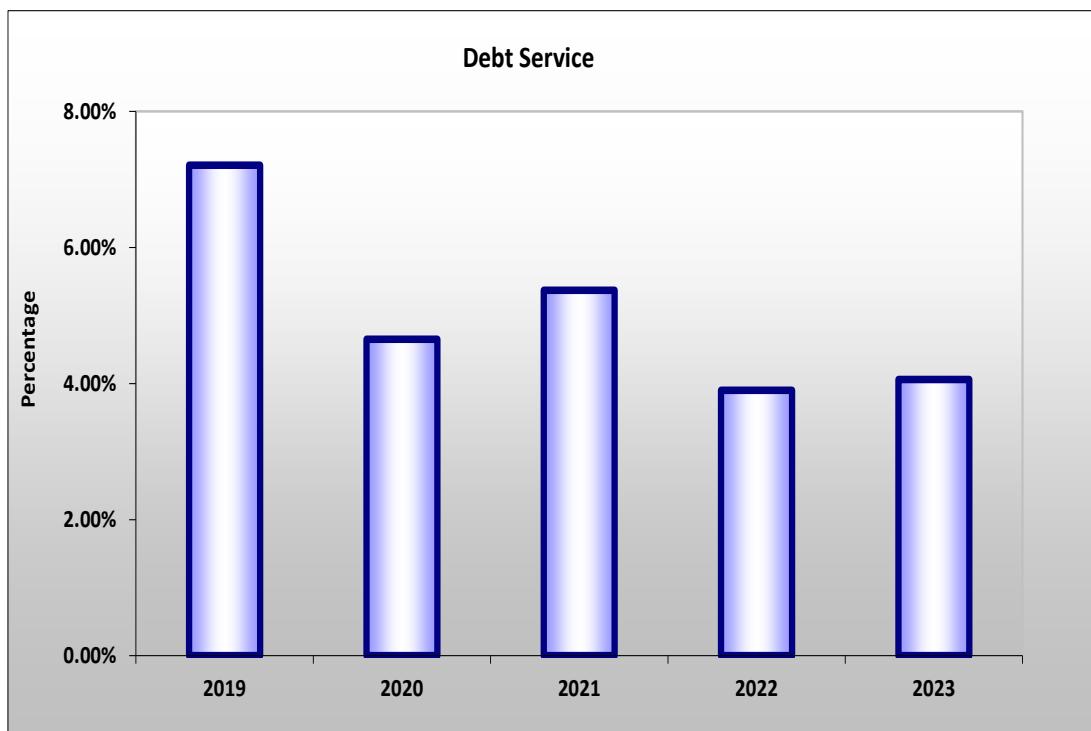
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Net operating revenues

Fiscal year:	2019	2020	2021	2022	2023
Net direct debt service	5,201,967	4,575,153	4,618,726	4,933,434	4,234,523
Net operating revenue	72,152,169	98,400,294	86,060,303	126,474,427	104,227,122
Net direct debt service as a percentage of net operating revenues	7.21%	4.65%	5.37%	3.90%	4.06%

### Description:

Debt service is defined here as the amount of principal and interest that a local government must pay each year on net direct bonded long-term debt plus the interest it must pay on direct short-term debt. Increasing debt service reduces expenditure flexibility by adding to the government's obligations. Debt service can be a major part of a government's fixed costs, and its increase may indicate excessive debt and fiscal strain.



# INDICATOR 20

## Debt Service

### Explanation:

The county has a very low debt service ratio. In 2018, the county refinanced the 2011 bond. The county has been paying debt service and several bond issues were fully paid. The debt ratio decreased in 2020-2023 due to one-time money received. The bond issue for the P25 Radio Project had the first interest payment in 2022. The first principal and interest payment was paid in 2023. The second bond was issued in November, 2024.

# INDICATOR 21

## Overlapping Debt

### Warning Trend:

Increasing long-term overlapping bonded debt as a percentage of assessed valuation

### Formula:

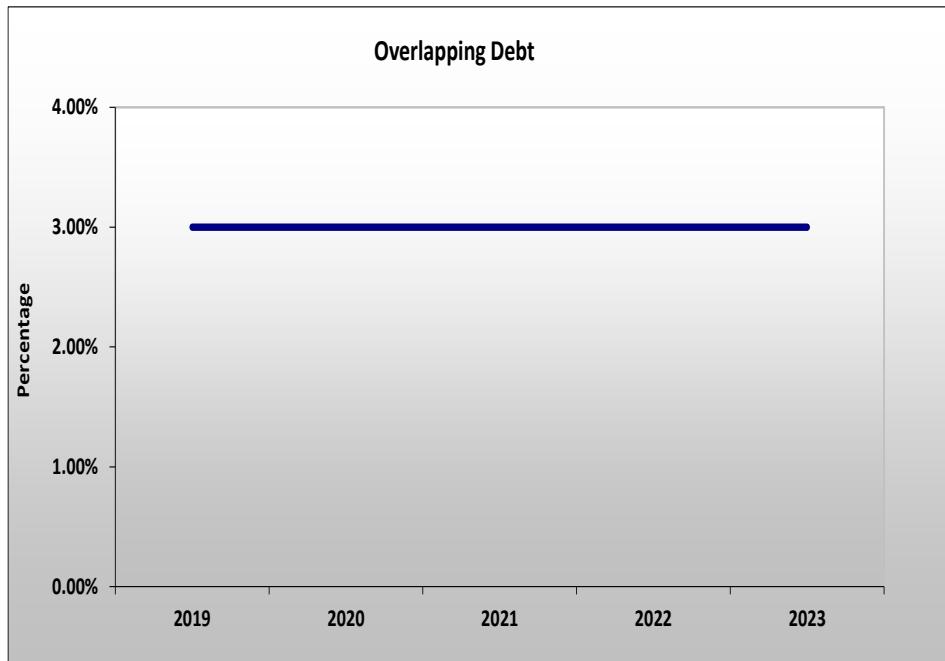
Long-term overlapping bonded debt

Assessed valuation

Fiscal year:	2019	2020	2021	2022	2023
Long-term overlapping debt	811,248,034	861,918,573	872,747,359	912,039,661	877,935,581
Assessed valuation	25,081,418,600	25,442,246,300	25,911,495,000	26,315,560,800	26,940,388,800
Long-term overlapping debt as a percentage of assessed valuation	3.00%	3.00%	3.00%	3.00%	3.00%

### Description:

Overlapping debt is the net direct bonded debt of another jurisdiction that is issued against a tax base within part or all of the boundaries of the community. The level of overlapping debt is only that debt applicable to the property shared by the two jurisdictions. The overlapping debt indicator measures the ability of the community's tax base to repay the debt obligations issued by all of its governmental and quasi-governmental jurisdictions. If other jurisdictions default, your community may have a contingent, moral, or political obligation to assume the debt, provide the services, or both.



# INDICATOR 21

## Overlapping Debt

### Explanation:

The overlapping debt in Cumberland County has stayed steady over the past five years.

# INDICATOR 26

## Capital Outlay

### Warning Trend:

A three or more year decline in capital outlay from operating funds as a percentage of net operating expenditures

### Formula:

Capital outlay from operating funds

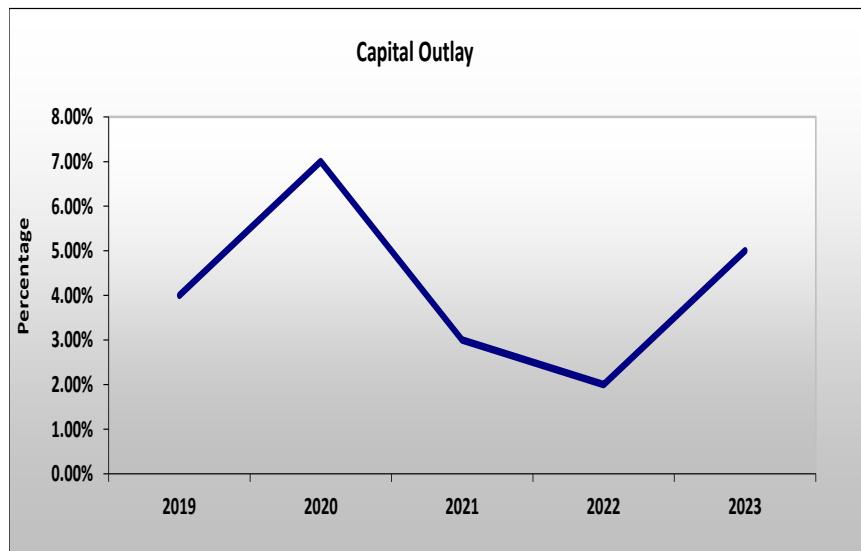
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Net operating expenditures

Fiscal year:	2019	2020	2021	2022	2023
Capital outlay	2,505,566	7,058,994	2,250,543	1,798,901	5,051,122
Net operating expenditures	68,005,881	95,632,561	87,106,394	86,126,621	102,125,983
Capital outlay as a percentage of Net operating expenditures	4.00%	7.00%	3.00%	2.00%	5.00%

### Description:

Expenditures for operating equipment drawn from the operating budget are usually referred to as capital outlay. Capital outlay items normally include equipment that will last longer than one year and that has an initial cost above a significant minimum amount. Capital outlay does not include capital budget expenditures for construction of infrastructure such as streets, buildings, or bridges that are not in the General Fund. The purpose of capital outlay in the operating budget is to replace worn equipment or to add new equipment. The ratio of capital outlay to net operating expenditures is a rough indicator of whether stock of equipment is being adequately replaced. If this ratio declines in the short run (one to three years), it may mean that the local government's needs are temporarily satisfied, since most equipment lasts more than one year. A decline persisting over three or more years can indicate that capital outlay needs are being deferred, which can result in the use of inefficient or obsolete equipment.



# INDICATOR 26

## Capital Outlay

### Explanation:

In 2019, the purchase of new election equipment began. The majority of expenses were in 2020. The 7th Courtroom was completed in 2019.

In 2020, the election equipment was purchased.

In 2021, Public Safety replaced the Hazmat vehicle.

In 2022, the Coroner's Office and an MDJ office signed new lease agreements. Elections also purchased new election system software.

In 2023, the County was able to fund many projects. Some of these projects include the DA's Lab purchased several new machinery and equipment. Courts upgraded the technology in five of the courtrooms. Elections also purchased two new ballot scanner machines. The Main Courthouse's VAV system was replaced.

# INDICATOR 28

## Population

### Warning Trend:

Rapid change in population size

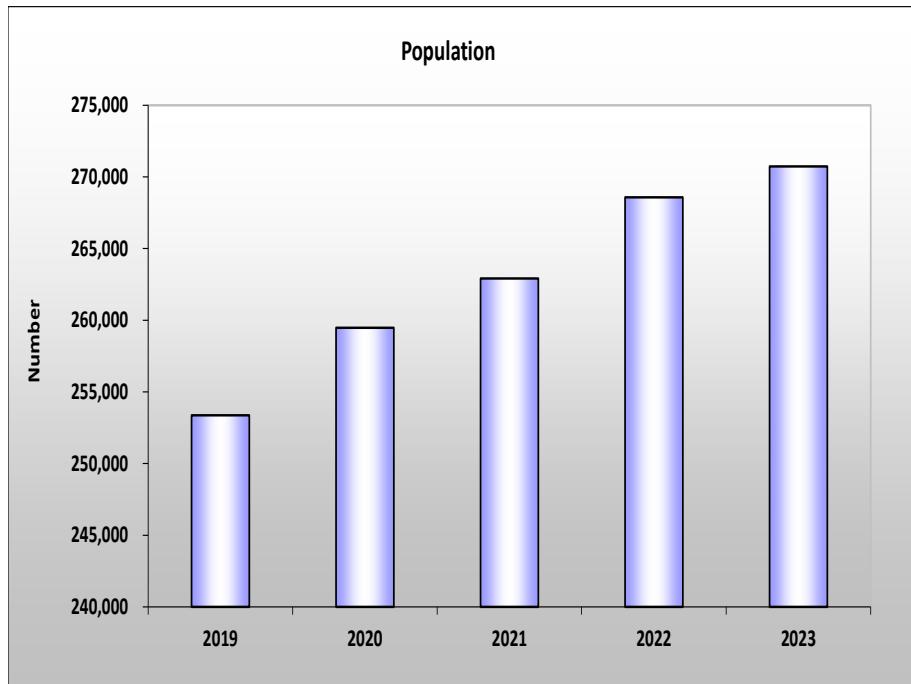
### Formula:

Population

Fiscal year:	2019	2020	2021	2022	2023
Population	253,370	259,469	262,919	268,579	270,738

### Description:

Population increases can create immediate pressures for new capital outlay and higher level of services. Population decreases create the need to make reductions in expenses that are proportional to the population loss. Many costs are fixed and cannot be reduced in the short-run.



# INDICATOR 28

## Population

### Explanation:

Cumberland County continues to be a fast-growing county. This continued growth has put a lot of pressure points on county services. The county has seen an increase in services related to the criminal justice system. The county is working on mitigating caseload pressures and expanding programs for non-violent offenders. Increasing populations also places pressure on Human Services (Drug & Alcohol, MH-IDD, Children & Youth, etc) to provide services to more people that may need it.

# INDICATOR 32

## Property Value

### Warning Trend:

Declining growth or drop in the assessed value of residential, commercial, or industrial property (constant dollars)

### Formula:

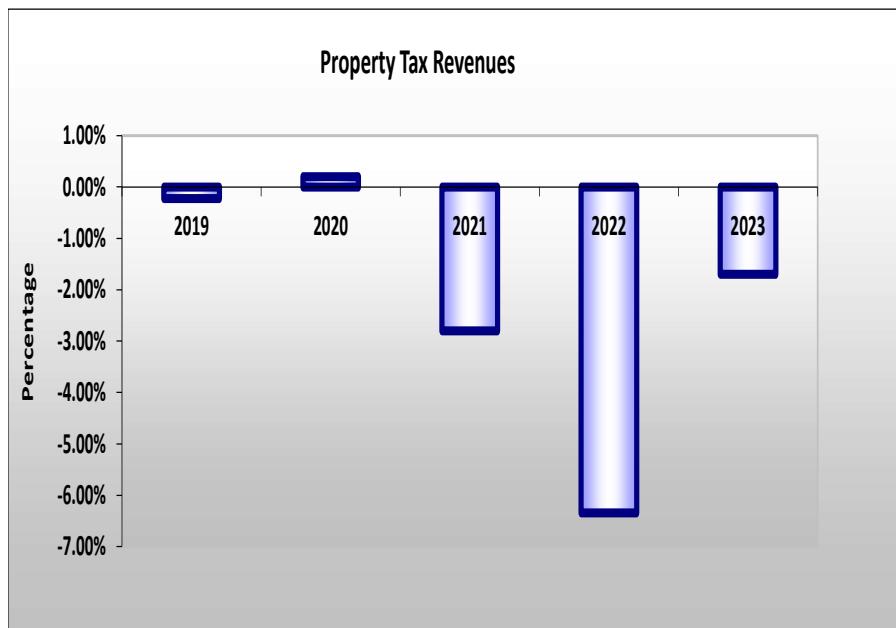
Change in property value (constant dollars)

Property value in prior year (constant dollars)

Fiscal year:	2019	2020	2021	2022	2023
Assessed value of property	25,081,418,600	25,442,246,300	25,911,495,000	26,315,560,800	26,940,388,800
Consumer Price Index (CPI)	255.66	258.81	270.97	292.66	304.70
Consumer Price Index (CPI) in decimal	2.557	2.588	2.710	2.927	3.047
Property value (constant dollars)	9,810,573,777	9,830,434,680	9,562,495,848	8,992,007,927	8,841,552,993
Change in property value (constant dollars)	(21,914,764)	19,860,903	(267,938,832)	(570,487,921)	(150,454,934)
Percentage change in Property value (constant dollars)	-0.22%	0.20%	-2.80%	-6.34%	-1.70%

### Description:

Changes in property value are important because most local governments depend on the property tax for a substantial portion of their revenues. Especially in a community with a stable or fixed tax rate, the higher the aggregate property value, the higher the revenues. Communities experiencing population and economic growth are likely to experience short-run, per unit increases in property value. This is because in the short-run, the housing supply is fixed and the increase in demand created by growth will force prices up. Declining areas are more likely to see a decrease in the market value of properties. The effect of declining property value on governmental revenues depends on the government's reliance on property taxes.



# INDICATOR 32

## Property Value

### Explanation:

Cumberland County continues to be a fast-growing county. In PA, assessed values are not updated based on market until a reassessment occurs. The growth in this indicator is due to growth in new properties/construction.

# INDICATOR 33A

## Exempt Property

### Warning Trend:

Increasing assessed value of exempt property as a percentage of assessed value of total property

### Formula:

Assessed value of exempt property

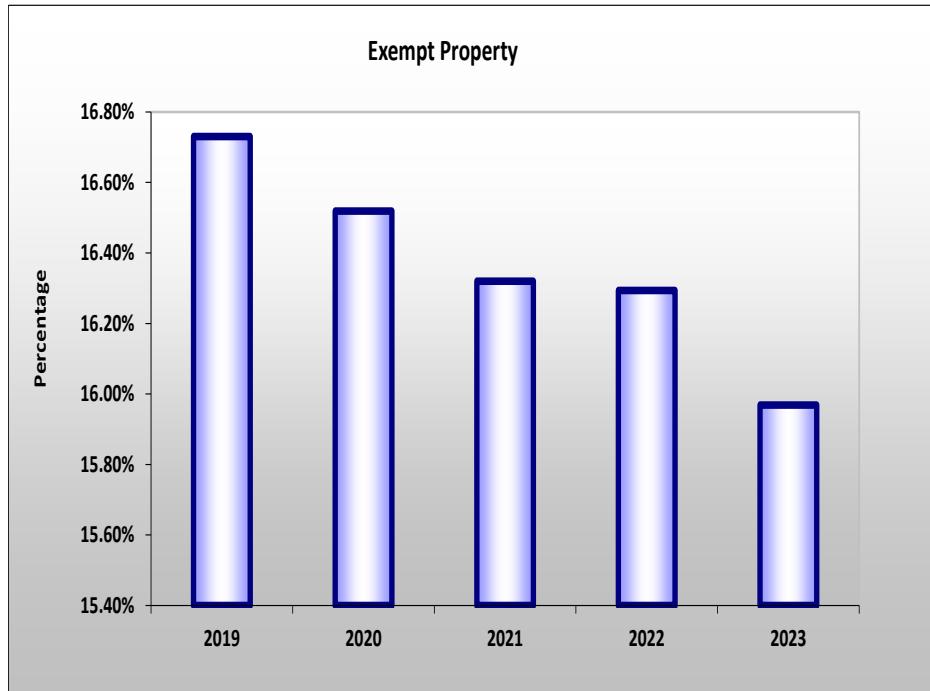
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Assessed value of total

Fiscal year:	2019	2020	2021	2022	2023
Assessed value of exempt property	4,196,267,200	4,202,865,200	4,228,769,400	4,287,869,800	4,302,132,400
Total assessed value of total property	25,081,418,600	25,442,246,300	25,911,495,000	26,315,560,800	26,940,388,800
Assessed value of exempt property as a percentage of assessed value of total	16.73%	16.52%	16.32%	16.29%	15.97%

### Description:

Changes in property value are important because most local governments depend on property tax for a substantial portion of their revenues. The higher the exempt property percentage grows the more it will reduce the tax basis.



# INDICATOR 33A

## Exempt Property

### Explanation:

Exempt properties have stayed relatively stable over time while the total assessed value continues to grow, decreasing the percentage of exempt properties.