

# Cumberland County

Pennsylvania



Annual Report Summary  
December 31, 2003

Prepared by the Office of the Controller  
Alfred L. Whitcomb, Controller



## **Controller of Cumberland County**

**ALFRED L. WHITCOMB, CONTROLLER**

ONE COURTHOUSE SQUARE ♦ CARLISLE, PA 17013

To the residents of Cumberland County:

I am pleased to provide you with Cumberland County, Pennsylvania's Annual Report Summary for the Fiscal Year Ended 2003.

The information contained in this Annual Report Summary was derived from Cumberland County's audited 2003 Comprehensive Annual Financial Report (CAFR). We encourage you to read the CAFR, which is comprised of 170 pages of detailed financial statements, notes, schedules and reports. The CAFR is available at the County Controller's Office on the 2<sup>nd</sup> floor of 1 Courthouse Square, Carlisle, PA 17013 or on the County's website at [www.ccpa.net](http://www.ccpa.net) under "Controller/Financial Reports" or call (717) 240-6185.

The Annual Report Summary presents the financial information of all County government operations including human services, general government, dependent care, public safety, conservation and development, transportation services, and others. Since the Annual Report Summary is presented in a simple and easy to understand format, it does not conform to Generally Accepted Accounting Principles. For example, the Cumberland County Industrial Development Authority and Cumberland County Conservation District, which are discretely presented component units, are excluded from our financial information. The Annual Report Summary is unaudited and excludes many material disclosures, financial statements, schedules and notes to the financial statements found in the County's CAFR. Responsibility for the accuracy of these financial reports rests with me, as I fulfill the responsibilities of the Controller of Cumberland County.

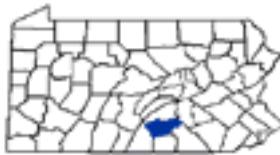
I hope that you find this report interesting and informative.

Sincerely,

Alfred L. Whitcomb  
Controller of Cumberland County

\* The photos on the front cover which were taken by Bill Smith are provided courtesy of Atlantic Communications Groups, Inc.

## About Cumberland County!



Cumberland County is located in the scenic Cumberland Valley. Nestled between the North and South mountains, Cumberland County stretches for 42 miles from the majestic Susquehanna River to historic Shippensburg.

Cumberland County, just across the Susquehanna River from the State Capital of Harrisburg, is a hub for the State, Federal and Interstate highway systems. Three major highways converge in Cumberland County; Pennsylvania's Turnpike (I-76), I-83 and I-81. U.S. highways 11 and 15 also serve as major transportation routes through the County.

Every part of the County is in close proximity to the region's cultural, historical and tourist attractions – including the Army Heritage and Education Center's new Military History Institute, located just off of exit 49 of I-81 in Carlisle which opens in 2004.

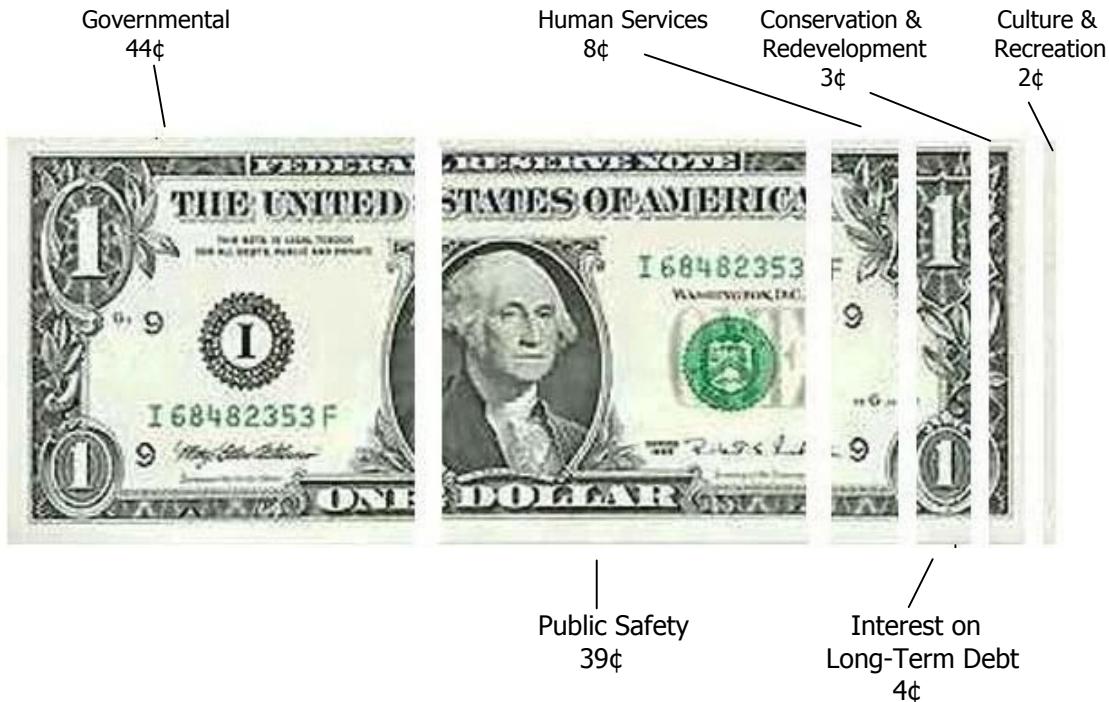
Cumberland County has a healthy business climate. Cumberland County's low 2.9% unemployment rate in 2003 was the lowest in the state.

The County continues to experience significant growth in the distribution and retail industries. The service industry is the County's largest employment sector, employing 40,433 residents in 1999 according to the Pennsylvania Department of Labor and Industry.

The combined workforce of the U.S. Army War College, the Naval Support Activity and the Defense Distribution Center make the Federal Government the County's largest single employer. Cumberland County's population, estimated at 217,000 in 2003, increased 9.4% from 1990 to 2000.

Six colleges and universities call Cumberland County home, as well as hundreds of places that trace Cumberland County's history through the Revolutionary and Civil Wars up to the present.

# How is a dollar of your County real estate tax spent?



In 2003, Cumberland County's portion of the total property tax on a \$100,000 market value home was \$195.19.

# Financial Activity

## Summary

The Financial Activity Statement, known in accounting terms as the "Income Statement", is designed to provide record of the money received and spent during the year. Explanations of specific Resources and Services are shown in the following pages.

<b>Resources Taken In</b>	<b>2003</b>	<b>2002</b>
Grants and contributions	\$ 58,447,033	\$ 54,615,366
Charges for services	32,285,396	30,169,073
Real estate tax	27,012,527	26,314,783
Hotel tax	833,060	804,363
Per capita tax	657,253	646,206
Investment income	268,662	453,109
Total revenue and resources	<u>119,503,931</u>	<u>113,002,900</u>

## Services Provided

Human services	51,749,041	46,937,330
General government	23,321,743	22,129,328
Dependent care services	18,451,592	17,410,134
Public safety	17,144,008	15,515,172
Conservation and development	1,856,318	1,486,641
Transportation services	1,530,755	1,262,223
Roads and bridge maintenance	861,335	838,729
Solid waste management	541,293	531,554
Culture and recreation	535,145	1,134,192
Interest on long-term debt	<u>1,114,743</u>	<u>888,287</u>
Total expenditures and services	<u>117,105,973</u>	<u>108,133,590</u>

<b>Revenues &amp; Resources Over Expenditures and Services</b>	<b>\$ 2,397,958</b>	<b>\$ 4,869,310</b>
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## Did you know?

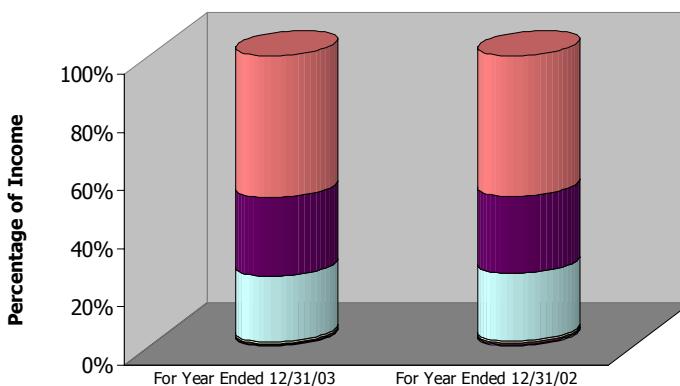
**Cumberland County is business friendly.**



Companies wishing to start up or expand in Cumberland County can contact the County's Economic Development Office for help in finding assistance from many programs such as site location, financing strategies and resource assistance through their provider network. Call Douglas Wendt, Director at 717-240-5353 or [dwendt@edccpa.net](mailto:dwendt@edccpa.net).

# Financial Activity

## Resources Taken In



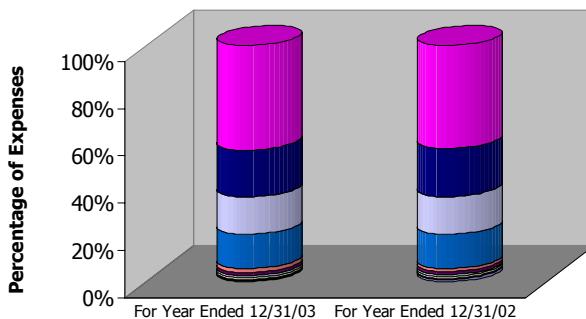
	For Year Ended 12/31/03	For Year Ended 12/31/02
Grants and Contributions	48.91%	48.33%
Charges for Services	27.02%	26.70%
Real Estate Tax	22.60%	23.29%
Hotel Tax	0.70%	0.71%
Per Capita Tax	0.55%	0.57%
Investment Income	0.22%	0.40%

## Did You Know?



Three state parks totaling 2,473 acres are located in Cumberland County and provide countless miles of hiking trails.

## Services Provided



	For Year Ended 12/31/03	For Year Ended 12/31/02
Human Services	44.19%	43.41%
General Government	19.92%	20.46%
Dependent Care Services	15.76%	16.10%
Public Safety	14.64%	14.35%
Conservation and Development	1.59%	1.37%
Transportation Services	1.31%	1.17%
Interest on Long-term Debt	0.93%	0.82%
Roads and Bridge Maintenance	0.74%	0.78%

# Services Provided

Services provided are the amounts spent in order to provide services to citizens.

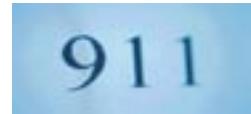
**Human services-** These expenses relate to the cost to provide Federal and State mandated social service programs to County residents in need. The majority of the increase, or \$3,941,768, was due to increases in the rates paid for services in the HealthChoices program which provides managed care for Medical Assistance consumers. Children and youth costs also increased \$830,041 due to an increase in child placements.

**General government-** This represents the cost to administer the executive and judicial services occurring in the County. Costs include the courts, tax assessment, veterans affairs in addition to Commissioners, District Attorney, Public Defender, Sheriff, Treasurer, Controller, Recorder of Deeds, Register of Wills, Prothonotary, Clerk of Court, Coroner and others.

**Dependent care services-** These expenses relate to the costs of operating the Claremont Nursing and Rehabilitation Center (CNRC) and the Early Learning Center. The CNRC experienced increases in salaries, retirement, health insurance and workers compensation. Depreciation also increased at CNRC as a result of the completion of major construction in late 2002.

**Public safety-** These are the expenses to run the emergency telephone, hazardous materials and public safety departments at the County. Expenses increased due the placement of a portion of the 800 Mhz upgrade project in operation. Increases were also experienced in salaries, retirement and worker's compensation expenses and the expense of a murder investigation.

## Did You Know?



911

The County's 911 emergency telephone center received an average of approximately 1,200 calls per day or 50 calls per hour in 2003.

# Services Provided (continued)

**Conservation and Development-** These are the expenses to study, plan and implement environmental and economic policies at the County level.

**Transportation Services-** This represents the cost to provide high-quality transportation services to our citizens in need.

Expenses increased due to higher salaries and benefits, an upgrade of transit software and higher bus maintenance costs.

**Roads and Bridges-** These expenses are for the inspection and maintenance of County owned bridges.

**Solid Waste Management-** These expenses provide for the disposal of municipal waste in an environmentally sound and cost effective manner, reduce waste generation, and increase recycling.

**Culture and Recreation-** Expenses declined due to the completion in 2002 of site preparation work at the Army Heritage and Education Center's new Military History Institute in Carlisle.

**Interest on Long-term Debt** - Interest reflects the cost of borrowing funds to implement previous and on-going long-term capital projects.

## Did you know?

In 2003, the County included new government-wide financial statements in its audited Comprehensive Annual Financial Report (CAFR). These will help taxpayers see the County's cost of providing services and see how the County finances its programs.

For the first time, citizens will be able to see which programs/activities "pay their own way" and which are funded in part, or in full, by County resources – primarily real estate taxes.

To obtain a copy of the County's CAFR, visit the County's website at [www.ccpa.net](http://www.ccpa.net) under "Controller/Financial Reports" or call the Controller at 240-6185.

# Financial Position Statement

## Summary

The Financial Position Statement, known in accounting terms as the "Statement of Net Assets", is designed to provide a picture of the County's Financial Position as of the end of the year. The net assets figure represents the amount which the County owns versus the amount owed. Explanations of specific accounts are as follows by where they appear in the financial position statement.

### Assets

	<b>2003</b>	<b>2002</b>
Cash	\$ 15,812,423	\$ 16,106,340
Investments	4,604,755	7,569,888
Accounts receivable	13,525,499	11,391,944
Capital assets	63,532,432	62,415,963
Other assets	639,366	709,627
Total assets	<u>98,114,475</u>	<u>98,193,762</u>

### Liabilities

Amount owed to vendors and employees	6,862,607	7,633,917
Deferred revenue	1,080,412	3,392,976
Fund held as fiduciary	735,158	527,793
Long term debt payable	40,453,198	40,053,935
Total liabilities	<u>49,131,375</u>	<u>51,608,621</u>

### Net Assets

<b>\$ 48,983,100</b>	<b>\$ 46,585,141</b>
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## County Assets:

**Cash** is the amount of cash held by the County in checking, savings and cash on demand certificates with maturity terms less than 90 days.

Of the 2003 cash balance, \$846,078 is restricted for the use towards specific projects or programs.

**Investments** are made up of funds not needed to pay for current liabilities, and are invested to earn interest. The County's investment diversity is shown graphically on the next page.

Of the 2003 investment balance, \$4,604,755 is restricted.

**Accounts receivable** represents the amounts which are owed to the County and which are expected to be paid over the course of the next twelve months.

**Capital assets**- represents the net book value of the assets owned by the County. That balance includes land and land improvements, buildings and systems, machinery and equipment, bridges, agricultural easements and construction projects in progress.

## County Liabilities:

**Amount owed to vendors and employees** are those items which the County owes to individuals and companies who supply a service or good, and the expected payment is to be made within twelve months.

**Deferred revenue** is monies received by the County for a service yet to be rendered. As the service is rendered this balance will be reduced and recognized as revenue.

**Funds held as fiduciary** represent restricted cash held by the County for residents at its nursing care center.

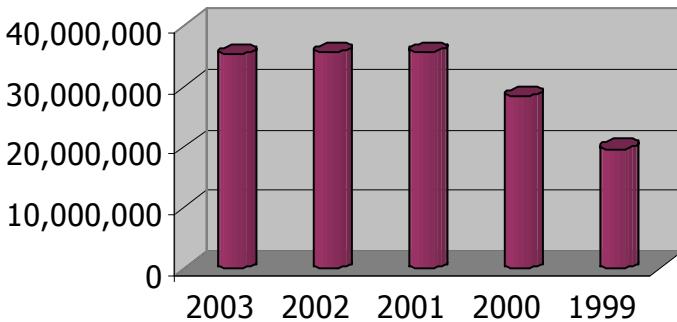
**Long term debt payable** is the balance owed by the County on borrowings. A breakdown of long term debt payable can be seen on the following pages.

# General Obligation Debt

County general obligation debt consists of bonds and notes. General obligation debt is supported by the general taxing authority of the County.

Cumberland County's outstanding general obligation bonds and notes at December 31, 2003 and the proceeding four years:

## General Obligation Bonds and Notes



At December 31, 2003, the County had \$35,105,406 of net general obligation debt outstanding. Net general obligation debt per capita (per County resident) at December 31, 2003 was \$161.22.

**Subsequent event-** In June, 2004 the County issued \$7,930,000 of general obligation bonds. This debt was issued to refund the County's general obligation debt issued in 1999, to preserve additional County farmland and open space, finance the remaining phase of the enterprise resource planning software implementation and other capital projects.

See the County's audited 2003 Comprehensive Annual Financial Report for more detailed information concerning general obligation debt.

What does the County's future debt payments look like?

Annual debt principle and interest for the next five years and thereafter in five-year increments on long-term debt outstanding as of December 31, 2003, for the County as a whole, follow:

Year	Debt Payment
2004	\$ 3,623,117
2005	2,865,432
2006	2,867,049
2007	2,863,996
2008	2,865,431
2009-2013	14,156,252
2014-2018	14,029,136
2019-2023	8,701,581

## General Fund Fund Balance

The general fund is the chief operating fund of the County. The general fund is used to account for the majority of the County's general government activities and provides subsidies to make-up for funding shortfalls in other County funds.

The County general fund's unreserved fund balance at December 31, 2003 was \$8,699,315. Of this amount, \$1,450,000 was designated for future capital projects and debt service arbitrage payments.

The County's unreserved fund balance represents approximately three months of regular general fund operating expenditures. It is recommended that a government maintain an amount of unreserved fund balance of no less than one to two months of regular general fund operating expenditures.

## Did You Know?



Cumberland County's various lakes and many miles of trout streams provide some of the best recreational fishing opportunities in the region.



### Did you know?

Did you know that Cumberland County government has a fraud hotline? To report suspected Fraud and Abuse in Cumberland County government, click on Fraud and Abuse Hotline link at [www.ccpa.net](http://www.ccpa.net), email the Controller at [controller@ccpa.net](mailto:controller@ccpa.net), or call (717) 240-6192. You may also mail your tip to Cumberland County Controller, P.O. Box 1079, Carlisle, PA 17013.

## Cumberland County Elected Officials

<u>Official</u>	<u>Phone</u>	<u>Email</u>
<b>Clerk of Court</b> Dennis Lebo	240-7748	clerkofcourts@ccpa.net
<b>Commissioners</b> Bruce Barclay(1), Chairman Gary Eichelberger(1) Rick Rovegno	240-6150 240-6150 240-6150	commissioners@ccpa.net
<b>Controller</b> Al Whitcomb	240-6192	controller@ccpa.net
<b>Coroner</b> Mike Norris	766-6418	coroner@ccpa.net
<b>District Attorney</b> Merle (Skip) Ebert	240-6221	districtattorney@ccpa.net
<b>Prothonotary</b> Curt Long	240-6199	prothonotary@ccpa.net
<b>Recorder of Deeds</b> Bob Zeigler	240-6376	recorderofdeeds@ccpa.net
<b>Register of Wills</b> Glenda Farner Strasbaugh(1)	240-6345	regofwills@ccpa.net
<b>Sheriff</b> Tom Kline	240-6394	sheriff@ccpa.net
<b>Treasurer</b> John Gross	240-6383	treasurer@ccpa.net
<b>Jury Commissioners</b> Ralph Viehman Frances Amicucci	240-6455 240-6455	courtadmin@ccpa.net courtadmin@ccpa.net

(1) Effective January 1, 2004 Commissioners Nancy Besch, Chairman and Earl Keller were replaced by Bruce Barclay, Chairman and Gary Eichelberger. Also, effective January 1, 2004 Glenda Farner Strasbaugh assumed the position of Register of Wills.