

County of Dauphin, Pennsylvania

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended December 31, 2017

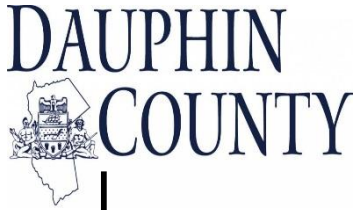


PREPARED BY THE OFFICE OF THE CONTROLLER
TIMOTHY L. DEFOOR, CONTROLLER

www.dauphincounty.org



Timothy L. DeFoor
Controller



COUNTY OF DAUPHIN, PENNSYLVANIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2017

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TIMOTHY L. DEFOOR

COUNTY OF DAUPHIN, PENNSYLVANIA

YEAR ENDED DECEMBER 31, 2017

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PHOTOGRAPHY CREDITS

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Dauphin county

OFFICE OF CONTROLLER

DAUPHIN COUNTY COURTHOUSE
101 Market Street, Room 106
Harrisburg, PA 17101-2091
(717) 780-6570

Controller
Timothy L. DeFoor

Chief deputy controller
Laura Evans Cullison, Esquire

Solicitor
Kevin R. Helm, Esquire

August 31, 2018

TO THE CITIZENS AND COMMISSIONERS OF DAUPHIN COUNTY:

The Comprehensive Annual Financial Report (CAFR) representing the County of Dauphin, Pennsylvania, for the year ended December 31, 2017, is hereby submitted. The CAFR was prepared by the Office of the Dauphin County Controller.

The CAFR contains Dauphin County's management's representation of County finances. All the County funds and financial activities are included in this report, as well as a reflection of the countywide services provided for our citizens. Therefore, County management claims full responsibility for the accurateness of the data presented and the reliability of the information. Our goal is to fairly present the County's financial position, changes in financial position, and to allow the reader to clearly understand the County's financial affairs.

The County's CAFR is prepared in accordance with the U.S. Generally Accepted Accounting Principles (GAAP) and the requirements of the Government Finance Officers Association. Because the cost of internal control should not outweigh its benefits, the County's internal control has been designed to provide reasonable assurance that the financial statements will not contain material misstatements.

Commonwealth statutes require an audit be performed by independent certified public accountants. The County's management selected Zelenkofske Axelrod, LLC, a group of licensed certified public accountants to perform this task. The goal of the audit is to ensure the accuracy of the basic financial statements as of and for the year ended December 31, 2017. The independent auditor's report is presented at the front of the financial section of this report.

The independent audit of the basic financial statements of the County complies with the federally mandated Single Audit Act Amendment of 1996. Standards for the Single Audit Act include the independent auditor to report on the government's internal controls and compliance with legal requirements. These reports are available in the separately issued Single Audit Report.

To comply with GAAP, management has provided an introduction, overview, and analysis of the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The letter of transmittal complements the MD&A section and is to be read together. The County's MD&A can be found following the independent auditor's report.

Dauphin County Profile

Dauphin County is a third-class county located in south central Pennsylvania, approximately 100 miles west of Philadelphia and 200 miles east of Pittsburgh. The County was founded in 1785 by John Harris, Jr. who named it "Dauphin" to honor the eldest son (Louis Joseph, Dauphin of France) of the King of France, King Louis XVI, after France came to the aid of the American colonies during the American Revolution. Today, Dauphin County covers 525 square miles and is home to over 275,000 residents in forty (40) municipalities, including the state capital, Harrisburg.

Registered voters in Dauphin County elect the following public officials to four year terms: three (3) County Commissioners, District Attorney, Treasurer, Prothonotary, Coroner, Clerk of Courts, Register of Wills and Clerk of the Orphans' Court, Sheriff, Controller and Recorder of Deeds. These public officials, except for the Commissioners, are frequently referred to as "row officers." The Commissioners act as the managers and administrators of county government. Each row officer is tasked with various responsibilities, which include maintaining official public records, collecting taxes, fees and court-imposed fines, aiding in the administration of justice, supervising fiscal affairs, and many other county-related public service functions pursuant to the Pennsylvania County Code. Each year the County Commissioners shall adopt a budget no later than December 31st for the following year. The adopted budget shall be made available for public inspection at least twenty (20) days prior to the date set for adoption. In December 2016, the Dauphin County Commissioners passed a \$249 million budget for 2017 that held the line on taxes for a 12th consecutive year.

As part of the County structure, the Dauphin County Department of Community & Economic Development (DCDCED) assists county-wide businesses and municipalities in the areas of both economic and community development. The Dauphin County Industrial Development Authority (DCIDA) was organized in 1967 as the finance arm of the DCDCED. The DCIDA's work includes providing tax-exempt and taxable bonds, as well as mortgage financing for manufacturing companies and non-profit organizations to establish corporate headquarters in Dauphin County. The Dauphin County Economic Development Corporation assists in channeling grant funding to municipalities and organizations in need of economic development assistance and support, promotes tourism within the County, and serves as a bridge between communities and local government. The Dauphin County Redevelopment Authority's mission is to revitalize blighted areas for residential, recreational, commercial, or industrial uses, and to provide affordable housing and improved quality of life for the citizens of Dauphin County. The Dauphin County Land Bank Authority's purpose is to facilitate the return of vacant, blighted, abandoned and tax-delinquent properties to productive use, thereby combating community deterioration, creating economic growth and stabilizing the housing and job market. The Dauphin County Infrastructure Bank, the first of its kind in the country, is a revolving loan program established in partnership with the Pennsylvania Department of Transportation to provide low-interest loans to local municipalities within the County for infrastructure improvement projects. Completed infrastructure projects have included storm sewer improvements, bridge replacements, and intersection upgrades.

Factors Affecting Financial Conditions

Dauphin County is home to over 275,000 people, and is located within a few hours commute of Baltimore, MD, Washington, D.C., New York City, NY, Pittsburgh, PA, and Philadelphia, PA. Harrisburg, PA (Dauphin County) was listed as 14th in CNBC's "The 25 best cities in the US for people under the age 35" for the most jobs available, shortest commute and the number of full-time entry level jobs. There are 13,374 businesses established in Dauphin County, with a labor force of 139,700 people. The unemployment rate as of December 31, 2017 was 4.1%, which was lower than the Pennsylvania average of 4.4% and slightly above the national average of 3.9%.

The top industries in Dauphin County are health care, social services, retail, accommodation, food services, and public administration. The top employers are the Pennsylvania State Government, Milton S. Hershey Medical Center, Hershey Entertainment & Resorts Co., The Hershey Company, Pinnacle Health Hospitals, and the Federal Government. These booming businesses are key factors in keeping the County's unemployment rate below the state average.

Dauphin County is also a popular tourist destination with attractions such as the Pennsylvania Farm Show Complex & Expo Center, National Civil War Museum, Hershey Park and Hershey's Chocolate World, City Island, Indian Echo Caverns, Hollywood Casino at Penn National Race Course, ZooAmerica, Lake Tobias Wildlife Park, the Appalachian Trail, and numerous breweries and vineyards. Visitor spending in the Hershey and Harrisburg region was reported by the Pennsylvania Tourism Office at \$2.4 billion for 2016, ranking it as the fourth (#4) largest tourist destination in Pennsylvania. The Pennsylvania Tourism Economic Impact Report for 2016, was

released earlier this year and estimated that travel and tourism in the Hershey and Harrisburg region supported 28,000 jobs, \$1.3 billion in wages, \$258 million in state and local taxes, and \$277 million in federal tax revenue.

Education is valued in Dauphin County, with forty-six colleges and thirty-nine universities located within fifty miles. Seven colleges and universities, including Dixon University Center, Harrisburg Area Community College, Harrisburg University of Science and Technology, Penn State Harrisburg, Temple University Harrisburg, Widener University School of Law, and Penn State College of Medicine, are located within the County. Penn State University is ranked in the top ten of employers in the County for number of employees. These schools create opportunities for high-paying jobs, which is evident based upon the median average income of \$54,968, which is higher than the state average and within 1% of the national average.

In July 2017, the Dauphin County Commissioners adopted a new 10-year comprehensive plan for the County. The Dauphin County Comprehensive Plan, "Growing Together" was prepared by the Dauphin County Planning Commission, and identifies community, environmental and economic development goals, as well as the steps necessary to accomplish these goals. The year-long planning effort incorporated a community survey, interviews of stakeholders, and the recommendations of other plans and studies of the region. The outcome produced a plan focused on maintaining and enhancing the individual character of Dauphin County communities and the quality of life enjoyed by residents, while placing more attention on managing future growth and development, and coordinating the planning and development of the public services needed for those growing areas.

As part of its efforts to improve service delivery, particularly in the areas of mental health and substance abuse, Dauphin County's Human Services Department contracted with Deloitte Consulting to design a data network that will collect and integrate client data from the County's Children and Youth, Drug and Alcohol, Mental Health and Intellectual Disabilities, and Agency on Aging departments. The data warehouse will populate user dashboards, which will allow care teams to easily monitor all services a client is receiving and track the success of treatment, including care delivered by multiple providers. This initiative will also integrate with the County's criminal justice system to identify individuals who at the time of arrest could benefit from drug, alcohol, and mental health treatment as opposed to incarceration. The project is expected to take four (4) years to fully implement and is fully funded by \$1.2 million in Human Services Block Grant funds. It is expected to create substantial savings by eliminating service redundancy, developing shared data analysis and reporting capabilities, and improving outcomes and future planning through predictive analytics.

In addition to the independent audit of the basic financial statements, Dauphin County has the following reports and audits performed to assure fiscal responsibility and adequate internal controls:

- Cost Allocation Plan, which is used to establish cost allocations and billings for each County department.
- Dauphin County Pension Plan Report and Investment Performance Report, which are used to evaluate the County's pension plan and fund.
- Dauphin County Employees' Retirement System Financial Accounting Report on Governmental Accounting Standards Board No. 67 & 68.
- Dauphin County Employees' Retirement System Report on Actuarial Valuation Including Determination of County Actuarially Determined Contribution.
- Dauphin County Employees' Retirement System Actuarial Experience Study

Financial Reporting Awards

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Dauphin County for its comprehensive annual financial report for the fiscal year ended December 31, 2016. This was the first year that the County achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both U.S. generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Award for Outstanding Achievement in Popular Annual Financial Reporting

The GFOA has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Dauphin County for its popular annual financial report for the year ended December 31, 2016. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a governmental unit must publish a popular annual financial report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. Dauphin County received its first Popular Award last year. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA to determine its eligibility for another award.

Acknowledgements

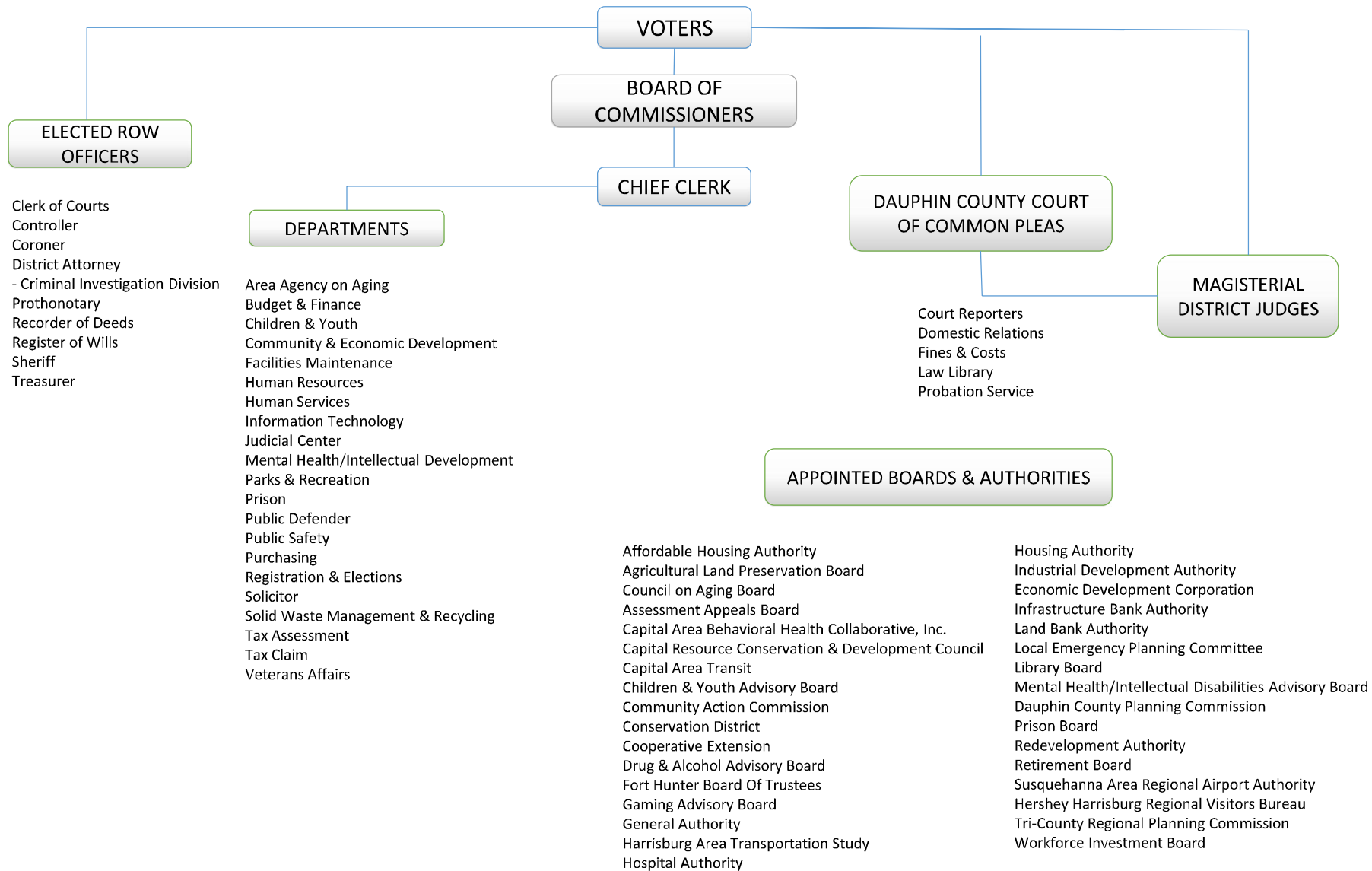
This CAFR was made possible due to the cooperation of the Dauphin County Controller's Office staff, the Dauphin County Commissioners, and all County offices and departments. I would also like to acknowledge the efforts of my staff and our independent auditors, Zelenkofske Axelrod, LLC for the successful submission of Dauphin County's first CAFR for the fiscal year ended December 31, 2016, and their continued efforts to improve upon the County's financial reporting.

Sincerely,



Timothy L. DeFoor
Dauphin County Controller

Dauphin County, Pennsylvania Organizational Chart



County of Dauphin
List of Elected Officials
December 31, 2017



ELECTED OFFICIALS

Commissioners..... Jeff Haste, Chairman
Mike Pries, Vice Chairman
George P. Hartwick, III, Secretary

Clerk of Court.....Dale Klein

Controller..... Timothy L. DeFoor

Coroner.....Graham Hetrick

District Attorney.....Ed Marsico, Jr.

Judges, Court of Common Pleas.....Honorable Richard A. Lewis, President Judge
Honorable Jeannine Turgeon
Honorable Scott Arthur Evans
Honorable John F. Cherry
Honorable Deborah E. Curcillo
Honorable Andrew H. Dowling
Honorable William T. Tully
Honorable Lori K. Serratelli
Honorable Lawrence F. Clark, Senior Judge

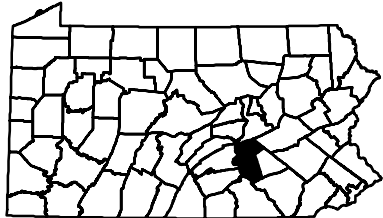
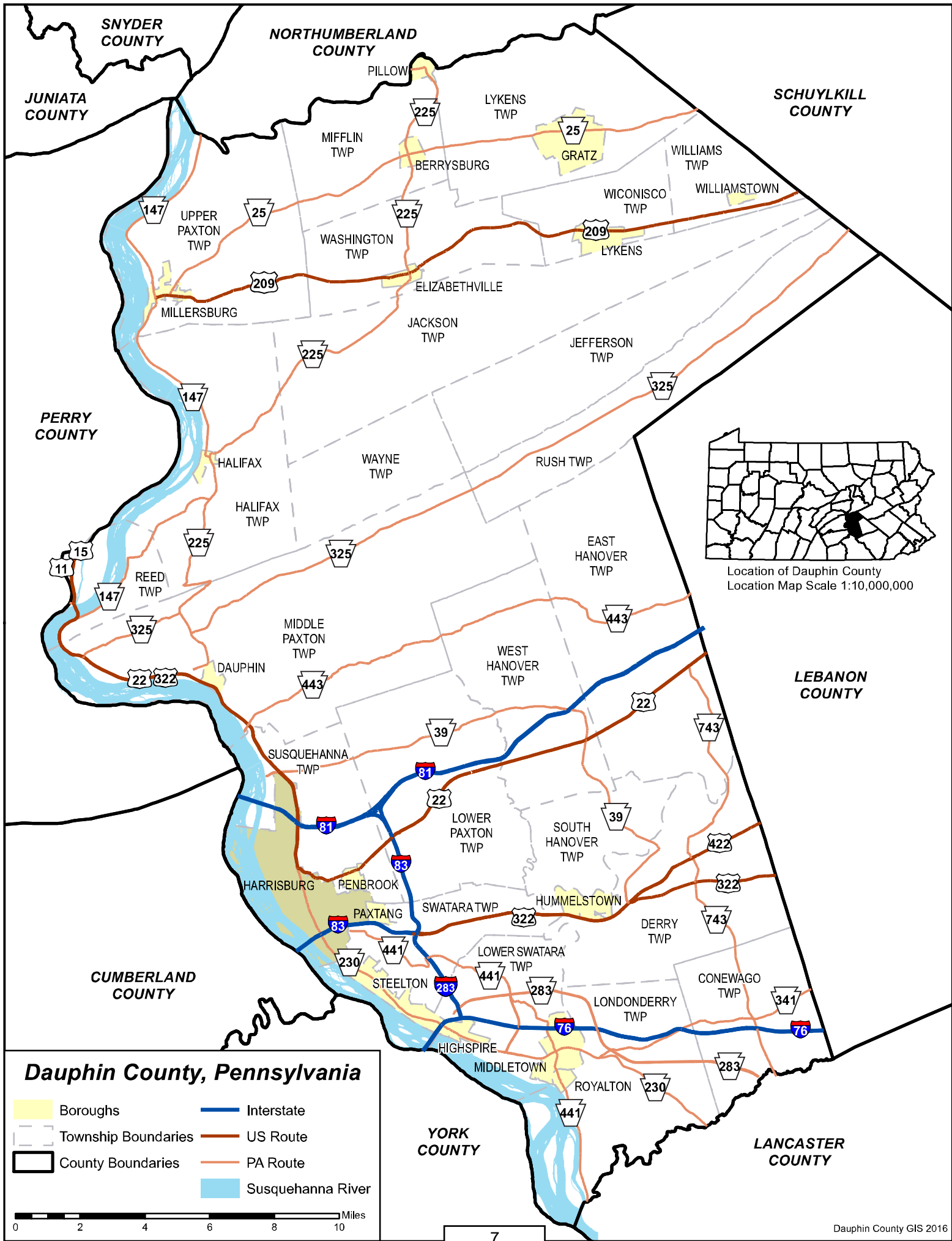
Prothonotary..... Steve Farina

Recorder of Deeds..... James Zugay

Register of Wills..... Jean Marfizo King, MBA

Sheriff..... Nicholas Chimienti Jr.

Treasurer.....Janis Creason



Location of Dauphin County
Location Map Scale 1:10,000,000



Government Finance Officers Association

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

Presented to

**County of Dauphin
Pennsylvania**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morrill

Executive Director/CEO



Independent Auditor's Report

Commissioners
County of Dauphin
Harrisburg, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Dauphin, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the County of Dauphin's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The County of Dauphin's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the discretely presented component unit financial statements of the Dauphin County General Authority, which represent 45.14 percent, (1,469.30) percent and 24.61 percent, respectively, of the assets, net position, and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Dauphin County General Authority, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Dauphin County General Authority and the Dauphin County Industrial Development Authority were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Dauphin, as of December 31, 2017, 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.

Adoption of Governmental Accounting Standards Board Pronouncements

As discussed in Note 1 to the financial statements, in 2017 the County of Dauphin adopted the provisions of Governmental Accounting Standards Board (“GASB”) Statement No. 74, “*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*”, GASB Statement No. 80, “*Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*”, GASB Statement No. 81, “*Irrevocable Split-Interest Agreements*”, and GASB Statement No. 82, “*Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73*”. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, schedule of changes in the net pension liability and related ratios, schedule of employer contributions, schedule of investment returns, schedule of funding progress – postemployment benefits other than pensions, and budgetary comparison information on pages 12 through 27, 150, 151, 152, 153, and 154 through 159 be presented to supplement the basic financial statements. Such information, 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 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Dauphin’s basic financial statements. The introductory section, combining nonmajor fund financial statements, nonmajor fund budgetary comparison schedules, schedule of departmental expenditures, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements, nonmajor calendar year fund budgetary comparison schedules, and schedule of departmental expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 combining nonmajor fund financial statements, nonmajor calendar year fund budgetary comparison schedules, and schedule of departmental expenditures are fairly stated in all material respects in relation to the basic financial statements as a whole.



Zelenkofske Axlerod LLC

CERTIFIED PUBLIC ACCOUNTANTS

Experience. Expertise. Accountability.

The introductory section, nonmajor fiscal year budgetary comparison information, and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2018 on our consideration of the County of Dauphin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Dauphin's internal control over financial reporting and compliance.

Zelenkofske Axlerod LLC

ZELENKOFKSKE AXELROD LLC

Harrisburg, Pennsylvania
August 31, 2018

Management's Discussion & Analysis

Introduction

This section of the financial statements for the County of Dauphin (the County) presents a narrative overview and analysis of the County's financial performance for the fiscal year ended December 31, 2017. We recommend that it be read in conjunction with the accompanying basic financial statements and notes to financial statements in order to obtain a thorough understanding of the County's financial condition at December 31, 2017.

Financial Highlights

- Dauphin County's property tax rate of 6.876 mills was not raised in 2017.
- On December 16, 2015, the County enacted Ordinance #6-2015, imposing a \$5.00 fee for each and every non-exempt vehicle registered to addresses located in Dauphin County. This fee yielded \$609,111 in 2016 and \$1,222,360 in 2017. These funds shall be used by the County for transportation purposes.
- On December 14, 2016, the Board of Commissioners approved the \$184,160,726 General Fund Budget for 2017 maintaining the 6.876 millage rate for the thirteenth straight year. A \$12,454,580 drawdown on fund balance was necessary in order to cover the initial expenditure budget. Five new positions were approved at a cost of approximately \$273,000. The 2017 budget was \$3.6 million greater than the final 2016 budget, which was an increase of 2.00%.
- On March 27, 2017, the County received \$1.5 million from Harrisburg University. This was a forgiveness payment for the \$3.7 million outstanding balance on the County loan to the University to meet its 2010-2012 operating expenses including its debt obligations under the 2007B Bonds. The University refunded the 2007B Bonds in 2017, and the County was not a guarantor on the issue. This action removed the remaining \$4.5 million of potential guaranty payments on the 2007B Bonds.
- On May 11, 2017, the County settled on the \$16,775,000 General Obligation Bonds, Series of 2017. These bonds refunded the outstanding General Obligation Bonds, Series D of 2010 and the outstanding General Obligation Bonds, Series of 2011. This action resulted in a net present value savings of approximately \$755,000.
- The County's credit rating from Standard & Poors was reaffirmed in April 2017 as part of the Series of 2017 bond issuance. It remains at 'AA/Stable Outlook'.
- On December 19, 2017 the County settled on the General Obligation Bonds, Series A of 2017 for \$4,355,000. This borrowing provided the latest round of funding for the Dauphin County Infrastructure Bank.
- On December 28, 2017, the County guaranteed, through MDJ Office lease agreements, a 20-year \$5,917,000 S&T Bank loan obtained by the Dauphin County General Authority. The funds from this loan consolidates five existing MDJ Office leases, and provides funding for the construction of a new MDJ Office.
- The County guarantees on the Harrisburg Incinerator Debt were eliminated with the December 2013 incinerator sale and parking asset lease agreement settled by the city. Dauphin County has some limited guarantees on the parking deal that are explained in more detail in the footnotes to the audit. The County is obligated however, to pay 4% interest annually on a \$24 million bond issue that was part of the incinerator sale. These \$480,000 payments are due semi-annually on 6/15 and 12/15 of each year through 2033, at which time the entire principal amount is due. The County made the seventh and eighth of these payments in 2017.

- In July 2014, the County authorized the execution of a fixed receiver swaption on the LCSWMA Guaranteed Revenue Bonds, Series B of 2013 for \$24,000,000. The execution of this swaption agreement is contingent upon favorable market conditions. To date, this has not been executed.
- At December 31, 2017, the General Fund's Unassigned Fund Balance was \$23,194,418. This is up \$2,064,100 from the balance at the end of 2016.
- The County's total unrestricted net position decreased by \$2,206,976 in 2017. Unrestricted net position at year-end was \$11,015,771.

Overview of the Financial Statements

The financial section of this report consists of four parts:

- Management's discussion and analysis (this section)
- Basic financial statements (including notes)
- Required supplementary information
- Other Supplementary information

Management's discussion and analysis is a guide to reading the financial statements and provides related information to help the reader to better understand the County government. The basic financial statements include notes that provide additional information essential to a full understanding of the financial data provided in the government-wide and fund financial statements. Required supplementary information is provided on the County's pension plan and budget to actual figures for major funds. In addition to these required elements, an other supplementary section is included with combining and other statements that provide particulars about non-major funds.

The basic financial statements present two different views of the County.

- **Government-wide financial statements**, the first two statements, provide information about the County's overall financial status as well as the financial status of the County's component units.
- **Fund financial statements**, the remaining statements, focus on individual parts of County government. They provide more detail on operations than the government-wide statements. There are three types of fund financial statements:
 - o *Governmental funds statements* show how general government services such as public safety were financed in the short term, as well as what remains for future spending.
 - o *Proprietary fund statements* offer short-term and long-term financial information about the activities the county operates like a business, such as the County's parking garage.
 - o *Fiduciary funds statements* reflect activities involving resources that are held by the County as a trustee or agent for the benefit of others, including employees of the County like the pension plan. Fiduciary funds are not reflected in the government-wide statements because the resources cannot be used to support the County's programs.

Table A-1 shows how the various parts of this annual report are arranged and how they are related to one another.

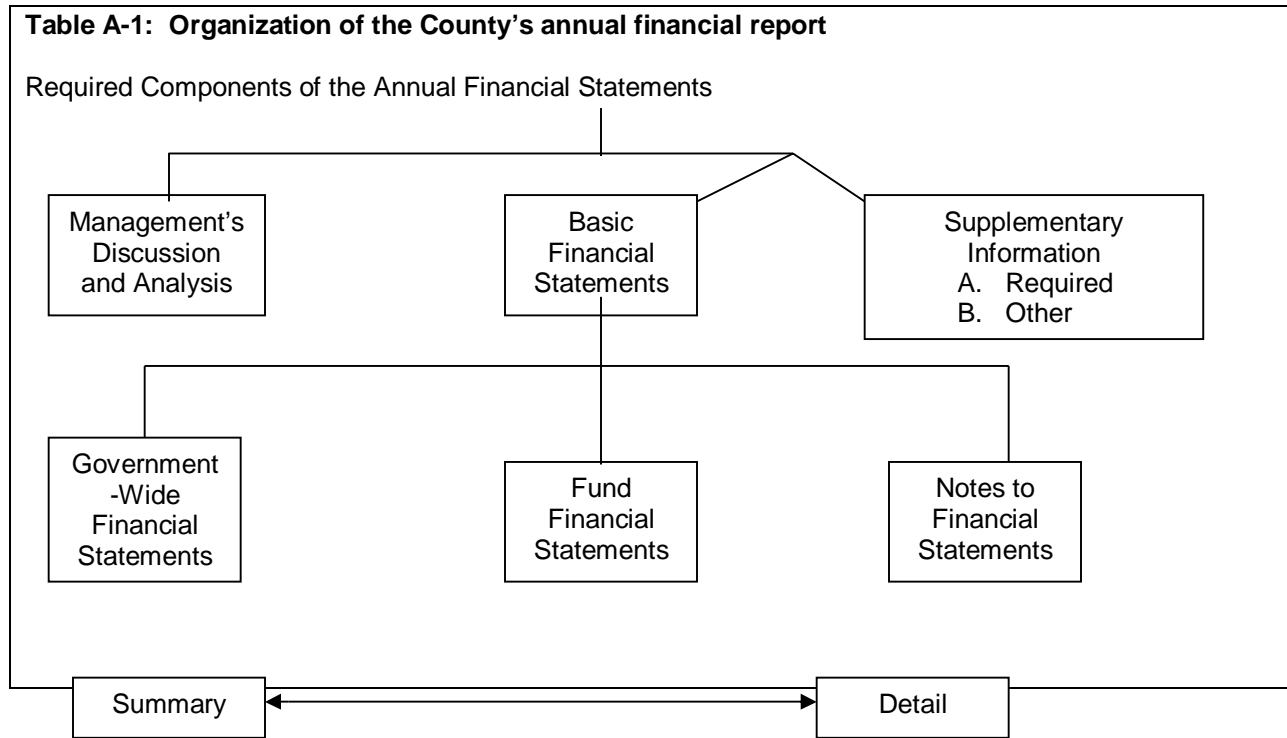


Table A-2 summarizes the major features of the County's financial statements, including the area of the County's activities they cover and the types of information they contain.

Table A-2: Major features of the government-wide and fund financial statements

	Government-wide Statements	Fund Financial Statements		
		Governmental	Proprietary	Fiduciary
Scope	Entire entity and component units (except fiduciary funds)	The day-to-day operating activities of the County, such as public safety and courts	The activities of the County, such as the Parking Garage	Instances in which the County administers resources on behalf of others, such as the employee pension plan
Required Financial Statements	<ul style="list-style-type: none"> - Statement of net position - Statement of activities 	<ul style="list-style-type: none"> - Balance Sheet - Statement of revenues, expenditures and changes in fund balance 	<ul style="list-style-type: none"> - Statement of net position -Statement of revenues, expenses and changes in net position -Statement of cash flows 	<ul style="list-style-type: none"> - Statement of fiduciary net position - Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources measurement focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset and liability information	All assets and liabilities, both financial and capital, short-term and long-term	Current assets and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both financial and capital short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow and outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year; regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

The remainder of this overview explains the structure and contents of the government-wide and fund financial statements.

Government-wide Financial Statements

Government-wide financial statements report information about the County as a whole using accounting methods similar to those used by private-sector companies.

- The statement of net position includes all of the County's assets and liabilities, except fiduciary funds, with the difference between the two reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business.
- The statement of activities focuses on how the County's net position changed during the year. Because it separates program revenue (revenue generated by specific programs through charges for services, grants and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each program has to rely on local taxes for funding.

All changes to net position are reported using the accrual method of accounting, which requires that revenues be reported when they are earned and expenses be reported when the goods and/or services are received, regardless of when cash is received or paid.

Net position is one way to measure the County's financial position. Over time, increases or decreases in the County's net position is one indicator of whether the County financial position is improving or deteriorating. However, other non-financial factors such as changes in the County's real property tax base and general economic conditions must be considered to assess the overall position of the County.

The primary government and its component units are included in the government-wide financial statements. Component units reflect the activities of legally separate government entities over which the County can exercise influence and/or be obligated to provide financial support. The County has five discretely presented component units including the Conservation District; the General Authority; MH/ID Case Management Unit; Industrial Development Authority; and the Economic Development Corporation. Complete and detailed financial statements for the individual component units are available for public inspection in the County Controller's Office. (See Note 1, Notes to the Financial Statements.)

There are two categories of activities for the primary government.

- Governmental activities include the County's basic services such as general and judicial administration, corrections, public safety, public works, and human services. Property taxes and state and federal grants finance most of these activities.
- Business-type activities such as the County's parking facility charges a fee to customers to help cover the costs of services.

Net position of the governmental activities differs from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets are reported as expenditures when financial resources (money) are expended to purchase or build said assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. The principal and interest payments are both considered expenditures when paid. Depreciation is not calculated as it does not provide or reduce current financial resources. Finally, capital assets and long-term debt do not affect fund balances.

Government-wide statements are reported using an economic resources measurement focus and full accrual basis of accounting that involves the following steps to format the statement of net position:

- Capitalize current outlays of capital assets
- Report long-term debt as a liability
- Depreciate capital assets and allocate the depreciation to the proper program/activities
- Calculate revenue and expense using the economic resources measurement focus and the accrual basis of accounting
- Allocate net position balances as follows:
 - o Net investment in capital assets
 - o Restricted net position balances are those with constraints placed on the use by external sources (creditors, grantors, contributors, or laws or regulations of governments), or imposed by law through constitutional provisions or enabling legislation
 - o Unrestricted net position balances are those that do not meet any of the above restrictions

Fund Financial Statements

Fund financial statements provide more detailed information on the County's most significant funds, *not the County as a whole*. Funds are accounting devices, i.e., a group of related accounts, the County uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law. Other funds are established to control and manage resources designated for specific purposes. Fund financial statements are reported using current financial resources and modified accrual accounting established by the Government Accounting Standards Board (GASB) for governments.

The County has three kinds of funds:

- Governmental funds include most of the County's basic services and focus on: (1) the flow in and out of cash and other financial assets that can readily be converted into cash, and: (2) the balances left at year-end that are available for spending. These funds are reported using the modified accrual accounting basis, and a current financial resources measurement focus. Consequently, the governmental funds statements provide a detailed short-term view that helps determine the financial resources available in the near future to finance the County's programs.

The relationship between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation that follows the governmental fund financial statements.

The County adopts an annual budget for the General, certain special revenue, and capital project funds, as required by state law. Budgetary comparisons of the County's major funds are presented as required supplementary information.

- Proprietary Funds report business-type programs and activities that charge fees designed to recover the cost of providing services. They report using full accrual accounting.
- Fiduciary Funds are funds for which the County is the trustee or fiduciary. These include the Employee Retirement Fund and certain agency funds, or clearing accounts for assets held by the County in its role as custodian until the funds are allocated to the private parties, organizations, or government agencies to which they belong. The County is responsible to

ensure the assets reported in these funds are used for their intended purposes. This fiduciary activity is reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These funds are excluded from the County's government-wide financial statements because the County cannot use these assets to finance its operations.

Implementation of GASB No. 34

The year ending December 31, 2002 marked the first year that the County reported its financial statements in accordance with GASB No. 34.

Government-Wide Financial Statements

Net Position

Dauphin County's total assets and deferred outflows of resources were \$238,532,034 at December 31, 2017. Of this amount, \$114,671,958 was capital assets and construction-in-progress.

GASB No. 34 requires that all capital assets, including infrastructure, be valued and reported within the governmental activities column of the government-wide financial statements, but allows infrastructure to be added over several years. In 2006, the County fully adopted the provisions of GASB No. 34.

	Governmental Activities		Business-Type Activities		Total		Total % Change
	2016	2017	2016	2017	2016	2017	
Current & Other Assets	\$ 109,726,687	\$ 116,392,828	\$ 4,076,613	\$ 4,831,881	\$ 113,803,300	\$ 121,224,709	6.5%
Capital Assets	109,848,490	110,634,878	3,845,778	4,037,080	113,694,268	114,671,958	0.9%
Total Assets	219,575,177	227,027,706	7,922,391	8,868,961	227,497,568	235,896,667	3.7%
Deferred Outflows of Resources	14,431,792	2,635,367	-	-	14,431,792	2,635,367	-81.7%
Total Deferred Outflows of Resources	14,431,792	2,635,367	-	-	14,431,792	2,635,367	-81.7%
Long-Term Debt Outstanding	152,256,028	131,237,728	5,726,989	5,476,072	157,983,017	136,713,800	-13.5%
Other Liabilities	24,709,407	25,779,406	230,241	1,375,794	24,939,648	27,155,200	8.9%
Total Liabilities	176,965,435	157,017,134	5,957,230	6,851,866	182,922,665	163,869,000	-10.4%
Deferred Inflows of Resources	834,419	11,064,171	-	-	834,419	11,064,171	1226.0%
Total Deferred Inflows of Resources	834,419	11,064,171	-	-	834,419	11,064,171	1226.0%
Net Position:							
Net Investment in Capital Asset	20,736,715	26,951,861	1,100,645	893,369	21,837,360	27,845,230	27.5%
Restricted	23,112,169	24,737,862	-	-	23,112,169	24,737,862	7.0%
Unrestricted	12,358,231	9,892,045	864,516	1,123,726	13,222,747	11,015,771	-16.7%
Total Net Position	\$ 56,207,115	\$ 61,581,768	\$ 1,965,161	\$ 2,017,095	\$ 58,172,276	\$ 63,598,863	9.3%

The following statement of activities represents changes in net position for the year ended December 31, 2017. It shows revenues by source and expenses by function for governmental activities, business-type activities and the government as a whole.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>		<u>Total %</u>
	2016	2017	2016	2017	2016	2017	<u>Change</u>
Revenues							
Program Revenues							
Charges for Services	\$ 25,513,311	\$ 26,426,403	\$ 80,313,527	\$ 87,797,919	\$ 105,826,838	\$ 114,224,322	7.9%
Operating Grants & Contributions	136,473,870	136,687,773	54,268	90,310	136,528,138	136,778,083	0.2%
Capital Grants & Contributions	6,865,662	3,687,299	-	-	6,865,662	3,687,299	-46.3%
General Revenues							
Property Taxes	103,874,126	104,379,322	-	-	103,874,126	104,379,322	0.5%
Hotel Taxes	11,359,510	11,717,786	-	-	11,359,510	11,717,786	3.2%
In Lieu of Taxes	2,184,946	2,157,821	-	-	2,184,946	2,157,821	-1.2%
Unrestricted Investment Income	122,676	1,046,462	9,769	27,754	132,445	1,074,216	711.1%
Gain/(Loss) on Asset Disposal	3,320,275	-	-	-	3,320,275	-	-100.0%
Miscellaneous	1,551,190	2,565,544	-	4,892	1,551,190	2,570,436	65.7%
Total Revenues	291,265,566	288,668,410	80,377,564	87,920,875	371,643,130	376,589,285	1.3%
Program Expenses							
General Government	14,774,792	15,881,489	-	-	14,774,792	15,881,489	7.5%
Judicial	65,788,271	66,831,997	-	-	65,788,271	66,831,997	1.6%
Public Safety	50,216,428	50,114,628	-	-	50,216,428	50,114,628	-0.2%
Public Works	1,485,553	1,751,824	1,403,699	1,329,146	2,889,252	3,080,970	6.6%
Human Services	114,045,601	116,407,178	78,715,630	86,145,797	192,761,231	202,552,975	5.1%
Culture & Recreation	13,946,060	14,334,994	-	-	13,946,060	14,334,994	2.8%
Conservation & Development	15,806,592	13,610,471	-	-	15,806,592	13,610,471	-13.9%
Interest on Long Term Debt	4,002,741	3,834,082	-	-	4,002,741	3,834,082	-4.2%
Other Programs	-	-	954,004	921,092	954,004	921,092	-3.4%
Total Program Expenses	280,066,038	282,766,663	81,073,333	88,396,035	361,139,371	371,162,698	2.8%
Change in Net Position before Transfers	11,199,528	5,901,747	(695,769)	(475,160)	10,503,759	5,426,587	-48.3%
Transfers							
Transfers In/(Out)	(504,741)	(527,094)	504,741	527,094	-	-	
Change in Net Position	10,694,787	5,374,653	(191,028)	51,934	10,503,759	5,426,587	-48.3%
Net Position - Beginning	45,512,328	56,207,115	2,156,189	1,965,161	47,668,517	58,172,276	22.0%
Net Position - Ending	\$ 56,207,115	\$ 61,581,768	\$ 1,965,161	\$ 2,017,095	\$ 58,172,276	\$ 63,598,863	9.3%

Net Program Expenses

Net program expenses indicate the amount of support required from taxes and other general revenues for a program of the government. In 2017, general property taxes brought in \$104,379,322. Table A-5 depicts the net program expenses for the year ended December 31, 2017.

Program	Total Cost of Services	Net Cost of Services
<u>Governmental Activities</u>		
General Government	\$ 15,881,489	\$ 9,692,415
Judicial	66,831,997	45,309,942
Public Safety	50,114,628	38,292,848
Public Works	1,751,824	(2,086,577)
Human Services	116,407,178	12,458,759
Culture & Recreation	14,334,994	13,378,410
Conservation & Development	13,610,471	(4,914,691)
Interest on Long Term Debt	3,834,082	3,834,082
Total Governmental Activities	\$ 282,766,663	\$ 115,965,188
<u>Business-Type Activities</u>		
Public Works	\$ 2,169,590	\$ 603,725
Human Services	86,145,797	(125,132)
Culture and Recreation	80,648	29,213
Total Business-Type Activities	\$ 88,396,035	\$ 507,806
Total Primary Government	\$ 371,162,698	\$ 116,472,994

The County relied on property taxes and other general revenues to fund 31.4% of its governmental and business-type activities in 2017.

The property tax is based on the assessed value of real property. The County's 2017 millage rate of 6.876 is unchanged from 2016 and is well below the Commonwealth-set cap of 25 mills for operating costs.

Property taxes and other general revenues covered 61.0% of general government spending in 2017. The remainder of the cost was funded by grants and fees for specific services. 67.8% of judicial system spending came from the property tax and other general revenues with the remainder coming from grants, fines and court costs. Property taxes and other general revenue covered 76.4% of public safety costs with the remainder coming from grants and fees covering room and board at the county prison.

Public Works required no tax or other general revenue dollars to cover its expenses in 2017. This area of the County's operations includes the management of a parking garage; the maintenance and replacement of county bridges; and the solid waste and recycling programs.

Program expenditures for Culture & Recreation and Interest on Long Term Debt were 93.3% and 100% respectively funded by property taxes and other general revenues, while Human Services expenses required only 10.7% from these sources, with most of the remainder being picked up by state and federal grants.

Conservation and Development program expenditures required no tax dollars in 2017. This area of County Government includes Gaming monies from the Hollywood Casino located in Dauphin County.

Financial Analysis of the County's Funds

As mentioned earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of governmental funds is to provide information on near-term inflows, outflow, and balances of resources available for spending. Such information is useful in assessing the County's financing requirements. In particular, unreserved/undesignated fund balance may serve as a useful measure of the County's net resources available for spending at the end of the year.

The General Fund is the primary operating fund of the County of Dauphin. The General Fund had a fund balance of \$52.0 million in 2017, an increase in fund balance of \$2,887,735 from 2016. The General Fund had excess revenues over expenditures of \$392,940 in 2017 before other financing sources/(uses), compared to excess expenditures over revenues of \$6.1 million in 2016. This increase is primarily due to the County having a current refunding of debt in the prior year, increasing debt service expenditures, while in 2017, the County had an advanced refunding of debt which is presented in other financing uses.

The Children and Youth Fund had expenditures of \$44.9 million in 2017, compared to \$43.2 million in 2016. Higher expenditures of \$1.7 million were due primarily to an increased level of Youth Detention Center (YDC) expenditures.

The Low Income Housing Fund had total assets and liabilities of \$6.2 million and \$5.1 million, respectively, in 2017, compared to \$6.0 million and \$4.9 million, respectively, in 2016. These increases are the result of the Fund issuing and deferring additional Home Grant Program and Affordable Housing Program loans during 2017.

The Gaming Fund had expenditures of \$7.0 million in 2017, compared to \$13.5 million in 2016. The decrease in expenditures can be attributed to lower payments to the Dauphin County Industrial Development Authority for Gaming projects as well as the forgiveness of a loan receivable to the Harrisburg University in the amount of \$2.15 million.

Governmental Fund Revenues

Governmental fund revenues by source at December 31, 2017 and December 31, 2016 were as follows. Table A-8 also presents changes from 2016 to 2017.

Source	2017	2016	Changes from 2016 to 2017
Property Taxes	\$ 104,674,431	\$ 104,430,716	\$ 243,715
Hotel Taxes	11,717,786	11,359,510	358,276
Intergovernmental	142,532,893	145,524,478	(2,991,585)
Charges for Services	21,904,835	20,365,325	1,539,510
License and Permits	165,291	129,273	36,018
Court Costs and Fines	4,355,647	5,018,713	(663,066)
Interest and Rents	1,046,462	479,552	566,910
Miscellaneous Revenue	2,565,544	1,551,190	1,014,354
Proceeds from Sale of Fixed Assets	-	3,321,471	(3,321,471)
Capital Lease Proceeds	8,685,348	1,128,900	7,556,448
Bonds/Notes Proceeds	23,234,367	17,326,930	5,907,437
Operating Transfers In	17,312,738	20,139,834	(2,827,096)
Total Revenues	\$ 338,195,342	\$ 330,775,892	\$ 7,419,450

Governmental fund revenues totaled \$338,195,342 for the year ended December 31, 2017. This is an increase of \$ 7,419,450 million from the revenue total in 2016.

The 'Intergovernmental' revenue is showing a large decrease for 2017 due primarily to an approximate \$3 million reduction of monies received to the Liquid Fuel Fund as compared to 2016. Also, beginning in 2016, the County imposed a \$5.00 fee on non-exempt vehicle registrations that yielded \$1.2 million in 2017.

The large decrease in the 'Proceeds from Sale of Fixed Assets' for 2017 was the result of the sale of three properties the County owned along Paxton Street in Harrisburg which netted over \$3 million in the prior year.

The 'Bonds/Notes Proceeds' line shows an increase of \$5.9 million due to the refunding that was done in 2017, as well as the debt issued for the Dauphin County Infrastructure Bank.

The large increase of \$7.5 million in 'Capital Lease Proceeds' for 2017 is primarily a result of the \$5.9 million capital lease entered into with the Dauphin County General Authority for the County MDJ buildings.

Governmental Fund Expenditures

Governmental fund expenditures by function at December 31, 2017 and December 31, 2016 were as follows. Table A-9 also presents changes from 2016 to 2017.

Function	2017	2016	Changes from 2016 to 2017
General Government	\$ 12,774,602	\$ 12,546,041	\$ 228,561
Judicial	63,825,449	62,834,027	991,422
Public Safety	45,991,418	45,091,034	900,384
Public Works	1,339,098	1,078,435	260,663
Human Services	115,871,738	113,039,405	2,832,333
Culture & Recreation	14,215,710	13,807,651	408,059
Conservation & Development	13,548,786	20,715,865	(7,167,079)
Debt Service Principal	15,917,222	26,047,302	(10,130,080)
Debt Service Interest	4,064,872	4,401,171	(336,299)
Bond Issuance Costs	424,625	204,773	219,852
Capital Projects	7,875,070	9,216,502	(1,341,432)
Operating Transfers Out	17,839,832	20,644,575	(2,804,743)
Loss on Swap Termination	-	1,076,900	(1,076,900)
Payment to Refunding Bond Escrow Agent	18,645,431	-	18,645,431
Total Expenditures	\$ 332,333,853	\$ 330,703,681	\$ 1,630,172

Governmental fund expenditures totaled \$332,333,853 for the year ended December 31, 2017. This represents an increase of \$1,630,172 million from 2016.

The 'Human Services' category is showing a large increase of \$2.8 million in 2017 due in large part to an increase in grant funds received for Children & Youth.

The 'Conservation & Development' line shows a large decrease in 2017 due to a smaller volume of pass-through grants monies than was seen in 2016.

The large decrease in 'Debt Service Principal' and related increase in 'Payment to Refunding Bond Escrow Agent' are due to the refundings and debt payments made by the County in 2017.

Enterprise Funds

The Health Choice Fund had revenues and expenditures of \$86.3 million and \$86.1 million, respectively, in 2017, compared to \$78.8 million and \$78.7 million, respectively, in 2016. These increases are the result of increased levels of requested Behavioral Health services by the public.

The Human Service Building Fund had total assets and liabilities of \$5.3 million and \$5.6 million, respectively, in 2016, compared to \$5.5 million and \$5.8 million, respectively, in 2016. These decreases can be attributed to the County making debt service payments on the General Obligation Bond.

Governmental Fund Balances

Table A-10 reflects ending balances for governmental funds and net position for proprietary funds at December 31, 2017.

Fund	Governmental Funds	Proprietary Funds
General Fund	\$ 52,029,593	\$ -
Low Income Housing	1,210,520	-
Gaming Fund	16,266,356	-
Other Governmental Funds	16,105,511	-
Health Choices Fund	-	71,694
Human Services Building Fund	-	(260,244)
Other Enterprise Funds	-	2,205,645
Total	\$ 85,611,980	\$ 2,017,095

The County's governmental funds reported a combined fund balance of \$85,611,980 at December 31, 2017. Of that total, \$23,194,418 was unassigned in the General Fund and is available to meet the County's current and future needs. This unassigned portion is an increase of \$2,064,100 from the total at the end of 2016. The Proprietary Funds are showing a balance of \$2,017,095 at year-end, which is up \$51,934 from the prior year's balance.

A detailed breakdown of ending fund balance for the \$16,105,511 in 'Other Governmental Funds' and the \$2,205,645 in 'Other Enterprise Funds' can be found in the 'Other Supplementary Information' section of the financial statements.

Capital Assets and Debt Administration

Capital Assets. The County's investment in capital assets at December 31, 2017, net of accumulated depreciation, was \$114,671,958 which is up \$977,690 from 2016. Capital assets consist primarily of land, buildings and equipment. Table A-6 is a summary of capital assets at December 31, 2017.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>		<u>Total % Change</u>
	2016	2017	2016	2017	2016	2017	
Construction in Progress	\$ 2,496,178	\$ 5,198,964	\$ 47,665	\$ 604,215	\$ 2,543,843	\$ 5,803,179	128.1%
Infrastructure - Construction- in-Progress	4,165,414	5,003,499	-	-	4,165,414	5,003,499	20.1%
Intangibles	658,378	658,378	-	-	658,378	658,378	0.0%
Land	2,465,236	2,465,236	111,492	111,492	2,576,728	2,576,728	0.0%
Infrastructure	17,374,030	17,374,030	-	-	17,374,030	17,374,030	0.0%
Buildings & Improvements	102,805,621	103,233,407	19,458,943	19,499,344	122,264,564	122,732,751	0.4%
Machinery & Equipment	61,006,352	61,677,891	1,648,853	1,700,445	62,655,205	63,378,336	1.2%
Furniture & Fixtures	-	-	30,069	30,069	30,069	30,069	0.0%
Leasehold Assets	25,196,140	28,431,014	-	-	25,196,140	28,431,014	12.8%
Accumulated Depreciation	(106,318,859)	(113,407,541)	(17,451,244)	(17,908,485)	(123,770,103)	(131,316,026)	-6.1%
Total Capital Assets	\$ 109,848,490	\$ 110,634,878	\$ 3,845,778	\$ 4,037,080	\$ 113,694,268	\$ 114,671,958	0.9%

'Construction in Progress' increased by approximately \$3.2 million in 2017, the bulk of which was due to renovations to the County Courthouse and Prison.

The major capital assets in the 'Buildings & Improvements' section above consisted of the Courthouse, Administration Building, Probation Complex, EMA Center, Judicial Center, County Warehouse, and the County Prison. Smaller buildings are located at the County Park sites and the various MDJ Offices.

The 'Infrastructure' category houses the many county-owned bridges scattered throughout the County. Dauphin County does not own any roads.

Other detailed information about the County's capital assets can be found in Note 5, Notes to Financial Statements.

Debt Administration. At December 31, 2017, the County had \$136,713,800 of long-term debt outstanding. This was a decrease of \$21,269,217 from the previous year. Table A-7 details activity related to the long-term debt.

Type	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt	\$ 87,180,000	\$ 21,130,000	\$ (27,090,000)	\$ 81,220,000
Unamortized Bond Premium/Discount (Net)	3,771,977	2,104,367	(1,241,891)	4,634,453
Liquid Fuels Revenue Note	10,822,351	-	(1,190,584)	9,631,767
Compensated Absences	9,833,715	13,648,169	(9,943,579)	13,538,305
Estimated Workers Comp. Claims	1,930,790	541,455	(519,104)	1,953,141
Net Pension Liability	26,174,290	32,539,863	(55,764,887)	2,949,266
Net OPEB Obligation	5,817,656	2,666,521	(1,193,257)	7,290,920
Capital Leases	12,452,238	8,685,348	(5,641,638)	15,495,948
Total Long Term Debt & Capital Leases	\$ 157,983,017	\$ 81,315,723	\$ (102,584,940)	\$ 136,713,800

The amount of indebtedness a county may incur is limited by Pennsylvania law to 300 percent (non-electoral) and 400 percent (net non-electoral and lease rental) of a three-year average of the total revenue received, exclusive of governmental grants for a specific purpose. The County's non-electoral debt limit at December 31, 2017 was over \$1 billion, and the total non-electoral debt outstanding was approximately \$91 million, which is well below the limit.

At year-end, the County had \$81,220,000 million in general obligation bonds and notes outstanding. This figure is down from 2016 as principal continues to be retired. There were two bond issuances in 2017. The first was a refunding that generated \$755,000 in savings. The second provided \$4.355 million of funding for the Dauphin County Infrastructure Bank.

More detailed information about the County's long-term liabilities is presented in the notes to the financial statements.

Bond Rating. The County's bond rating through Standard & Poors is 'AA/Stable Outlook' as of December 31, 2017. The current combined net non-electoral and net lease rental debt limit is approximately \$1.4 billion.

General Fund Budgetary Highlights

The County budget director revises the budget on an ongoing basis. These revisions include common budget transfers from one line-item to another, and amendments to the bottom-line of individual funds. The line item transfers are submitted by department directors, and if reasonable, are entered into the system. No commissioner approval is required for these types of budget revisions. Budget Amendments, which represent increases or decreases to the bottom-line of an individual fund, are entered as new sources of revenue are identified or unplanned operating expenditures become evident. New grants are a common source of budget amendments. The County Board of Commissioners approves these amendments on a quarterly basis.

On December 14, 2016, the Dauphin County Commissioners approved the 2017 General Fund Budget totaling \$184,160,726. A \$12,454,580 drawdown on fund balance was necessary in order to cover the initial expenditure budget. Throughout the year, budget amendments totaling \$480,465 were approved. These amendments resulted in a final General Fund budget for 2017 in the amount of \$184,641,191.

For the year ended December 31, 2017, total expenditures in the General Fund exceeded appropriations by \$5,460,678.

Economic Factors and Next Year's Budget

Economic Conditions

Unemployment in Dauphin County now stands at approximately 4.1%. Pennsylvania's average unemployment rate is 4.9% and the national unemployment rate is 4.35%.

Homeownership in Dauphin County is at 63.2% with the median value of owner-occupied housing units being \$161,000. There are currently an estimated 275,710 residents within Dauphin County. The estimated median household income is \$54,968.

The County is home to many great companies such as the Hershey Company, PHEAA, HE&R, Milton S. Hershey/Penn State University Medical Center, Phoenix Development Corporation, UPMC, Capital Blue Cross, Tyco, UPS, FedEx, and the Commonwealth of Pennsylvania.

Furthermore, the County houses many institutions of higher education. Penn State University has a four-year campus in Middletown and Harrisburg University is located in the heart of downtown Harrisburg. Harrisburg Area Community College (HACC) is also located in Harrisburg, while Dickinson University and Widener University are located in Dauphin County. Eastern University, Temple University, the University of Phoenix, and Albright University all maintain campuses in the Harrisburg area, offering select undergraduate and graduate degree programs. In addition, the Dixon University Center, also centrally located in Harrisburg, is a regional hub of undergraduate and graduate degree programs where students can earn degrees from many statewide institutions such as Shippensburg University, Millersville University, Indiana University of PA, Elizabethtown University, East Stroudsburg University, West Chester University, Clarion University, and a few others.

Situated in the south-central Region of Pennsylvania, Dauphin County is strategically located close to major domestic and international markets. Within a 500-mile radius of the Region lies 40% of the United States population and more than 60% of Canada's population. This fact makes Dauphin County a major distribution hub for the movement of goods. It is estimated that approximately 61,000 freight carriers pass through the County daily and 10% of the nation's gross national product moves through Dauphin County.

These details have come together earning the Harrisburg-Carlisle MSA region many distinctions. SiteSelection.com ranked Harrisburg-Carlisle #6 on its top metro areas in 2010 for new and expanded facilities; Marketwatch.com ranked Harrisburg #9 on its Best U.S. Cities to do business list (2010); Forbes ranked the area No. 5 among America's most livable cities (2010); Forbes also ranked the area No. 2 among America's best places to raise a family (2010); and the Sports Business Journal named the area the #1 Minor League Sports Market (2011). These lists consider numerous factors such as low unemployment rates, shorter commute times, plentiful entertainment and recreation opportunities, etc.

To support these growth patterns, new economic development projects continue to evolve such as the expansion of the TecPort, The Hershey Center for Applied Research, Hollywood Casino, The Swatara Market Place, and other ongoing developments and redevelopments of commercial space throughout the County. There are also proposals for the continued development of the mid-town and downtown sections of Harrisburg, including the construction of additional retail/office space, Federal Building relocation in the Mid-Town area, and expansion of HACC Mid-Town campus. Advances also exist for a proposed regional rail service, Red Rose Capital Corridor and Corridor 2 (Premium Bus Service), Middletown Inter-Modal Center, and many alternative energy projects underway, including the Dauphin County IDA who recently completed a 2 mega-watt Solar Farm. The Lykens Hotel 29 Mixed Income Rental Units Housing Development project called the Union Street Apartments began construction in May 2016 and was completed in May 2017. The expansion of two Rail Intermodal Centers (one in Harrisburg and one in Swatara Township) will help serve the expanding Crescent Corridor. Harrisburg International Airport continues to increase freight traffic and maintain a stable passenger flow. These developments will provide economic vitality for Dauphin County for years to come.

Next Year's Budget

On December 13, 2017, the Board of Commissioners approved the \$175,333,390 General Fund Budget for 2018 maintaining the 6.876 millage rate for the fourteenth straight year. A \$12,275,149 drawdown on fund balance was necessary in order to cover the initial expenditure budget. Six new positions were approved which adds approximately \$332,000 to the expenses. The approved 2018 budget was \$8.8 million or 4.45% less than the 2017 budget. The decrease is due to the termination of a \$28 million childcare network grant on June 30, 2018. This grant ran from July-June, so there will be a similar decrease in the 2019 budget as the entire grant will be gone by then.

In January 2018, Moody's updated their credit rating as part of their ongoing monitoring of the 2013 parking asset lease agreement. With this rating, Moody's removed the 'Negative' outlook on Dauphin County's underlying A1 Rating, and replaced it with a 'Stable' outlook.

As stated previously in this discussion, the existing County guarantees on the Harrisburg Incinerator Debt went away with the December 2013 incinerator sale and parking asset lease agreement settled by the city. Dauphin County has some limited guarantees on the parking deal that are explained in more detail in the footnotes to the audit. The County is obligated however to pay 4% interest annually on a \$24 million bond issue that was part of the incinerator sale. These \$480,000 payments are due semi-annually on 6/15 and 12/15 of each year through 2033, at which time the entire principal amount is due. To date, the County has made eight of these payments.

The County has approximately 55% of its total employees of 1,655 represented by six (6) separate bargaining units. These bargaining units are AFSCME, Services Employees International Union, Local 668 of the Pennsylvania Social Services Union (SEIU), the Dauphin County Detectives Association and three (3) Teamsters Local 776 unions representing the Court Related Non-Professional employees, the Court Appointed Professional employees, and the correctional employees at Dauphin County Prison. The current contract with AFSCME will expire on December 31, 2019. The remaining five contracts expired on December 31, 2017. The County, Teamsters, and the Dauphin County Detectives Association have submitted to interest arbitration and contract awards are expected to be issued mid-2018. Negotiations remain underway with SEIU and it is anticipated that a negotiated contract will be forthcoming in mid-2018.

Contacting the County's Financial Management

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability. Questions concerning this financial information or requests for additional information should be directed to:

County of Dauphin
Controller's Office
101 Market Street, Room 106
Harrisburg, PA 17101

BASIC FINANCIAL STATEMENTS

COUNTY OF DAUPHIN
STATEMENT OF NET POSITION
DECEMBER 31, 2017

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<u>Assets</u>				
Cash and Cash Equivalents	\$ 53,054,121	\$ 3,349,458	\$ 56,403,579	\$ 3,213,729
Investments	1,165,805	-	1,165,805	785,668
Inventory	-	-	-	45,987
Receivables:				
Accounts, Net of Allowance	9,483,227	1,156,306	10,639,533	480,758
Taxes	7,593,773	-	7,593,773	-
Notes	4,355,000	-	4,355,000	-
Interest and Dividends	-	-	-	41,222
Program Loans	140,289	-	140,289	1,189,995
Other Loans	5,003,204	-	5,003,204	-
Internal Balances	(325,597)	325,597	-	-
Due From Other Governments	22,807,219	-	22,807,219	2,413,326
Due From Primary Government	-	-	-	126,928
Due From Component Units	9,940,366	-	9,940,366	-
Investment in Direct Financing Leases, Current	-	-	-	1,161,357
Prepaid Items	942,800	-	942,800	288,601
Other Assets	192,448	520	192,968	-
Due From Related Party	-	-	-	468,635
Loans Receivable, Net of Current Portion	-	-	-	3,845,625
Investment in Direct Financing Leases, Net of Current Portion	-	-	-	16,884,927
Restricted Cash	2,040,173	-	2,040,173	20,668,629
Restricted Investments	-	-	-	6,559,777
Capital Assets, Not Being Depreciated	13,326,077	715,707	14,041,784	2,328,179
Capital Assets Being Depreciated, Net	97,308,801	3,321,373	100,630,174	31,175,238
Total Assets	227,027,706	8,868,961	235,896,667	91,678,581
<u>Deferred Outflows of Resources</u>				
Pensions	1,527,225	-	1,527,225	-
Deferred Loss on Refunding	1,108,142	-	1,108,142	108,065
Total Deferred Outflows of Resources	2,635,367	-	2,635,367	108,065
<u>Liabilities</u>				
Accounts Payable	10,439,565	261,002	10,700,567	1,815,441
Accrued Liabilities	4,189,054	47,495	4,236,549	2,651,649
Unearned Revenues	8,205,417	-	8,205,417	1,366,252
Obligation to Construct	-	-	-	1,620,910
Due to Primary Government	-	-	-	9,940,366
Due to Related Party	-	-	-	248,000
Due to Other Governments	-	1,067,297	1,067,297	442,062
Due to Component Unit	126,928	-	126,928	-
Funds Held in Escrow	661,344	-	661,344	-
Funds Held in Fiduciary Capacity	867,355	-	867,355	-
Security Deposits	-	-	-	10,590
Other Liabilities	1,289,743	-	1,289,743	-
Long-term liabilities				
Portion Due or payable within one year:				
Obligation Under Capital Lease	1,496,200	-	1,496,200	-
General Obligation Debt	10,185,150	249,353	10,434,503	2,031,952
Notes Payable	1,209,930	-	1,209,930	924,150
Loans Payable	-	-	-	77,089
Accrued Compensated Absences	1,860,370	-	1,860,370	-
Liability for Workers' Compensation Claims	529,106	-	529,106	-
Portion Due or payable after one year:				
Obligation Under Capital Lease	13,999,748	-	13,999,748	-
General Obligation Debt	70,224,590	5,195,360	75,419,950	50,516,240
Notes Payable	8,421,837	-	8,421,837	16,319,320
Loans Payable	-	-	-	1,359,569
Accrued Compensated Absences	11,646,576	31,359	11,677,935	-
Liability for Workers' Compensation Claims	1,424,035	-	1,424,035	-
Net Pension Liability	2,949,266	-	2,949,266	-
Net OPEB Obligation	7,290,920	-	7,290,920	-
Total Liabilities	157,017,134	6,851,866	163,869,000	89,323,590
<u>Deferred Inflows of Resources</u>				
Pensions	11,064,171	-	11,064,171	-
Deferred Gain on Refunding	-	-	-	1,333,038
Total Deferred Inflows of Resources	11,064,171	-	11,064,171	1,333,038
<u>Net Position</u>				
Net Investment in Capital Assets	26,951,861	893,369	27,845,230	(15,541,390)
Restricted for:				
Judicial	1,878,727	-	1,878,727	-
Public Safety	3,038,188	-	3,038,188	-
Public Works	4,140,196	-	4,140,196	-
Human Service	101,808	-	101,808	632,917
Conservation and Development	8,632,351	-	8,632,351	3,950,281
Gaming Program	-	-	-	5,362,302
Revolving Loan Program	-	-	-	784,793
Debt Service	-	-	-	254,027
Lease Operations	-	-	-	1,173,713
Capital Projects	5,724,499	-	5,724,499	-
Permanent Fund, nonexpendable	1,222,093	-	1,222,093	-
Unrestricted	9,892,045	1,123,726	11,015,771	4,513,375
Total Net Position	\$ 61,581,768	\$ 2,017,095	\$ 63,598,863	\$ 1,130,018

The accompanying notes are an integral part of the financial statements.

COUNTY OF DAUPHIN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
						Governmental Activities	Business-type Activities	Total	
Primary government:									
Governmental activities:									
General Government	\$ 26,020,252	\$ (10,138,763)	6,189,074	-	-	\$ (9,692,415)	\$ -	\$ (9,692,415)	
Judicial	61,198,204	5,633,793	12,467,022	9,055,033	-	(45,309,942)	-	(45,309,942)	
Public Safety	48,406,025	1,708,603	4,033,103	7,788,677	-	(38,292,848)	-	(38,292,848)	
Public Works	1,747,568	4,256	-	678,266	3,160,135	2,086,577	-	2,086,577	
Human Services	114,896,098	1,511,080	2,451,320	101,497,099	-	(12,458,759)	-	(12,458,759)	
Culture and Recreation	13,762,985	572,009	233,438	195,982	527,164	(13,378,410)	-	(13,378,410)	
Conservation and Development	13,435,965	174,506	1,052,446	17,472,716	-	4,914,691	-	4,914,691	
Interest Expense	3,834,082	-	-	-	-	(3,834,082)	-	(3,834,082)	
Total governmental activities	283,301,179	(534,516)	26,426,403	136,687,773	3,687,299	(115,965,188)	-	(115,965,188)	
Business-type activities:									
Human Services - Health Choices Fund	86,139,886	5,911	86,270,929	-	-	-	125,132	125,132	
Public Works - Human Service Building	842,357	486,789	1,366,488	-	-	-	37,342	37,342	
Other Nonmajor Funds:									
Public Works	798,628	41,816	109,067	90,310	-	-	(641,067)	(641,067)	
Culture and Recreation	80,648	-	51,435	-	-	-	(29,213)	(29,213)	
Total Nonmajor Funds	879,276	41,816	160,502	90,310	-	-	(670,280)	(670,280)	
Total business-type activities	87,861,519	534,516	87,797,919	90,310	-	-	(507,806)	(507,806)	
Total Primary government	\$ 371,162,698	\$ -	\$ 114,224,322	\$ 136,778,083	\$ 3,687,299	\$ (115,965,188)	\$ (507,806)	\$ (116,472,994)	
Component Units:									
Conservation District	\$ 1,305,343	\$ -	\$ 408,070	\$ 912,236	\$ -				\$ 14,963
General Authority	9,083,468	-	8,738,458	-	-				(345,010)
Mental Health/Mental Retardation Case Management Unit	11,635,006	-	221,807	11,153,008	-				(260,191)
Industrial Development Authority	8,189,617	-	864,519	7,159,134	-				(165,964)
Dauphin County Economic Development Corporation	6,152,642	-	24,960	6,151,703	-				24,021
Total Component Units	\$ 36,366,076	\$ -	\$ 10,257,814	\$ 25,376,081	\$ -				(732,181)
General revenues:									
Taxes:									
Property taxes, levied for general purposes						104,379,322	-	104,379,322	-
Hotel taxes						11,717,786	-	11,717,786	-
In-lieu of taxes						2,157,821	-	2,157,821	-
Investment income						1,046,462	27,754	1,074,216	180,076
Miscellaneous						2,565,544	4,892	2,570,436	-
Transfers in/(out)						(527,094)	527,094	-	-
Total general revenues and transfers						121,339,841	559,740	121,899,581	180,076
Change in net position						5,374,653	51,934	5,426,587	(552,105)
Net position - beginning						56,207,115	1,965,161	58,172,276	1,682,123
Net position - ending						\$ 61,581,768	\$ 2,017,095	\$ 63,598,863	\$ 1,130,018

The accompanying notes are an integral part of the financial statements.

COUNTY OF DAUPHIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2017

<u>Assets</u>	<u>General</u>	<u>Children and Youth</u>	<u>Low Income Housing</u>	<u>Gaming</u>	<u>Other Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Cash and Cash Equivalents	\$ 25,702,586	\$ 2,500	\$ 1,111,275	\$ 9,468,681	\$ 16,769,079	\$ 53,054,121
Investments	-	-	-	-	1,165,805	1,165,805
Receivables						
Accounts, net	9,192,463	1,308	18,291	-	271,165	9,483,227
Taxes, net	7,593,773	-	-	-	-	7,593,773
Loans	-	-	-	-	140,289	140,289
Note	4,355,000	-	-	-	-	4,355,000
Other Loans	-	-	5,003,204	-	-	5,003,204
Due From Other Funds	16,060,769	8,633,331	-	-	627,701	25,321,801
Due From Other Governments	1,225,438	9,313,444	-	7,959,238	4,309,099	22,807,219
Due From Component Units	9,800,671	-	139,695	-	-	9,940,366
Prepaid Items	938,287	-	-	-	4,513	942,800
Other Assets	77,289	82,055	1,081	13,802	18,221	192,448
Restricted Assets						
Cash	1,983,885	-	-	-	56,288	2,040,173
Total Assets	\$ 76,930,161	\$ 18,032,638	\$ 6,273,546	\$ 17,441,721	\$ 23,362,160	\$ 142,040,226

The accompanying notes are an integral part of the financial statements.

COUNTY OF DAUPHIN
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2017

<u>Liabilities and Fund Balances</u>	<u>General</u>	<u>Children and Youth</u>	<u>Low Income Housing</u>	<u>Gaming</u>	<u>Other Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Liabilities						
Accounts Payable	\$ 3,883,304	\$ 3,207,101	\$ 59,822	\$ 159,881	\$ 3,129,457	\$ 10,439,565
Accrued Liabilities	3,016,151	257,174	-	-	542,530	3,815,855
Unearned Revenues - Other	-	172,368	5,003,204	1,015,484	2,014,361	8,205,417
Due to Other Funds	9,808,030	14,395,995	-	-	1,443,373	25,647,398
Due to Component Units	-	-	-	-	126,928	126,928
Funds Held in Escrow	661,344	-	-	-	-	661,344
Funds Held in Fiduciary Capacity	867,355	-	-	-	-	867,355
Other Liabilities	1,289,743	-	-	-	-	1,289,743
Total Liabilities	19,525,927	18,032,638	5,063,026	1,175,365	7,256,649	51,053,605
Deferred Inflows of Resources						
Unavailable Revenue - Property Taxes	5,374,641	-	-	-	-	5,374,641
Total Deferred Inflows of Resources	5,374,641	-	-	-	-	5,374,641
Fund Balances:						
Nonspendable	16,560,026	-	-	-	1,222,093	17,782,119
Restricted	-	-	1,210,520	7,421,831	14,883,418	23,515,769
Assigned	12,275,149	-	-	8,844,525	-	21,119,674
Unassigned	23,194,418	-	-	-	-	23,194,418
Total Fund Balances	52,029,593	-	1,210,520	16,266,356	16,105,511	85,611,980
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 76,930,161	\$ 18,032,638	\$ 6,273,546	\$ 17,441,721	\$ 23,362,160	\$ 142,040,226

The accompanying notes are an integral part of the financial statements.

COUNTY OF DAUPHIN
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2017

Total fund balances for governmental funds \$ 85,611,980

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	2,465,236	
Intangible Assets	658,378	
Construction in progress - Infrastructure	5,003,499	
Construction in progress	5,198,964	
Infrastructure, net of \$8,732,750 accumulated depreciation	8,641,280	
Buildings and improvements, net of \$52,093,388 accumulated depreciation	51,140,019	
Machinery and Tools, net of \$36,856,805 accumulated depreciation	24,821,086	
Leasehold assets, net of \$15,724,598 accumulated amortization	<u>12,706,416</u>	
 Total capital assets		 110,634,878

The County is self insured for the costs of worker's compensation. The liability for workers' compensation is included in the statement of net position in the following amount: (1,953,141)

Some of the County's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as unavailable revenue - property taxes in the funds. 5,374,641

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net position.

Balances at December 31, 2017 are:

Accrued interest on bonds	(373,199)	
General obligation debt	(75,925,000)	
Less: Deferred loss on refunding	1,108,142	
Liquid Fuel Revenue Bonds	(9,631,767)	
Capital leases payable	(15,495,948)	
Compensated absences	(13,506,946)	
Unamortized bond premium/discount (net)	(4,484,740)	
Net Pension Liability	(2,949,266)	
Less: Deferred outflows of resources - Pensions	1,527,225	
Plus: Deferred inflows of resources - Pensions	(11,064,171)	
Net OPEB Obligation	<u>(7,290,920)</u>	
		(138,086,590)
Total net position of governmental activities		<u>\$ 61,581,768</u>

The accompanying notes are an integral part of the financial statements.

COUNTY OF DAUPHIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>General</u>	<u>Children and Youth</u>	<u>Low Income Housing</u>	<u>Gaming</u>	<u>Other Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Revenues						
Property Taxes	\$ 104,674,431	\$ -	\$ -	\$ -	\$ -	\$ 104,674,431
Hotel Taxes	-	-	-	-	11,717,786	11,717,786
Intergovernmental	44,684,192	35,506,996	139,695	13,236,436	48,965,574	142,532,893
Charges for Services	18,574,816	1,008,226	380,676	-	1,941,117	21,904,835
License and Permits	165,921	-	-	-	-	165,921
Court Costs and Fines	3,420,800	-	-	-	934,847	4,355,647
Interest and Rents	605,010	-	9,746	122,982	308,724	1,046,462
Miscellaneous Revenue	761,199	-	-	-	1,804,345	2,565,544
Total Revenues	172,886,369	36,515,222	530,117	13,359,418	65,672,393	288,963,519
Expenditures						
Current:						
General Government	12,756,061	-	-	-	18,541	12,774,602
Judicial	55,892,464	-	-	245,562	7,687,423	63,825,449
Public Safety	38,394,815	-	-	-	7,596,603	45,991,418
Public Works	-	-	-	-	1,339,098	1,339,098
Human Services	33,155,301	44,948,252	-	-	37,768,185	115,871,738
Culture and Recreation	2,359,896	-	-	-	11,855,814	14,215,710
Conservation and Development	6,406,083	-	437,724	6,704,979	-	13,548,786
Debt Service						
Principal	15,497,619	13,893	-	83,000	322,710	15,917,222
Interest	4,042,511	8,209	-	-	14,152	4,064,872
Bond Issuance Costs	424,625	-	-	-	-	424,625
Capital Outlay	3,564,054	-	-	-	4,311,016	7,875,070
Total Expenditures	172,493,429	44,970,354	437,724	7,033,541	70,913,542	295,848,590
Excess of Revenues Over (Under) Expenditures	392,940	(8,455,132)	92,393	6,325,877	(5,241,149)	(6,885,071)
Other Financing Sources (Uses)						
Transfers In	3,678,228	8,530,914	-	-	5,103,596	17,312,738
Transfers Out	(13,416,193)	(75,782)	-	(3,810,225)	(537,632)	(17,839,832)
Issuance of Refunding Bonds	16,775,000	-	-	-	-	16,775,000
Payment to Refunding Bond Escrow Agent	(18,645,431)	-	-	-	-	(18,645,431)
Bond Premium	2,104,367	-	-	-	-	2,104,367
Bond Proceeds	4,355,000	-	-	-	-	4,355,000
Capital Lease Proceeds	7,643,824	-	-	-	1,041,524	8,685,348
Total Other Financing Sources (Uses)	2,494,795	8,455,132	-	(3,810,225)	5,607,488	12,747,190
Net change in fund balances	2,887,735	-	92,393	2,515,652	366,339	5,862,119
Fund Balances - Beginning of Year	49,141,858	-	1,118,127	13,750,704	15,739,172	79,749,861
Fund Balances - End of Year	\$ 52,029,593	\$ -	\$ 1,210,520	\$ 16,266,356	\$ 16,105,511	\$ 85,611,980

The accompanying notes are an integral part of the financial statements.

COUNTY OF DAUPHIN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

Net change in fund balances - total governmental funds \$ 5,862,119

The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$7,088,682) is exceeded by capital outlays (\$7,875,070) in the current period. 786,388

Debt proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.

Debt issued:			
Capital Leases	(8,685,348)		
General Obligation Debt	(21,130,000)		
Bond Premium	(2,104,367)		
Repayments:			
Capital Leases	5,641,638		
General Obligation Debt	9,085,000		
Bond Refunding Escrow Agent	17,765,000		
Revenue Note	<u>1,190,584</u>		
Net adjustment			1,762,507

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The differences for the items discussed above are:

Compensated absences expense	(3,700,555)		
Other postemployment benefits expense	(1,473,264)		
Pension Expense	919,072		
Amortization of debt premium/discount	1,226,939		
Amortization of deferred loss on refunding	279,775		
Accrued interest on long-term debt	<u>29,132</u>		
Combined adjustment			(2,718,901)

Under the modified accrual basis of accounting used in governmental funds, revenues are not reported until they become available. In the statement of activities, however, revenues are recorded regardless of when financial resources are available. This is the change in unearned real estate tax revenue from 12/31/16 to 12/31/17. (295,109)

The County is self insured for the costs of worker's compensation. The increase in liability related to the worker's compensation is reported as an increase in expenditures of the governmental activities. (22,351)

Change in net position of governmental activities \$ 5,374,653

The accompanying notes are an integral part of the financial statements.

COUNTY OF DAUPHIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2017

	Health Choices Fund	Human Service Building	Other Nonmajor Funds	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 388,315	\$ 2,454,716	\$ 506,427	\$ 3,349,458
Accounts Receivables	1,067,297	73,310	15,699	1,156,306
Due From Other Funds	-	537,750	9,248	546,998
Other Assets	-	520	-	520
Total current assets	<u>1,455,612</u>	<u>3,066,296</u>	<u>531,374</u>	<u>5,053,282</u>
Noncurrent Assets				
Capital Assets, Not Being Depreciated	-	594,565	121,142	715,707
Capital Assets, Being Depreciated (Net)	-	1,644,148	1,677,225	3,321,373
Total noncurrent assets	<u>-</u>	<u>2,238,713</u>	<u>1,798,367</u>	<u>4,037,080</u>
Total assets	<u>1,455,612</u>	<u>5,305,009</u>	<u>2,329,741</u>	<u>9,090,362</u>
LIABILITIES				
Current liabilities:				
Accounts Payable	112,739	82,413	65,850	261,002
Accrued Liabilities	-	36,938	10,557	47,495
Due to Other Funds	203,882	1,189	16,330	221,401
Due to Other Governments	1,067,297	-	-	1,067,297
General Obligation Debt	-	249,353	-	249,353
Total current liabilities	<u>1,383,918</u>	<u>369,893</u>	<u>92,737</u>	<u>1,846,548</u>
Noncurrent liabilities:				
General Obligation Debt	-	5,195,360	-	5,195,360
Accrued Compensated Absences	-	-	31,359	31,359
Total noncurrent liabilities	<u>-</u>	<u>5,195,360</u>	<u>31,359</u>	<u>5,226,719</u>
Total liabilities	<u>1,383,918</u>	<u>5,565,253</u>	<u>124,096</u>	<u>7,073,267</u>
NET POSITION				
Net Investment in Capital Assets	-	(904,998)	1,798,367	893,369
Unrestricted	71,694	644,754	407,278	1,123,726
Total net position	<u>\$ 71,694</u>	<u>\$ (260,244)</u>	<u>\$ 2,205,645</u>	<u>\$ 2,017,095</u>

The accompanying notes are an integral part of the financial statements.

COUNTY OF DAUPHIN
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Health Choice Fund	Human Service Building	Other Nonmajor Funds	Total
Operating Revenues				
Charges for Services	\$ 86,270,929	\$ 1,366,488	\$ 160,502	\$ 87,797,919
Miscellaneous Revenue	-	4,892	-	4,892
Total Operating Revenues	<u>86,270,929</u>	<u>1,371,380</u>	<u>160,502</u>	<u>87,802,811</u>
Operating Expenses				
Personnel Services	261,787	-	399,035	660,822
Contracted Services	37,990	94,587	147,812	280,389
Supplies and Materials	575	3,419	2,094	6,088
Repairs and Maintenance	-	125,199	84,612	209,811
Utilities	334	160,469	27,760	188,563
Other Services and Charges	33,432	486,789	122,868	643,089
Claims Expense	85,811,679	-	-	85,811,679
Depreciation and Amortization	-	305,378	136,911	442,289
Total Operating Expenses	<u>86,145,797</u>	<u>1,175,841</u>	<u>921,092</u>	<u>88,242,730</u>
Operating Income (Loss)	<u>125,132</u>	<u>195,539</u>	<u>(760,590)</u>	<u>(439,919)</u>
Nonoperating Revenues (Expenses)				
Interest Income	1,749	25,815	190	27,754
Interest Expense	-	(153,305)	-	(153,305)
Grants	-	-	90,310	90,310
Total Nonoperating Revenues (Expenses)	<u>1,749</u>	<u>(127,490)</u>	<u>90,500</u>	<u>(35,241)</u>
Income (Loss) Before Operating Transfers	<u>126,881</u>	<u>68,049</u>	<u>(670,090)</u>	<u>(475,160)</u>
Transfers In	-	-	658,467	658,467
Transfers Out	(130,213)	-	(1,160)	(131,373)
Total Transfers In (Out)	<u>(130,213)</u>	<u>-</u>	<u>657,307</u>	<u>527,094</u>
Change In Net Position	(3,332)	68,049	(12,783)	51,934
Total Net Position - Beginning of Year	<u>75,026</u>	<u>(328,293)</u>	<u>2,218,428</u>	<u>1,965,161</u>
Total Net Position - End of Year	<u>\$ 71,694</u>	<u>\$ (260,244)</u>	<u>\$ 2,205,645</u>	<u>\$ 2,017,095</u>

The accompanying notes are an integral part of the financial statements.

COUNTY OF DAUPHIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Health Choice Fund	Human Service Building	Nonmajor Enterprise Funds	Totals
Cash Flows From Operating Activities				
Receipts from Health Choices Services	\$ 85,203,632	\$ -	\$ -	\$ 85,203,632
Receipts from Recycling Services	-	-	99,899	99,899
Receipts from Recreational Activities	-	-	51,435	51,435
Receipts from Space and Parking Rentals	-	1,325,113	-	1,325,113
Payments to Employees	(261,787)	-	(393,501)	(655,288)
Payments to Suppliers	(65,572)	(833,259)	(366,897)	(1,265,728)
Payments for Claims	(84,744,382)	-	-	(84,744,382)
Internal Activity - Payments to other funds	-	(584,226)	-	(584,226)
Net Cash Provided by (Used in) Operating Activities	131,891	(92,372)	(609,064)	(569,545)
Cash Flow From Noncapital Financing Activities				
Grants	-	-	90,310	90,310
Operating Transfers In (Out)	(103,098)	-	1,092,599	989,501
Net Cash Provided by (Used in) Noncapital Financing Activities	(103,098)	-	1,182,909	1,079,811
Cash Flows from Capital and Related Financing Activities				
Purchase of Capital Assets, Net of Disposals	-	(546,900)	(101,643)	(648,543)
Interest Paid	-	(139,280)	-	(139,280)
Principal Payments on General Obligation Debt	-	(240,000)	-	(240,000)
Net Cash Provided by (Used in) Capital and Related Financing Activities	-	(926,180)	(101,643)	(1,027,823)
Cash Flows from Investing Activities				
Interest Income	1,749	25,815	190	27,754
Net Cash Provided by Investing Activities	1,749	25,815	190	27,754
Net Increase (Decrease) in Cash and Cash Equivalents	30,542	(992,737)	472,392	(489,803)
Cash and Cash Equivalents, Beginning of Year	357,773	3,447,453	34,035	3,839,261
Cash and Cash Equivalents, End of Year	\$ 388,315	\$ 2,454,716	\$ 506,427	\$ 3,349,458

The accompanying notes are an integral part of the financial statements.

COUNTY OF DAUPHIN
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Health Choice Fund	Human Service Building	Nonmajor Enterprise Funds	Totals
Reconciliation of Operating income (loss) to net cash provided by (used in) operating activities				
Operating Income (Loss)	\$ 125,132	\$ 195,539	\$ (760,590)	\$ (439,919)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities				
Depreciation and Amortization Expense	-	305,378	136,911	442,289
Change in assets and liabilities				
Accounts Receivable	(1,067,297)	(46,267)	(9,168)	(1,122,732)
Other Assets	-	(520)	-	(520)
Accounts Payable	6,759	37,724	18,249	62,732
Accrued Expenses	-	-	1,499	1,499
Accrued Vacation and Sick Pay	-	-	4,035	4,035
Due To/Due From Other Funds	-	(584,226)	-	(584,226)
Due To Other Governments	1,067,297	-	-	1,067,297
Net Cash Provided by (Used In) Operating Activities	<u>\$ 131,891</u>	<u>\$ (92,372)</u>	<u>\$ (609,064)</u>	<u>\$ (569,545)</u>

The accompanying notes are an integral part of the financial statements.

COUNTY OF DAUPHIN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2017

	Retirement Trust Fund	Agency Funds
ASSETS		
Cash and Cash Equivalents	\$ 2,110,749	\$ 9,650,117
Investments		
U.S. Government Securities	9,978,651	-
Corporate Bonds	18,662,891	-
Bond Mutual Fund	27,986,002	-
Equity Funds	124,835,623	-
Savings, CD's and Time Deposits	2,534,750	-
Other	151,315,788	-
Total Investments	335,313,705	-
Interest and Dividends Receivable	110,345	-
Employee Contributions Receivable	113,806	-
Total Assets	\$ 337,648,605	\$ 9,650,117
LIABILITIES		
Accounts Payable	\$ -	\$ 959,820
Benefits Payable	256,747	-
Funds Held in Escrow	-	6,517,406
Due To Other Governments	-	2,172,891
Total Liabilities	256,747	9,650,117
NET POSITION		
Net Position Restricted for Pensions	\$ 337,391,858	

The accompanying notes are an integral part of the financial statements.

COUNTY OF DAUPHIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Retirement Trust Fund
Addition:	
Contributions:	
Employee	\$ 4,940,140
Employer	5,852,311
	10,792,451
Investment Income:	
Net Appreciation in Fair Value of Investments	41,779,326
Interest	865,824
Dividends	2,212,815
Miscellaneous Revenue	16,969
	44,874,934
Less: Investment Expense	685,737
	44,189,197
Total Additions	54,981,648
Deductions:	
Benefits	16,697,044
Refunds of Contributions	807,178
Administrative Expenses	213,874
	17,718,096
Net Change	37,263,552
Net Position Restricted for Pensions - Beginning of Year	300,128,306
Net Position Restricted for Pensions - End of Year	\$ 337,391,858

The accompanying notes are an integral part of the financial statements.

COUNTY OF DAUPHIN
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
DECEMBER 31, 2017

<u>Assets</u>	Conservation District	General Authority	Case Management Unit	Industrial Development Authority	Dauphin County Economic Development Corporation	<u>Total</u>
Cash and Cash Equivalents	\$ 774,262	\$ 1,469,300	\$ 116,256	\$ 729,298	\$ 124,613	\$ 3,213,729
Investments	785,668	-	-	-	-	785,668
Inventory	-	45,987	-	-	-	45,987
Receivables:						
Accounts, Net of Allowance	1,499	23,307	423,569	32,383	-	480,758
Interest and Dividends	4,561	2,855	-	33,806	-	41,222
Loans, Current	-	-	-	1,189,995	-	1,189,995
Due from Other Governments	344,516	-	1,243,738	-	825,072	2,413,326
Investment in Direct Financing Leases, Current	-	550,078	-	611,279	-	1,161,357
Prepaid Items	4,991	248,103	35,507	-	-	288,601
Due from Primary Government	-	-	-	-	126,928	126,928
Due from Related Party	-	-	-	468,635	-	468,635
Loans Receivable, Net of Current Portion	-	-	-	3,845,625	-	3,845,625
Investment in Direct Financing Leases, net of Current Portion	-	5,704,770	-	11,180,157	-	16,884,927
Restricted Cash	352,594	4,362,352	-	11,779,066	4,174,617	20,668,629
Restricted Investments	-	6,559,777	-	-	-	6,559,777
Capital Assets, Not Being Depreciated	-	2,064,482	-	263,697	-	2,328,179
Capital Assets, Being Depreciated, Net	768,230	20,349,193	418,831	8,213,495	1,425,489	31,175,238
Total Assets	3,036,321	41,380,204	2,237,901	38,347,436	6,676,719	91,678,581
<u>Deferred Outflows of Resources</u>						
Deferred Charge on Refunding	-	108,065	-	-	-	108,065
Total Deferred Outflows of Resources	-	108,065	-	-	-	108,065
<u>Liabilities</u>						
Accounts Payable	26,834	133,685	63,722	864,384	726,816	1,815,441
Accrued Liabilities	-	1,469,796	1,111,880	29,833	40,140	2,651,649
Unearned Revenues - Other	352,067	986,034	10,551	-	17,600	1,366,252
Obligation to Construct	-	1,620,910	-	-	-	1,620,910
Due to Primary Government	168,903	-	-	9,631,768	139,695	9,940,366
Due to Related Party	-	-	-	248,000	-	248,000
Due to Other Governments	-	-	-	71,441	370,621	442,062
Security Deposits	-	-	-	10,590	-	10,590
Long-term liabilities						
Portion Due or payable within one year:						
General Obligation Debt	-	2,031,952	-	-	-	2,031,952
Notes Payable	-	-	-	667,150	257,000	924,150
Loans Payable	-	-	-	77,089	-	77,089
Portion Due or payable after one year:						
General Obligation Debt	-	50,516,240	-	-	-	50,516,240
Notes Payable	-	-	-	13,588,320	2,731,000	16,319,320
Loans Payable	-	-	-	1,359,569	-	1,359,569
Total Liabilities	547,804	56,758,617	1,186,153	26,548,144	4,282,872	89,323,590
<u>Deferred Inflows of Resources</u>						
Deferred Charge on Refunding	-	1,333,038	-	-	-	1,333,038
Total Deferred Inflows of Resources	-	1,333,038	-	-	-	1,333,038
<u>Net Position</u>						
Net Investment in Capital Assets	768,230	(21,290,440)	418,831	4,576,500	(14,511)	(15,541,390)
Restricted for:						
Human Service	-	-	632,917	-	-	632,917
Conservation and Development	19,216	-	-	-	3,931,065	3,950,281
Gaming Program	-	-	-	5,362,302	-	5,362,302
Revolving Loan Program	-	-	-	784,793	-	784,793
Debt Service	-	254,027	-	-	-	254,027
Lease Operations	-	1,173,713	-	-	-	1,173,713
Unrestricted	1,701,071	3,259,314	-	1,075,697	(1,522,707)	4,513,375
Total Net Position	\$ 2,488,517	\$ (16,603,386)	\$ 1,051,748	\$ 11,799,292	\$ 2,393,847	\$ 1,130,018

The accompanying notes are an integral part of the financial statements.

COUNTY OF DAUPHIN
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Program Revenues				Net (Expense) Revenue and Changes in Net Position					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Conservation District	General Authority	Case Management Unit	Industrial Development Authority	Economic Development Corporation	Total
<u>Conservation District</u>										
Conservation and Development	\$ 1,305,343	\$ 408,070	\$ 912,236	\$ -	\$ 14,963	-	-	-	-	\$ 14,963
<u>General Authority</u>										
General Authority Operations	9,083,468	8,738,458	-	-	-	(345,010)	-	-	-	(345,010)
<u>Case Management Unit</u>										
Human Services	11,635,006	221,807	11,153,008	-	-	-	(260,191)	-	-	(260,191)
<u>Industrial Development Authority</u>										
Conservation and Development	8,189,617	864,519	7,159,134	-	-	-	-	(165,964)	-	(165,964)
<u>Economic Development Corporation</u>										
Tourism and Economic Development	6,152,642	24,960	6,151,703	-	-	-	-	-	24,021	24,021
Total Component Units	\$ 36,366,076	\$ 10,257,814	\$ 25,376,081	\$ -	\$ 14,963	\$ (345,010)	\$ (260,191)	\$ (165,964)	\$ 24,021	\$ (732,181)
General revenues:										
Unrestricted investment earnings					18,536	76,709	-	72,124	12,707	180,076
Total general revenues and transfers					18,536	76,709	-	72,124	12,707	180,076
Change in net position					33,499	(268,301)	(260,191)	(93,840)	36,728	(552,105)
Net position - beginning					2,455,018	(16,335,085)	1,311,939	11,893,132	2,357,119	1,682,123
Net position - ending					\$ 2,488,517	\$ (16,603,386)	\$ 1,051,748	\$ 11,799,292	\$ 2,393,847	\$ 1,130,018

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies follows:

A. Reporting Entity

The County of Dauphin (the “County”) operates under the direction of an elected Board of Commissioners, and provides the following services: general administrative services, tax assessments and collections, judicial, public improvements, public safety and human services programs.

Consistent with the guidance contained in Governmental Accounting Standards Board (GASB) Statement GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No.14 and No. 34*, the criteria used by the County to evaluate the possible inclusion of related entities (Authorities, Boards, Councils, etc.) within its reporting entity are financial accountability and the nature and significance of the relationship. In determining financial accountability in a given case, the County reviews the applicability of the following criteria.

The County is financially accountable for:

- Organizations that make up the legal County entity.
- Legally separate organizations if County officials appoint a voting majority of the organization’s governing body and the County is able to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County as defined below.

Impose Its Will — If the County can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization.

Financial Benefit or Burden—Exists if the County (1) is entitled to the organization’s resources or (2) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide support to, the organization or (3) is obligated in some manner for the debt of the organization.

- Organizations that are fiscally dependent on the County and there is a potential for the organization to provide a specific financial benefits to or impose specific financial burdens on the County.

Based on the foregoing criteria, the reporting entity has been defined to include all the funds for which the County is financially accountable or for which there is a significant relationship. Specific information on the nature of the various potential component units and a description of how the aforementioned criteria have been considered in determining whether or not to include or exclude such units in the County’s financial statements are provided in the following paragraphs.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Units

Component units that are not blended as part of the primary government are discretely presented, which entails reporting component unit financial data in a column separate from the financial data of the primary government. The component units presented in this way are the following:

Dauphin County Conservation District ("District"): The District was formed by the County Commissioners in 1952 pursuant to the Conservation District Law ("Law"). The seven-member board is made up of one County Commissioner and six members appointed by the County Commissioners from a list of nominees received from organizations approved by the Commonwealth of Pennsylvania. The District was formed to manage the conservation of natural resources in the County. The Law gives the Commonwealth certain powers to supervise and direct the operations of the District. Employees of the District are County employees subject to the County Salary Board. The Law also gives the County Commissioners the ability to unilaterally disband the District if they believe a substantial portion of landowners desire such action.

The District operates and reports on a calendar year basis. The separate audited financial statements of the District may be obtained by contacting the District at 1451 Peters Mountain Road, Dauphin, Pennsylvania 17018.

Dauphin County General Authority ("General Authority"):

The Dauphin County General Authority (Authority) was incorporated on March 7, 1984, by the County. The five-member board is appointed by the County Commissioners. The Authority was created for the purpose of acquiring, financing, holding, constructing, improving, maintaining and operating, owning, and leasing, either in the capacity of lessor or lessee, projects of the kind and character contemplated by law for a general purpose authority, as authorized and permitted by, and also as limited by, provisions of the Pennsylvania Municipality Authorities Act, the Act of May 2, 1945, P.L. 382, as amended. Accordingly, the Authority is not subject to income taxes. The Authority is a special purpose government engaged in business-type activities.

The County guarantees the full payment of the principal and interest on the 1993 Bonds and subsequent refunding bond issues, which funded the golf course construction, in the event that the Authority fails to pay the amount of principal and interest due. The Authority has agreed to pay the County 90% of the revenues, net of operating expenses and debt service, earned by the Authority in connection with the golf course. The County Commissioners must approve all of the General Authority's bond issues, but neither the County nor the General Authority has an ongoing liability for these bond issues other than the golf course debt.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

Dauphin County General Authority ("General Authority") (Continued):

The General Authority reports on a calendar year basis. The separate audited financial statements of the General Authority may be obtained by contacting the General Authority at 530 South Harrisburg Street, Harrisburg, Pennsylvania 17113.

Case Management Unit ("CMU"): CMU was established to provide case management services to persons with mental illness and intellectual disabilities in the County of Dauphin. CMU performs initial intake and evaluation for all clients served by the Dauphin County Mental Health/Intellectual Disabilities Program, plans and coordinates services for clients with direct service providers and monitors the progress of clients within the Dauphin County system. CMU grants credit to its funding sources without collateral.

The eleven-member board is appointed by the County Commissioners. In addition, the County Commissioners have the ability to significantly influence the programs, projects, activities, and level of services performed by CMU.

The CMU operates on a fiscal year ending June 30. The separate audited financial statements of CMU may be obtained by contacting CMU at 1100 South Cameron Street, Harrisburg, Pennsylvania 17104.

Dauphin County Industrial Development Authority ("IDA"): The IDA was organized in 1967 as a standing authority of Dauphin County. It operates in compliance with the Industrial Development Authority Law, Act No. 102, August 23, 1967. The five-member board is appointed by the County Commissioners. The IDA serves as a financing vehicle for industrial development in Dauphin County. The IDA arranges financing through tax exempt and taxable bonds as well as mortgages for manufacturers, non-profits and companies establishing corporate headquarters in the County. The IDA participates in new construction and rehabilitation each year through its industrial recruitment and expansion projects. The IDA also owns several commercial properties which it leases. The County pays for all significant management and administrative costs required to operate the IDA on a day-to-day basis. IDA's management and support staff are employees of the County. In addition the County guarantees the IDA's debts.

The IDA operates on a fiscal year ending September 30. The separate audited financial statements of the IDA may be obtained by contacting the IDA at 112 Market Street, 7th Floor, Harrisburg, Pennsylvania 17101.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

Dauphin County Economic Development Corporation ("DCEDC"): The DCEDC is a nonprofit organization which operates in compliance with Section 7502 of the Nonprofit Corporation Law of 1972 and Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The five-member board is appointed by the County Commissioners. The DCEDC, an economic development corporation, was established to partner in real estate development projects and to channel grant funding to communities and organizations in need of community and economic development assistance. The DCEDC also administers programs to promote tourism and regional development.

The DCEDC is administered by the County of Dauphin through the Dauphin County Department of Community and Economic Development. The County pays for all significant management and administrative costs required to operate the DCEDC on a day-to-day basis as the DCEDC's management and support staff are employees of the County. The County also provides significant operating revenue to the DCEDC, primarily through distributions of hotel tax collections. In addition, the County guarantees the DCEDC's 2004 Guaranteed Parking Revenue Note (see Note 29).

The DCEDC operates and reports on a calendar year end basis. The separate audited financial statements of the DCEDC may be obtained by contacting the DCEDC at 112 Market Street, 7th Floor, Harrisburg, Pennsylvania 17101.

B. Related Organizations

The Board of County Commissioners is also responsible for appointing the members of the governing boards of other organizations, but the County's accountability does not extend beyond making appointments. The County does not designate management nor does it have the ability to significantly influence the operations of these entities. In addition, the County does not supply any funding (either directly or as a result of special financing relationships) and has no responsibility for fiscal matters for these entities (i.e., not responsible for deficits or entitled to surpluses, no guarantees of debt, etc.). These organizations include:

Authorities

Dauphin County Housing Authority
Dauphin County Redevelopment Authority
Dauphin County Hospital Authority
Dauphin County Library System
Dauphin County Land Bank Authority

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Related Organizations (Continued)

Advisory Boards

Dauphin County Parks and Recreation
Dauphin County Planning Commission
Council on Aging Board
Child Care Advisory Committee
Children and Youth Advisory Board
Mental Health/Intellectual Disabilities Advisory Board
Woodside Juvenile Detention Center Advisory Board
Drugs and Alcohol Advisory Board
Fort Hunter Board

C. Joint Ventures

The County is a participant with other municipalities in joint ventures that provide services to the constituents of all the participants. The County has no interest in the equity of these organizations and therefore they should not be included in its financial reporting entity. Separately published audit reports of the Joint Ventures are available for public inspection in the Controller's Office. Condensed financial information relative to these entities is included in the notes herein:

<u>Name of Organization</u>	<u>Cumberland, Dauphin Harrisburg Transit Authority</u>	<u>Tri-County Regional Planning Commission</u>
Services Provided	Bus Services	Regional Planning
Dauphin County Board Representation	3 of 7 Members	9 of 19 Members
Fiscal Year	June 30, 2017	December 31, 2017
Current Assets	\$ 3,753,210	\$ 1,114,392
Total Assets	\$ 23,146,935	\$ 1,114,392
Net Position/Fund Balance	\$ 15,518,518	\$ 389,617
Operating Revenues	\$ 6,639,022	\$ 3,138,971
Operating Income (Loss)	\$ (17,473,927)	\$ 232,959
Net Income (Loss)	\$ (658,998)	\$ 234,363
Dauphin County Contribution to Operations	\$ 357,251	\$ 334,770
Dauphin County Working Capital Advances	None	None

D. Basis of Presentation

The basic financial statements of the County have been prepared in accordance with accounting principles generally accepted in the United States applicable to governments. The Governmental Accounting Standards Board establishes accounting and financial reporting requirements for governments.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The basic financial statements include both government-wide financial statements, which are based on the County as a whole, and fund financial statements. GASB Statement No. 34 focuses on the County as a whole and on major individual funds (within the fund financial statements).

Government-Wide Financial Statements

The government-wide financial statements (statement of net position and statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. The focus of the government-wide financial statements is more on sustainability of the County as an entity and the change in aggregate financial position resulting from activities of the fiscal period. As a general rule, the effect of interfund activity has been eliminated from these statements except certain interfund services provided and used between functions. The County's policy is to eliminate internal activity by distinguishing overhead costs which are eliminated during consolidation from interfund services provided and used. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and other charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

In the government-wide statement of net position, the governmental and business-type activities columns are presented on a consolidated basis by column and are presented using the economic resources measurement focus and the accrual basis of accounting, which incorporates noncurrent assets as well as long-term debt and obligations. Interfund balances between governmental funds and interfund balances between enterprise funds are not included in the total primary government column of the government-wide statement of net position.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given functional category (public safety, general government, etc.) or business-type activity (health choices, human service building, etc.) are offset by program revenues. Indirect expenses are allocated to specific functions based on the County's approved Central Services Cost Allocation Plan. Direct expenses are those that are clearly identifiable with a specific functional category or business-type activity. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given functional category or business-type activity and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular functional category or business-type activity. Taxes and other items that are not properly included among program revenues are reported instead as general revenues.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Fund Financial Statements

The financial transactions of the County are recorded in individual funds. Each fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, reserves, fund balance/net position, revenues and expenditures/expenses. Emphasis under GASB Statement No. 34 is on major funds in the governmental or enterprise categories. GASB Statement No. 34 sets forth minimum criteria for the determination of major funds. The nonmajor funds in each category are combined in a column in the fund financial statements and detailed in the combining nonmajor fund financial statements.

The governmental fund financial statements are presented using a current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers property taxes as available if collected within 60 days after year-end. The availability period for all other significant revenue sources in governmental funds is 180 days. Property taxes due but not collected within 60 days after year-end are considered unavailable revenue and recorded as a deferred inflow of resources. Licenses, permits, and fines and costs are recorded as revenues when received. Intergovernmental revenues, consisting primarily of Federal, State and other grants for the purpose of funding specific expenditures, are recognized when earned or at the time of the specific expenditure. Interest earnings are recorded as earned.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt are recognized as fund liabilities when due. As the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, reconciliations are presented which briefly explain the adjustments necessary to reconcile the governmental fund financial statements to the government-wide financial statements.

The County's enterprise funds, presented in the enterprise fund financial statements, are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Fund Financial Statements (Continued)

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. Non-operating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses of the enterprise funds include the costs of providing services, such as personnel, contracting and supplies as well as depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues.

The County's fiduciary funds are presented in the fund financial statements by type (pension trust fund and agency fund). Since, by definition, the assets of these funds are held for the benefit of a third party (individuals, private organizations, and/or other governments) and cannot be used to satisfy obligations of the County, these funds are not incorporated into the government-wide financial statements. The County's fiduciary funds are presented on the accrual basis of accounting.

The following governmental major funds are used by the County:

- The General Fund is the government's primary operating fund. It accounts for all financial revenues of the general government, except those required to be accounted for in another fund. Revenues of this fund are primarily derived from real estate taxes, state and federal grants, and fees for services. Many of the basic activities of the County are accounted for in this fund including operation of general County government, boards, commissions, the court systems, and health and welfare services.
- The Children and Youth Families Fund is used to account for amounts received from various federal, state, and local sources. These funds are restricted to provide support services to at-risk juveniles.
- The Low Income Housing Fund is used to account for specific revenues related to improving economic development opportunities and expanding the supply of low and middle income housing. Revenues are restricted for those specific purposes.
- The Gaming Fund is used to account for revenue received from the operation of Hollywood Casino in East Hanover Township. These funds are to be used at the sole discretion of the Dauphin County Commissioners. The Gaming Advisory Committee advises the County on the need for municipal grants for health, safety, transportation, and other projects in the public interest generated as a result of gaming.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The following major proprietary funds are used by the County:

- Health Choices Fund accounts for the fiscal activities of the County Behavioral Health Program.
- Human Services Building Fund accounts for the fiscal activities of the County's Human Services Building.

These proprietary funds are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges and cost reimbursement plans.

In addition to the major funds discussed above, the County also reports fiduciary funds. Fiduciary Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include the Pension Trust Fund and Agency Funds. The Pension Trust Fund is accounted for in essentially the same manner as the proprietary funds since capital maintenance is critical. The Pension Trust Fund's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Agency Funds are custodial in nature and do not involve measurement of results of operations.

- The Pension Trust Fund is used to account for the retirement pension plan contributions of the County and its employees.
- The Agency Funds are used to account for the collection of delinquent taxes for the County and on behalf of school districts and municipalities as well as the cash held by elected row officers awaiting disbursement to the County, other governments, or citizens for whom it was collected.

F. Assets, Liabilities, and Net Position or Fund Balances

1. Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows, the County considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities, and Net Position or Fund Balances (Continued)

2. Receivables and Payables

· Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All receivables are shown net of an allowance for doubtful accounts.

3. Investments

The County invests its idle funds in various instruments, including external investment pools. The County's investments are reported at fair value or net asset value, except the investments in external investment pools, as discussed in Note 2, which are valued at amortized cost and are classified as cash and cash equivalents in the financial statements.

4. Prepaid Items

Prepaid items consist primarily of contracts longer than one year and certain payment to vendors that reflect costs applicable to future accounting periods. Prepaid items in the governmental fund types are recorded as expenditures monthly (consumption method) and are classified as nonspendable in fund balance.

5. Restricted Assets

Restricted Assets represent revenues set-aside for liquidation of specific obligations, as detailed in Note 3.

6. Capital Assets

Capital Assets, which include property, plant and equipment and infrastructure assets (e.g. bridges) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets with initial, individual costs that equal or exceed \$5,000 and estimated useful lives of over one year are recorded as capital assets. Capital assets are recorded at historical costs or estimated costs if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Depreciation is not recognized for intangible (e.g. easements) assets since they have an indefinite life.

Major outlays for capital assets and improvements are capitalized as projects are completed. Interest incurred during the construction phase of the capital asset of business-type activities is included as part of the capitalized value of the assets constructed.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities, and Net Position or Fund Balances (Continued)

6. Capital Assets (continued)

Capital assets of the County are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Infrastructure	40
Buildings and Improvements	40
Machinery and Equipment	3 - 20
Leasehold Assets	5 - 20

The County evaluates long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. The estimated future undiscounted cash flows associated with the asset would be compared to the asset's carrying amount to determine if a write down to a new depreciable basis is required. If required, an impairment charge is measured by the difference between the carrying value and the estimated fair value of the assets. There were no identified impairment charges.

7. Allowance for Doubtful Accounts

Accounts receivable have been reported net of allowance for doubtful accounts.

8. Compensated Absences

County policy permits employees to accumulate a limited amount of earned, but unused, vacation and sick leave. These benefits are payable to employees upon separation of services, with the exception of sick time meeting the requirements for the Sick Leave Sell Back Program. Employees who have in excess of thirty six (36) days of accumulated sick leave may sell up to twenty (20) days per year back to the County. The Sick Leave Sell Back Program is contingent upon approval of the Board annually and payment is made in November. All leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. The computed liability is in compliance with GASB 16, *Accounting for Compensated Absences*.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities, and Net Position or Fund Balances (Continued)

9. 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 premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method and issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of 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 expenditures.

10. Unearned Revenues

Revenues that are received but not earned are unearned in the County's financial statements. In the County's governmental funds, unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for unearned revenue is removed from the governmental funds' balance sheet and revenue is recognized.

11. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions except quasi-external transactions and reimbursements are reported as transfers.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities, and Net Position or Fund Balances (Continued)

12. Net Position/Fund Balances (Continued)

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- *Nonspendable Fund Balance* – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.
- *Restricted Fund Balance* – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balance* – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners. These amounts cannot be used for any other purpose unless the Board of Commissioners remove or change the specific use by taking the same type of action (resolution) that was employed when the funds were initially committed.
- *Assigned Fund Balance* – This classification includes amounts that are constrained by the County's intent to be used for a specific purpose but are neither restricted nor committed. The Board of Commissioners delegated the responsibility to approve/or remove assigned fund balance that reflect the Commissioner's intended use of the resources to the Budget Director.
- *Unassigned Fund Balance* – This classification represents amounts that are available for any purpose.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance and lastly unassigned fund balance.

In the General Fund, the County strives to maintain an unassigned fund balance sufficient to cover operating expenditures for 45 days.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities, and Net Position or Fund Balances (Continued)

12. Net Position/Fund Balances (Continued)

The government-wide and business-type activities fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- *Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net position of the County, not restricted for any project or other purpose.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the County's policy is to apply restricted net position first, then unrestricted net position as they are needed.

13. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has two items that qualify for reporting in this category: deferred outflows related to pensions and deferred outflows on refunding bonds. Deferred outflows related to pensions are described further in Note 16. The components of deferred outflows of resources, other than the difference between the projected and actual investments earnings on investments, are amortized into pension expense over the weighted average remaining service life of all members of the plan beginning the year in which the deferred amount occurs (current year). The annual difference between the projected and actual earnings on plan investments is amortized over a five-year closed period beginning the year in which the difference occurs (current year). 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.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities, and Net Position or Fund Balances (Continued)

13. Deferred Outflows / Inflows of Resources (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items that qualifies for reporting in this category. Deferred inflows related to pensions are described further in Note 16. The components of deferred inflows of resources, other than the difference between the projected and actual investments earnings on investments, are amortized into pension expense over the weighted average remaining service life of all members of the plan beginning the year in which the deferred amount occurs (current year). The annual difference between the projected and actual earnings on plan investments is amortized over a five-year closed period beginning the year in which the difference occurs (current year). Under the modified accrual basis of accounting, the governmental funds report unavailable revenue from property taxes as a deferred inflow of resources. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

14. Accounting Estimates

The presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

G. New Accounting Standards Adopted

The County adopted the requirements of GASB Statement No. 74, "*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*". The adoption of this statement had no effect on previously reported amounts.

The County adopted the requirements of GASB Statement No. 80, "*Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*". The adoption of this statement had no effect on previously reported amounts.

The County adopted the requirements of GASB Statement No. 81, "*Irrevocable Split-Interest Agreements*". The adoption of this statement had no effect on previously reported amounts.

The County adopted the requirements of GASB Statement No. 82, "*Pension Issues - an amendment of GASB Statements No. 67, No. 68, and No. 73*". The adoption of this statement had no effect on previously reported amounts.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Pending Changes in Accounting Principles

In June 2015, the GASB issued Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*". The County is required to adopt statement No. 75 for its calendar year 2018 financial statements.

In November 2016, the GASB issued Statement No. 83, "*Certain Asset Retirement Obligations*". The County is required to adopt statement No. 83 for its calendar year 2019 financial statements.

In January 2017, the GASB issued Statement No. 84, "*Fiduciary Activities*". The County is required to adopt statement No. 84 for its calendar year 2019 financial statements.

In March 2017, the GASB issued Statement No. 85, "*Omnibus 2017*". The County is required to adopt statement No. 85 for its calendar year 2018 financial statements.

In May 2017, the GASB issued Statement No. 86, "*Certain Debt Extinguishment Issues*". The County is required to adopt statement No. 86 for its calendar year 2018 financial statements.

In June, 2017, the GASB issued Statement No. 87, "*Leases*". The County is required to adopt statement No. 87 for its calendar year 2020 financial statements.

In April 2018, the GASB issued Statement No. 88, "*Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements*." The County is required to adopt statement No. 88 for its calendar year 2019 financial statements.

In June 2018, the GASB issued Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*." The County is required to adopt statement No. 89 for its calendar year 2020 financial statements.

The County has not yet completed the various analysis required to estimate the financial statement impact of these new pronouncements.

I. Component Units – Summary of Significant Accounting Principles

Dauphin County Conservation District

Basis of Accounting

The financial statements of the District are reported using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

The District considers all highly liquid investments, including investments in external investment pools, with a maturity of three months or less when purchased to be cash equivalents.

Restricted Assets

Restricted assets represent revenues set aside for the liquidation of specific obligations.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Component Units – Summary of Significant Accounting Principles (Continued)

Dauphin County Conservation District (Continued)

Investments

The District invests its idle funds in various instruments, including in external investment pools. The District's investments in external investment pools are valued at amortized cost and are classified as cash and cash equivalents in the financial statements. The District invests in non-negotiable certificates of deposit through the Certificate of Deposit Account Registry Service. The certificates of deposit are valued at cost, plus interest, as they are considered to be non-participating contracts for which redemption terms do not consider market rates.

Capital Assets

Capital assets, which include buildings and building improvements, land improvements, machinery and equipment, and leasehold assets, are recorded on the statement of net position. Capital assets are defined by the District as assets with a value of \$5,000 or more and have a useful life longer than one year. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated acquisition value on the date donated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized. Capital assets of the District are depreciated using the straight-line method.

Unearned Revenues

Revenues that are received but not earned are unearned in the District's financial statements. In the District's governmental fund, unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenses. In subsequent periods, when the District has a legal claim to the resources, the liability for the unearned revenue is removed from the District's balance sheet and revenue is recognized.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District did not have any items that qualified for reporting in this category.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Component Units – Summary of Significant Accounting Principles (Continued)

Dauphin County Conservation District (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District did not have any items that qualified for reporting in this category.

Accounting Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Accordingly, actual results could differ from those amounts.

Compensated Absences

The employees of the District are County employees. The District reimburses the County for a portion of salaries and fringe benefits during the year. Therefore, the amount related to compensated absences is recorded on the County's financial statements.

Net Position / Fund Balance

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

- *Net Investment in Capital Assets* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net position of the District, not restricted for any project or other purpose.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Component Units – Summary of Significant Accounting Principles (Continued)

Dauphin County Conservation District (Continued)

Net Position / Fund Balance (Continued)

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

The following classifications describe the relative strength of the spending constraints in the governmental fund financial statements:

- *Nonspendable Fund Balance* – Amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- *Restricted Fund Balance* – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- *Committed Fund Balance* – Amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e. the Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same level of action to remove or change the constraint.
- *Assigned Fund Balance* – Amounts the District intends to be used for a specific purpose, but are neither restricted nor committed. Assignments of fund balance are created by the Financial Coordinator pursuant to authorization established by the Board of Directors.
- *Unassigned Fund Balance* – Amounts that are available for any purpose.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly unassigned fund balance.

On March 1, 2012, the District developed and adopted an assigned fund balance policy, under which the District's policy is to maintain an assigned fund balance sufficient to cover 90 days of operating expenses during a period of economic downturn. Periodically, the amount of fund balance assigned is adjusted by the Board of Directors. The assigned fund balance can only be spent based on action by the Board of Directors.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Component Units – Summary of Significant Accounting Principles (Continued)

Dauphin County General Authority

Basis of Accounting

The financial statements are reported using the economic resources measurement focus. This means that all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activities are included on their balance sheet.

The financial statements are reported using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Conduit Debt Issues

The Authority participates in various Bond issues for which it has limited liability. Acting solely in an agency capacity, the Authority serves as a financing conduit, bringing the ultimate borrower and the ultimate lender together for which it receives an administrative fee. Although the Authority is a party to the Trust indenture with the trustee, the agreements are structured such that there is no recourse against the Authority in the case of default. As such, the corresponding debt is not reflected on the Authority's balance sheet, but is summarized in Note 6.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are recorded at fair value. The Authority categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Component Units - Summary of Significant Accounting Policies (Continued)

Dauphin County General Authority (Continued)

Direct Financing Lease Transactions

The Authority accounts for its leases with various agencies as direct financing leases (See Note 8).

Capital Assets

Capital assets are recorded at cost. The Authority provides for depreciation and amortization over the estimated useful lives of the assets using the straight-line method. Upon sale or retirement, the cost and related accumulated depreciation or amortization of such assets are removed from the accounts and any resulting gain or loss is credited or charged to income for the period. Expenditures for maintenance and repairs are charged to income as incurred. Capital assets are defined by the Authority as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years.

Depreciation and amortization were calculated on the straight-line method using the following useful lives:

	<u>Estimated Useful Lives</u>
Land Improvements	7-30 years
Buildings	30 years
Building Improvements	15 years
Golf Course Equipment	5-7 years
Other Equipment	7-10 years

Inventory

Inventory is valued at the lower of cost or market. Cost is determined on the first-in, first-out method. Inventory consists of consumable supplies used for operations and maintenance and also represents items for sale. Inventory is expensed when the items are used or sold.

Unearned Revenue

Unearned revenue consists of unredeemed gift certificates and unearned membership revenue. The Authority sells gift cards with no expiration dates or administration fees. Revenue is recognized from gift cards when they are redeemed by the customer. Additionally, the Authority sells annual memberships for the golf course. Revenue is recognized evenly each month between the period of April through October based upon the date the memberships was sold. Unearned membership revenue consists of those memberships sold from September through December that will not be utilized until the subsequent golf season.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Component Units - Summary of Significant Accounting Policies (Continued)

Dauphin County General Authority (Continued)

Net Position

Net position is classified in the following three components: net investment in capital assets, restricted, and unrestricted net position. Net investment in capital assets, consists of all capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction, and improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. If there are significant unspent proceeds at the end of the reporting period, the portion of the debt attributable to the unspent amount is not included in the calculation of net investment in capital assets. Instead, that portion of the debt is included in the same net position component (restricted or unrestricted) as the unspent amount. Restricted consists of net position for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation, including self-imposed legal mandates, less any related liabilities. Unrestricted consists of all other net position which is not restricted for any project or other purpose.

For the time period that the revenue bonds are outstanding and the trust indenture is in effect in each fund, the net position of the fund is presented as restricted for fund operations.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from primary activities. For the Authority, these revenues are charges for services, investment income and miscellaneous revenues. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the Authority.

Case Management Unit

Basis of Presentation

CMU's financial statements are presented on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America. CMU applies all applicable Governmental Accounting Standards Board (GASB) pronouncements.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Component Units - Summary of Significant Accounting Policies (Continued)

Case Management Unit (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue Recognition

Revenue from county program funded contracts is recognized as reimbursable costs are incurred as established by regulations promulgated by the Pennsylvania Department of Human Services. Reimbursable costs are reduced by other program income including third-party reimbursements, private payments and interest income.

Net patient service revenue consists of Healthchoices, medical assistance and client fees. These revenues are reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and are adjusted in future periods as final settlements are determined.

Capital Assets

Capital assets of CMU include furniture and equipment and leasehold improvements and are reported in the financial statements at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets are defined as assets with an initial, individual cost of more than \$1,500 and an estimated useful life in excess of 3 years.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Component Units - Summary of Significant Accounting Policies (Continued)

Case Management Unit (Continued)

Capital Assets (Continued)

Capital assets of CMU are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Furniture and Equipment	3-10
Leasehold Improvements	10

Income Taxes

CMU qualifies as a tax-exempt Organization under Section 501c (3) of the Internal Revenue Code; therefore no provision for federal income taxes has been established. Further CMU annually files a Form 990, as applicable. The form filed is subject to examination by the Internal Revenue Service generally for three years after it is filed. Management asserts that they have no uncertain tax positions requiring the establishment of a liability or disclosure in the financial statements. Management believes it is no longer subject to income tax examinations for year ends prior to June 30, 2014.

Compensated Absences

CMU policy permits employees to accumulate a limited amount of earned, but unused vacation and sick leave. These benefits are payable to employees upon separation of services. All leave pay is accrued when incurred in the financial statements.

Dauphin County Industrial Development Authority ("IDA")

Basis of Accounting

The IDA operations are reported as a proprietary fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Component Units - Summary of Significant Accounting Policies (Continued)

Dauphin County Industrial Development Authority ("IDA") (Continued)

Cash and Cash Equivalents

The IDA considers all highly-liquid debt instruments with a maturity date of three months or less when purchased, to be cash equivalents. Cash and cash equivalents at September 30, 2017 consist of cash held in bank accounts.

Loans Receivable

Loans receivable that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at outstanding principal. Account balances generally are written off when management judges such balances uncollectible, such as an account in bankruptcy. Management continually monitors and reviews loan receivable balances. Interest at rates ranging from 2.5 - 3.5% is charged on unpaid balances and is recognized in revenue upon receipt. The IDA's management evaluates this risk and, when determined to be necessary, provides an allowance for loans which may become uncollectible. Loans receivable are shown net of an allowance of \$68,028.

Direct Financing Lease Transactions

The IDA accounts for its leases with the County of Dauphin as direct financing leases in accordance with GASB No. 62.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant estimates and assumptions in the IDA's financial statements related to the collectability of loans and other receivables and the useful lives of capital assets. Actual results could differ from those estimates.

Capital Assets

Capital Assets which include office equipment and furnishings and buildings and building improvements, are recorded at original cost at the time title reverts to the IDA and said assets are in operating condition. The IDA records all capital outlays as capital assets. Capital assets are depreciated using the straight-line method over their estimated useful lives as follows:

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Component Units - Summary of Significant Accounting Policies (Continued)

Dauphin County Industrial Development Authority ("IDA") (Continued)

<u>Assets</u>	<u>Years</u>
Buildings	40
Buildings and Improvements	15
Office Equipment and Furnishings	3 - 7
Solar Farm Project	25

Long-Term Obligations

Long-term debt and other obligations are reported as noncurrent liabilities in the statement of net position.

Net Position

Net position is categorized as net investment in capital assets, restricted and unrestricted.

- a. *Net Investment in Capital Assets* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- b. *Restricted Net Position* – This category represents net position of the IDA that is restricted for project or other purposes.
- c. *Unrestricted Net Position* – This category represents net position of the IDA that is not restricted for any project or other purpose.

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

Deferred Outflows / Inflows of Resources

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The IDA did not have an item that qualifies for reporting in this category.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The IDA did not have an item that qualifies for reporting in this category.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Component Units - Summary of Significant Accounting Policies (Continued)

Dauphin County Economic Development Corporation ("DCEDC")

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

DCEDC's financial statements are presented on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America. Under this basis, revenues are recorded when they are earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows. The DCEDC applies Governmental Accounting Standard Board (GASB) pronouncements.

All activities of the DCEDC are accounted for within one proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The accounting and financial reporting treatment applied to the DCEDC is determined by its measurement focus. The transactions of the DCEDC are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the balance sheet. Net Position (i.e., total assets and deferred outflows of resources net of total liabilities and deferred inflows of resources) is segregated into "net investment in capital assets"; "restricted"; and "unrestricted" components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Operating revenues, such as charges for services, result from exchange transactions associated with the principal activities of the DCEDC. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. When both restricted and unrestricted resources are available for use, it is the DCEDC's policy to use restricted resources, and then unrestricted resources as they are needed for their intended purposes.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Component Units - Summary of Significant Accounting Policies (Continued)

Dauphin County Economic Development Corporation ("DCEDC")
(Continued)

Cash

DCEDC considers all highly-liquid debt instruments purchased with maturity of three months or less when purchased to be cash equivalents.

Capital Assets

Capital assets are recorded at their original cost and are depreciated on a straight-line basis over their estimated useful lives. Donated capital assets are recorded at the acquisition value at the date of donation. Assets with an initial, individual cost that equal or exceed \$5,000 and estimated useful lives of over one year are recorded as capital assets and depreciated. Estimated useful lives are as follows:

Furniture and Equipment	3-7 years
Buildings	39 years
Works of Art	7 years

Long-Term Liabilities

In the financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position.

Net Position

The financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- a. *Net Investment in Capital Assets* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- b. *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Component Units - Summary of Significant Accounting Policies (Continued)

Dauphin County Economic Development Corporation ("DCEDC")
(Continued)

Net Position (Continued)

- c. *Unrestricted Net Position* – This category represents net position of the DCEDC, not restricted for any project or other purpose.

When an expenditure is incurred for purpose for which both restricted and unrestricted resources are available, it is the DCEDC's policy to use restricted resources first.

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The DCEDC did not have an item that qualifies for reporting in this category.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The DCEDC did not have an item that qualifies for reporting in this category.

Accounting Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Accordingly, actual results could differ from those amounts.

Income Taxes

The DCEDC is exempt from the federal income under Section 501(c)(3) of the Internal Revenue Code. Certain revenue deemed to be unrelated to a nonprofit corporation's tax-exempt purpose could be subject to federal income taxes, however DCEDC management believes that there is no tax liability as of December 31, 2017.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 2: DEPOSITS, INVESTMENTS, AND FAIR VALUE MEASUREMENT

The County's investments at December 31, 2017 were as follows:

Governmental Funds	
Fort Hunter Permanent Fund	
Fixed Income Mutual Funds - Bonds	\$ 537,873
Equity Mutual Funds - Stocks	627,932
Total Permanent Fund	<u>1,165,805</u>
Total Governmental Funds	<u>1,165,805</u>
Fiduciary Funds	
Retirement Fund	
U.S. Government Securities	9,978,651
Corporate Bonds	18,662,891
Bond Mutual Fund	27,986,002
Equity Funds	124,835,623
Savings, CD's and Time Deposits	2,534,750
Other	<u>151,315,788</u>
Total Retirement Fund	<u>335,313,705</u>
Total Fiduciary Funds	<u>335,313,705</u>
Total Investments	<u>\$ 336,479,510</u>

As of December 31, 2017, the County had the following debt investments and maturities within its excess operating fund accounts:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
Fixed Income Mutual Funds - Bonds	\$ 537,873	\$ -	\$ -	\$ 537,873	\$ -
Total	<u>\$ 537,873</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 537,873</u>	<u>\$ -</u>

As of December 31, 2017, the County had the following debt investments and maturities within its retirement plan accounts:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Government Treasuries	\$ 4,100,500	\$ -	\$ 4,100,500	\$ -	\$ -
U.S. Government Agencies	5,878,151	725,393	2,115,605	2,187,599	849,554
Corporate Bonds	18,662,891	875,058	14,523,986	622,262	2,641,585
Bond Mutual Fund	<u>27,986,002</u>	-	<u>27,986,002</u>	-	-
Total	<u>\$ 56,627,544</u>	<u>\$ 1,600,451</u>	<u>\$ 48,726,093</u>	<u>\$ 2,809,861</u>	<u>\$ 3,491,139</u>

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 2: DEPOSITS, INVESTMENTS, AND FAIR VALUE MEASUREMENT (CONTINUED)

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's Operating Funds Investment Policy states that maturities shall be set to generally match the projected cash flow requirements for the County as determined by the County Controller.

The County's Retirement Plan Investment Policy Statement ("Retirement Investment Policy") states that emphasis shall be placed on providing adequate and timely investment cash flow to permit benefit payments from the Retirement Plan when due and sufficient reserves to meet unanticipated benefit payments. The average effective duration of fixed income securities shall be no more than 25 percent greater or 50 percent less than the effective duration of Barclays 5-10 Year Treasury Index for Treasuries or Barclays 1-3 Government/Credit Index for bonds. The plan is in conformity with established guidelines.

Credit Risk. The County's Operating Investment Policy limits investments to direct obligations of the United States Government or its agencies or instrumentalities; other obligations that are either insured or guaranteed by the United States Government; deposits with banks within the Commonwealth of Pennsylvania properly insured in accordance with the requirements of the County Code or properly collateralized in accordance with the County Code and Act 72 of 1971 P.S. Section 3836-1, et seq.; or investments with the Pennsylvania Local Government Investment Trust ("PLGIT").

The Investment Policy limits the average quality of fixed income securities to a minimum rating of "A2" or better, the third broad investment grade as determined by Moody's. The Investment Policy allows investments in bonds with ratings below Baa, but limits them to no more than twenty percent of total fixed income securities.

As of December 31, 2017, none of the County's fixed income bond mutual funds in the governmental funds were rated by Moody's.

As of December 31, 2017, the County's retirement plan investments had a credit rating as follows:

Investment Type	Credit Quality Rating	% of Investment Type
U.S. Government Treasuries	AAA	100%
U.S. Government Agencies	AAA	29%
U.S. Government Agencies	Not Rated	71%
Corporate Bonds	A	22%
Corporate Bonds	AA	7%
Corporate Bonds	AAA	41%
Corporate Bonds	BAA	13%
Corporate Bonds	Not Rated	17%
Bond Mutual Fund	Not Rated	100%

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 2: DEPOSITS, INVESTMENTS, AND FAIR VALUE MEASUREMENT (CONTINUED)

Custodial Credit Risk. For deposits and investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2017, \$37,300,911 of the County's deposits were exposed to custodial credit risk, as they are collateralized with securities held by the pledging financial institution and uninsured. None of the County's retirement or governmental fund investments were exposed to custodial credit risk at December 31, 2017. The County does not have a written policy to limit its exposure to custodial credit risk.

Participation in External Investment Pools. The County's cash equivalents of \$1,398 were not subject to custodial credit risk, as they were invested with the Pennsylvania Treasurer's INVEST Program for Local Governments and Nonprofits ("INVEST"), an external investment pool. The County's fair value of its position in the pool is measured at amortized cost and is the same as the value of the pool shares. The INVEST program does not place any limitations or restrictions on withdrawals from the program. The Commonwealth of Pennsylvania provides external regulatory oversight of the INVEST program. Separately issued financial statements of the INVEST program are available to the public via its website. For the year ended December 31, 2017, all of the County's investments in the INVEST program were rated AAAM by Standard and Poor's.

The County's cash equivalents of \$6,992,580 were not subject to custodial credit risk as they were invested with the Pennsylvania Local Government Investment Trust ("PLGIT"), a 2a7-like external investment pool. PLGIT does not place any limitations or restrictions on withdrawals from the pool. The County's investment in PLGIT is measured at amortized cost, which approximates fair market value. The County has no regulatory oversight for the pool, which is governed by a Board of Trustees and is administered by PFM Asset Management, LLC. PLGIT is audited annually by Ernst & Young, LLP. The pool is rated AAAM by Standard & Poor's. Separately issued financial statements of PLGIT are available to the public via its website. For the year ended December 31, 2017 all of the County's investments in PLGIT were rated AAAM by Standard and Poor's.

Concentration of Credit Risk. The County's Operating Investment Policy does not allow a single issuer or guarantor to represent more than 10% of the total value of holdings at the time of acquisition.

The County's Retirement Investment Policy states that no issuer, other than the U.S. Government or other Federal agencies, may represent more than 5% of the total market value of the fixed income portfolio. The policy has no limit upon investments in U.S. Treasury securities as a percentage of fixed income securities at cost or market value, except that any single coupon issue thereof may constitute no more than 30% of any administrator's fixed income investments at market value and any single Treasury zero coupon issue 10% at market value. Federal agency securities are limited to 25% per agency, and to 10%, at market value, per any single Federal Agency issue.

At December 31, 2017, the County is not subject to concentration of credit risk.

Fair Value Measurement

The County categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 2: DEPOSITS, INVESTMENTS, AND FAIR VALUE MEASUREMENT (CONTINUED)

Fair Value Measurement (Continued)

The County had the following recurring fair value measurements for its operating accounts as of December 31, 2017:

- Fixed income mutual funds – bonds of \$537,873 and equity mutual funds – stocks of \$627,932 are valued using quotes market prices (Level 1 inputs).

The County had the following recurring fair value measurements for its retirement accounts as of December 31, 2017:

Investments by Fair Value Level	12/31/17	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
U.S. Government Securities	\$ 9,978,651	\$ -	\$ 9,978,651	\$ -
Corporate Bonds	18,662,891	-	18,662,891	-
Bond Mutual Funds	27,986,002	27,986,002	-	-
Equity Funds	124,835,623	124,835,623	-	-
Savings, CD's, and Time Deposits	2,534,750	-	2,534,750	-
Total Investments by Fair Value Level	183,997,917	152,821,625	31,176,292	-
Investments Measured at the Net Asset Value				
Limited Partnership	18,593,702			
Global Managed Equity Fund	45,128,878			
Global Multi-Cap Quality Trust Fund	31,467,732			
Global Opportunities Equity Fund	38,295,259			
Multi-strategy Trust Fund	17,830,217			
Total Investments Measured at the Net Asset Value	151,315,788			
Total Investments	\$ 335,313,705			

Bond mutual funds and equity funds are valued using prices quoted in active markets for those securities. U.S. government securities, corporate bonds, and savings, CD's, and time deposits are valued using quoted market prices for similar securities.

Limited Partnership. This investment is in a limited partnership that invests in in-force, non-variable universal life insurance policies insuring the lives of individuals of at least seventy years of age who have a life expectancy as of the date of purchase of between three and fifteen years at a price greater than the cash surrender value offered by the life insurance companies but less than the face amount of or the death benefit payable under such policies. The fair value of this investment has been determined using the net asset value per share of the investments. Redemptions can be made quarterly upon 120 days advance notice; however, redemptions can only be made within 12 months of a contribution to the limited partnership with approval by the General Partner. Redemptions within 12 months of a contribution to the limited partnership may be assessed a charge of 5 percent of the redemption amount. As of December 31, 2017, this investment was not within the 12 month redemption restriction period.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 2: DEPOSITS, INVESTMENTS, AND FAIR VALUE MEASUREMENT (CONTINUED)

Fair Value Measurement (Continued)

Global Managed Equity Fund. This investment is in an equity fund whose objective is to seek to achieve a volatility level considerably less than the volatility level of the global equity market while providing market-like or above-market returns over full market cycles. The fair value of this investment has been determined using the net asset value per share of the investments. Redemptions of this investment within the first 180 days of the initial investment are subject to a redemption fee of up to 1.5 percent of the amount redeemed. After the initial 180 day period, redemptions can be made without a redemption fee at any date upon 30 calendar days advance notice. As of December 31, 2017, this investment was not within the 180 day redemption fee period.

Global Multi-Cap Quality Trust Fund. This investment is in a real estate investment trust fund whose objective is to seek maximum long-term capital appreciation by investing in a diversified portfolio of common stocks and other permitted investments. The fair value of this investment has been determined using the net asset value per share of the investments. Withdrawals may be requested with respect to a given Fund as of any day that such Fund is open for business. For withdrawals initiated by a Participating Plan in excess of twenty percent of such Participating Plan's investment in a Fund, the Participating Plan must notify the Trustee directly, in writing, 5 business day prior to the applicable withdrawal date. The Trustee may assess a redemption fee if a withdrawal initiated by a Participating Plan as of any date is greater than \$1,000,000 or ten percent of the total value of a given Fund as of the applicable date. The redemption fee is intended solely to offset portfolio transaction and market impact costs associated with large redemption activity. The redemption fee shall be deducted from the Participating Plan's redemption proceeds and paid to the applicable Fund.

Global Opportunities Equity Fund. This investment is in an equity fund whose objective is to maximize long-term capital growth by investing mainly in equity securities of domestic and international companies across a broad capitalization range. The fair value of this investment has been determined using the net asset value per share of the investments. Redemptions can be made at any time upon 5 days advance notice. The Trustee of the Fund has discretion to limit the maximum redemption as of any date to the greater of \$2,000,000 or 5 percent of the value of the assets within the Fund.

Multi-strategy Trust Fund. This investment is in a trust fund whose objective is an unconstrained, non-benchmark oriented investment approach. The fair value of this investment has been determined using the net asset value per share of the investments. Redemptions of this investment can be made at any time upon 30 calendar days advance notice.

Component Units – Deposit and Investment Risk

Dauphin County Conservation District

Deposits and Investments

Custodial Credit Risk. For deposits and investments of the District, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 2: DEPOSITS, INVESTMENTS, AND FAIR VALUE MEASUREMENT (CONTINUED)

Component Units – Deposit and Investment Risk (Continued)

Dauphin County Conservation District (Continued)

Deposits and Investments (Continued)

At December 31, 2017, the District's cash balance was \$752,436 and its bank balance was \$756,722. Of this bank balance, \$506,722 was exposed to custodial credit risk, as it was collateralized with securities held by the pledging financial institution and uninsured.

The District's cash equivalents of \$374,420 were not subject to custodial credit risk, as they were invested with the Pennsylvania Treasurer's INVEST Program for Local Governments and Nonprofits ("INVEST"), an external investment pool. The District's fair value of its position in the pool is measured at amortized cost and is the same as the value of the pool shares. The INVEST program does not place any limitations or restrictions on withdrawals from the program. The Commonwealth of Pennsylvania provides external regulatory oversight of the INVEST program. Separately issued financial statements of the INVEST program are available to the public via its website.

At December 31, 2017, the Conservation District held \$785,668 in certificates of deposit, through the Certificates of Deposit Account Registry Service (CDARS) which are classified as investments on the statement of net position. The certificates of deposit are not exposed to custodial credit risk as the funds are invested in certificates of deposit of multiple financial institutions under the FDIC limit.

Interest Rate Risk. The District's investment policy does not limit investment maturities as a means of managing their exposure to fair value losses arising from increasing interest rates.

Credit Risk. For December 31, 2017 all of the District's investments in the state investment pool were rated AAAM by Standard and Poor's.

Dauphin County General Authority

Deposits and Investments

Cash and investments are held by trustees, pursuant to provisions of various Trust Indentures, except for the Administrative Fund cash account and the Dauphin Highlands Golf Course cash account, which are administered by the Authority's Executive Director.

The Municipality Authorities Act (the "Act") provides for investment of governmental funds into certain authorized investment types, including U.S. Treasury bills, other short-term U.S. government obligations, short-term commercial paper issued by a public corporation, banker's acceptances, insured or collateralized time deposits, and certificates of deposits. The Act allows pooling of governmental funds for investment purposes. The Act does not prescribe regulations relating to demand deposits.

COUNTY OF DAUPHIN
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2017

NOTE 2: DEPOSITS, INVESTMENTS, AND FAIR VALUE MEASUREMENT (CONTINUED)

Component Units – Deposit and Investment Risk (Continued)

Dauphin County General Authority (Continued)

Deposits

Custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Authority does not have a deposit policy for custodial credit risk. At December 31, 2017, the book balance of the Authority's unrestricted deposits was \$1,469,300 and the bank balance was \$1,479,942. Of the unrestricted bank balance, \$250,000 was covered by federal depository insurance, and \$1,229,942 was collateralized under Act 72 of the 1971 session of the Pennsylvania General Assembly for the protection of public depositors. At December 31, 2017, the book balance of the Authority's restricted deposits was \$4,362,352 and the bank balance was \$4,371,360. Of the restricted bank balance, \$550,449 was covered by federal depository insurance, and \$3,820,911 was collateralized under Act 72.

Investments

The Authority's Level 1 investments reported at December 31, 2017 are as follows:

	Fair Value
Restricted	
Money market funds	\$ 6,559,777

Custodial Credit Risk. Custodial credit risk is the risk that the counterparty to an investment transaction will fail and the government will not recover the value of the investment or collateral securities that are in possession of an outside party. The Authority does not have an investment policy for custodial credit risk. The Authority's investments in money market funds are not exposed to custodial credit risk because they are not evidenced by securities in book entry or paper form.

Concentration of credit risk. The Authority places no limit on the amount the Authority may invest in any one issuer.

Credit Risk. The Authority does not have a formal policy that would limit investment choices with regard to credit risk. The Authority's money market funds are unrated as of December 31, 2017.

Interest rate risk. The Authority does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Authority's money market funds have an average maturity of less than one year.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 2: DEPOSITS, INVESTMENTS, AND FAIR VALUE MEASUREMENT (CONTINUED)

Component Units – Deposit and Investment Risk (Continued)

Case Management Unit

Cash Concentrations

Custodial Credit Risk – For deposits, custodial credit risk is the risk that in the event of the failure of the counterparty, CMU will not be able to recover the value of its deposits that are in the possession of an outside party. As of June 30, 2017, CMU's cash balance was \$116,256 and its bank balance was \$163,079. Of this bank balance for June 30, 2017, none of CMU's deposits were exposed to custodial credit risk. CMU does not have a written policy to limit its exposure to custodial credit risk.

Dauphin County Industrial Development Authority ("IDA")

The IDA's deposit policy adheres to State Statutes and prudent business practice.

Deposits

Custodial Credit Risk. For deposits, custodial credit risk is the risk that in the event of failure of the counterparty, the IDA will not be able to recover the value of its deposits or collateral securities that are in the possession of an outside party. As of September 30, 2017, the IDA's cash balance was \$12,508,364, and its bank balance was \$13,391,687. At September 30, 2017, \$12,221,957 of the IDA's deposits were subject to custodial credit risk and collateralized under Act 72 of the 1971 session of the Pennsylvania General Assembly for the protection of public depositors. The IDA does not have a formal policy to limit its exposure to custodial credit risk.

Dauphin County Economic Development Corporation ("DCEDC")

Deposits

Custodial Credit Risk. For deposits, custodial credit risk is the risk that in the event of failure of the counterparty, the DCEDC will not be able to recover the value of its deposits or collateral securities that are in the possession of an outside party. As of December 31, 2017, the DCEDC's cash balance was \$4,299,230, and its bank balance was \$4,597,880. At December 31, 2017, \$3,522,048 of the DCEDC's deposits were subject to custodial credit risk and were collateralized under Act 72 of the 1971 session of the Pennsylvania General Assembly for the protection of public depositors. The DCEDC does not have a formal policy to limit its exposure to custodial credit risk.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 3: RESTRICTED ASSETS

Assets whose use is limited to a specific purpose have been classified as “restricted” in the balance sheet. Restricted assets are composed of the following:

	<u>Cash</u>
Governmental Funds	
General Fund	
Amounts held in escrow for purposes including tax protest ordered liabilities	\$ 661,344
Amounts held in fiduciary capacity	
District Attorney’s Office	867,355
Amounts held for Harrisburg City Trash deposits	124,374
Amounts Reserved for Workers’ Compensation Liabilities	<u>330,812</u>
Total General Fund	<u>1,983,885</u>
Fort Hunter Permanent Fund	<u>56,288</u>
Total Governmental Funds	<u>\$ 2,040,173</u>

Component Units – Restricted Assets

Dauphin County Conservation District

Assets whose use is limited to a specific purpose has been classified as restricted in the statement of net position. Restricted cash and cash equivalents of \$352,594 are comprised of cash held with a financial institution for various state and local grant programs.

Dauphin County Economic Development Corporation (“DCEDC”)

Restricted assets represent cash balances from hotel tax and grant program distributions received from Dauphin County. These distributions are restricted for the purpose of promoting tourism and regional development and for the CDBG and HOME programs. At December 31, 2017 the restricted cash balance was \$4,174,617.

Dauphin County Industrial Development Authority (“IDA”)

Restricted assets represent cash balances from gaming revenues which are restricted for the purpose of providing municipal grants; cash related to the revolving loan program which is restricted for the purpose of providing loans to businesses; security deposits for the property management fund; cash held for municipality loan draws within the infrastructure bank fund; and cash drawn down on the MDJ project within the financing fund which was unexpended at year end. At September 30, 2017, the restricted cash balance was \$11,779,066.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 3: RESTRICTED ASSETS (CONTINUED)

Component Units – Restricted Assets (Continued)

Dauphin County General Authority

Restricted assets represent cash, cash equivalents, and investments maintained in accordance with bond resolutions, loan agreements, grant awards, and other resolutions and formal actions of the Authority or by agreement for the purpose of funding certain debt service payments, depreciation and contingency activities. At December 31, 2017, the Authority had restricted cash and cash equivalents of \$4,362,352 and restricted investments of \$6,559,777.

NOTE 4: RISK MANAGEMENT

The County is exposed to risk of loss related to self-insurance activities for workers' compensation. The County records the liability for the risk associated with the workers' compensation. The County has excess workers' compensation insurance with a self-insured retention per occurrence of \$850,000, and a maximum indemnity per occurrence of \$1,000,000.

As required by the Pennsylvania Department of Labor and Industry, the County has established a trust amount for workers' compensation. The cash balance at December 31, 2017, was \$330,812 and is included in the restricted cash amount in the General Fund. The purpose of the account is to provide a source of funds for claimants entitled to benefits under Article III Section 305 of the Pennsylvania Workers' Compensation Act in case the County could not pay claims.

The County maintains workers' compensation reserves for claims incurred and claims incurred but not reported on the funds to which, per the County's estimate, they apply. Independent of these reserves, the County maintains an \$189,000 deposit with a third-party administrator to facilitate claim processing. This amount is recorded in the General Fund.

The accrued liability for workers' compensation claims represents the expected reserve level needed to provide for the ultimate payment of benefits for workers' compensation claims. The liability is determined by an actuary in accordance with actuarial principles based on past loss experience; such claims are discounted at 3.0% for workers' compensation. The accrued liability includes allocated loss adjustment expense, but it does not include any provision for other expenses.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 4: RISK MANAGEMENT (CONTINUED)

The following summary provides aggregate information on the workers' compensation self-insurance liability, incurred claims, and payments during the years ended December 31, 2017 and 2016.

	2017	2016
Balances as of January 1	\$ 1,930,790	\$ 1,534,860
Add: Incurred Claims and Changes in Estimates Related to:		
Prior Years	247,069	411,028
Current Year	294,386	384,892
	541,455	795,920
Less: Payment of Claims Related to:		
Prior Years	339,599	287,958
Current Year	179,505	112,032
	519,104	399,990
Balances as of December 31	\$ 1,953,141	\$ 1,930,790

The foregoing reconciliation reflects a deficiency in the December 31, 2016 liability for workers' compensation self-insurance of \$247,069. The changes in these liabilities were primarily the result of changes in estimates as more information became available.

As of December 31, 2017, the accrued liability for workers' compensation claims on an undiscounted basis was \$2,103,272. The balance is intended to be sufficient to provide for the ultimate payment of benefits for outstanding incurred losses as of December 31, 2017.

There have been no significant reductions in insurance coverage from coverage in the prior year and the amount of settlements have not exceeded insurance coverage for each of the past three years.

The County participates in a claims servicing public entity risk pool (the Pool) for health insurance. Under an agreement with the Pool, the County pays monthly premiums to the Pool based on past loss experience. Based on the County's favorable loss experience in 2017, no liability has been recorded for claims incurred, but not paid as of December 31, 2017.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 4: RISK MANAGEMENT (CONTINUED)

Component Units – Risk Management

Case Management Unit

CMU has elected to self-insure itself for medical insurance for certain employees. As of June 30, 2017, CMU is liable for all claims up to an aggregate of \$2,061,476, or \$95,000 per individual for any one plan year. Once the deductible has been met, all future stop loss reimbursements for that contract year are payable. CMU purchased stop loss insurance to cover all claims incurred in excess of these deductible points. As of June 30, 2017, CMU has recorded a liability for claims incurred but not yet paid. No settlements exceeded insurance coverage for each of the past three years. The claims liability is included in Accrued Expenses on the Statement of Net Position.

	<u>2017</u>	<u>2016</u>
Balance as of July 1	\$ 297,819	\$ 123,867
Add: Incurred claims relating to:		
Current year	2,127,427	2,060,635
	2,425,246	2,184,502
Less: Payment of claims relating to:		
Prior years	297,819	123,867
Current year	1,813,366	1,762,816
	2,111,185	1,886,683
Balance as of June 30	\$ 314,061	\$ 297,819

Dauphin County Industrial Development Authority (“IDA”)

The IDA is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance. There were no significant reductions in insurance coverages during 2017. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

COUNTY OF DAUPHIN, PENNSYLVANIA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental Activities:</u>				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,465,236	\$ -	\$ -	\$ 2,465,236
Intangible Assets	658,378	-	-	658,378
Construction in Progress - Infrastructure	4,165,414	838,085	-	5,003,499
Construction in Progress	2,496,178	5,030,572	(2,327,786)	5,198,964
Total Capital Assets, Not Being Depreciated	9,785,206	5,868,657	(2,327,786)	13,326,077
Capital Assets, Being Depreciated				
Infrastructure	17,374,030	-	-	17,374,030
Buildings and Improvements	102,805,621	427,786	-	103,233,407
Machinery and Equipment	61,006,352	671,539	-	61,677,891
Leasehold Assets	25,196,140	3,234,874	-	28,431,014
Total Capital Assets, Being Depreciated	206,382,143	4,334,199	-	210,716,342
Less Accumulated Depreciation and Amortization For:				
Infrastructure	(8,320,024)	(412,726)	-	(8,732,750)
Buildings and Improvements	(50,245,928)	(1,847,460)	-	(52,093,388)
Machinery and Equipment	(33,377,726)	(3,479,079)	-	(36,856,805)
Leasehold Assets	(14,375,181)	(1,349,417)	-	(15,724,598)
Total Accumulated Depreciation and Amortization	(106,318,859)	(7,088,682)	-	(113,407,541)
Total Capital Assets, Being Depreciated, Net	100,063,284	(2,754,483)	-	97,308,801
Governmental Activities Capital Assets, Net	\$ 109,848,490	\$ 3,114,174	\$ (2,327,786)	\$ 110,634,878
<u>Business-Type Activities:</u>				
Capital Assets, Not Being Depreciated:				
Land	\$ 111,492	\$ -	\$ -	\$ 111,492
Construction in Progress	47,665	556,550	-	604,215
Total Capital Assets, Not Being Depreciated	159,157	556,550	-	715,707
Capital Assets, Being Depreciated				
Buildings and Improvements	19,458,943	40,401	-	19,499,344
Machinery and Equipment	1,648,853	51,592	-	1,700,445
Furniture and Fixtures	30,069	-	-	30,069
Total Capital Assets, Being Depreciated	21,137,865	91,993	-	21,229,858
Less Accumulated Depreciation and Amortization For:				
Buildings and Improvements	(15,965,681)	(399,410)	-	(16,365,091)
Machinery and Equipment	(1,460,909)	(57,146)	-	(1,518,055)
Furniture and Fixtures	(24,654)	(685)	-	(25,339)
Total Accumulated Depreciation and Amortization	(17,451,244)	(457,241)	-	(17,908,485)
Total Capital Assets, Being Depreciated, Net	3,686,621	(365,248)	-	3,321,373
Business-Type Activities Capital Assets, Net	\$ 3,845,778	\$ 191,302	\$ -	\$ 4,037,080

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 5: CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the primary government as follows:

<u>Governmental Activities:</u>	
General Government	\$ 1,266,106
Judiciary	1,394,175
Conservation and Development	12,409
Human Services	426,209
Culture and Recreation	88,596
Public Safety	3,488,461
Public Works	<u>412,726</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 7,088,682</u>
<u>Business-Type Activities:</u>	
Public Works	\$ 96,299
Human Services	320,330
Culture and Recreation	<u>40,612</u>
Total Depreciation Expense – Business-Type Activities	<u>\$ 457,241</u>

Component Units – Capital Assets

Dauphin County Conservation District

Capital Assets consist of the following:

	<u>Cost</u>	<u>Estimated Useful Lives</u>
Land Improvements	\$ 202,495	20 years
Buildings and Improvements	1,242,013	20-40 years
Machinery and Equipment	279,892	3-6 years
Leasehold Assets	15,241	4 years
	<u>1,739,641</u>	
Less: Accumulated Amortization and Depreciation	<u>971,411</u>	
	<u>\$ 768,230</u>	

Depreciation expense for the year ended December 31, 2017 was \$84,036.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 5: CAPITAL ASSETS (CONTINUED)

Component Units – Capital Assets (Continued)

Dauphin County General Authority

Changes in Capital Assets of the business-type activities at December 31, 2017 consist of the following:

	<u>Beginning Balance</u>	<u>Transfers in/ Increases</u>	<u>Transfers out/ Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated				
Land	\$ 2,015,951	\$ -	\$ -	\$ 2,015,951
Construction in progress	244,673	2,243,809	(2,439,951)	48,531
Total capital assets, not being depreciated	2,260,624	2,243,809	(2,439,951)	2,064,482
Capital assets, being depreciated				
Land improvements	5,790,603	25,680	-	5,816,283
Buildings	44,168,536	2,474,751	-	46,643,287
Building improvements	528,748	6,600	-	535,348
Golf course equipment	1,507,428	171,121	(9,904)	1,668,645
Other equipment	98,240	-	-	98,240
Total capital assets, being depreciated	52,093,555	2,678,152	(9,904)	54,761,803
Less accumulated depreciation and amortization for:				
Land improvements	4,075,115	195,439	-	4,270,554
Buildings	26,856,826	1,669,665	-	28,526,491
Building improvements	369,438	18,664	-	388,102
Golf course equipment	977,432	169,064	(6,241)	1,140,255
Other equipment	83,323	3,885	-	87,208
Total accumulated depreciation and amortization	32,362,134	2,056,717	(6,241)	34,412,610
Capital assets, being depreciated, net	19,731,421	621,435	(3,663)	20,349,193
Capital assets, net	\$ 21,992,045	\$ 2,865,244	\$ (2,443,614)	\$ 22,413,675

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 5: CAPITAL ASSETS (CONTINUED)

Component Units – Capital Assets (Continued)

Case Management Unit

Capital assets activity for the year ended June 30, 2017 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets being depreciated:				
Furniture and Equipment	\$1,255,630	\$ 257,567	\$ -	\$ 1,513,197
Leasehold Improvements	135,239	-	-	135,239
	<hr/>			
Total Capital Assets, Being Depreciated	1,390,869	257,567	-	1,648,436
	<hr/>			
Less Accumulated Depreciation for:				
Furniture and Equipment	1,003,719	110,165	-	1,113,884
Leasehold Improvements	112,172	3,549	-	115,721
	<hr/>			
Total Accumulated Depreciation	1,115,891	113,714	-	1,229,605
	<hr/>			
Total Capital Assets, net	<u>\$ 274,978</u>	<u>\$ 143,853</u>	<u>\$ -</u>	<u>\$ 418,831</u>

CMU functions solely as designee in possession of the assets for the purpose of providing services under all MH/ID contracts. Capital assets purchased are capitalized and depreciated over their estimated useful life for financial statement purposes.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 5: CAPITAL ASSETS (CONTINUED)

Component Units – Capital Assets (Continued)

Dauphin County Industrial Development Authority (“IDA”)

The following is a summary of changes in capital assets for business-type activities for the year ended September 30, 2017:

	Balance October 1, 2016	Additions	Deletions	Balance September 30, 2017
Capital assets, not being Depreciated:				
Construction in progress	\$ 15,133	\$ -	\$ (15,133)	\$ -
Land	263,697	-	-	263,697
Total capital assets, not Depreciated	278,830	-	(15,133)	263,697
Capital assets, being depreciated:				
Buildings held for lease	474,354	-	-	474,354
Building improvements	2,070,256	-	-	2,070,256
Office furniture and equipment	14,521	-	-	14,521
Equipment - Solar farm phase I	4,829,816	-	-	4,829,816
Equipment –Solar farm phase II	3,967,771	-	-	3,967,771
Total capital assets, being depreciated	11,356,718	-	-	11,356,718
Less accumulated depreciation for:				
Buildings held for lease	(136,378)	(11,859)	-	(148,237)
Building improvements	(1,014,001)	(138,017)	-	(1,152,018)
Office furniture and equipment	(14,521)	-	-	(14,521)
Equipment – Solar farm phase I	(974,476)	(193,192)	-	(1,167,668)
Equipment – Solar farm phase II	(502,068)	(158,711)	-	(660,779)
Total accumulated depreciation	(2,641,444)	(501,779)	-	(3,143,223)
Total capital assets, being depreciated, net	8,715,274	(501,779)	-	8,213,495
Total capital assets, net	\$ 8,994,104	\$ (501,779)	\$ (15,133)	\$ 8,477,192

Depreciation expense was \$501,779 for the year ended September 30, 2017.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 5: CAPITAL ASSETS (CONTINUED)

Component Units – Capital Assets (Continued)

Dauphin County Economic Development Corporation (“DCEDC”)

The following is a summary of changes in capital assets for business-type activities for the year ended December 31, 2017:

	Balance January 1, 2017	Additions	Deletions	Balance December 31, 2017
Capital assets, being depreciated:				
Furniture and Equipment	\$ 19,927	\$ -	\$ -	\$ 19,927
Works of Art	8,011	-	-	8,011
Buildings	2,068,611	-	-	2,068,611
Total capital assets, being depreciated	2,096,549	-	-	2,096,549
Less accumulated depreciation for:				
Furniture and Equipment	(19,927)	-	-	(19,927)
Works of Art	(8,011)	-	-	(8,011)
Buildings	(590,081)	(53,041)	-	(643,122)
Total accumulated depreciation	(618,019)	(53,041)	-	(671,060)
Total capital assets, being depreciated, net	1,478,530	(53,041)	-	1,425,489
Total capital assets, net	\$ 1,478,530	\$ (53,041)	\$ -	\$ 1,425,489

Depreciation expense was \$53,041 for the year ended December 31, 2017.

NOTE 6: CONDUIT DEBT ISSUES

Component Unit - Conduit Debt Issues

Dauphin County General Authority

The following Conduit debt issues were outstanding at December 31, 2017:

University of Pittsburgh Medical Center	\$ 128,210,000
University of Pittsburgh Medical Center	100,875,000
University of Pittsburgh Medical Center	91,130,000
University of Pittsburgh Medical Center	53,580,000
Elizabethtown College	17,810,000
Elizabethtown College	3,939,180
Harrisburg University	58,015,000
	<u>\$ 453,559,180</u>

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 6: CONDUIT DEBT ISSUES (CONTINUED)

Component Unit - Conduit Debt Issues (Continued)

Dauphin County Industrial Development Authority ("IDA")

Variable Rate Demand Revenue Bonds (WITF, Inc. Project), Series of 2005

On September 23, 2005, the IDA issued Variable Rate Demand Revenue Bonds, Series of 2005 (the Bonds) in the aggregate principal amount of \$19,000,000. The IDA appointed Fulton Financial Advisors, N.A., to serve as trustee, bond registrar and paying agent for the Bonds. The bonds are limited obligations of the IDA, payable solely from the payments required to be made by WITF, Inc. (the Borrower) under a loan agreement by and between IDA and the Borrower (the Agreement.)

Pursuant to the Agreement, the IDA lent the full proceeds of the Bonds to the Borrower for the acquisition and construction of a public media center to be occupied and used by the Borrower, and payment of related costs and expenses, including a portion of the costs incurred to issue the Bonds. The Borrower is obligated to make payments in amounts equal to scheduled principal and interest on the Bonds, along with certain annual administrative expenses of the IDA, until the Bonds mature in 2026.

The IDA assigned all of its rights under the Agreement to the Trustee. Under the bond indenture and the Agreement, the Borrower is obligated to make the payments directly to the Trustee in amounts necessary to satisfy the debt service requirements of the Bonds. Accordingly, no recourse can be made against the IDA for payment of principal or interest on the Bonds.

In 2009 the IDA approved the refinancing of these bonds into a tax exempt private loan. The refinanced aggregate principal is \$18,000,000.

Taxable Mortgage Revenue Bonds, Series 2006 Bentley Harrisburg Senior Living Facility)

On April 6, 2006, the Authority issued Taxable Mortgage Revenue Bonds, Series 2006 (the Bonds) in the aggregate principal amount of \$2,720,000. The IDA appointed Wells Fargo Bank, N.A. to serve as trustee, bond registrar and paying agent for the Bonds. The bonds are limited obligations of the Authority, payable solely from the payments required to be made by Harrisburg Senior Living, LLC and Bentley Harrisburg Senior Center, LLC (the Borrowers) under the loan agreement by and between IDA and the Borrowers (the Agreement). Pursuant to the Agreement, the IDA lent the full proceeds of the Bonds to the Borrowers to refinance certain short-term debt incurred by the Borrowers to acquire the facility, to fund certain working capital needs for the facility, and to pay Bond issuance costs.

The Borrower is obligated to make payments in amounts equal to scheduled principal and interest on the Bonds, along with certain annual administrative expenses of the IDA, until the Bonds mature in 2039.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 6: CONDUIT DEBT ISSUES (CONTINUED)

Component Unit - Conduit Debt Issues (Continued)

Dauphin County Industrial Development Authority ("IDA") (Continued)

Taxable Mortgage Revenue Bonds, Series 2006 Bentley Harrisburg Senior Living Facility) (Continued)

The IDA assigned all of its rights under the Agreement to the Trustee. Under the bond indenture and the Agreement, the Borrower is obligated to make timely payments directly to the Trustee in amounts necessary to satisfy the debt service requirements of the Bonds. Accordingly, no recourse can be made against the IDA for payment of principal or interest on the Bonds.

Mortgage Revenue Notes, Series of 2006 and 2007 (Hershey Christian School Association Project)

In November 2006, the IDA authorized the issuance of a Mortgage Revenue Note (Note) totaling \$6,000,000. Pursuant to a Loan Agreement, the IDA lent the full proceeds of the Note to a Pennsylvania non-profit corporation (Corporation) for the acquisition and construction of an educational facility. Final maturity on the Note is November 2030. The Note is secured by an Open-End Mortgage and Security Agreement from the Corporation. Accordingly, no recourse can be made against the IDA for payment of principal or interest on the note.

In January 2007, the IDA issued a series of additional Mortgage Revenue Notes (2007 Notes) totaling \$700,000. Pursuant to the Supplemental Loan Agreement, the IDA lent the proceeds of the notes to the Corporation for the acquisition and construction of an educational facility. Final maturity on the Notes is November 2030. The Notes are secured by an Open-End Mortgage and Security Agreement from the Corporation. Accordingly, no recourse can be made against the IDA for payment of principal or interest on the notes.

Mortgage Revenue Note, Series of 2007 (Yellow Breeches Educational Center, Inc. Project)

In December 2007, the IDA authorized the issuance of a Mortgage Revenue Note (Note) totaling \$437,000 for the purpose of assisting a Pennsylvania non-profit corporation in the acquisition of an existing educational facility, and the acquisition of the sewer treatment plant which serves said educational facility. Final maturity on the Note is December 2023. The note is secured by various assets of the borrower; accordingly, no recourse can be made against the IDA for payment of principal or interest on the note.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 6: CONDUIT DEBT ISSUES (CONTINUED)

Component Unit - Conduit Debt Issues (Continued)

Dauphin County Industrial Development Authority ("IDA") (Continued)

Multifamily Housing Revenue Bonds, Series of 2008 (Central Pennsylvania MHA Associates LP Project)

In November 2008, the IDA authorized the issuance of Multifamily Housing Revenue Bonds (Bonds) totaling \$13,000,000. Pursuant to a Loan Agreement, the IDA lent the full proceeds of the Bond to a Limited Partnership (LP) for the acquisition, rehabilitation and equipping of land and land improvements and the marketing and leasing of leasable space in the improvements. Final maturity on the Bonds is December 2040. The Bonds are secured by an Open-End Mortgage, Assignment of Leases and Rents, and Security Agreement and from the LP. Accordingly, no recourse can be made against the IDA for payment of principal or interest on the note.

Mortgage Revenue Note, Series of 2008 (Visiting Nurse Association)

In December 2008, the IDA authorized the issuance of a Mortgage Revenue Note (Note) totaling \$766,000 for the purpose of assisting a Pennsylvania non-profit corporation (Corporation) in the acquisition and renovation of a facility and in refinancing of a line of credit of the Corporation. Final maturity on the Note is December 2023. The Note is secured by a mortgage of the Corporation; accordingly, no recourse can be made against the IDA for payment of principal or interest on the note.

Commercial Mortgage Revenue Loan, Series of 2012 (Next Generation Farmer Loan Program)

In February 2012, the IDA authorized the issuance of a Commercial Mortgage Revenue Loan (Loan) totaling \$488,000 for the purpose of financing the purchase price being paid by the Beginning Farmer to the Seller for the Project, which is the fair value of the property identified in the acquisition to be used for farming purposes only. Final maturity on the Loan is December 2032. The note is secured by various assets of the borrower; accordingly, no recourse can be made against the IDA for payment of principal or interest on the note.

Next Generation Farmer Loan Note, Series of 2014

In July 2014, the IDA authorized the issuance of a Next Generation Farmer Loan Note, Series of 2014, totaling \$300,000 for the purpose of financing a portion of the acquisition of an approximately 103 acre farm and related buildings, equipment, and improvements, situated in the Township of Wayne, Dauphin County, and paying the costs of financing. Final maturity on the Note is August 2044. The note is secured by an Open-End Mortgage and Security Agreement, and accordingly, no recourse can be made against the IDA for payment of principal or interest on the note.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 7: LONG-TERM LIABILITIES

A summary of changes in long-term obligations excluding obligations under capital lease follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds and notes payable:					
General obligation debt	\$ 81,645,000	\$ 21,130,000	\$(26,850,000)	\$ 75,925,000	\$ 9,240,000
Unamortized bond premium/discount (net)	3,607,312	2,104,367	(1,226,939)	4,484,740	945,150
Liquid Fuels revenue note	<u>10,822,351</u>	<u>-</u>	<u>(1,190,584)</u>	<u>9,631,767</u>	<u>1,209,930</u>
Total bonds and notes payable	<u>96,074,663</u>	<u>23,234,367</u>	<u>(29,267,523)</u>	<u>90,041,507</u>	<u>11,395,080</u>
Other liabilities:					
Compensated absences	9,806,391	13,644,134	(9,943,579)	13,506,946	1,860,370
Estimated liability for workers compensation claims	1,930,790	541,455	(519,104)	1,953,141	529,106
Net pension liability	26,174,290	32,539,863	(55,764,887)	2,949,266	-
Net OPEB obligation	<u>5,817,656</u>	<u>2,666,521</u>	<u>(1,193,257)</u>	<u>7,290,920</u>	<u>-</u>
Total other liabilities	<u>43,729,127</u>	<u>49,391,973</u>	<u>(67,420,827)</u>	<u>25,700,273</u>	<u>2,389,476</u>
Governmental Activities Long-Term Liabilities	<u>\$ 139,803,790</u>	<u>\$ 72,626,340</u>	<u>\$(96,688,350)</u>	<u>\$ 115,741,780</u>	<u>\$ 13,784,556</u>
Business-Type Activities:					
Bonds payable:					
General obligation debt	\$ 5,535,000	\$ -	\$ (240,000)	\$ 5,295,000	\$ 235,000
Unamortized bond premium	<u>164,665</u>	<u>-</u>	<u>(14,952)</u>	<u>149,713</u>	<u>14,353</u>
Total bonds and notes payable	<u>5,699,665</u>	<u>-</u>	<u>(254,952)</u>	<u>5,444,713</u>	<u>249,353</u>
Other liabilities:					
Compensated absences	<u>27,324</u>	<u>4,035</u>	<u>-</u>	<u>31,359</u>	<u>-</u>
Total other liabilities	<u>27,324</u>	<u>4,035</u>	<u>-</u>	<u>31,359</u>	<u>-</u>
Business-Type Activities Long-Term Liabilities	<u>\$ 5,726,989</u>	<u>\$ 4,035</u>	<u>\$(254,952)</u>	<u>\$ 5,476,072</u>	<u>\$ 249,353</u>

Compensated absences, the liability for workers' compensation, the net pension liability, and the net postemployment benefit obligation are liquidated by the general fund, children and youth fund, and certain other nonmajor funds.

Pertinent information regarding the Governmental Activities long-term debt obligations outstanding is as follows (General Obligation Bonds are payable from General Fund tax revenues; the Pennsylvania Infrastructure Bank Loans are paid from Liquid Fuels Tax Funds):

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Purpose</u>	<u>Balance Outstanding at December 31, 2017</u>
2010	\$ 23,380,000	General Obligation Bonds, Series D of 2010 issued to currently refund General Obligation Notes, Series A and B of 2004 and General Obligation Bonds, Series of 2008 and to pay the cost of issuance related to the bond issue at an interest rate from 1.00%-5.00%. (Final Maturity 2018)	\$ 1,170,000
2011	\$ 15,655,000	General Obligation Bonds, Series of 2011 issued to currently refund General Obligation Bond, Series A of 2002 and to pay cost of issuance related to the bond issue at an interest rate from 0.40%-5.00%. (Final Maturity 2018)	1,005,000
2013	\$ 15,905,000	General Obligation Bonds, Series of 2013 issued to advance refund General Obligation Bonds, Series C of 2004; to advance refund General Obligation Bonds, Series D of 2004; and to pay cost of issuance at an interest rate from 0.654%-3.617%. (Final Maturity 2024)	8,390,000
2014	\$ 9,880,000	General Obligation Bonds, Series of 2014 issued to advance refund a portion of General Obligation Bonds, Series of 2009 and to pay cost of issuance at an interest rate from 0.23%-2.50% (Final Maturity 2023)	8,270,000
2014	\$ 8,200,000	General Obligation Bonds, Series of A of 2014 issued to currently refund General Obligation Bond, Series of 2009 and to pay cost of issuance related to the bond issue at an interest rate from 0.23%-2.30% (Final Maturity 2024)	6,620,000
2014	\$ 4,272,723	Pennsylvania Infrastructure Bank (PIB) Loan issued for the establishment of the Dauphin County Infrastructure Bank at an interest rate of 1.625% (Final Maturity 2024)	2,752,684
2015	\$ 19,425,000	General Obligation Bonds, Series of 2015 issued to currently refund General Obligation Bonds, Series B and Series C of 2005, to partially fund a termination payment associated with the 2015 Swap, and to pay the cost of issuance at an interest rate of 1.00% - 5.00% (Final Maturity 2024)	16,000,000
2015	\$ 7,034,518	Pennsylvania Infrastructure Bank (PIB) Loan issued to fund the Dauphin County Infrastructure Bank at an interest rate of 1.625% (Final Maturity 2025)	5,718,680
2016	\$ 14,690,000	General Obligation Bonds, Series A and B of 2016 issued to currently refund the General Obligation Bonds, Series of 2006, to partially fund a termination payment associated with the 2016 Swap (see Note 8), and to pay the cost of issuance at an interest rate of 1.00% - 4.00% (Final Maturity 2023)	13,340,000
2016	\$ 1,279,250	Pennsylvania Infrastructure Bank (PIB) Loan issued to fund the Dauphin County Infrastructure Bank at an interest rate of 1.625% (Final Maturity 2026)	1,160,403
2017	\$ 16,775,000	General Obligation Bonds, Series of 2017 issued to advance refund portions of the General Obligation Bonds, 2010 Series D and 2011 Series, and to pay the cost of issuance at an interest rate of 3.00% - 5.00% (Final Maturity 2024)	16,775,000
2017	\$ 4,355,000	General Obligation Bonds, Series A of 2017 issued to fund municipal projects through the Dauphin County Infrastructure Bank and to pay the cost of issuance at an interest rate of 1.30% - 4.00% (Final Maturity 2037)	<u>4,355,000</u>
			<u>\$ 85,556,767</u>

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Interest rates on the above obligations range from 0.23% to 5.00%. The County has pledged its taxing power as security for outstanding general obligation debt.

In May 2017, the County issued \$16,775,000 in General Obligation Bonds, Series of 2017. The County recognized a bond premium of \$2,044,276 as a result of this refunding. In addition, the County paid \$168,534 in bond issuance costs. The County used \$17,765,000 of the proceeds to advance refund a portion of the 2010 Series D Bonds and the 2011 Bonds. The bonds final maturity is on November 15, 2024 and carries an interest rate between 3.00% and 5.00%. As a result of the transaction, the County recognized a deferred loss on refunding in the amount of \$656,721. The deferred loss is being amortized over the shorter of the life of the refunded or refunding debt. This refunding transaction resulted in an estimated cash flow savings of approximately \$755,000 for the County.

In December 2017, the County issued the General Obligation Bonds, Series A of 2017 in the amount of \$4,355,000 to fund municipal projects through the Dauphin County Infrastructure Bank. The County recognized a bond premium in the amount of \$60,091 through the issuances of the Bond. In addition, the County paid \$256,091 in bond issuance costs. The Bonds final maturity is on October 1, 2037 and carry an interest rate of 1.30% - 4.00%.

An analysis of debt service requirements to maturity on the Governmental Activities obligations follows:

Years Ended December 31:	General Obligation Principal Requirements	PIB Principal Requirements	Total Principal Requirements	General Obligation Interest Requirements	PIB Interest Requirements	Total Interest Requirements	Total Debt Service Requirements
2018	\$ 9,240,000	\$ 1,209,930	\$ 10,449,930	\$ 2,516,120	\$ 161,638	\$ 2,677,758	\$ 13,127,688
2019	9,980,000	1,229,592	11,209,592	2,291,249	141,977	2,433,226	13,642,818
2020	10,215,000	1,249,572	11,464,572	2,058,196	121,996	2,180,192	13,644,764
2021	10,555,000	1,269,877	11,824,877	1,718,583	101,690	1,820,273	13,645,150
2022	10,945,000	1,290,513	12,235,513	1,324,519	81,055	1,405,574	13,641,087
2023-2027	22,660,000	3,382,283	26,042,283	1,570,644	117,831	1,688,475	27,730,758
2028-2032	1,120,000	-	1,120,000	308,240	-	308,240	1,428,240
2033-2037	1,210,000	-	1,210,000	121,606	-	121,606	1,331,606
	<u>\$ 75,925,000</u>	<u>\$ 9,631,767</u>	<u>\$ 85,556,767</u>	<u>\$ 11,909,157</u>	<u>\$ 726,187</u>	<u>\$ 12,635,344</u>	<u>\$ 98,192,111</u>

In prior years, the County defeased various general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the accompanying general purpose financial statements. At December 31, 2017, the principal amount outstanding relative to defeased debt was \$37,520,000.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

An analysis of the debt service requirements to maturity on the Business-Type Activities obligations follows:

Years Ended <u>December</u> <u>31:</u>	General Obligation Principal <u>Requirements</u>	General Obligation Interest <u>Requirements</u>	Total Debt Service <u>Requirements</u>
2018	\$ 235,000	\$ 147,754	\$ 382,754
2019	235,000	145,404	380,404
2020	240,000	142,819	382,819
2021	245,000	135,619	380,619
2022	250,000	131,944	381,944
2023-2027	1,400,000	504,622	1,904,622
2028-2032	1,610,000	298,425	1,908,425
2033-2035	1,080,000	65,400	1,145,400
	<u>\$ 5,295,000</u>	<u>\$ 1,571,987</u>	<u>\$ 6,866,987</u>

The Business-Type Activities General Obligation Bonds are payable from the Human Service Building Fund charges for service.

In November 2016, the County issued \$5,535,000 in General Obligation Bonds, Series C of 2016. The bonds final maturity is on October 1, 2035 and carries an interest rate between 0.80% and 4.00%. As of December 31, 2017 \$5,295,000 of the General Obligation Bonds, Series C of 2016 were outstanding.

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt debt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. At December 31, 2017, the County has not recorded an arbitrage liability in its financial statements.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Component Units - Long-term Debt

Dauphin County General Authority

Long-term debt outstanding at December 31, 2017, is as follows:

Office and Parking Revenue Bonds (Riverfront Office Center):		
Series C of 1998 – Capital Appreciation Bonds	\$ 6,878,814	
Series of 2015	29,790,000	
Lease Revenue Bonds (100 Chestnut Street):		
Series D of 2009	335,000	
Dauphin County Guaranteed Lease Revenue Note (Magisterial District Justice Fund):		
Series of 2017	5,917,000	
Dauphin County Guaranteed Revenue Bonds (Dauphin Highlands):		
Series A and B of 2016	9,627,378	
	\$ 52,548,192	
Long-term debt is shown on the balance sheet as follows:		
Current portion of long-term debt	2,031,952	
Long-term debt, net of current portion	50,516,240	
	\$ 52,548,192	

Long-term liability activity for the Authority's business-type activities for the year ended December 31, 2017, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds Payable	\$ 52,938,896	\$ 663,330	\$ (6,971,034)	\$ 46,631,192	\$ 1,819,722
Note Payable	-	5,917,000	-	5,917,000	212,230
Total Capital Lease Obligations	\$ 52,938,896	\$ 6,580,330	\$ (6,971,034)	\$ 52,548,192	\$ 2,031,952

Each of the Authority's financing programs is described below. The Authority has complied with the significant covenants contained in its debt agreements for the year ended December 31, 2017.

Office and Parking Revenue Bonds – Series A, B and C of 1998 and Series of 2015 (Riverfront Office Center)

On June 30, 1998, the Authority issued Office and Parking Revenue Bonds Series A, B, and C in the principal amounts of \$38,950,000, \$1,120,000, and \$5,235,436 respectively. The bond proceeds were used to acquire certain real estate and parking facilities in the City of Harrisburg, known as the Riverfront Office Center, to fund a debt service reserve, and to pay the cost of issuance. The bonds were issued without a municipal bond guaranty insurance policy.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Component Units - Long-term Debt (Continued)

Dauphin County General Authority (Continued)

Office and Parking Revenue Bonds – Series A, B and C of 1998 and Series of 2015 (Riverfront Office Center) (Continued)

The 1998 bonds, as issued, consisted of Current Interest and Capital Appreciation Bonds. The Series A and B are Current Interest Bonds and the Series C are Capital Appreciation Bonds. During the year ended December 31, 2015, the Authority refunded Series A of 1998 Bonds and partially refunded Series C of 1998 Bonds with the issuance of Office and Parking Revenue Bonds, Series of 2015 (Series of 2015 Bonds). The proceeds from the issuance of the Series of 2015 Bonds totaled \$32,000,000. The Series of 2015 Bonds were issued without a municipal bond guaranty insurance policy. Principal is paid annually on January 1 and interest is paid biannually on July 1 and January 1. The interest rate is fixed at 3.92% for ten years through January 1, 2025 and subsequent to that date, interest converts to a variable rate based on London Interbank Offered Rate (LIBOR) plus 2.50%, with a floor of 3% and a maximum rate of 6%.

Series A of 1998

There was no balance remaining on the Series A of 1998 Bonds at December 31, 2017.

Series B of 1998

There was no balance remaining on the Series B of 1998 bonds at December 31, 2017.

Series C of 1998

During the year ended December 31, 2015, the Authority partially currently refunded the Series C of 1998 Bonds in the amount of \$15,500,000 with the Series of 2015 Bond proceeds. The refunding was for a portion of Series C of 1998 Bonds set to mature in 2028. During the year ended December 31, 2017, the Authority repurchased a portion of the Series C of 1998, totaling \$9,660,000. The remaining Series C of 1998 Capital Appreciation Bonds, which have an effective yield of 7%, bear no stated interest and have stated initial principal values as follows:

<u>Maturity Dates</u>	<u>Stated Values at Issuance</u>	<u>Maturity Values</u>	<u>Discount</u>	<u>Accreted Value</u>
July 1, 2024	\$ 304,140	\$ 1,175,000	\$ 423,705	\$ 751,295
January 2, 2026	274,310	1,570,000	664,581	905,419
July 1, 2026	265,047	1,450,000	642,060	807,940
January 1, 2027	256,074	1,820,000	840,185	979,815
July 1, 2027	247,411	1,820,000	873,327	946,673
January 1, 2028	3,310,677	4,950,000	2,462,328	2,487,672
	<u>\$ 4,657,659</u>	<u>\$ 12,785,000</u>	<u>\$ 5,906,186</u>	<u>\$ 6,878,814</u>

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Component Units - Long-term Debt (Continued)

Dauphin County General Authority (Continued)

Series of 2015

The 2015 Bonds mature as follows, assuming a fixed rate of 3.92% through January 1, 2025 and 6% thereafter:

<u>Years</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	3.92%	\$ 1,170,000	\$ 1,137,486	\$ 2,307,486
2019	3.92%	1,215,000	1,089,197	2,304,197
2020	3.92%	1,265,000	1,041,766	2,306,766
2021	3.92%	1,315,000	986,656	2,301,656
2022	3.92%	1,365,000	932,405	2,297,405
2023-2027	3.92-6.00%	7,670,000	4,874,210	12,544,210
2028-2032	6.00%	9,295,000	3,153,378	12,448,378
2033-2035	6.00%	6,495,000	405,454	6,900,454
		<u>\$ 29,790,000</u>	<u>\$ 13,620,552</u>	<u>\$ 43,410,552</u>

As required by a mandatory sinking fund provision, the trustee deposited \$2,339,688 of bond proceeds in the Debt Service Reserve Account.

Lease Revenue Bonds – Series D of 2009 (100 Chestnut Street)

On September 1, 1998, the Authority issued Tax Exempt Lease Revenue Bonds, Series A, in the principal amount of \$4,285,000 and Federally Taxable Lease Revenue Bonds, Series B, in the principal amount of \$340,000. The bond proceeds were used to acquire certain real estate in the City of Harrisburg, known as 100 Chestnut Street, to fund certain renovations to the facility, to fund a debt service reserve, and to pay the costs of issuance. On October 1, 2003, the Authority advance refunded the Series A of 1998, resulting in a defeasance of the bonds. The balance outstanding on the defeased Series A bonds on December 31, 2017 is \$345,000. The Series B bonds matured in 2006 and were paid in full.

On October 1, 2003, the General Authority issued Tax Exempt Lease Revenue Bonds, Series A in the principal amount of \$2,490,000 and Federally Taxable Lease Revenue Bonds, Series B, in the principal amount of \$1,355,000. The Authority used the 2003 bond proceeds to advance refund the Lease Revenue Bonds, Series A and B of 1998, resulting in defeasance of the bonds. The bonds were insured by a municipal bond guaranty insurance policy.

On November 12, 2009, the Authority issued Tax Exempt Lease Revenue Bonds, Series D of 2009, in the principal amount of \$2,570,000. The Authority used the Series D bond proceeds to currently refund the Series A of 2003 Bonds. As of December 31, 2017, the Series A and Series B of 2003 bonds had a zero balance.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Component Units - Long-term Debt (Continued)

Dauphin County General Authority (Continued)

Lease Revenue Bonds – Series D of 2009 (100 Chestnut Street)

The bonds bear interest and mature as follows:

<u>Years</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	3.40%	\$ 335,000	\$ 11,390	\$ 346,390
		\$ 335,000	\$ 11,390	\$ 346,390

Dauphin County Guaranteed Revenue Bonds – Series A and B of 2016 (Dauphin Highlands)

On January 6, 2005, the Authority issued Tax Exempt County Guaranteed Revenue Refunding Bonds, Series A of 2005 (Series A of 2005) and Taxable County Guaranteed Revenue Refunding Bonds, Series B of 2005 (Series B of 2005) in the principal amount of \$8,565,000 and \$2,435,000, respectively. The bonds were insured by a municipal bond guaranty insurance policy. The net proceeds were used to advance refund the 1993 Series Capital Appreciation Bonds, advance refund the County Guaranteed Revenue Bonds, Series of 2003, and pay the costs of issuing the bonds. At December 31, 2017, the maturity value and accreted value of the bonds outstanding on the 1993 Series Capital Appreciation Bonds are \$6,295,000 and \$6,119,192 respectively. There is no balance outstanding on the County Guaranteed Revenue Bonds, Series of 2003, at December 31, 2017.

On September 30, 2011, the Authority issued Taxable County Guaranteed Revenue Refunding Bond, Series A of 2011 (Series A of 2011) and Taxable County Guaranteed Revenue Refunding Bond, Series B of 2011 (Series B of 2011), in the principal amounts of \$8,796,927 and \$2,355,154, respectively. The Series A and B of 2011 Bonds were issued without a municipal bond guaranty insurance policy. The Authority used the proceeds of Series A of 2011 to currently refund the Series A of 2005 and pay the cost of issuance. The net proceeds of Series B of 2011 were used to advance refund the Series B of 2005 and pay issuance costs. There is no balance outstanding on the County Guaranteed Revenue Bonds, Series B of 2005, at December 31, 2017.

On February 10, 2016 the Authority issued Taxable County Guaranteed Revenue Refunding Bond, Series A of 2016 (Series A of 2016) and Tax-Exempt County Guaranteed Revenue Refunding Bond, Series B of 2016 (Series B of 2016), in the principal amounts of \$8,479,511 and \$1,708,775, respectively. The Series A and B of 2016 Bonds were issued without a municipal bond guaranty insurance policy. The net proceeds of Series A of 2016 Bonds were used to currently refund the Series A of 2011 Bonds and pay the cost of issuance. The net proceeds of Series B of 2016 Bonds were used to currently refund the Series B of 2011 Bonds and pay issuance costs.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Component Units - Long-term Debt (Continued)

Dauphin County General Authority (Continued)

Dauphin County Guaranteed Revenue Bonds – Series A and B of 2016 (Dauphin Highlands) (Continued)

The interest rate on Series A of 2016 Bonds is variable. Per the bond agreements, the interest rates will change monthly and be calculated based on London Interbank Offered Rate (LIBOR) plus 1.55% not to exceed 12%. The interest rate on these bonds as of December 31, 2017 was 3.11425%. The County has pledged its full faith, credit, and taxing power to guarantee the debt service payments related to both principal and interest due on the Series A of 2016 Bonds.

Using the interest rate in effect at December 31, 2017, these bonds mature as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 143,777	\$ 257,952	\$ 401,729
2019	146,679	253,378	400,057
2020	149,640	248,711	398,351
2021	152,660	243,951	396,611
2022	<u>7,630,511</u>	<u>239,094</u>	<u>7,869,605</u>
Total	<u>\$ 8,223,267</u>	<u>\$ 1,243,086</u>	<u>\$ 9,466,353</u>

The interest rate on Series B of 2016 Bonds is variable. Per the bond agreements, the interest rates will change monthly and be calculated based on 70% of LIBOR plus 1.60%, not to exceed 12%. The interest rate on these bonds as of December 31, 2017 was 2.69498%. The County has pledged its full faith, credit, and taxing power to guarantee the debt service payments related to both principal and interest due on the Series B of 2016 Bonds.

Using the interest rate in effect at December 31, 2017, the Series B of 2016 bonds mature as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 170,945	\$ 36,619	\$ 207,564
2019	174,395	31,913	206,308
2020	177,916	27,112	205,028
2021	181,507	22,213	203,720
2022	<u>699,348</u>	<u>17,216</u>	<u>716,564</u>
	<u>\$ 1,404,111</u>	<u>\$ 135,073</u>	<u>\$ 1,539,184</u>

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Component Units - Long-term Debt (Continued)

Dauphin County General Authority (Continued)

Dauphin County Guaranteed Lease Revenue Note-Series of 2017 (Magisterial District Justice Fund)

On December 28, 2017, the Authority issued a Tax Exempt County Guaranteed Lease Revenue Note, Series of 2017 (2017 Note), in the principal amount of \$5,917,000. The 2017 Note proceeds were used to finance the purchase, acquisition, and construction of a new magisterial district justice office and courtroom to be located in the Township of Swatara, Dauphin County, Pennsylvania. In addition, a portion of the proceeds were used to refund the County and the Dauphin County Industrial Development Authority's (IDA) debt of other magisterial district justice projects previously undertaken by the County and IDA. Upon refunding these projects, the deeds for the properties were passed to the Authority.

The 2017 Notes bear interest and mature as follows:

<u>Years</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	3.00%	\$ 212,230	\$ 161,830	\$ 374,060
2019	3.00%	218,622	168,153	386,755
2020	3.00%	225,271	161,504	386,755
2021	3.00%	232,123	154,652	386,755
2022	3.00%	239,184	147,592	386,756
2023-2027	3.00%	1,309,571	624,305	1,933,876
2028-2032	5.00%	1,521,219	687,761	2,208,980
2033-2037	5.00%	1,767,074	278,004	2,045,078
2038	5.00%	191,706	2,802	194,508
		<u>\$ 5,917,000</u>	<u>\$ 2,386,603</u>	<u>\$ 8,303,603</u>

Dauphin County Industrial Development Authority ("IDA")

\$900,000 Guaranteed Lease Revenue Note, Series of 2006, due in monthly installments of \$5,677 through April 5, 2026 plus interest at 4.40%.

The proceeds of the note, dated April 5, 2006, were used for and towards the acquisition of a building situated at 1300 Rolleston Street in the City of Harrisburg, Dauphin County; and paying the costs and expenses related to the foregoing purposes and to the issuance of the Note.

Under a lease agreement dated April 5, 2006 between the IDA, as lessor, and the County, as lessee, the County is obligated to make monthly payments to or on behalf of the IDA in amounts required by the Note. The County is currently making monthly payments directly to the bank. The County guarantees payment of principal and interest on the Note.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Component Units - Long-term Debt (Continued)

Dauphin County Industrial Development Authority ("IDA") (Continued)

\$900,000 Guaranteed Lease Revenue Note, Series of 2006 (Continued)

The following is a maturity schedule for the Guaranteed Lease Revenue Note, Series 2006:

<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
\$ 47,383	\$ 20,738	4.40%	2018
49,549	18,573	4.40%	2019
51,813	16,308	4.40%	2020
54,181	13,940	4.40%	2021
56,658	11,464	4.40%	2022
225,140	18,961	4.40%	2023 to 2026
<u>\$ 484,724</u>	<u>\$ 99,984</u>		

\$410,651 Guaranteed Lease Revenue Note, Series 2007A, due in monthly installments of \$2,688 through August 16, 2027 plus interest at 4.83%.

The proceeds of the Note, dated August 16, 2007, were used for and towards the acquisition of a building situated at 2125 Paxton Church Road in the City of Harrisburg, Dauphin County; and paying the costs and expenses related to the foregoing purposes and to the issuance of the Note.

Under a lease agreement dated August 16, 2007 between the IDA, as lessor, and the County, as lessee, the County is obligated to make monthly payments to or on behalf of the IDA in amounts required by the Note. The County is currently making monthly payments directly to the bank. The County guarantees payment of principal and interest on the Note.

The following is a maturity schedule for the Guaranteed Lease Revenue Note, Series 2007A:

<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
\$ 20,627	\$ 11,626	4.83%	2018
21,644	10,609	4.83%	2019
22,711	9,542	4.83%	2020
23,830	8,423	4.83%	2021
25,005	7,248	4.83%	2022
136,680	16,522	4.83%	2023-2027
<u>\$ 250,497</u>	<u>\$ 63,970</u>		

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Component Units - Long-term Debt (Continued)

Dauphin County Industrial Development Authority ("IDA") (Continued)

\$900,000 Guaranteed Lease Revenue Note, Series 2007, due in monthly installments of \$5,291 through November 29, 2027 plus interest at 4.89%.

The proceeds of the Note, dated November 29, 2007, were used for and towards the acquisition of a building situated at 5925 Stevenson Avenue in Lower Paxton Township, Dauphin County, Pennsylvania; and paying the costs and expenses related to the foregoing purposes and the issuance of the Note.

Under a lease agreement dated November 29, 2007 between the IDA, as lessor, and the County, as lessee, the County is obligated to make monthly payments to or on behalf of the IDA in amounts required by the Note. The County is currently making payments directly to the bank. The County guarantees payment of the principal and interest on the Note.

The following is a maturity schedule for the Guaranteed Lease Revenue Note, Series 2007:

<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
\$ 44,962	\$ 26,086	4.89%	2018
47,211	23,837	4.89%	2019
49,573	21,475	4.89%	2020
52,053	18,995	4.89%	2021
54,657	16,391	4.89%	2022
305,272	38,126	4.89%	2023 to 2027
<u>\$ 553,728</u>	<u>\$ 144,910</u>		

\$1,900,000 Guaranteed Mortgage Revenue Note, Series of 2010 *Variable Rate Terms*: Interest rate requirements for the Guaranteed Mortgage Revenue Note, Series of 2010 are at a fixed rate of 5.65% APR for the first five years through December 1, 2015, and then float at Prime floor of 4% through the maturity of the Note on December 1, 2020.

The proceeds of the Note, dated December 1, 2010, were used to pay issuance costs of \$26,197 and \$1,675,870 was used to refinance the outstanding principal balances of the Guaranteed Lease Revenue Note, Series of 2005, Loan Payable, Vartan Bank, and Guaranteed Construction Note, Series of 2008. The remaining balance of \$197,933 was used to pay outstanding interest on the old debt and to fund the 2010 Renovation Project.

The following is a maturity schedule for the Guaranteed Mortgage Revenue Note Series 2010:

<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
\$ 77,089	\$ 58,752	4.25%	2018
81,623	55,434	4.25%	2019
86,216	51,926	4.25%	2020
1,191,730	12,411	4.25%	2021
<u>\$ 1,436,658</u>	<u>\$ 178,523</u>		

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Component Units - Long-term Debt (Continued)

Dauphin County Industrial Development Authority ("IDA") (Continued)

\$318,850 Guaranteed Lease Revenue Note, Series 2010, due in semi-annual installments of \$11,101 through December 1, 2017 plus interest at 3.40%, then in semi-annual installments of \$13,755 through December 1, 2030 plus interest at 7.00%.

The proceeds of the Note, dated December 1, 2010 were used for and towards the acquisition for a building situated at 3005 Hoffman Street in Harrisburg, Dauphin County, Pennsylvania; and paying the costs and expenses related to the forgoing purposes and the issuance of the Note.

Under a lease agreement dated December 1, 2010 between the IDA, as lessor, and the County, as lessee, the County is obligated to make monthly payments to or on behalf of the IDA in amounts required by the Note. The County is currently making payments directly to the bank. The County guarantees payment of principal and interest on the Note.

The following is a maturity schedule for the Guaranteed Lease Revenue Note, Series of 2010:

<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
\$ 12,566	\$ 12,289	3.40% / 7.00%	2018
11,713	15,797	7.00%	2019
12,518	14,991	7.00%	2020
13,463	14,046	7.00%	2021
14,435	13,074	7.00%	2022
89,372	48,174	7.00%	2023-2027
83,932	12,350	7.00%	2028-2030
<u>\$ 237,999</u>	<u>\$ 130,721</u>		

\$305,000 Guaranteed Mortgage Revenue Note Series of 2012, due in monthly installments of \$1,899 through December 1, 2017 plus interest at 4.25%, then in monthly installments through December 1, 2032 plus interest at a variable rate equal to Fulton Bank, NA's Prime Rate, as determined on the last business day immediately preceding the applicable adjustment date, not to exceed 10.00% per annum.

The proceeds from this Note, dated December 13, 2012 are used by the IDA to fund repairs within the Veterans Building.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Component Units - Long-term Debt (Continued)

Dauphin County Industrial Development Authority ("IDA") (Continued)

The following is a maturity schedule for the Guaranteed Lease Revenue Note, Series of 2012:

<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
\$ 12,067	\$ 25,318	4.25%/ Variable	2018
12,597	28,785	Variable	2019
13,124	27,298	Variable	2020
13,728	25,593	Variable	2021
14,331	23,889	Variable	2022
81,653	91,218	Variable	2023 to 2027
101,253	35,879	Variable	2028 to 2032
5,281	115	Variable	2033 to 2037
<u>\$ 254,034</u>	<u>\$ 258,095</u>		

\$1,251,274 Guaranteed Lease Revenue Note, Series of 2013, due in annual installments through December 1, 2031 plus interest at 2.60% through December 2022, then at a variable rate equal to 65% Fulton Bank, NA's Prime Rate, as determined on the last business day immediately preceding the applicable adjustment date, not to exceed 6.5% per annum, through maturity.

The proceeds of the Note, dated July 30, 2013, were used for and towards the acquisition of a new District Justice Office and courtroom – West Hanover Township, Dauphin County, Pennsylvania; and paying the costs and expenses related to the foregoing purposes and the issuance of the Note.

Under a lease agreement dated July 30, 2013 between the IDA, as lessor, and the County, as lessee, the County is obligated to make monthly payments to or on behalf of the IDA in amounts required by the Note. The County guarantees payment of principal and interest on the Note.

The following is a maturity schedule for the Guaranteed Lease Revenue Note, Series of 2013.

<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
\$ 61,741	\$ 31,064	2.60%	2018
63,369	29,415	2.60%	2019
65,039	27,796	2.60%	2020
66,680	25,986	2.60%	2021
68,512	24,205	2.60%	2022
370,563	214,100	2.60% / Variable	2023 to 2027
379,584	90,990	2.60% / Variable	2028 to 2032
<u>\$ 1,075,488</u>	<u>\$ 443,556</u>		

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Component Units - Long-term Debt (Continued)

Dauphin County Industrial Development Authority ("IDA") (Continued)

\$8,330,000 Guaranteed Lease Revenue Note Series 2013, due in annual installments through December 1, 2033 plus interest at 3.00% through December 1, 2023 and interest of 4.85% through December 1, 2033.

The proceeds of the Note, dated December 17, 2013, were used for and towards the acquisition of 1100 South Cameron Street, Dauphin County, Pennsylvania; and paying the costs and expenses related to the foregoing purposes and the issuance of the Note.

Under a lease agreement dated December 17, 2013 between the IDA, as lessor, and the County, as lessee, the County is obligated to make monthly payments to or on behalf of the IDA in amounts required by the Note. The County guarantees payment of principal and interest on the Note.

The following is a maturity schedule for the Guaranteed Lease Revenue Note, Series 2013:

<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
\$ 339,000	\$ 216,075	3.00%	2018
349,000	205,755	3.00%	2019
359,000	195,135	3.00%	2020
370,000	184,200	3.00%	2021
381,000	172,935	3.00%	2022
2,086,000	957,278	3.00% / 4.85%	2023 to 2027
2,416,000	559,786	4.85%	2028 to 2032
1,072,000	52,380	4.85%	2033 to 2037
<u>\$ 7,372,000</u>	<u>\$ 2,543,544</u>		

\$1,900,000 Guaranteed Lease Revenue Note Series 2015, due in annual installments through July 15, 2035 plus interest at 2.05% through July 15, 2025, and interest equal to 85% of the New York Prime Rate, as determined on the last business day immediately preceding the applicable adjustment date, provided that the interest rate shall not exceed 3.95% per annum through maturity.

The proceeds of the Note, dated September 30, 2015, were used for and towards the acquisition and construction of a new District Justice office and courtroom – Township of Lower Paxton, Dauphin County, Pennsylvania; and paying the costs and expenses related to the foregoing purposes and the issuance of the Note.

Under a lease agreement dated September 30, 2015 between the IDA, as lessor, and the County, as lessee, the County is obligated to make monthly payments to or on behalf of the IDA in amounts required by the Note. The County guarantees payment of principal and interest on the Note.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Component Units - Long-term Debt (Continued)

Dauphin County Industrial Development Authority ("IDA") (Continued)

The following is a maturity schedule for the Guaranteed Lease Revenue Note, Series 2015:

<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
\$ 85,000	\$ 37,766	2.05%	2018
86,000	35,999	2.05%	2019
88,000	34,305	2.05%	2020
90,000	32,383	2.05%	2021
92,000	30,512	2.05%	2022
486,000	161,486	2.05%/ Variable	2023 to 2027
539,000	136,073	Variable	2028 to 2032
351,000	28,274	Variable	2033 to 2037
<u>\$ 1,817,000</u>	<u>\$ 496,798</u>		

\$2,210,000 Guaranteed Note, Series of 2017, due in semi-annual through December 1, 2022 plus interest at 3.80%, then in semi-annual installments through December 31, 2042 plus interest at a variable rate equal to Fulton Bank, NA's Prime Rate, as determined on the last business day immediately preceding the applicable adjustment date, not to exceed 10.00% per annum.

The proceeds from this Note, dated August 14, 2017, were used by the IDA to refinance the IDA's Guaranteed Note, Series of 2012.

The following is a maturity schedule for the Guaranteed Lease Revenue Note, Series of 2017:

<u>Principal</u>	<u>Interest</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
\$ 43,804	\$ 70,353	3.80%	2018
54,504	82,943	3.80%	2019
56,404	81,043	3.80%	2020
58,818	78,628	3.80%	2021
61,106	76,340	3.80%	2022
342,872	845,215	3.80%/ Variable	2023 to 2027
414,850	716,795	Variable	2028 to 2032
502,290	486,688	Variable	2033 to 2037
607,932	208,683	Variable	2038 to 2042
67,420	3,427	Variable	2043
<u>\$ 2,210,000</u>	<u>\$ 2,650,115</u>		

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Component Units - Long-term Debt (Continued)

Dauphin County Industrial Development Authority ("IDA") (Continued)

The following is a summary of long-term debt for the year ended September 30, 2017:

	Balance October 1, 2016	Additions	Deletions	Balance September 30, 2017	Due Within One Year
Guaranteed lease revenue notes:					
Series of 2006	\$ 530,036	\$ -	\$ (45,312)	\$ 484,724	\$ 47,383
Series of 2007	596,548	-	(42,820)	553,728	44,962
Series of 2007 (A)	270,155	-	(19,658)	250,497	20,627
Series of 2010	251,641	-	(13,642)	237,999	12,566
Series of 2013	1,075,488	-	-	1,075,488	61,741
Series of 2013 (Cameron)	7,701,000	-	(329,000)	7,372,000	339,000
Series of 2015	386,526	1,513,520	(83,046)	1,817,000	85,000
Subtotal	<u>10,811,394</u>	<u>1,513,520</u>	<u>(533,478)</u>	<u>11,791,436</u>	<u>611,279</u>
2010 Commercial Term Loan	1,535,329	-	(98,671)	1,436,658	77,089
2012 Guaranteed Note	2,244,670	-	(2,244,670)	-	-
2012 Guaranteed Mortgage Revenue Note	265,647	-	(11,613)	254,034	12,067
2012 Guaranteed Mortgage Revenue Note	-	2,210,000	-	2,210,000	43,804
Total	<u>\$ 14,857,040</u>	<u>\$ 3,723,520</u>	<u>\$ (2,888,432)</u>	<u>\$ 15,692,128</u>	<u>\$ 744,239</u>

Dauphin County Economic Development Corporation ("DCEDC")

The following is a summary of long-term debt for the year ended December 31, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
2004 Guaranteed Parking Revenue Note	\$ 1,520,000	\$ -	\$ (80,000)	\$ 1,440,000	\$ 85,000
Section 108 Note Payable	<u>1,720,000</u>	<u>-</u>	<u>(172,000)</u>	<u>1,548,000</u>	<u>172,000</u>
	<u>\$ 3,240,000</u>	<u>\$ -</u>	<u>\$ (252,000)</u>	<u>\$ 2,988,000</u>	<u>\$ 257,000</u>

Long-term debt at December 31, 2017, consisted of the following:

Note payable of \$2,200,000 to a bank, payable in variable annual installments plus interest at a rate not to exceed 10%, initial principal payment due 2006, final payment due December 2030. Interest rate remains fixed at 3.35% and then returns to variable in April 2021 through maturity.	\$ 1,440,000
Section 108 Note payable in the amount of \$3,000,000 issued for the purpose of redeveloping a brownfield site at an approximate interest rate of 5.4% and final payment due August 2026.	<u>1,548,000</u>
	2,988,000
Less: Current portion	<u>(257,000)</u>
Long-term portion	<u>\$ 2,731,000</u>

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

Component Units - Long-term Debt (Continued)

Dauphin County Economic Development Corporation ("DCEDC") (Continued)

Maturities of long-term debt are as follows:

<u>Maturity Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 257,000	\$ 134,267	\$ 391,267
2019	262,000	122,205	384,205
2020	262,000	109,857	371,857
2021	267,000	97,407	364,407
2022	272,000	84,686	356,686
2023 to 2027	1,248,000	224,710	1,472,710
2028 to 2030	420,000	29,076	449,076
	<u>\$ 2,988,000</u>	<u>\$ 802,208</u>	<u>\$ 3,790,208</u>

NOTE 8: DIRECT FINANCING LEASES

Component Unit - Direct Financing Leases

Dauphin County General Authority

The Authority's 100 Chestnut Street Fund leasing operation consists of leasing an office building to the County under a direct financing lease arrangement, with the lease assigned to a trustee as collateral for the Chestnut Street Revenue Bonds. The Chestnut Street Revenue Bonds were originally advance refunded in 2003 through the issuance of Lease Revenue Bonds, Series A and B of 2003. In November 2009, the Authority currently refunded the Lease Revenue Bonds, Series A of 2003 through the issuance of Lease Revenue Bonds, Series D of 2009. The term of the revised lease agreement is 15 years and expires in 2018.

The final lease payment of \$346,390 is due during the year ending December 31, 2018.

The net investment in the direct financing lease for the Authority 100 Chestnut Street Fund consists of the following at December 31, 2017:

Total Minimum Lease	
Payments to be Received	\$ 346,390
Less: Unearned Income	8,542
	<u>\$ 337,848</u>
Current Portion	\$ 337,848
Noncurrent Portion	-
	<u>\$ 337,848</u>

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 8: DIRECT FINANCING LEASES

Component Unit - Direct Financing Leases (Continued)

Dauphin County General Authority (Continued)

The Authority's Magisterial District Justice Fund leasing operation consists of leasing offices to the County under a direct financing lease arrangement. The lease arrangement was financed through the issuance of Dauphin County Guaranteed Lease Revenue Note, Series of 2017. The term of the lease agreement is 20 years and expires in 2038. Initial direct costs associated with the lease totaled \$132,885.

The following is a schedule of minimum lease payments for the Magisterial District Justice Fund's direct financing lease:

<u>Years Ending</u> <u>December 31,</u>	
2018	\$ 374,060
2019	386,775
2020	386,775
2021	386,775
2022	386,776
2023-2027	1,933,876
2028-2032	2,208,980
2033-2037	2,045,078
2038	194,508
	<u>\$ 8,303,603</u>

The net investment in the direct financing lease for the Authority Magisterial District Justice Fund consists of the following at December 31, 2017:

Total Minimum Lease	
Payments to be Received	\$ 8,303,603
Less: Unearned Income	<u>2,386,603</u>
	<u>\$ 5,917,000</u>
Current Portion	\$ 212,230
Noncurrent Portion	<u>5,704,770</u>
	<u>\$ 5,917,000</u>

Dauphin County Industrial Development Authority ("IDA")

On April 5, 2006, the IDA entered into a lease agreement with the County of Dauphin for a building for a twenty year term. The lease requires the County to make payments equal to the principal and interest of the IDA's Series of 2006 Guaranteed Lease Revenue Note used for the purchase of the building. The County has the right to purchase the leased building for the sum of one dollar, plus the amount, if any, required to pay in full the outstanding balance due under the IDA's Series of 2006 Guaranteed Lease Revenue Note. The amount of the lease outstanding at September 30, 2017 is \$484,724.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 8: DIRECT FINANCING LEASES

Component Unit - Direct Financing Leases (Continued)

Dauphin County Industrial Development Authority ("IDA") (Continued)

On August 15, 2007 the IDA entered into a lease agreement with County of Dauphin for a building for a twenty year term. The lease requires the County to make payments equal to the principal and interest of the IDA's Series of 2007 A Guaranteed Lease Revenue Note. The County has the right to purchase the leased building for the sum of one dollar, plus the amount, if any, required to pay in full the outstanding balance due under the IDA's Series of 2007 A Guaranteed Lease Revenue Note. The amount of the lease outstanding at September 30, 2017 is \$250,497.

On November 29, 2007 the IDA entered into a lease agreement with the County of Dauphin for a building for a twenty-year term. The lease requires the County to make payments equal to the principal and interest of the IDA's Series 2007 Guaranteed Lease Revenue Note. The County has the right to purchase the leased building for the sum of one dollar, plus the amount, if any, required to pay in full the outstanding balance due under the IDA's Series 2007 Guaranteed Lease Revenue Note. The amount of the lease outstanding at September 30, 2017 is \$553,728.

On December 1, 2010 the IDA entered into a lease agreement with the County of Dauphin for a building for a twenty year term. The lease requires the County to make payments equal to the principal and interest of the IDA's Series of 2010 Guaranteed Lease Revenue Note. The County has the right to purchase the leased building for the sum of one dollar, plus the amount, if any, required to pay in full the outstanding balance due under the IDA's Series of 2010 Guaranteed Lease Revenue Note. The amount of lease outstanding at September 30, 2017 is \$237,999.

On July 30, 2013 the IDA entered into a lease agreement with the County of Dauphin for a building for a twenty year term. The lease requires the County to make payments equal to the principal and interest of the IDA's Series of 2013 Guaranteed Lease Revenue Note (West Hanover Project). The County has the right to purchase the leased building for the sum of one dollar, plus the amount, if any, required to pay in full the outstanding balance due under the IDA's Series of 2013 Guaranteed Lease Revenue Note. The amount of the lease outstanding at September 30, 2017 is \$1,075,488.

On December 17, 2013 the IDA entered into a lease agreement with the County of Dauphin for a building for a twenty year term. The lease requires the County make payments equal to the principal and interest of the IDA's Series of 2013 Guaranteed Lease Revenue Note (Cameron Street). The County has the right to purchase the leased property for the sum of one dollar, plus the amount, if any, required to pay in full the outstanding balance due under the IDA's Series of 2013 Guaranteed Lease Revenue Note. The amount of the lease outstanding at September 30, 2017 is \$7,372,000.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 8: DIRECT FINANCING LEASES

Component Unit - Direct Financing Leases (Continued)

Dauphin County Industrial Development Authority ("IDA") (Continued)

On September 30, 2015 the IDA entered into a lease agreement with the County of Dauphin for a building for a twenty year term. The lease requires the County make payments equal to the principal and interest of the Authority's Series of 2015 Guaranteed Lease Revenue Note (Lower Paxton Project). The County has the right to purchase the leased property for a sum of one dollar, plus the amount, if any required to pay in full the outstanding balance due under the IDA's Series of 2015 Guaranteed Lease Revenue Note. The amount of the lease outstanding at September 30, 2017 is \$1,817,000.

Following is a schedule of minimum lease payments for the direct financing leases:

<u>Years Ending September 30,</u>	
2018	\$ 963,020
2019	964,587
2020	964,275
2021	964,346
2022	964,284
2023-2027	5,013,510
2028-2032	4,149,761
2033-2035	1,503,654
	<u>\$ 15,487,437</u>

The net investment in direct financing lease consists of the following at September 30, 2017:

Total Minimum Lease	
Payments to be Received	\$ 15,487,437
Less: Unearned Interest	
Income	<u>(3,696,001)</u>
	<u>\$ 11,791,436</u>
Current Portion	\$ 611,279
Noncurrent Portion	<u>11,180,157</u>
	<u>\$ 11,791,436</u>

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 9: LINE OF CREDIT

Component Unit – Line of Credit

Case Management Unit

At June 30, 2017, CMU had an \$800,000 line of credit with a bank, secured by all accounts receivable, which expires December 10, 2048. Interest on outstanding borrowings is due monthly at .5% above the bank's prime rate, which was 4.75% at June 30, 2017. There were \$795,000 in borrowings on the line and \$795,000 in repayments for the year ended June 30, 2017. The principal balance on the line as of June 30, 2017 was \$0.

NOTE 10: CAPITAL LEASE OBLIGATIONS

The following is a summary of changes in capital lease obligations for the year ended December 31, 2017:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Governmental Activities</u>					
Capital Leases	\$ 12,452,238	\$ 8,685,348	\$ (5,641,638)	\$ 15,495,948	\$ 1,496,200
Total Capital Lease Obligations	<u>\$ 12,452,238</u>	<u>\$ 8,685,348</u>	<u>\$ (5,641,638)</u>	<u>\$ 15,495,948</u>	<u>\$ 1,496,200</u>

Obligations under capital lease consists of a lease payable to the General Authority for the Chestnut Street Building that is accounted for in the Governmental Activities bearing interest rates from 1.00% to 3.40%, which was refunded in 2009. As a result of the Chestnut Street refunding, the County recognized a loss of \$68,278 that is being amortized on the interest method over the term of the lease. The balance of the deferred loss at December 31, 2017 is \$1,559 and is included in deferred interest from refunding on the Statement of Net Position.

In prior years, the County has entered into capital lease agreements for computer equipment, office and other equipment, and a security system which are accounted for in the Governmental Activities.

In 2017, the County entered into six new capital leases all of which were in Governmental Activities as well as incurred additional costs on an existing building lease. Four leases were for IT equipment in the amounts of \$163,284, \$19,262, \$41,728, and \$291,600 as well as one lease for an alarm system in the amount of \$819,000. The County increased the amount of its capital lease for an MDJ project in the amount of \$1,433,474. The County refunded the five leases with the Dauphin County Industrial Development Authority into one lease with the Dauphin County General Authority in the amount of \$5,917,000.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 10: CAPITAL LEASE OBLIGATIONS (CONTINUED)

The following is a schedule of future minimum lease payments under the capital lease agreements, together with the present value of the net minimum lease payments as of December 31, 2017:

<u>Years Ending December 31</u>	<u>Governmental Activities</u>
2018	\$ 1,972,989
2019	1,591,678
2020	1,499,386
2021	1,107,420
2022	1,022,584
2023-2027	5,174,685
2028-2032	5,282,707
2033-2037	2,605,462
2038	<u>194,508</u>
Total Minimum Lease Payments	20,451,419
Less: Amount Representing Interest	<u>4,955,471</u>
Total Present Value of Net Minimum Lease Payments	15,495,948
Less: Amounts Due within One Year	<u>1,496,200</u>
	 <u><u>\$ 13,999,748</u></u>

At December 31, 2017, the County had leased buildings and equipment disclosed as leasehold assets in the Capital Asset Note (see Note 5) in the amount of \$28,431,014 with accumulated depreciation of \$15,724,598.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 11: FUND BALANCE / NET POSITION

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the County is bound to honor constraints on the specific purpose for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Governmental Funds

General Fund

Nonspendable

Prepaid Items

\$ 983,287

This line item represents payments made for the following calendar year.

PCHIPC Settlement

\$ 7,154,901

This line item represents a reimbursement for overpayment of health insurance.

Due from Component Unit

\$ 8,421,838

This line item represents funds due from the County's component units.

Assigned

2017 Budget Deficit

\$ 12,275,149

This line item represents amounts assigned to balance the subsequent year's budget.

Low Income Housing Fund

Restricted

\$ 1,210,520

This line item represents amounts that are restricted by enabling legislation for the future payments of expenditures to enable county residents to purchase or rent residential housing.

Gaming Fund

Restricted

\$ 7,421,831

This line item represents restricted amounts of local share assessment revenue.

Assigned

\$ 8,844,525

This line item represents assigned amounts of local share assessment revenue.

Nonmajor Funds

Nonspendable

Fort Hunter Trust Fund

\$ 1,222,093

This line item represents funds intended for the preservation of Fort Hunter.

Restricted

Capital Projects

\$ 5,724,499

This line item represents amounts restricted for capital projects.

State Grant

\$ 936,456

This line item represents amounts restricted for various state fiscal year grants.

Liquid Fuels

\$ 655,560

This line item represents amounts that are restricted by grantors for the future payments of expenditures for the building and improvement of roads and bridges.

COUNTY OF DAUPHIN
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 2017

NOTE 11: FUND BALANCE / NET POSITION (CONTINUED)

Nonmajor Funds (Continued)

Restricted (Continued)

<u>Domestic Relations</u>	\$ <u>623,664</u>
This line item represents amounts that are restricted by grantors for the future payments of expenditures for the operation of the child support enforcement.	
<u>Hazardous Materials</u>	\$ <u>271,808</u>
This line item represents monies collected, per statute, for training programs, public and facility owner education, information and participating programs, general administrative and operational expenses.	
<u>Emergency 911 Operating</u>	\$ <u>2,766,380</u>
This line item represents amounts that are restricted for the future payments of expenditures for operation of the 911 program.	
<u>Fee for Local Use</u>	\$ <u>1,839,609</u>
This line item represents amounts that are restricted by grantors for the future payments of expenditures for the building and improvement of roads and bridges.	
<u>Aging</u>	\$ <u>101,808</u>
This line item represents amounts that are restricted for aging programs.	
<u>Drug Act Forfeited - State</u>	\$ <u>2,414</u>
This line item represents amounts that are restricted to drug enforcement related expenses.	
<u>Drug Act Forfeited - Federal</u>	\$ <u>316,193</u>
This line item represents amounts that are restricted to drug enforcement related expenses.	
<u>Act 89 Bridge Maintenance</u>	\$ <u>722,337</u>
This line item represents amounts that are restricted by grantors for the future payments of expenditures for the building and improvement of roads and bridges.	
<u>PennDot Act 44</u>	\$ <u>922,690</u>
This line item represents amounts that are restricted by grantors for the future payments of expenditures for the building and improvement of roads and bridges.	

The restrictions of net position included in the Fiduciary Funds are as follows:

Fiduciary Funds

Net Position Restricted for Pensions	\$ <u>337,391,858</u>
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Component Units - Fund Balance/Net Position

Dauphin County Economic Development Corporation ("DCEDC")

The restrictions of net position included in the financial statements represent portions of net position that are restricted for various purposes and are not available for the payment of other subsequent expenditures. The following restrictions are included in the financial statements.

Tourism and Regional Promotion	\$ <u>3,931,065</u>
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COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 12: INTERFUND AND COMPONENT UNIT RECEIVABLES AND PAYABLES

Interfund receivable and payable balances consist of the following at December 31, 2017:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
Governmental Funds:		
General Fund	\$ 16,060,769	\$ 9,808,030
Children and Youth Families Fund	8,633,331	14,395,995
Other Nonmajor Funds	627,701	1,443,373
Total Governmental Funds	<u>25,321,801</u>	<u>25,647,398</u>
Business-Type Funds		
Health Choices Fund	-	203,882
Human Service Building Fund	537,750	1,189
Other Nonmajor Funds	9,248	16,330
Total Business-Type Funds	<u>546,998</u>	<u>221,401</u>
	<u>\$ 25,868,799</u>	<u>\$ 25,868,799</u>

The County utilizes a pooled operating fund to enhance investment return, therefore, interfund receivables and payables are recorded to recognize amounts held by the General Fund in the pooled account on behalf of other funds. In addition, the General Fund has paid expenses on behalf of other funds, therefore, a corresponding interfund receivable and payable has been recorded.

Component Unit - Receivables and Payables

	<u>Dauphin County Conservation District</u>	<u>Dauphin County Industrial Development Authority</u>	<u>Dauphin County Economic Development Corporation</u>	<u>Total</u>
Due From Component Unit				
General Fund	\$ 168,903	\$ 9,631,768	\$ -	\$ 9,800,671
Low Income Housing Fund	-	-	139,695	139,695
	<u>168,903</u>	<u>9,631,768</u>	<u>139,695</u>	<u>9,940,366</u>
Due To Component Unit				
Other Nonmajor Funds	-	-	126,928	126,928
	<u>-</u>	<u>-</u>	<u>126,928</u>	<u>126,928</u>
	<u>\$ 168,903</u>	<u>\$ 9,631,768</u>	<u>\$ 12,767</u>	<u>\$ 9,813,438</u>

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 13: INTERFUND OPERATING TRANSFERS

Interfund Transfers are executed as a result of the requirements for certain funds to fund a portion of the expenditures or expenses of other funds. Interfund operating transfers are as follows:

	<u>Transfers from Other Funds</u>	<u>Transfers to Other Funds</u>
Governmental Funds:		
General Fund	\$ 3,678,228	\$ 13,416,193
Children and Youth Families Fund	8,530,914	75,782
Gaming Fund	-	3,810,225
Other Nonmajor Funds	5,103,596	537,632
	17,312,738	17,839,832
Business-Type Funds:		
Health Choice Fund	\$ -	\$ 130,213
Other Nonmajor Funds	658,467	1,160
	658,467	131,373
	\$ 17,971,205	\$ 17,971,205

Transfers from the general fund are used to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary and legal authorizations, including amounts provided as subsidies or matching funds for various grant programs.

NOTE 14: PROPERTY TAXES

Real Estate Property Taxes

Real estate property taxes attach as an enforceable lien on property on January 1, based on the assessed value listed as of the prior December 31 for all real property located in the County. Assessed values are established by the County Assessment Board at approximately 100% of calculated market value. Taxes are billed on or about February 1, payable under the following terms: 2% discount, February 1 through March 31; face amount, April 1 through July 31, and 5% penalty June 1 through July 31, and a 10% penalty from August 1 through December 31. The County bills its own property taxes, which are collected by elected tax collectors. Real estate property taxes levied for 2017 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during 2017 and expected to be collected within the first sixty (60) days of 2018 are recognized as revenue in 2017. Net receivables estimated to be collectible subsequent to March 31 are reflected in deferred revenue. Prior years' levies are recorded using these same principles, and remaining receivables are annually reevaluated as to collectability. The rate of taxation in 2017 was 6.876 mills, for general purposes. In addition, a special tax of 0.35 mills was approved for the County Library System. The total taxable assessed value of the County for 2017 was \$15,293,578,050.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 16: EMPLOYEES RETIREMENT PLAN

The Employees' Retirement Trust Fund Plan (the "Plan") is a single employer contributory defined benefit retirement plan covering substantially all full-time employees of the County and part-time employees exceeding 1,000 hours per year. The Plan is included in the financial statements of the County as a pension trust fund.

The Retirement Trust Fund issues a publicly available financial report that includes financial statements and supplementary information. This report may be obtained by contacting the Dauphin County Controller's Office, 101 Market Street, Room 106, Harrisburg, PA 17101.

The Retirement Trust Fund is presented on the accrual basis of accounting in conformity with generally accepted accounting principles as applicable to government entities. Plan members and employer contributions to the Plan are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Description of Plan

Plan administration. The County of Dauphin Retirement Plan is a public "County Employees Retirement System". The Plan is governed by the 1971 County Pension Law, Act 96, of the General Assembly of the Commonwealth of Pennsylvania, as amended, (the "Act"). Benefits and contribution provisions of the Plan are established and can be amended as provided by the Act.

Management of the Plan is vested in the Retirement Board, which consists of five members – three elected County Commissioners, the County Controller, and the County Treasurer.

Plan membership. Membership of the plan membership consisted of the following at January 1, 2017:

Inactive plan members or beneficiaries currently receiving benefits	1,139
Inactive plan members entitled to but not yet receiving benefits	238
Active Plan members	<u>1,467</u>
 Total Membership	 <u><u>2,844</u></u>

Benefits provided. The Plan provides retirement, disability, and death benefits. Retirement benefits for plan members are calculated as a percent of the member's highest 3-year average salary times the member's years of service depending on class basis. Plan members with 20 years of service are eligible to retire at age 55. Plan members that have attained age 60 are eligible to retire. All plan members are eligible for disability benefits after 5 years of service if disabled while in service and unable to continue as a county employee. Disability retirement benefits are equal to 25% of the highest average salary at the time of retirement. Death benefits for a member who dies with 10 years of service prior to retirement is the total present value of member's retirement paid in a lump sum. A plan member who leaves County service with less than 5 years of service may withdraw his or her contributions, plus accumulated interest.

On an ad hoc basis, cost-of-living adjustments to each member's retirement allowance shall be reviewed at least once in every three years subsequent to the member's retirement date. The adjustment, should the County elect to give one, is a percentage of the change in the Consumer Price Index. No ad hoc postemployment benefit changes were included in the future liability.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 16: EMPLOYEES RETIREMENT PLAN (CONTINUED)

Description of Plan (Continued)

Contributions. The Retirement Board establishes the contribution rates based on an actuarially determined contribution recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance an unfunded accrued liability. For the year 2017 measurement period, the minimum active member contribution rate was 5.0 percent of annual pay, and the County average contribution rate was 7.57 percent of annual payroll. Employees may contribute up to an additional 10% of gross pay, at their option. The employee contributions are recorded in an individually identified account that is also credited with interest, calculated to yield 4.0% compounded annually at December 31, 2017.

Administrative and investment costs of the Plan are paid by the investment earnings of the Fund. The Act makes no provision for termination of the Fund.

Legally Required Reserves

At December 31, 2017, the Fund has a balance of \$67,668,769 in the Members' Annuity Reserve Account. This account is the total of the contributions deducted from the salaries of the active and terminated vested members of the retirement system and the IRC 414(h)(2) pickup contributions together with the interest additions as of December 31, 2017. As of December 31, 2017 this reserve was fully funded.

The Fund has a balance of \$48,919,313 in the County Annuity Reserve Account as of December 31, 2017. This balance and the amounts expected to be credited in the future, plus investment earnings thereon, represent the reserves set aside for the payment of the County's share of the retirement allowances. This is the account out of which regular interest is credited to the Members' Annuity and Retired Members' Reserve Account, administrative expenses may be paid, and the pension obligations of the County are funded. When a County annuity is scheduled to commence for a particular member, sufficient monies are transferred from the County Annuity Reserve Account to the retired members' reserve account to provide for such County annuities actually entered upon. As of December 31, 2017, this reserve was fully funded.

The Retired Members' Reserve Account is the account out of which monthly retirement allowances including cost-of-living increases and death benefits are paid. The balance in this account was \$149,191,898 as of December 31, 2017, and this reserve was fully funded.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 16: EMPLOYEES RETIREMENT PLAN (CONTINUED)

Plan Reporting

Net Pension Liability of the County

The total pension liability was based on an actuarial valuation for the 2017 measurement period at January 1, 2017 and rolled-forward to December 31, 2017 measurement date. The components of the net pension liability of the County at December 31, 2017 were as follows:

Total Pension Liability	\$ 340,341,124
Plan Fiduciary Net Position	337,391,858
County's Net Pension Liability	<u>\$ 2,949,266</u>

Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.13%
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The schedule of changes in the net pension liability and related ratios, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about the plan.

Changes in the County's net pension liability for the plan for the year ended December 31, 2017 were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 12/31/16	\$ 326,302,596	\$ 300,128,306	\$ 26,174,290
Service Cost	8,135,054	-	8,135,054
Interest Cost	24,190,935	-	24,190,935
Changes of Benefit Terms	-	-	-
Changes for Experience	(783,239)	-	(783,239)
Changes of Assumptions	-	-	-
Contributions - Employer	-	5,852,311	(5,852,311)
Contributions - Member	-	4,940,140	(4,940,140)
Net Investment Income	-	44,189,197	(44,189,197)
Benefit Payments, including Refunds of Member Contributions	(17,504,222)	(17,504,222)	-
Administrative Expense	-	(213,874)	213,874
Net Changes	<u>14,038,528</u>	<u>37,263,552</u>	<u>(23,225,024)</u>
Balances at 12/31/17	<u>\$ 340,341,124</u>	<u>\$ 337,391,858</u>	<u>\$ 2,949,266</u>

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 16: EMPLOYEES RETIREMENT PLAN (CONTINUED)

Deferred Outflows and Inflows of Resources

The total pension expense recognized in 2017 for the plan was \$4,933,239. At December 31, 2017, the County reported deferred outflows and inflows of resources related to the pension plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 1,527,225	\$ (815,114)
Difference Between Projected and Actual Investment Earnings	-	(10,249,057)
Total	\$ 1,527,225	\$ (11,064,171)

The deferred outflows and inflows of resources will be recognized in pension expense as follows:

Year Ended	
December 31:	
2018	\$ (411,878)
2019	(411,878)
2020	(4,258,883)
2021	(4,454,307)
2022	-
Thereafter	-
Total	\$ (9,356,946)

Plan Actuarial Methods and Assumptions

Actuarial assumptions. The total pension liability was determined by an actuarial valuation for the 2017 measurement period at January 1 and rolled-forward to December 31 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary Increases	4.5 percent, average, including inflation
Investment Rate of Return	7.5 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2013 Annuitant and Non-Annuitant Mortality Tables for Males and Females with no projected improvements.

The actuarial assumptions used in the valuation for the 2017 measurement period were based on past experience under the plan and reasonable future expectations which represent the independent actuary's best estimate of anticipated experience under the plan. An experience study was performed during 2016; no modifications to the assumptions were made as a result.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 16: EMPLOYEES RETIREMENT PLAN (CONTINUED)

Plan Actuarial Methods and Assumptions (Continued)

Under the Act, cost-of-living adjustments to each member's retirement allowance shall be reviewed at least once in every three years subsequent to the member's retirement date. The adjustment, should the County elect to give one, is a percentage of the change in the Consumer Price Index. The Plan did not include an assumption for projected postemployment benefit changes as they are not considered to be substantively automatic.

Investment policy. The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes.

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 returns (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 weighing 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 in the Plan's target asset allocation for the 2017 measurement period are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	44%	5.4 - 6.4%
International Equity	18%	5.5 - 6.5%
Fixed Income	22%	1.3 - 3.3%
Real Estate	15%	4.5 - 5.5%
Cash	1%	0.0 - 1.0%

Discount rate. The discount rate used to measure the total pension liability was 7.5 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 rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (i.e. no depletion date is projected to occur).

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 16: EMPLOYEES RETIREMENT PLAN (CONTINUED)

Plan Actuarial Methods and Assumptions (Continued)

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the Fund, calculated using the discount rate of 7.5 percent, as well as what the Fund's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
County's Net Pension Liability	\$43,680,697	\$2,949,266	\$(31,497,139)

Rate of return. For the 2017 measurement period, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 15.07 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Component Unit – Defined Contribution Plan

Case Management Unit

CMU contributes to the Case Management 401K Savings Plan (the "Plan"), a defined contribution plan, covering all employees of CMU who are age twenty-one or older. The Plan is subject to the provisions of the Employee Retirement Income Securities Act (ERISA) of 1974. For all enrolled participants, CMU makes a discretionary contribution equal to 1.5% of the participants' eligible compensation. For each participant electing to contribute 2% or more of their eligible compensation, CMU makes a matching contribution equal to 1% of their eligible compensation. Employees are permitted to make contributions up to applicable Internal Revenue Code limits. For the fiscal year ended June 30, 2017, participant contributions totaled \$197,795 and employer contributions totaled \$111,735.

Participants are immediately vested in all contributions and earnings on those contributions. Participant loans and forfeitures are not permitted under the Plan. CMU had no liability to the Plan at June 30, 2017.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 17: POST-EMPLOYMENT BENEFIT PLAN

Plan Description. The County sponsors a single employer defined benefit post-employment benefits plan that covers health and life insurance benefits for eligible retirees. The County provides health and life insurance coverage for eligible retirees under the terms of agreements with the unions that represent them. Groups of retirees that are eligible for medical OPEB are: Court Related Teamster, Court appointed AFSME, Probation Officers, Prison Guards, PSSU, Dauphin County Detectives Association, and Captains and Lieutenants. Death benefits of \$10,000 retiree life insurance are available for qualifying individuals age 55 with 20 years of service. The Plan does not issue a publicly available financial report.

Funding Policy. The contribution requirements of the County are established and may be amended through future union negotiations. The Plan does require contributions from some retirees. Retiree contributions depend upon the terms of the various union contracts. The County funds the Plan on a pay-as-you-go basis. For 2017, the County contributed \$1,193,257 to the plan for current premiums.

Annual OPEB Cost and Net OPEB Obligation. The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Annual OPEB Cost and Net OPEB Obligation (continued) The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation to the Plan:

Annual Required Contribution (ARC)	\$ 2,770,290
Estimated Interest on Net OPEB Obligation	232,706
Adjustment on ARC	<u>(336,475)</u>
Annual OPEB Cost	2,666,521
Contributions Made (Estimated)	<u>(1,193,257)</u>
Estimated Increase in Net OPEB Obligation	1,473,264
Estimated Net OPEB Obligation - Beginning of Year	<u>5,817,656</u>
Estimated Net OPEB Obligation - End of Year	<u>\$ 7,290,920</u>

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 17: POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

The County's annual OPEB cost, the percentage of annual OPEB cost contribution to the plan, and the net OPEB obligation for 2017 and the previous two years were as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2017	\$ 2,666,521	44.8%	\$ 7,290,920
12/31/2016	1,981,183	68.7%	5,817,656
12/31/2015	1,985,537	87.7%	5,197,072

Funded Status and Funding Progress. As of January 1, 2017, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$26,516,159 and there were no assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$26,516,159. The covered payroll (annual payroll of active employees covered by the plan) was \$77,285,207, and the ratio of the UAAL to the covered payroll was 34.3%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2017 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.0% investment rate of return, which includes a 3.0% inflation rate. The investment rate of return is the expected long-term investment yield on the investments that are expected to be used to finance the payments of benefits. The actuarial assumptions also include a health care cost trend rate of 5.9% initially, which gradually declines to an ultimate rate of 3.9%. The UAAL is being amortized using the level dollar method over a period of 30 years on an open basis.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 17: POST-EMPLOYMENT BENEFIT PLAN (CONTINUED)

Schedule of Funding Progress

Valuation Date	Actuarial Value of Assets	Actuarial Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
12/31/2016	\$ -	\$26,516,159	\$26,516,159	0.00%	\$ 77,285,207	34.3%
12/31/2014	\$ -	\$19,747,055	\$19,747,055	0.00%	\$ 73,801,979	26.8%
12/31/2012	\$ -	\$17,085,944	\$17,085,944	0.00%	\$ 75,886,904	22.5%

NOTE 18: COMPENSATED ABSENCES

County policy applicable to vacation and sick pay for employees is as follows:

Vacation Pay

Time accrues at various rates based on length of service. Employees are encouraged to utilize earned vacation time by December 31 of each period; however, current practice allows for the carryover of 20 unused vacation days. Time carried over in this manner is considered vested.

Sick Pay

Time accrues at various rates based on length of service. An employee may accumulate up to a maximum of 200 days. Time carried over in this manner is considered vested.

Applicable GASB pronouncements require accrual of sick and vacation pay that meet certain specific conditions. The County has determined that such conditions apply to vested vacation pay and accumulated sick pay of the Governmental Funds and the Proprietary Funds. To the extent vacation and sick pay liabilities are expected to be incurred, they are accrued in the government-wide and proprietary fund financial statements.

NOTE 19: LEASES

Operating Leases

The County leases office space under several operating leases with expiration dates through 2033.

Future minimum lease payment requirements under the various leases are as follows:

2018	\$ 2,106,827
2019	1,309,428
2020	899,634
2021	877,697
2022	867,761
2023 – 2027	4,079,460
2028 – 2032	4,418,213
2033	761,541

Total minimum payments required \$ 15,320,561

Total rental expense for these leases during 2017 approximated \$2,326,362.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 19: LEASES (CONTINUED)

Operating Leases

Component Units – Leases

Case Management Unit

The Case Management Unit leased its principal office space. Rent expense totaled \$587,511 for the fiscal year ended June 30, 2017 and is recorded on the Statement of Activities. The lease agreement between the County and CMU is for the period of January 1, 2015 through December 1, 2033. Monthly rent increases 1.90% at the beginning of each year.

CMU also has a lease on the Elizabethville, Pennsylvania office. The lease agreement is for a period of twenty-five years through 2033. Rent for this lease is based on a set price per square foot per year. These payments range from \$51,465 – \$69,632 and are payable monthly. CMU also has a 3 year lease for its Lebanon office. The monthly payments range from \$2,300 to \$2,440.

Future minimum lease payments under the above leases are as follows:

Year ending June 30,	Amount
2018	\$ 554,598
2019	556,014
2020	557,611
2021	529,257
2022	530,339
2023-2027	2,896,159
2028-2032	2,868,354
2033-2034	757,800
	\$ 9,250,132

NOTE 20: RELATED PARTY TRANSACTIONS

Component Units – Related Party Transactions

Dauphin County Conservation District

The employees of the District are employees of the County. On a quarterly basis, the District reimburses the County for the cost of salaries and benefits. For the year ended December 31, 2017, the District incurred salaries and benefits expenses of \$628,128, of which \$164,893 is payable to the County at December 31, 2017. In addition, \$4,010 is payable to the County for janitorial supplies, fuel, phone charges, and miscellaneous fees. These amounts have been included as due to primary government on the statement of net position.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 20: RELATED PARTY TRANSACTIONS (CONTINUED)

Component Units – Related Party Transactions (Continued)

Dauphin County General Authority

The Authority is a component unit of Dauphin County. The Authority has entered into certain lease financing arrangements with the County. Lease payments from the County to the Authority for the year ended December 31, 2017 were \$474,080.

The County has been paying rent in excess of the lease requirement to the Authority since 2000. The total amount of these overpayments is \$370,245 at December 31, 2017 and is reported as unearned revenue on the balance sheet. The County had a claim on such overpayments until February 17, 2010, when an indemnity agreement was signed.

Dauphin County Industrial Development Authority (“IDA”)

The County of Dauphin provides funds and pays for certain significant management and administrative costs required to operate the IDA on a day-to-day basis. The IDA's management and support staff are employees of the County and other significant operating expenses such as telephone service, office maintenance, and insurance are paid for by the County. The amount of the County's support and the corresponding operating costs are not reported as revenues and expenses in the IDA's financial statements. The County also provides significant operating revenues, primarily through Gaming distributions passed-through the IDA. Gaming revenue from the County was \$7,000,536 in 2017 representing 91.3% of total operating revenues.

See Notes 7 and 8 for long-term obligations and direct financing leases for additional information concerning financial transactions with the County.

Other Related Organizations

The IDA shares personnel and office space, and performs various administrative and program functions in conjunction with two other organizations:

The Dauphin County Department of Community and Economic Development (DCDCED) which is an internal department of the County, not a separate entity; The Dauphin County Economic Development Corporation (DCEDC), a nonprofit corporation created by the County to partner in real estate development projects and to channel grant funding to communities and organizations in need of community and economic development assistance. DCEDC leases office space from the DCIDA under a year to year operating lease. For the year ended September 30, 2017, DCIDA has earned approximately \$35,326 in lease payments that are recorded as Due from Related Party. During the year, the IDA made transfers to DCEDC in the amount of \$176,800 as parking rental subsidy for the Market Square Garage and property management support.

The IDA is not owned in part or in total by DCEDC or DCDCED, and has no ownership interest in either organization. The IDA and DCEDC are both governed by the same Board of Directors which is appointed by the Commissioners of Dauphin County.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 20: RELATED PARTY TRANSACTIONS (CONTINUED)

Component Units – Related Party Transactions (Continued)

Case Management Unit

The Case Management Unit is a component unit of Dauphin County, PA. The operating lease, described in Note 19, is held with the County and the lease payments were at market value at the time of execution.

Dauphin County Economic Development Corporation (“DCEDC”)

DCEDC is administered by the County of Dauphin (“County”) through the Dauphin County Department of Community and Economic Development. DCEDC is not owned in part or in total by the County. However, the Commissioners of Dauphin County have the sole power to appoint members of the Corporation’s Board of Directors.

The County pays for certain significant management and administrative costs required to operate the DCEDC on a day-to-day basis. DCEDC’s management and support staff are employees of the County. Certain costs paid by the County are reimbursed by DCEDC. The amount of the County’s support and the corresponding operating costs are not reported as revenues and expenses in the DCEDC’s financial statements.

The County also provides significant operating revenue, primarily through hotel tax distributions passed-through to DCEDC. Revenue from the County was \$2,716,931 in 2017, representing 45% of total revenue. The County guarantees DCEDC’s long-term debt.

The DCEDC shares management, support staff and office space with the Dauphin County Department of Community and Economic Development and with the Dauphin County Industrial Development Authority. The DCEDC is not owned in part or in total by the IDA, has no interest ownership therein, and receives no revenue from the IDA. However, the IDA and DCEDC are governed by the same Board of Directors, which is appointed by the Commissioners of Dauphin County.

The IDA acts an intermediary between property management and the DCEDC. In this capacity, the IDA collects parking rent fees and remits such fees to the DCEDC on a periodic basis. Parking fees for the year ended December 31, 2017 were \$123,360.

As of December 31, 2017, DCEDC owes the IDA \$147,181. This amount has been recorded Due to Other Governments on the Statement of Net Position.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 21: COMMITMENTS AND CONTINGENCIES

Litigation

In the normal course of business, there are various claims and suits pending against the County and its elected officials. Management is of the opinion that these matters will not have a material adverse effect on the County's financial position at December 31, 2017.

Federal and Commonwealth Grants

The County receives funds from the Commonwealth and various federal agencies to fund specific programs. Final determination of various amounts is subject to audit under the Federal Single Audit Act and by the funding agencies. County officials believe that any audit adjustments resulting from final settlements will be immaterial in relation to the County's financial resources.

State Grants

On September 28, 2016, the Pennsylvania Supreme Court invalidated certain "Local Share Assessment" provisions contained in Section 1403(c) of the Pennsylvania Race Horse and Gaming Act ("Gaming Act"), under which Hollywood Casino was required to make Local Share Assessment payments that are directed to Dauphin County. On November 2, 2016 the County and Hollywood Casino signed a Memorandum of Understanding, under which absent action from the Pennsylvania General Assembly to craft remedial measures to the Gaming Act, Hollywood Casino agreed to maintain Local Share Assessment payments under the same structure and formula that existed in the Gaming Act. The Memorandum of Understanding was amended on May 17, 2017 to adjust the expiration date from June 30, 2017 to January 1, 2018. On October 30, 2017, Governor Tom Wolf signed into law HB 271 which restored the local share assessment, crediting any casino payments made from January 1, 2017 to the present. For the year ended December 31, 2017, the total Local Share Assessments received by the County was \$12,948,742.

Capital Projects

In 2015, the County entered into contracts for approximately \$781,000 for the security upgrades to the County's administrative building and court house. In 2017, the County entered into a second contract for approximately \$819,000 for security upgrades to the County's administrative building and courthouse. Costs expensed under these contracts were approximately \$1,321,702 as of December 31, 2017.

In 2016, the County entered into contracts for a court house space renovations project. The contracts' value approximated \$1,400,000 of which \$1,103,530 has been expended as of December 31, 2017.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 21: COMMITMENTS AND CONTINGENCIES (CONTINUED)

Component Units – Commitments and Contingencies

Dauphin County General Authority

Project Viability

The continued operation of the Dauphin Highlands Golf Course is dependent on the Administrative Fund providing working capital to fund any deficits created by operations of this golf course. The Authority's Administrative Fund has provided, and intends to continue to provide funds for working capital needs of the Dauphin Highlands Golf Course. The Administrative Fund provided \$261,237 of working capital advances during year ended December 31, 2017 to the Dauphin Highlands Golf Course. As of December 31, 2017, none had been repaid to the Administrative Fund.

If the Authority fails to generate sufficient revenues to pay debt service on the Series A of 2016 and Series B of 2016, or ceases revenue generating operations, or if other monies set aside for such purposes are insufficient, the County will be required to pay principal and interest on such bonds when due pursuant to the County Bond Guarantee Agreement among the County, the Authority, and the trustee for the bonds. In accordance with the County Bond Guaranty Agreement, if such payments are made by the County, the Authority is required to reimburse the County from any money's available for that purpose under the Trust Indenture.

The Dauphin Highlands Golf Course has incurred substantial accumulated losses, which have resulted in cash flow difficulties. During the year ended December 31, 2013, the Authority entered into a contract with a management company to try to maximize the course's revenue while minimizing the overall expenses. The management company will continue to strive toward increasing revenue while keeping expenses contained.

The Riverfront Office Center Fund has incurred substantial accumulated losses. The refunding of Series A of 1998 Bonds and partial refunding of Series C of 1998 Bonds during the year ended December 31, 2015 provides significant future debt savings. Additionally, during the year ended December 31, 2017, the Authority purchased \$9.6 million of the Series C debt. The remaining Series C of 1998 Bonds are subordinate debt and have no recourse to the Authority. In addition, significant capital improvements have taken place at the Riverfront Office Center during the years ended December 31, 2015, 2016, and 2017, which allow future savings of energy costs. 2018 will be the first year of verified energy savings related to these improvements. The Riverfront Office Center is at 100% occupancy through a long-term lease ending in 2030, with a five-year extension. Management believes that the debt structure, long-term lease, and Riverfront Office Center capital improvements provide for positive cash flow and future net operating income.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 21: COMMITMENTS AND CONTINGENCIES (CONTINUED)

Component Units – Commitments and Contingencies (Continued)

Dauphin County General Authority (Continued)

Contract Commitments

During the year ended December 31, 2017, the Authority, through the Riverfront Office Center Fund, entered into a contract with a construction contractor totaling \$1,565,928. The commitment remaining on the contract at December 31, 2017 was \$527,981.

Dauphin County Industrial Development Authority (“IDA”)

The Dauphin County Industrial Development Authority has contractual commitments at September 30, 2017, of \$5,646,728, of which \$5,362,302 is currently available for projects directly assisting businesses and municipalities county-wide in the areas of both economic and community development.

NOTE 22: ADMINISTRATIVE FEES

Component Units – Administrative Fees

Dauphin County General Authority

Provisions of the financing documents of the bond issues require administrative fees to be paid to the Authority. For the year ended December 31, 2017, these fees, as paid by each fund, are as follows:

Administrative Fund:	
Riverfront Office Center	\$ 292,800
100 Chestnut Street	46,164
Dauphin Highlands Golf Course	27,540
Bond issuance fees	57,500
Total Administrative Fees	<u>\$ 424,004</u>

NOTE 23: HOTEL TAX DISTRIBUTIONS AND RELATED EXPENSES

The hotel tax revenues are derived from a hotel room excise tax imposed by the County of Dauphin. Ordinance No. 3-1999 enacted by the Commissioners imposed a 2% hotel room excise tax effective January 1, 2001. Ordinance No. 3-2002, which repealed and replaced Ordinance No. 3-1999, imposed a 3% hotel room excise tax effective April 1, 2002. Ordinance No. 1-2008, which repealed and replaced Ordinance No. 3-2002, imposed a five-percent hotel room excise tax effective March 1, 2008. The ordinances were enacted pursuant to 16 P.S. Section 1770.5, an act of the General Assembly of the Commonwealth of Pennsylvania, which permits the imposition of a 5% hotel tax, providing for the distribution of 50% of the revenues to the Tourist Promotion Agency and the separate distribution of the other 50% of the revenue to be distributed for the purposes of promoting tourism and regional development.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 23: HOTEL TAX DISTRIBUTIONS AND RELATED EXPENSES (CONTINUED)

Of the original 2% hotel tax revenue, the County distributes 20% to the City of Harrisburg, 70% to the Derry Township Industrial Authority and 10% to DCEDC to be remitted, in full to the Hershey Harrisburg Region Vacations Bureau (the County's Tourist Promotion Agency) to be used solely for tourism and regional promotion purposes.

The next 1% hotel tax revenue may be distributed at the discretion of the County Commissioners, to be used solely for tourism and regional promotion purposes. DCEDC is the County's sole recipient and administrator of this 1% Hotel Tax revenue. These funds are required to be kept in an account separate from other funds received by DCEDC.

Of the remaining 2% hotel tax revenue, the County distributes 50.0% to the Hershey Harrisburg Region Vacations Bureau (the County's Tourist Promotion Agency) to be used solely for tourism and regional promotion purposes and 12.50% to the Hershey Harrisburg Region Vacations Bureau to be used for tourism and regional promotion within the City of Harrisburg. Derry Township Industrial Authority receives the remaining 37.5% for the purpose of the improvement, support, rehabilitation, revitalization or construction of one or more tourism-related facilities.

DCEDC had revenues from Dauphin County of \$2,716,931 for the year ended December 31, 2017.

NOTE 24: AFFORDABLE HOUSING LOAN PROGRAMS

The Home Grant Program and Affordable Housing Program disburse funds in the form of deferred payment loans for low and moderate income households. The deferred payment loans are secured by a mortgage on the property. Repayment of the loan is unearned until the property is sold or until the original occupant moves out. The principal balance outstanding at December 31, 2017 for these loans totaled \$5,003,204. These outstanding deferred loans have been recorded as receivables at December 31, 2017, and unearned revenues totaling \$5,003,204 have been recorded to offset the loans.

NOTE 25: LOANS AND NOTES RECEIVABLE

In 2010, the County entered into a verbal agreement with the Township of Derry (the "Township") in which the County would pay the Township's costs associated with the reconstruction and relocation of County Bridge No. 122. All expenditures related to this project were incurred in calendar year 2010. On January 26, 2011, the County entered into a formal loan agreement with the Township in the original amount of \$408,948, adjusted based on final cost allocation to \$334,470, at an annual simple interest rate of 1.625% to reimburse the County for the Township's portion of the costs. The agreement requires the Township to make annual principal and interest payments of \$36,509 to the County for 10 years beginning in 2012. The amount outstanding as of December 31, 2017 is \$140,289.

Year	Principal	Interest	Total Due
2018	34,229	2,280	36,509
2019	34,785	1,724	36,509
2020	35,350	1,159	36,509
2021	<u>35,925</u>	<u>584</u>	<u>36,509</u>
	<u>\$ 140,289</u>	<u>\$ 5,747</u>	<u>\$ 146,036</u>

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 25: LOANS AND NOTES RECEIVABLE (CONTINUED)

In December 2017, the County issued General Obligation Bonds, Series A of 2017, in which the County funded the Infrastructure Bank projects of Derry Township, Lower Swatara Township, and Londonderry Township (the "municipalities"). Individual notes were issued to the municipalities in the amounts of \$2,968,111, \$1,203,801, and \$183,088, respectively. The agreements require the municipalities to make annual principal and interest payments for 20 years beginning in 2018 at fixed interest rates ranging from 1.30% to 4.00%, with final payments in October 2037.

Component Units – Loans and Notes Receivable

Dauphin County Industrial Development Authority ("IDA")

On April 1, 2007 the IDA entered into a loan agreement with Tuscano Pizza & Grill, Inc. in the amount of \$100,000 at a fixed interest rate of 6.0%. The agreement required Tuscano Pizza & Grill, Inc. to make monthly principal and interest payments of \$1,933 to the IDA for 60 consecutive months beginning on May 1, 2007. In February 2009 this loan agreement was amended, requiring Tuscano Pizza & Grill, Inc to make monthly principal and interest payments of \$1,007 for 84 consecutive months beginning on March 1, 2009 on the remaining balance of \$76,187. The new loan agreement carries a fixed interest rate of 3.0%. The amount outstanding on the loan as of September 30, 2017 is \$34,683 which is fully reserved on the financial statements.

In July 2008 the IDA entered into a loan agreement with Trinity Harvest in the amount of \$50,000 at a fixed interest rate of 3.0%. The agreement required Trinity Harvest to make monthly principal and interest payments of \$898 to the IDA for 60 consecutive months beginning on October 1, 2008. The amount outstanding on the loan as of September 30, 2017 is \$33,345 which is fully reserved on the financial statements.

On December 18, 2012 the IDA entered into a loan agreement with Mindburn Solutions, LLC in the amount of \$15,000 at a fixed interest rate of 2.5%. The agreement required Mindburn Solutions, LLC to make monthly principal and interest payments of \$266 to the IDA for 60 consecutive months beginning on February 1, 2013. The loan was full paid off during the year ended September 30, 2017.

On December 18, 2012 the IDA entered into a loan agreement with Q. Jones, Inc. in the amount of \$50,000 at a fixed rate of 2.5%. The agreement required Q. Jones, Inc. to make monthly principal and interest payments of \$887 to the IDA for 60 consecutive months beginning on February 1, 2013. The amount outstanding on the loan as of September 30, 2017 is \$4,409.

On May 23, 2013 the IDA entered into a loan agreement with Hershey Miniature Golf, Inc. (Adventure Sports in Hershey) in the amount of \$114,400 at a fixed rate of 3.5%. The agreement required Hershey Miniature Golf, Inc. to make monthly principal and interest payments of \$1,538 to the IDA for 84 consecutive months beginning on July 1, 2013. The amount outstanding on the loan as of September 30, 2017 is \$39,865.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 25: LOANS RECEIVABLE (CONTINUED)

Component Units – Loans and Notes Receivable (Continued)

Dauphin County Industrial Development Authority (“IDA”) (Continued)

On October 9, 2013, the IDA entered into a loan agreement with Probitas Technology, Inc. in the amount of \$100,000 at a fixed rate of 2.5%. The agreement required Probitas Technology, Inc. to make monthly principal and interest payments of \$1,775 to the IDA for 60 consecutive months beginning on December 1, 2013. The amount outstanding on the loan as of September 30, 2017 is \$72,923.

On February 17, 2015, the IDA amended an existing loan agreement with Dewberry, LLC in the amount of \$248,000 at a fixed rate of 3.0%. The agreement requires Dewberry, LLC to make monthly principal and interest payments of \$4,456.24 to the IDA for 60 consecutive months beginning on January 1, 2016. The amount outstanding on the loan as of September 30, 2016 is \$165,393.

On March 6, 2015, the IDA entered into a loan agreement with Harristown Development Corporation in the amount of \$100,000 at a fixed rate of 3.25%. The agreement requires Harristown Development Corporation to make monthly principal and interest payments of \$1,808 to the IDA for 60 consecutive months beginning on April 1, 2015. The amount outstanding on the loan as of September 30, 2017 is \$53,690.

On July 8, 2015, the IDA entered into a loan agreement with Robert and Susan Louer (Street Stores) in the amount of \$55,400 at a fixed rate of 3.25%. The agreement requires Street Stores to make monthly principal and interest payments of \$1,002 to the IDA for 60 consecutive months beginning on August 1, 2015. The amount outstanding on the loan as of September 30, 2017 is \$33,404.

On December 7, 2016, the IDA entered into a loan agreement with Harristown Enterprises, Inc. in the amount of \$125,000 at a fixed rate of 2.50%. The agreement requires Harristown Enterprises, Inc. to make monthly principal and interest payments of \$2,218.42 to the IDA for 60 consecutive months beginning January 7, 2017. The amount outstanding on the loan as of September 30, 2017 is \$107,230.

On March 20, 2017, the Authority entered into a loan agreement with Steelton Borough in the amount of \$80,000 at a fixed rate of 2.80%. The agreement requires Steelton Borough to make monthly principal and interest payments of \$1,430.40 to the IDA for 60 consecutive months beginning September 1, 2017. The amount outstanding on the loan as of September 30, 2017 is \$80,000.

On August 11, 2017, the IDA entered into a loan agreement with Harristown Enterprises, Inc. in the amount of \$100,000 at a fixed rate of 3.50%. The agreement requires Harristown Enterprises, Inc. to make monthly principal and interest payments of \$1,819.17 to the IDA for 60 consecutive months beginning September 1, 2017. The amount outstanding on the loan as of September 30, 2017 is \$100,000.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 25: LOANS RECEIVABLE (CONTINUED)

Component Units – Loans and Notes Receivable (Continued)

Dauphin County Industrial Development Authority (“IDA”) (Continued)

On September 5, 2017, the IDA entered into a loan agreement with Tres, LLC in the amount of \$100,000 at a fixed rate of 3.25%. The agreement requires Tres, LLC to make monthly principal and interest payments of \$1,808 to the IDA for 60 consecutive months beginning October 1, 2017. The amount outstanding on the loan as of September 30, 2017 is \$100,000.

Loans Receivable at September 30, 2017 is as follows:

Displayed as:	
Current Portion	\$ 245,125
Noncurrent Portion	511,789
	<u>\$ 756,914</u>

Dauphin County Economic Development Corporation (“DCEDC”)

The Section 108 Note Payable proceeds described in Note 7 were loaned to a developer to fund the revitalization of an office building complex. DCEDC entered into a mortgage agreement with the developer for repayment of the loan. As of December 31, 2017, the amount owed to the DCEDC is \$2,315,056. As a result of the developer filing for bankruptcy, the balance has been determined to be uncollectible and has been fully reserved in DCEDC’s financial statements.

NOTE 26: ECONOMIC DEPENDENCY

Component Units - Economic Dependency

Dauphin County Conservation District

Approximately 68.14 percent of the District’s funding is from private, state, and federal grants and subsidies. Reduction or loss of this funding could have a significant effect on the District’s programs and activities.

Case Management Unit

Formal commitment for future funding by the Dauphin County MH/ID program is made on an annual basis. Reduction of, or loss of, this funding could have a significant effect on CMU’s programs and activities.

Dauphin County Economic Development Corporation (“DCEDC”)

Formal commitment for future funding by the Department of Housing and Urban Development is made on an annual basis. The DCEDC also receives a significant amount of operating revenue from Dauphin County, primarily through Hotel Tax distributions. Reduction of, or loss of, these funding sources could have a significant effect on the DCEDC’s programs and activities.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 27: LITIGATION

Component Unit – Litigation

Dauphin County General Authority

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Significant losses are covered by commercial insurance for all major programs. There were no significant reductions in insurance coverages in 2017. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The Authority is involved in several lawsuits arising in the normal course of business. Management of the Authority believes none of the litigation outstanding against the Authority and none of the potential unasserted claims that may be asserted against the Authority would materially affect the financial position of the Authority.

NOTE 29: MANAGEMENT'S PLAN

Component Unit – Management's Plan

Dauphin County Economic Development Corporation ("DCEDC")

The DCEDC has a deficit unrestricted net position balance in the amount of \$1,522,707 at December 31, 2017. The DCEDC experienced the deficit due to the Section 108 HUD Loan described in Note 7 in the amount of \$1,548,000. This loan is being repaid in accordance with the loan amortization schedule using CDBG funds. The payments will continue through the loans maturity in 2026 and subsequently relieve the net position deficit.

NOTE 29: GUARANTEED DEBT

Pennsylvania Local Government Unit Debt Act permits local government to extend nonexchange financial guarantees on certain debt issued by related and unrelated entities. In accordance with the Act, the County has guaranteed several debt issuances.

In 2010, the County guaranteed IDA's \$1,900,000 Guaranteed Mortgage Revenue Note, Series of 2010. The IDA is a component unit of the County. The note matures monthly through December 1, 2020. At December 31, 2017 the outstanding principal amount of the guaranteed note is \$1,431,458. In 2012, the County guaranteed IDA's \$305,000 Guaranteed Mortgage Revenue Note, Series of 2012. The note matures monthly through December 1, 2032. At December 31, 2017 the outstanding principal amount of the guaranteed note is \$251,435. In 2017, the County guaranteed IDA's \$2,210,000 Guaranteed Mortgage Revenue Note, Series of 2017. The note matures monthly through December 13, 2042. At December 31, 2017 the outstanding principal amount of the guaranteed note is \$2,192,793. The proceeds from this note, dated August 14, 2017, were used to refinance the IDA's Guaranteed Note of 2012.

In the event IDA is unable to make a required payment on the above debt issuances, the County would be required to make the payments. The IDA is not required to repay the County for any payments the County makes pursuant to the guaranty.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 29: GUARANTEED DEBT (CONTINUED)

In 2004, the County guaranteed DCEDC's \$2,200,000 Guaranteed Parking Revenue Note, Series of 2004. The DCEDC is a component unit of the County. The note matures semi-annually through December 1, 2030. At December 31, 2017 the outstanding principal amount of the guaranteed note is \$1,440,000. In the event DCEDC is unable to make a required payment on the guaranteed note, the County would be required to make the payments. The DCEDC is not required to repay the County for any payments the County makes pursuant to the guaranty.

In 2015, the County guaranteed the Dauphin County Land Bank Authority's (the "Land Bank") \$700,000 Guaranteed Revenue Note, Series of 2015. The Land Bank is a related party of the County. The Note matured and was fully paid as of December 31, 2017.

In 2016, the County guaranteed the General Authority's \$8,479,511 and \$1,708,775 Taxable County Guaranteed Revenue Refunding Bond, Series A of 2016 and Tax-Exempt County Guaranteed Revenue Refunding Bond, Series B of 2016, respectively. The General Authority is a component unit of the County. The bonds mature through 2022. At December 31, 2017 the outstanding principal amounts of the Series A of 2016 and Series B of 2016 are \$8,223,367 and 1,404,111 respectively. In 2017, the County guaranteed the General Authority's \$5,917,000 Lease Revenue Note. The note matures through 2038. At December 31, 2017, the outstanding principal amount of the guaranteed note is \$5,917,000. In the event the General Authority is unable to make a required payment on the guaranteed bonds, the County would be required to make the payments. In accordance with the guaranty agreement, if such payments are made by the County, the General Authority is required to reimburse the County from any money's available for that purpose under the Trust Indenture.

In accordance with an Asset Transfer Agreement dated December 1, 2013, the Pennsylvania Economic Development Financing Authority ("PEDFA") leased the Off-Street Parking System from the Harrisburg Parking Authority and entered into a PEDFA Intergovernmental Cooperation Agreement with the City of Harrisburg to operate an On-Street Parking System, collectively the "Parking System". The City of Harrisburg is a political subdivision of the County. To finance the acquisition of the Parking System, the Pennsylvania Economic Development Financing Authority issued 2013 Bonds.

In 2013, Dauphin County guaranteed portions of the 2013 Bonds. In accordance with the Series B Bond Guaranty Agreement between Dauphin County and the Pennsylvania Economic Development Financing Authority, the County has guaranteed the full payment of the principal and interest of the Series B Bonds in the maximum principal amount of \$99,000,000, together with interest thereon. The Series B Bonds mature through July 1, 2053. As of December 31, 2017 the amount of principal outstanding on the Series B Bonds is \$97,032,029. The County entered into a County/Authority Reimbursement Agreement with the Pennsylvania Economic Development Financing Authority that provides for the County to seek reimbursement from the Authority for any guarantee payments the County makes as a result of a failure of the Authority to make a payment.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 29: **GUARANTEED DEBT (CONTINUED)**

In accordance with the Series C Bond Guaranty Agreement between Dauphin County and the Pennsylvania Economic Development Financing Authority, the County has guaranteed the full payment of the principal and interest of the Series C Bonds in the maximum principal amount of \$68,453,474, together with interest thereon, in the event that the Bond Insurer (Assured Guarantee Municipal Corp. "AGM") fails to make debt service payments to the Authority. The Series C Bonds mature through July 1, 2053. As of December 31, 2017 the amount of principal outstanding on the Series C Bonds is \$67,278,474. The County entered into a Reimbursement Agreement with AGM so that the County has a legal right to seek reimbursement from AGM for any guaranty payments the County makes as a result of a failure of AGM to make a guarantee payment.

In accordance with a guaranty agreement dated December 23, 2013 between the County and the Lancaster County Solid Waste Management Authority ("LCSWMA"), the County guarantees the full payment of the principal and interest of the \$24 million 2013B Bonds issued by the LCSWMA in connection with the Harrisburg Resource Recovery Facility ("HRRF") transactions. As part of the HRRF, the LCSWMA agreed to purchase the Harrisburg Incinerator from the Harrisburg Authority. The Harrisburg Authority is a component unit of the City of Harrisburg, which is a political subdivision of the County. The County will also be responsible for interest expense, over 1% annum, for a period of 20 years. The 2013B Bonds, when due in 2033, will be paid by the LCSWMA if the County flow control to the HRRF is renewed for a subsequent 10-year term by mutual agreement between the County and the LCSWMA. If such mutual agreement is not reached, LCSWMA has agreed to convey the HRRF to the County, free and clear of any liens or encumbrances, for \$24 million which will be applied to pay the 2013B Bonds. At December 31, 2017 the outstanding principal of the 2013B Bonds is \$24 million. The County entered into a Reimbursement Agreement with LCSWMA so that the County has a legal right to seek reimbursement from LCSWMA for any guaranty payments the County makes as a result of a failure of LCSWMA to make a payment.

NOTE 30: **LABOR CONTRACT**

Component Unit – Labor Contract

Case Management Unit

Approximately 80% of CMU's payroll was paid to employees represented by a labor union contract. The union ratified a new agreement in September 2016, which runs until June 30, 2019.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 31: INFRASTRUCTURE BANK

Component Unit – Infrastructure Bank

Dauphin County Industrial Development Authority (“IDA”)

The Dauphin County Infrastructure Bank Program (the “Program”) was approved for creation in June of 2013 for the purpose of providing eligible applicants loans to fund qualifying transportation infrastructure projects, with interest rates at 0.5% and terms of up to 10 years. These loans are to be secured by pledges of liquid fuels revenue for public applicants, or letters of credit for private applicants. In addition, the loan agreements are between the County and the loan applicants.

In March 2014, February 2015, and February 2016 through a partnership between the Pennsylvania Department of Transportation and Dauphin County, the County received loans in the amounts of \$4,272,723, \$7,034,518, and \$1,279,250, respectively, which were transferred to the IDA, by Memorandum of Understanding (MOU), for the administration of the Infrastructure Bank program.

Loans Receivable

On May 15, 2014 the County entered into a loan agreement with Londonderry Township in the amount of \$925,000 at a fixed interest rate of 0.50%. The agreement allows for Londonderry Township to draw funds and make payments similar to a line of credit arrangement with a structured payment schedule. The agreement requires Londonderry Township to make annual principal and interest payments of \$94,887 to the IDA for 10 consecutive years beginning on January 1, 2015. The amount outstanding on the loan as of September 30, 2017 is \$497,952 with an additional \$153,168 available for Londonderry Township to borrow.

On May 21, 2014 the County entered into a loan agreement with Derry Township in the amount of \$256,960 at a fixed interest rate of 0.50%. The agreement allows for Derry Township to draw funds and make payments similar to a line of credit arrangement with a structured payment schedule. The agreement requires Derry Township to make annual principal and interest payments of \$26,357 to the IDA for 10 consecutive years beginning on January 1, 2015. The amount outstanding on the loan as of September 30, 2017 is \$116,132 with an additional \$64,731 available for Derry Township to borrow.

On May 21, 2014 the County entered into a loan agreement with Middletown Borough in the amount of \$1,500,000 at a fixed interest rate of 0.50%. The agreement allows for Middletown Borough to draw funds and make payments similar to a line of credit arrangement with a structured payment schedule. The agreement requires Middletown Borough to make annual principal and interest payments of \$153,858 to the IDA for 10 consecutive years beginning on January 1, 2015. The amount outstanding on the loan as of September 30, 2017 is \$1,055,782 with no additional amounts available for Middletown Borough to borrow.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 31: INFRASTRUCTURE BANK (CONTINUED)

Component Unit – Infrastructure Bank (Continued)

Dauphin County Industrial Development Authority (“IDA”) (Continued)

Loans Receivable (Continued)

On August 7, 2014 the County entered into a loan agreement with West Hanover Township in the amount of \$825,000 at a fixed interest rate of 0.50%. The agreement allows for West Hanover Township to draw funds and make payments similar to a line of credit arrangement with a structured payment schedule. The agreement requires West Hanover Township to make annual principal and interest payments of \$84,533 to the IDA for 10 consecutive years beginning on January 1, 2015. West Hanover Township has made regularly schedule payments in excess of the amounts previously drawn and is currently owed \$71,441 which is included in due to other governments on the Statement of Net Position.

On May 1, 2015 the County entered into a loan agreement with the Township of Swatara in the amount of \$1,500,000 at a fixed interest rate of 0.50%. The agreement allows for the Township of Swatara to draw funds and make payments similar to a line of credit arrangement with a structured payment schedule. The agreement requires the Township of Swatara to make annual principal and interest payments of \$153,900 to the IDA for 10 consecutive years beginning on January 1, 2016. The amount outstanding on the loan as of September 30, 2017 is \$1,176,872 with an additional \$27,083 available for the Township of Swatara to borrow.

On May 15, 2015 the County entered into a loan agreement with the Township of Lower Swatara in the amount of \$500,000 at a fixed interest rate of 0.50%. The agreement allows for the Township of Lower Swatara to draw funds and make payments similar to a line of credit arrangement with a structured payment schedule. The agreement requires the Township of Lower Swatara to make annual principal and interest payments of \$51,290 to the IDA for 10 consecutive years beginning on January 1, 2016. The amount outstanding at September 30, 2017 is \$345,990 with an additional \$55,251 available for the Township of Lower Swatara to borrow.

On June 15, 2015 the County entered into a loan agreement with the Township of Susquehanna in the amount of \$4,800,000 at a fixed interest rate of 0.50%. The agreement allows for the Township of Susquehanna to draw funds and make payments similar to a line of credit arrangement with a structured payment schedule. The agreement requires the Township of Susquehanna to make annual principal and interest payments of \$492,181 to the IDA for 10 consecutive years beginning on January 1, 2016. The amount outstanding on the loan as of September 30, 2017 is \$1,076,864 with an additional \$2,773,446 available for Susquehanna Township to borrow.

COUNTY OF DAUPHIN
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2017

NOTE 31: INFRASTRUCTURE BANK (CONTINUED)

Component Unit – Infrastructure Bank (Continued)

Dauphin County Industrial Development Authority (“IDA”) (Continued)

Loans Receivable (Continued)

On May 11, 2016 the County entered into a loan agreement with the Township of Middle Paxton in the amount of \$1,212,000 at a fixed interest rate of 0.50%. The agreement allows for the Township of Middle Paxton to draw funds and make payments similar to a line of credit arrangement with a structured payment schedule. The agreement requires the Township of Middle Paxton to make annual principal and interest payments of \$124,334 to the IDA for 10 consecutive years beginning on January 1, 2017. The amount outstanding at September 30, 2017 is \$9,114 with an additional \$1,082,424 available for the Township of Middle Paxton to borrow.

Loans Receivable at September 30, 2017 is as follows:

	<u>Infrastructure Bank</u>
Displayed as:	
Current Portion	\$ 944,870
Noncurrent Portion	<u>3,333,836</u>
	<u>\$ 4,278,706</u>

Due to Related Party

Through the creation of the Infrastructure Bank, Dauphin County established an MOU with the IDA in which the IDA acts as the administrator of the program. Although the MOU gives the administrative rights to the Authority, the debt remains in the name of Dauphin County. As the debt service payments from the Municipalities are collected by the IDA, they will be applied against the County loan. The County has also budgeted to contribute \$350,000 annually of their Liquid Fuels allocation to assist in the repayment of the loan. As of September 30, 2017, \$9,631,768 is due to Dauphin County for the repayment of the Infrastructure Bank loan.

NOTE 32: SUBSEQUENT EVENTS

Component Units – Subsequent Events

Dauphin County Industrial Development Authority (“IDA”)

In December 2017, the Dauphin County General Authority issued a County Guaranteed Lease Revenue Note, Series of 2017, to refinance the following Dauphin County Industrial Development Authority Notes: Guaranteed Lease Revenue Note, Series of 2006, Guaranteed Lease Revenue Note, Series of 2007, Guaranteed Lease Revenue Note, Series of 2007A, Guaranteed Lease Revenue Note, Series of 2013, and Guaranteed Lease Revenue Note, Series of 2015.



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REQUIRED
SUPPLEMENTARY
INFORMATION

COUNTY OF DAUPHIN
SCHEDULE OF CHANGES IN THE NET PENSION
LIABILITY AND RELATED RATIOS

Total Pension Liability	2017	2016	2015	2014
Service cost	\$ 8,135,054	\$ 7,782,411	\$ 7,539,587	\$ 7,631,935
Interest	24,190,935	23,191,491	22,212,750	21,023,961
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(783,239)	(340,322)	3,005,187	(1,154,590)
Changes in assumptions	-	-	-	-
Benefit payments, including refunds of member contributions	(17,504,222)	(16,635,647)	(16,348,103)	(15,117,387)
Net change in total pension liability	14,038,528	13,997,933	16,409,421	12,383,919
Total pension liability - beginning	326,302,596	312,304,663	295,895,242	283,511,323
Total pension liability - ending (a)	<u>\$ 340,341,124</u>	<u>\$ 326,302,596</u>	<u>\$ 312,304,663</u>	<u>\$ 295,895,242</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 5,852,311	\$ 6,263,146	\$ 6,546,502	\$ 7,296,208
Contributions - employee	4,940,140	4,635,059	4,407,790	4,414,489
Net investment income	44,189,197	21,807,326	2,071,951	20,481,368
Benefit payments, including refunds of employee contributions	(17,504,222)	(16,635,647)	(16,348,103)	(15,117,387)
Administrative expense	(213,874)	(208,581)	(191,401)	(185,839)
Other	-	-	-	-
Net change in plan fiduciary net position	37,263,552	15,861,303	(3,513,261)	16,888,839
Plan fiduciary net position - beginning	300,128,306	284,267,003	287,780,264	270,891,425
Plan fiduciary net position - ending (b)	<u>\$ 337,391,858</u>	<u>\$ 300,128,306</u>	<u>\$ 284,267,003</u>	<u>\$ 287,780,264</u>
County's net pension liability - ending (a) - (b)	<u>\$ 2,949,266</u>	<u>\$ 26,174,290</u>	<u>\$ 28,037,660</u>	<u>\$ 8,114,978</u>
Plan fiduciary net position as a percentage of the total pension liability	99.13%	91.98%	91.02%	97.26%
Covered-employee payroll	\$ 77,285,207	\$ 74,619,828	\$ 73,801,979	\$ 74,667,283
County's net pension liability as a percentage of covered-employee payroll	3.82%	35.08%	37.99%	10.87%

The County adopted GASB Statement No. 67 on a prospective basis in 2014; therefore only four years are presented in the above schedule.

COUNTY OF DAUPHIN
SCHEDULE OF EMPLOYER CONTRIBUTIONS - LAST 10 YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Actuarially determined contribution	\$ 5,852,311	\$ 6,263,146	\$ 6,546,502	\$ 7,296,208	\$ 8,772,717	\$ 8,493,038	\$ 10,293,492	\$ 10,118,006	\$ 7,732,226	\$ 3,377,905
Contributions in relation to the actuarially determined contribution	<u>5,852,311</u>	<u>6,263,146</u>	<u>6,546,502</u>	<u>7,296,208</u>	<u>8,772,717</u>	<u>8,493,038</u>	<u>10,293,492</u>	<u>10,118,006</u>	<u>7,732,226</u>	<u>3,377,905</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 77,285,207	\$ 74,619,828	\$ 73,801,979	\$ 73,801,979	\$ 74,667,283	\$ 75,886,904	\$ 75,828,648	\$ 75,798,908	\$ 77,592,072	\$ 71,264,760
Contributions as a percentage of covered-employee payroll	7.57%	8.39%	8.87%	9.89%	11.75%	11.19%	13.57%	13.35%	9.97%	4.74%

Notes to Schedule

Valuation date January 1, 2017

Actuarially determined contribution rates are calculated as of January 1, one year prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level Dollar
Remaining amortization period	25 years
Asset valuation method	Market value adjusted for unrecognized gains and losses from prior years
Inflation	3.0%
Salary increases	4.5% average, including inflation
Investment rate of return	7.5%, net of pension plan investment expense, including inflation
Retirement age	Age 60 or 55 with 20 years' service
Mortality	2013 RP Annuitant and Non-Annuitant Mortality Tables for males and females with no projected improvement

COUNTY OF DAUPHIN
SCHEDULE OF INVESTMENT RETURNS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	15.07%	8.10%	1.10%	8.00%

Note to Schedule

The County adopted GASB Statement No. 67 on a prospective basis in 2014; therefore only four years are presented in the above schedule.

COUNTY OF DAUPHIN
 SCHEDULE OF FUNDING PROGRESS
 FOR POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2016	\$ -	\$ 26,516,159	\$ 26,516,159	0%	\$ 77,285,207	34.3%
12/31/2014	-	19,747,055	19,747,055	0%	73,801,979	26.8%
12/31/2012	-	17,085,944	17,085,944	0%	75,886,904	22.5%

COUNTY OF DAUPHIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 104,350,000	\$ 104,350,000	\$ 104,674,431	\$ 324,431
Intergovernmental	41,816,747	42,148,367	44,684,192	2,535,825
Charges for Services	16,980,298	17,056,143	18,574,816	1,518,673
License and Permits	114,000	146,000	165,921	19,921
Court Costs and Fines	3,936,924	3,977,924	3,420,800	(557,124)
Interest and Rents	206,300	206,300	605,010	398,710
Miscellaneous	163,500	163,500	761,199	597,699
Total Revenues	167,567,769	168,048,234	172,886,369	4,838,135
Expenditures				
Current:				
General Government	13,726,056	14,789,518	12,756,061	2,033,457
Judicial	59,188,469	58,806,379	55,892,464	2,913,915
Public Safety	39,958,972	39,615,635	38,394,815	1,220,820
Human Services	30,285,939	30,293,086	33,155,301	(2,862,215)
Culture and Recreation	2,423,391	2,395,248	2,359,896	35,352
Conservation and Development	6,448,508	6,493,932	6,406,083	87,849
Debt Service:				
Principal	9,629,000	9,629,000	15,497,619	(5,868,619)
Interest	3,878,832	3,878,832	4,042,511	(163,679)
Bond Issuance Costs	-	-	424,625	(424,625)
Capital Outlay	1,057,569	1,131,121	3,564,054	(2,432,933)
Total Expenditures	166,596,736	167,032,751	172,493,429	(5,460,678)
Excess of Revenues Over (Under) Expenditures	971,033	1,015,483	392,940	(622,543)
Other Financing Sources (Uses)				
Transfer In	4,118,377	4,118,377	3,678,228	(440,149)
Transfer Out	(17,563,990)	(17,608,440)	(13,416,193)	4,192,247
Sale of Capital Assets	20,000	20,000	-	(20,000)
Issuance of Refunding Bonds	-	-	16,775,000	16,775,000
Payment to Refunding Bond Escrow Agent	-	-	(18,645,431)	(18,645,431)
Bond Premium	-	-	2,104,367	2,104,367
Bond Proceeds	-	-	4,355,000	4,355,000
Capital Lease Proceeds	-	-	7,643,824	7,643,824
Total Other Financing Sources (Uses)	(13,425,613)	(13,470,063)	2,494,795	15,964,858
Net Change in Fund Balances	(12,454,580)	(12,454,580)	2,887,735	15,342,315
Fund Balances - January 1, 2017	12,454,580	12,454,580	49,141,858	36,687,278
Fund Balances - December 31, 2017	\$ -	\$ -	\$ 52,029,593	\$ 52,029,593

COUNTY OF DAUPHIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
CHILDREN AND YOUTH FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(UNAUDITED)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 35,684,400	\$ 35,684,400	\$ 36,377,721	\$ 693,321
Charges for Services	1,085,569	1,085,569	1,093,857	8,288
Total Revenues	<u>36,769,969</u>	<u>36,769,969</u>	<u>37,471,578</u>	<u>701,609</u>
Expenditures				
Current:				
Human Services	46,763,589	46,763,589	44,373,914	2,389,675
Debt Service:				
Principal	22,201	22,201	13,671	8,530
Interest	-	-	8,432	(8,432)
Capital Outlay	3,000	3,000	-	3,000
Total Expenditures	<u>46,788,790</u>	<u>46,788,790</u>	<u>44,396,017</u>	<u>2,392,773</u>
Excess of Revenues Over (Under) Expenditures	<u>(10,018,821)</u>	<u>(10,018,821)</u>	<u>(6,924,439)</u>	<u>3,094,382</u>
Other Financing Sources (Uses)				
Operating Transfer In	10,018,821	10,018,821	6,991,106	(3,027,715)
Operating Transfer (Out)	-	-	(66,667)	(66,667)
Total Other Financing Sources (Uses)	<u>10,018,821</u>	<u>10,018,821</u>	<u>6,924,439</u>	<u>(3,094,382)</u>
Net Change in Fund Balances	-	-	-	-
Fund Balances - July 1, 2016	-	-	-	-
Fund Balances - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF DAUPHIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
LOW INCOME HOUSING FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 125,000	\$ 125,000	\$ 139,695	\$ 14,695
Charges for Services	331,000	331,000	380,676	49,676
Interest and Rents	3,300	3,300	9,746	6,446
Total Revenues	459,300	459,300	530,117	70,817
Expenditures				
Current:				
Conservation and Development	459,300	459,300	437,724	21,576
Total Expenditures	459,300	459,300	437,724	21,576
Net Change in Fund Balances	-	-	92,393	92,393
Fund Balances - January 1, 2017	-	-	1,118,127	1,118,127
Fund Balances - December 31, 2017	\$ -	\$ -	\$ 1,210,520	\$ 1,210,520

COUNTY OF DAUPHIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GAMING FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 13,430,000	\$ 13,430,000	\$ 13,236,436	\$ (193,564)
Interest and Rents	35,000	35,000	122,982	87,982
Total Revenues	<u>13,465,000</u>	<u>13,465,000</u>	<u>13,359,418</u>	<u>(105,582)</u>
Expenditures				
Current:				
Judicial	371,000	371,000	245,562	125,438
Conservation and Development	9,285,082	9,285,082	6,704,979	2,580,103
Debt Service:				
Principal	-	-	83,000	(83,000)
Total Expenditures	<u>9,656,082</u>	<u>9,656,082</u>	<u>7,033,541</u>	<u>2,622,541</u>
Excess of Revenues Over (Under) Expenditures	<u>3,808,918</u>	<u>3,808,918</u>	<u>6,325,877</u>	<u>2,516,959</u>
Other Financing Sources (Uses)				
Operating Transfer (Out)	(3,808,918)	(3,808,918)	(3,810,225)	(1,307)
Total Other Financing Sources (Uses)	<u>(3,808,918)</u>	<u>(3,808,918)</u>	<u>(3,810,225)</u>	<u>(1,307)</u>
Net Change in Fund Balances	-	-	2,515,652	2,515,652
Fund Balances - January 1, 2017	-	-	13,750,704	13,750,704
Fund Balances - December 31, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,266,356</u>	<u>\$ 16,266,356</u>

COUNTY OF DAUPHIN

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1: BUDGETARY DATA

County Budget Process

Formal budgetary accounting is employed as a management control for the General Fund, certain Special Revenue Funds, and the Capital Project Funds of the County on a calendar year basis. Additionally, formal budgetary accounting is employed by the County as a management control for certain Special Revenue Funds on a fiscal year basis with the fiscal year ending June 30th. Annual calendar year operating budgets are adopted each year through the passage of an annual budget ordinance; annual fiscal year operating budgets are adopted each year through the passage of a motion by the County Commissioners. Accounting principles generally accepted in the United States of America are used to complete the budgets.

The County of Dauphin follows these procedures in establishing the budgetary data reflected in the financial statements:

- (1) In early July for the calendar year budgets and early April for the fiscal year budgets, the Budget Director supplies the department directors with a budget submission packet for the ensuing year. This packet contains the prior year actuals, the current year estimates, a workspace for the next year requests, and other forms to further detail the requests. This submission packet is due back to the budget office by late August for calendar year budgets and early May for the fiscal year budgets.
- (2) During September and October for calendar year budgets and May for fiscal year budgets, the Budget Director meets with each department to discuss their budget requests. At this meeting, requests are substantiated or revised as necessary.
- (3) Upon completion of the budget meetings, the Budget Director assembles work papers for the Public Budget Hearings that are held in mid-November for the calendar year budgets and late May for fiscal year budgets. At these hearings, the Commissioners review the budget requests with the various department directors, and finalize figures for the proposed budget that will be made available for the 20-day public inspection period.
- (4) The Budget Director then presents the proposed budget to the Commissioners. This budget presentation takes place in late November for the calendar year budgets and early June for the fiscal year budgets at an advertised date.
- (5) After the 20-day inspection period but no later than December 31 for the calendar year budgets and June 30 for the fiscal year budgets, the Commissioners adopt the final budget.
- (6) As required by the Commonwealth of Pennsylvania County Code, subsequent to the calendar year budgets approval, the County Commissioners adopt the appropriation measures required to put the budget into effect and fix the rate of taxation. Within 15 days subsequent to the legal adoption of the calendar year budgets, the County Commissioners file a copy of the budget with the Department of Community and Economic Development of the Commonwealth of Pennsylvania.

COUNTY OF DAUPHIN

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)

NOTE 1: BUDGETARY DATA (CONTINUED)

Legal Requirements

An annual budget is required to be legally adopted for the General Fund since real estate taxes are levied to finance its operations. Although not legally required, the County also adopts annual budgets for its Capital Projects Fund, and certain Special Revenue Funds (Children and Youth Fund, Aging Fund, Drug and Alcohol Fund, Mental Health/Intellectual Disabilities Fund, State Grant Fund, Human Service Development Fund, Hazard Material Emergency Response Fund, Liquid Fuels Fund, Low Income Housing Fund, Hotel Tax Fund, Gaming Fund, Capital Projects Fund, Emergency 911 Operating & Act 56 Wireless Fund, and Domestic Relations Fund). Budgetary data is presented on the basis of accounting principles generally accepted in the United States of America for all funds that adopt annual budgets.

Level of Control

Commonwealth of Pennsylvania statute requires the County's legal level of budgetary control to be at the fund level and the County maintains budgetary control at the fund level.

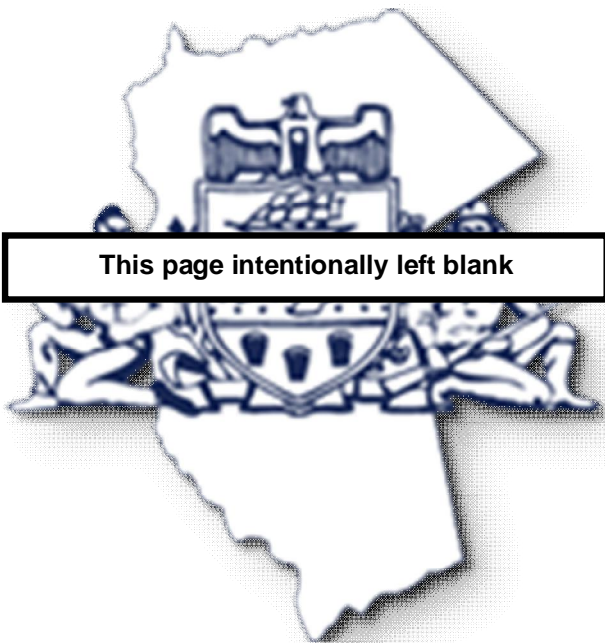
Lapsing of Appropriations

Unexpended appropriations lapse at year-end.

Management Amendment Authority

During the course of the year, departmental needs may change, emergencies may occur, or additional revenue sources may arise. As a result, funds are occasionally transferred between line items of a department's budget or additional revenue may need to be budgeted for a specific project or grant. Adjustments to the budget are made on a line item basis during the year and are approved by the County Commissioners.

Financial analysis is provided monthly to management showing spending levels in comparison to the current budget. The budget is also reviewed by management with operating departments.



OTHER
SUPPLEMENTARY
INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

County of Dauphin, Pennsylvania

Combining and Individual Nonmajor Governmental Fund Financial Statements

For descriptions of the Nonmajor Special Revenue Funds, see page 168.

The Fort Hunter Permanent Fund is used to account for the resources required to be held in perpetuity to be used for park, recreational, and historical purposes in accordance with the Fort Hunter Indenture.

The Capital Projects fund is used to account for resources utilized in the acquisition and construction of capital assets.

COUNTY OF DAUPHIN
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2017

	<u>Nonmajor Special Revenue Funds</u>	<u>Fort Hunter Permanent Fund</u>	<u>Capital Projects Fund</u>	<u>Total Other Governmental Funds</u>
<u>Assets</u>				
Cash and Cash Equivalents	\$ 10,375,819	\$ -	\$ 6,393,260	\$ 16,769,079
Investments	-	1,165,805	-	1,165,805
Receivables:				
Accounts	271,165	-	-	271,165
Loans	140,289	-	-	140,289
Due From Other Funds	627,701	-	-	627,701
Due From Other Governments	4,309,099	-	-	4,309,099
Prepaid Items	4,513	-	-	4,513
Other Assets	11,352	-	6,869	18,221
Restricted Assets				
Cash	-	56,288	-	56,288
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 15,739,938	\$ 1,222,093	\$ 6,400,129	\$ 23,362,160
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Liabilities and Fund Balances</u>				
Liabilities				
Accounts Payable	\$ 2,566,983	\$ -	562,474	\$ 3,129,457
Accrued Liabilities	542,530	-	-	542,530
Unearned Revenues	2,014,361	-	-	2,014,361
Due To Other Funds	1,330,217	-	113,156	1,443,373
Due To Component Units	126,928	-	-	126,928
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	6,581,019	-	675,630	7,256,649
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances				
Nonspendable	-	1,222,093	-	1,222,093
Restricted	9,158,919	-	5,724,499	14,883,418
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	9,158,919	1,222,093	5,724,499	16,105,511
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ 15,739,938	\$ 1,222,093	\$ 6,400,129	\$ 23,362,160
	<hr/>	<hr/>	<hr/>	<hr/>

COUNTY OF DAUPHIN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Nonmajor Special Revenue Funds	Fort Hunter Permanent Fund	Capital Projects Fund	Total Other Governmental Funds
Revenues				
Hotel Taxes	\$ 11,717,786	\$ -	\$ -	\$ 11,717,786
Intergovernmental	47,760,144	-	1,205,430	48,965,574
Charges for Services	1,941,117	-	-	1,941,117
Court Costs and Fines and Fees	934,847	-	-	934,847
Interest and Rent	105,453	139,317	63,954	308,724
Miscellaneous Revenue	1,788,483	-	15,862	1,804,345
Total Revenues	64,247,830	139,317	1,285,246	65,672,393
Expenditures				
Current:				
General Government	-	-	18,541	18,541
Judicial	7,650,787	-	36,636	7,687,423
Public Safety	7,596,603	-	-	7,596,603
Public Works	989,098	-	350,000	1,339,098
Human Services	37,768,185	-	-	37,768,185
Culture and Recreation	11,728,616	-	127,198	11,855,814
Debt Service				
Principal	222,710	-	100,000	322,710
Interest	14,152	-	-	14,152
Capital Projects	1,260,369	-	3,050,647	4,311,016
Total Expenditures	67,230,520	-	3,683,022	70,913,542
Excess of Revenues Over (Under) Expenditures	(2,982,690)	139,317	(2,397,776)	(5,241,149)
Other Financing Sources (Uses)				
Transfers In	4,589,514	1,160	512,922	5,103,596
Transfers Out	(369,975)	(20,000)	(147,657)	(537,632)
Capital Lease Proceeds	222,524	-	819,000	1,041,524
Total Other Financing Sources	4,442,063	(18,840)	1,184,265	5,607,488
Net Change in Fund Balances	1,459,373	120,477	(1,213,511)	366,339
Fund Balances - Beginning of Year	7,699,546	1,101,616	6,938,010	15,739,172
Fund Balances - End of Year	\$ 9,158,919	\$ 1,222,093	\$ 5,724,499	\$ 16,105,511

COUNTY OF DAUPHIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 3,729,608	\$ 3,729,608	\$ 1,205,430	\$ (2,524,178)
Interest and Rents	15,000	15,000	63,954	48,954
Miscellaneous	37,307	37,307	15,862	(21,445)
Total Revenues	<u>3,781,915</u>	<u>3,781,915</u>	<u>1,285,246</u>	<u>(2,496,669)</u>
Expenditures				
Current:				
General Government	215,000	215,000	18,541	196,459
Judicial	70,000	70,000	36,636	33,364
Public Works	400,000	400,000	350,000	50,000
Culture and Recreation	5,142	5,142	127,198	(122,056)
Debt Service				
Principal	-	-	100,000	(100,000)
Capital Outlay	8,113,433	8,113,433	3,050,647	5,062,786
Total Expenditures	<u>8,803,575</u>	<u>8,803,575</u>	<u>3,683,022</u>	<u>5,120,553</u>
Excess of Revenues Over (Under) Expenditures	<u>(5,021,660)</u>	<u>(5,021,660)</u>	<u>(2,397,776)</u>	<u>2,623,884</u>
Other Financing Sources (Uses)				
Transfers In	558,820	558,820	512,922	(45,898)
Transfers Out	(147,657)	(147,657)	(147,657)	-
Capital Lease Proceeds			819,000	819,000
Total Other Financing Sources (Uses)	<u>411,163</u>	<u>411,163</u>	<u>1,184,265</u>	<u>773,102</u>
Net Change in Fund Balances	(4,610,497)	(4,610,497)	(1,213,511)	3,396,986
Fund Balances - January 1, 2017	4,610,497	4,610,497	6,938,010	2,327,513
Fund Balances - December 31, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,724,499</u>	<u>\$ 5,724,499</u>

NONMAJOR SPECIAL REVENUE FUNDS

County of Dauphin, Pennsylvania

Combining and Individual Nonmajor Special Revenue Fund Financial Statements and Schedules

Special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are restricted or committed to expenditures for specified purposes. The following are utilized to account for those financial activities:

The State Grant Fund is used to account the proceeds of various state grants programs, whose resources are restricted for those programs.

The Liquid Fuels Tax Fund accounts for state aid revenues used for building and improving bridges.

The Domestic Relations Fund accounts for expenditures and reimbursement revenue related to the operations of the County's Child Support Enforcement Program, which is funded with federal, state, and County funds.

The Hazard Material Emergency Response Fund is used to account for state grants and other various charges, whose resources are restricted for the response and cleanup of hazardous materials incidents.

The following funds are used to account for revenue received from various federal, state, and local sources. These funds, which are restricted for the provision of specified social services to eligible County residents, are as follows:

Aging Fund
Drug and Alcohol Fund
MH/ID Fund
Human Services Development Fund

The Emergency 911 Operating and Act 56 Wireless Fund is used to account for the emergency response communications network of the County.

The Fee For Local Use Fund is used to account for the proceeds of fees imposed by the County on the registration of vehicles to addresses located within the County. The funds provided by the fees are collected and remitted by the State, and are restricted for the construction, reconstruction, maintenance, and repair of bridges.

The Act 89 Bridge Maintenance Fund is used to account for proceeds received from the State to be used for bridge maintenance in accordance with the Pennsylvania General Assembly Act 89 of 2013.

The PENNDOT Act 44 SR Fund is used to account for proceeds received from the State to be used for bridge maintenance in accordance with the Pennsylvania General Assembly Act 44 of 2007, as amended by Act 89 of 2013.

The Drug Act-Forfeited Federal Property Fund and the Drug Act-Forfeited State Property Fund are used to account for proceeds of property forfeited under federal and state criminal proceedings, respectively.

The Hotel Tax Fund is used to account for the proceeds of hotel taxes levied by the County.

COUNTY OF DAUPHIN
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2017

	State Grant	Liquid Fuels Fund	Domestic Relations Fund	Hazard Material Emergency Response	Human Services Development Fund	Emergency 911 Operating & Act 56 Wireless Fund	MH/ID	Fee For Local Use Fund
<u>Assets</u>								
Cash and Cash Equivalents	\$ 976,635	\$ 29,169	\$ 50	\$ 285,567	\$ 115,695	\$ 1,553,072	\$ 1,241,519	\$ 1,838,606
Receivables:								
Accounts	36,670	-	11,743	475	-	-	184,390	-
Loans	-	140,289	-	-	-	-	-	-
Due From Other Funds	7,162	-	141,757	-	2,681	91,627	267,651	-
Due From Other Governments	-	521,640	903,084	-	-	1,571,996	100,000	-
Prepaid Items	-	-	-	-	-	3,150	-	-
Other Assets	1,113	228	-	296	89	275	2,686	1,003
Total Assets	\$ 1,021,580	\$ 691,326	\$ 1,056,634	\$ 286,338	\$ 118,465	\$ 3,220,120	\$ 1,796,246	\$ 1,839,609
<u>Liabilities and Fund Balances</u>								
Liabilities								
Accounts Payable	\$ 56,755	\$ 35,766	\$ 27,523	\$ 13,891	\$ 8,123	\$ 215,714	\$ 1,093,825	\$ -
Accrued Liabilities	7,010	-	141,596	-	-	152,319	110,792	-
Unearned Revenues	-	-	-	-	901	-	233,328	-
Due To Other Funds	21,359	-	263,851	639	109,441	85,707	358,301	-
Due To Component Units	-	-	-	-	-	-	-	-
Total Liabilities	85,124	35,766	432,970	14,530	118,465	453,740	1,796,246	-
Fund Balances								
Restricted	936,456	655,560	623,664	271,808	-	2,766,380	-	1,839,609
Total Fund Balances	936,456	655,560	623,664	271,808	-	2,766,380	-	1,839,609
Total Liabilities and Fund Balances	\$ 1,021,580	\$ 691,326	\$ 1,056,634	\$ 286,338	\$ 118,465	\$ 3,220,120	\$ 1,796,246	\$ 1,839,609

COUNTY OF DAUPHIN
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2017

	Aging Fund	Drug and Alcohol Fund	Drug Act- Forfeited State Property	Drug Act- Forfeited Federal Property	Hotel Tax Fund	Act 89 Bridge Maintenance Fund	PENNDOT Act 44 SR Fund	Total
<u>Assets</u>								
Cash and Cash Equivalents	\$ 1,775,433	\$ 100	\$ 44,192	\$ 328,357	\$ 544,133	\$ 721,595	\$ 921,696	\$ 10,375,819
Receivables:								
Accounts	-	37,887	-	-	-	-	-	271,165
Loans	-	-	-	-	-	-	-	140,289
Due From Other Funds	47,276	62,201	1,790	1,636	3,920	-	-	627,701
Due From Other Governments	-	1,212,379	-	-	-	-	-	4,309,099
Prepaid Items	-	-	1,363	-	-	-	-	4,513
Other Assets	1,768	385	70	416	1,287	742	994	11,352
Total Assets	\$ 1,824,477	\$ 1,312,952	\$ 47,415	\$ 330,409	\$ 549,340	\$ 722,337	\$ 922,690	\$ 15,739,938
<u>Liabilities and Fund Balances</u>								
Liabilities								
Accounts Payable	\$ 268,485	\$ 380,578	\$ 37,743	\$ 11,916	\$ 416,664	\$ -	\$ -	\$ 2,566,983
Accrued Liabilities	85,409	35,720	1,968	1,968	5,748	-	-	542,530
Unearned Revenues	1,296,961	483,171	-	-	-	-	-	2,014,361
Due To Other Funds	71,814	413,483	5,290	332	-	-	-	1,330,217
Due To Component Units	-	-	-	-	126,928	-	-	126,928
Total Liabilities	1,722,669	1,312,952	45,001	14,216	549,340	-	-	6,581,019
Fund Balances								
Restricted	101,808	-	2,414	316,193	-	722,337	922,690	9,158,919
Total Fund Balances	101,808	-	2,414	316,193	-	722,337	922,690	9,158,919
Total Liabilities and Fund Balances	\$ 1,824,477	\$ 1,312,952	\$ 47,415	\$ 330,409	\$ 549,340	\$ 722,337	\$ 922,690	\$ 15,739,938

COUNTY OF DAUPHIN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017

	State Grant	Liquid Fuels Fund	Domestic Relations Fund	Hazard Material Emergency Response	Human Services Development Fund	Emergency 911 Operating & Act 56 Wireless Fund	MH/ID	Fee For Local Use Fund
Revenues								
Hotel Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	1,637,414	4,638,199	58,259	221,548	6,295,890	24,212,548	1,222,360
Charges for Services	-	-	31,406	459,365	-	7,252	1,141,278	-
Court Costs and Fines and Fees	608,659	-	-	-	-	-	-	-
Interest and Rent	10,244	4,743	352	2,646	768	2,882	23,411	7,429
Miscellaneous Revenue	-	-	21,768	-	15,664	-	-	-
Total Revenues	618,903	1,642,157	4,691,725	520,270	237,980	6,306,024	25,377,237	1,229,789
Expenditures								
Current:								
Judicial	552,188	-	6,532,437	-	-	-	-	-
Public Safety	-	-	-	408,121	-	7,188,482	-	-
Public Works	-	989,098	-	-	-	-	-	-
Human Services	-	-	-	-	312,618	-	25,903,904	-
Culture and Recreation	-	-	-	-	-	-	-	-
Debt Service								
Principal	-	-	-	-	-	76,460	146,250	-
Interest	-	-	-	-	-	4,347	9,805	-
Capital Outlay	160,593	838,085	-	39,167	-	222,524	-	-
Total Expenditures	712,781	1,827,183	6,532,437	447,288	312,618	7,491,813	26,059,959	-
Excess of Revenues Over (Under)								
Expenditures	(93,878)	(185,026)	(1,840,712)	72,982	(74,638)	(1,185,789)	(682,722)	1,229,789
Other Financing Sources (Uses)								
Transfers In	-	-	2,034,073	-	74,638	1,126,316	906,111	-
Transfers Out	-	-	-	-	-	-	(223,389)	-
Capital Lease Proceeds	-	-	-	-	-	222,524	-	-
Total Other Financing Sources	-	-	2,034,073	-	74,638	1,348,840	682,722	-
Net Change in Fund Balances	(93,878)	(185,026)	193,361	72,982	-	163,051	-	1,229,789
Fund Balances - Beginning of Year	1,030,334	840,586	430,303	198,826	-	2,603,329	-	609,820
Fund Balances - End of Year	\$ 936,456	\$ 655,560	\$ 623,664	\$ 271,808	\$ -	\$ 2,766,380	\$ -	\$ 1,839,609

COUNTY OF DAUPHIN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Aging Fund	Drug and Alcohol Fund	Drug Act- Forfeited State Fund	Drug Act- Forfeited Federal Fund	Hotel Tax Fund	Act 89 Bridge Maintenance Fund	PENNDOT Act 44 SR Fund	Totals
Revenues								
Hotel Taxes	\$ -	\$ -	\$ -	\$ -	\$ 11,717,786	\$ -	\$ -	\$ 11,717,786
Intergovernmental	5,423,825	3,749,740	-	-	-	195,684	104,677	47,760,144
Charges for Services	40,483	261,333	-	-	-	-	-	1,941,117
Court Costs and Fines and Fees	-	-	320,069	6,119	-	-	-	934,847
Interest and Rent	17,055	3,890	752	3,938	10,830	7,419	9,094	105,453
Miscellaneous Revenue	1,671,152	79,899	-	-	-	-	-	1,788,483
Total Revenues	7,152,515	4,094,862	320,821	10,057	11,728,616	203,103	113,771	64,247,830
Expenditures								
Current:								
Judicial	-	-	413,742	152,420	-	-	-	7,650,787
Public Safety	-	-	-	-	-	-	-	7,596,603
Public Works	-	-	-	-	-	-	-	989,098
Human Services	7,225,425	4,326,238	-	-	-	-	-	37,768,185
Culture and Recreation	-	-	-	-	11,728,616	-	-	11,728,616
Debt Service								
Principal	-	-	-	-	-	-	-	222,710
Interest	-	-	-	-	-	-	-	14,152
Capital Outlay	-	-	-	-	-	-	-	1,260,369
Total Expenditures	7,225,425	4,326,238	413,742	152,420	11,728,616	-	-	67,230,520
Excess of Revenues Over (Under) Expenditures	(72,910)	(231,376)	(92,921)	(142,363)	-	203,103	113,771	(2,982,690)
Other Financing Sources (Uses)								
Transfers In	100,000	246,376	-	-	-	102,000	-	4,589,514
Transfers Out	(29,586)	(15,000)	-	-	-	-	(102,000)	(369,975)
Capital Lease Proceeds	-	-	-	-	-	-	-	222,524
Total Other Financing Sources	70,414	231,376	-	-	-	102,000	(102,000)	4,442,063
Net Change in Fund Balances	(2,496)	-	(92,921)	(142,363)	-	305,103	11,771	1,459,373
Fund Balances - Beginning of Year	104,304	-	95,335	458,556	-	417,234	910,919	7,699,546
Fund Balances - End of Year	\$ 101,808	\$ -	\$ 2,414	\$ 316,193	\$ -	\$ 722,337	\$ 922,690	\$ 9,158,919

COUNTY OF DAUPHIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
STATE GRANT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(UNAUDITED)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Court Costs and Fines	\$ 650,000	\$ 650,000	\$ 665,044	\$ 15,044
Interest and Rents	2,500	2,500	6,764	4,264
Miscellaneous	1,800	1,800	-	(1,800)
Total Revenues	<u>654,300</u>	<u>654,300</u>	<u>671,808</u>	<u>17,508</u>
Expenditures				
Current:				
Judicial	615,850	635,650	576,554	59,096
Capital Outlay	85,000	111,200	105,662	5,538
Total Expenditures	<u>700,850</u>	<u>746,850</u>	<u>682,216</u>	<u>64,634</u>
Net Change in Fund Balances	(46,550)	(92,550)	(10,408)	82,142
Fund Balances - July 1, 2016	46,550	92,550	10,408	(82,142)
Fund Balances - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF DAUPHIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
LIQUID FUELS FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 1,666,508	\$ 1,666,508	\$ 1,637,414	\$ (29,094)
Interest and Rents	3,000	3,000	4,743	1,743
Total Revenues	<u>1,669,508</u>	<u>1,669,508</u>	<u>1,642,157</u>	<u>(27,351)</u>
Expenditures				
Current:				
Public Works	819,508	819,508	989,098	(169,590)
Capital Outlay	850,000	850,000	838,085	11,915
Total Expenditures	<u>1,669,508</u>	<u>1,669,508</u>	<u>1,827,183</u>	<u>(157,675)</u>
Net Change in Fund Balances	-	-	(185,026)	(185,026)
Fund Balances - January 1, 2017	-	-	840,586	840,586
Fund Balances - December 31, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 655,560</u>	<u>\$ 655,560</u>

COUNTY OF DAUPHIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
DOMESTIC RELATIONS FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 4,847,670	\$ 4,847,670	\$ 4,638,199	\$ (209,471)
Charges for Services	33,600	33,600	31,406	(2,194)
Interest and Rents	200	200	352	152
Miscellaneous	24,000	24,000	21,768	(2,232)
Total Revenues	4,905,470	4,905,470	4,691,725	(213,745)
Expenditures				
Current:				
Judicial	7,128,041	7,128,041	6,532,437	595,604
Total Expenditures	7,128,041	7,128,041	6,532,437	595,604
Excess of Revenues Over (Under) Expenditures	(2,222,571)	(2,222,571)	(1,840,712)	381,859
Other Financing Sources (Uses)				
Operating Transfer In	2,222,571	2,222,571	2,034,073	(188,498)
Total Other Financing Sources (Uses)	2,222,571	2,222,571	2,034,073	(188,498)
Net Change in Fund Balances	-	-	193,361	193,361
Fund Balances - January 1, 2017	-	-	430,303	430,303
Fund Balances - December 31, 2017	\$ -	\$ -	\$ 623,664	\$ 623,664

COUNTY OF DAUPHIN
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 HAZARD MATERIAL EMERGENCY RESPONSE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(UNAUDITED)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 58,259	\$ 8,259
Charges for Services	71,950	71,950	65,015	(6,935)
Interest and Rents	-	-	1,525	1,525
Total Revenues	121,950	121,950	124,799	2,849
Expenditures				
Current:				
Public Safety	98,950	112,984	91,113	21,871
Capital Outlay	40,000	40,000	-	40,000
Total Expenditures	138,950	152,984	91,113	61,871
Net Change in Fund Balances	(17,000)	(31,034)	33,686	64,720
Fund Balances - July 1, 2016	17,000	31,034	(33,686)	(64,720)
Fund Balances - June 30, 2017	\$ -	\$ -	\$ -	\$ -

COUNTY OF DAUPHIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
HUMAN SERVICE DEVELOPMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(UNAUDITED)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 277,070	\$ 277,070	\$ 248,531	\$ (28,539)
Interest and Rents	344	344	602	258
Miscellaneous	10,000	10,000	15,025	5,025
Total Revenues	<u>287,414</u>	<u>287,414</u>	<u>264,158</u>	<u>(23,256)</u>
Expenditures				
Current:				
Human Services	<u>369,364</u>	<u>369,364</u>	<u>336,409</u>	<u>32,955</u>
Total Expenditures	<u>369,364</u>	<u>369,364</u>	<u>336,409</u>	<u>32,955</u>
Excess of Revenues Over (Under) Expenditures	<u>(81,950)</u>	<u>(81,950)</u>	<u>(72,251)</u>	<u>9,699</u>
Other Financing Sources (Uses)				
Operating Transfer In	<u>81,950</u>	<u>81,950</u>	<u>72,251</u>	<u>(9,699)</u>
Total Other Financing Sources (Uses)	<u>81,950</u>	<u>81,950</u>	<u>72,251</u>	<u>(9,699)</u>
Net Change in Fund Balances	-	-	-	-
Fund Balances - July 1, 2016	-	-	-	-
Fund Balances - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF DAUPHIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
MH/ID FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(UNAUDITED)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 24,150,134	\$ 24,490,134	\$ 24,133,714	\$ (356,420)
Charges for Services	859,724	859,724	877,816	18,092
Interest and Rents	2,500	2,500	15,450	12,950
Total Revenues	<u>25,012,358</u>	<u>25,352,358</u>	<u>25,026,980</u>	<u>(325,378)</u>
Expenditures				
Current:				
Human Services	25,930,058	26,270,058	25,773,453	496,605
Debt Service:				
Principal	-	-	141,750	(141,750)
Interest	-	-	14,058	(14,058)
Total Expenditures	<u>25,930,058</u>	<u>26,270,058</u>	<u>25,929,261</u>	<u>340,797</u>
Excess of Revenues Over (Under) Expenditures	<u>(917,700)</u>	<u>(917,700)</u>	<u>(902,281)</u>	<u>15,419</u>
Other Financing Sources (Uses)				
Operating Transfer In	917,700	917,700	902,281	(15,419)
Operating Transfer (Out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>917,700</u>	<u>917,700</u>	<u>902,281</u>	<u>(15,419)</u>
Net Change in Fund Balances	-	-	-	-
Fund Balances - July 1, 2016	-	-	-	-
Fund Balances - June 30, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF DAUPHIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
AGING FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(UNAUDITED)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 5,461,568	\$ 5,501,568	\$ 5,509,055	\$ 7,487
Charges for Services	9,956	9,956	24,425	14,469
Interest and Rents	2,801	2,801	11,760	8,959
Miscellaneous	1,714,785	1,714,785	1,675,434	(39,351)
Total Revenues	7,189,110	7,229,110	7,220,674	(8,436)
Expenditures				
Current:				
Human Services	7,365,959	7,405,959	7,296,673	109,286
Total Expenditures	7,365,959	7,405,959	7,296,673	109,286
Excess of Revenues Over (Under) Expenditures	(176,849)	(176,849)	(75,999)	100,850
Other Financing Sources (Uses)				
Operating Transfer In	250,736	250,736	143,999	(106,737)
Operating Transfer (Out)	(170,295)	(170,295)	(67,663)	102,632
Total Other Financing Sources (Uses)	80,441	80,441	76,336	(4,105)
Net Change in Fund Balances	(96,408)	(96,408)	337	96,745
Fund Balances - July 1, 2016	96,408	96,408	(337)	(96,745)
Fund Balances - June 30, 2017	\$ -	\$ -	\$ -	\$ -

COUNTY OF DAUPHIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
DRUG AND ALCOHOL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

(UNAUDITED)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 3,229,753	\$ 3,609,753	\$ 3,771,013	\$ 161,260
Charges for Services	101,800	251,800	267,474	15,674
Interest and Rents	1,600	1,600	4,668	3,068
Miscellaneous	80,742	80,742	59,817	(20,925)
Total Revenues	3,413,895	3,943,895	4,102,972	159,077
Expenditures				
Current:				
Human Services	3,621,066	4,151,066	4,332,968	(181,902)
Total Expenditures	3,621,066	4,151,066	4,332,968	(181,902)
Excess of Revenues Over (Under) Expenditures	(207,171)	(207,171)	(229,996)	(22,825)
Other Financing Sources (Uses)				
Operating Transfer In	222,171	222,171	244,996	22,825
Operating Transfer (Out)	(15,000)	(15,000)	(15,000)	-
Total Other Financing Sources (Uses)	207,171	207,171	229,996	22,825
Net Change in Fund Balances	-	-	-	-
Fund Balances - July 1, 2016	-	-	-	-
Fund Balances - June 30, 2017	\$ -	\$ -	\$ -	\$ -

COUNTY OF DAUPHIN
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 HOTEL TAX FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Hotel Taxes	\$ 11,155,637	\$ 11,155,637	\$ 11,717,786	\$ 562,149
Interest and Rents	4,000	4,000	10,830	6,830
Total Revenues	<u>11,159,637</u>	<u>11,159,637</u>	<u>11,728,616</u>	<u>568,979</u>
Expenditures				
Current:				
Culture and Recreation	<u>11,159,637</u>	<u>11,159,637</u>	<u>11,728,616</u>	<u>(568,979)</u>
Total Expenditures	<u>11,159,637</u>	<u>11,159,637</u>	<u>11,728,616</u>	<u>(568,979)</u>
Net Change in Fund Balances	-	-	-	-
Fund Balances - January 1, 2017	-	-	-	-
Fund Balances - December 31, 2017	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF DAUPHIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
EMERGENCY 911 OPERATING ACT 56 WIRELESS FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 5,447,347	\$ 5,447,347	\$ 6,295,890	\$ 848,543
Charges for Services	-	-	7,252	7,252
Interest and Rents	1,000	1,000	2,882	1,882
Total Revenues	5,448,347	5,448,347	6,306,024	857,677
Expenditures				
Current:				
Public Safety	7,860,761	7,860,761	7,188,482	672,279
Debt Service				
Principal	-	-	76,460	(76,460)
Interest	-	-	4,347	(4,347)
Capital Outlay	105,706	105,706	222,524	(116,818)
Total Expenditures	7,966,467	7,966,467	7,491,813	474,654
Excess of Revenues Over (Under) Expenditures	(2,518,120)	(2,518,120)	(1,185,789)	1,332,331
Other Financing Sources (Uses)				
Transfers In	2,518,120	2,518,120	1,126,316	(1,391,804)
Capital Lease Proceeds			222,524	222,524
Total Other Financing Sources (Uses)	2,518,120	2,518,120	1,348,840	(1,169,280)
Net Change in Fund Balances	-	-	163,051	163,051
Fund Balances - January 1, 2017	-	-	2,603,329	2,603,329
Fund Balances - December 31, 2017	\$ -	\$ -	\$ 2,766,380	\$ 2,766,380

COUNTY OF DAUPHIN
SCHEDULE OF DEPARTMENTAL EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
General Government				
Commissioners - Governing Body				
Personnel Services	\$ 794,715	\$ 783,002	\$ 1,441,365	\$ (658,363)
Supplies and Services	1,887,647	3,039,855	1,590,148	1,449,707
	<u>2,682,362</u>	<u>3,822,857</u>	<u>3,031,513</u>	<u>791,344</u>
Finance				
Personnel Services	327,833	324,079	254,445	69,634
Supplies and Services	12,009	11,741	12,228	(487)
	<u>339,842</u>	<u>335,820</u>	<u>266,673</u>	<u>69,147</u>
Purchasing				
Personnel Services	404,829	401,408	384,112	17,296
Supplies and Services	412,319	412,319	375,434	36,885
	<u>817,148</u>	<u>813,727</u>	<u>759,546</u>	<u>54,181</u>
Voter's Registration				
Personnel Services	426,248	421,606	412,087	9,519
Supplies and Services	786,194	776,030	767,241	8,789
	<u>1,212,442</u>	<u>1,197,636</u>	<u>1,179,328</u>	<u>18,308</u>
Tax Assessment				
Personnel Services	1,611,590	1,599,427	1,538,689	60,738
Supplies and Services	1,586,694	1,647,446	1,529,899	117,547
	<u>3,198,284</u>	<u>3,246,873</u>	<u>3,068,588</u>	<u>178,285</u>
Treasurer				
Personnel Services	265,902	262,474	249,645	12,829
Supplies and Services	24,770	24,770	19,452	5,318
	<u>290,672</u>	<u>287,244</u>	<u>269,097</u>	<u>18,147</u>
Tax Collectors				
Personnel Services	193,770	193,770	176,506	17,264
Supplies and Services	26,200	22,478	21,535	943
	<u>219,970</u>	<u>216,248</u>	<u>198,041</u>	<u>18,207</u>
Personnel				
Personnel Services	1,969,167	1,960,641	1,713,765	246,876
Supplies and Services	53,207	54,407	51,154	3,253
	<u>2,022,374</u>	<u>2,015,048</u>	<u>1,764,919</u>	<u>250,129</u>

COUNTY OF DAUPHIN
SCHEDULE OF DEPARTMENTAL EXPENDITURES (CONTINUED)
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
General Government (Continued)				
Controller				
Personnel Services	969,919	991,924	896,736	95,188
Supplies and Services	288,677	306,032	230,875	75,157
	<u>1,258,596</u>	<u>1,297,956</u>	<u>1,127,611</u>	<u>170,345</u>
Solicitor				
Personnel Services	427,802	414,860	386,146	28,714
Supplies and Services	119,004	119,004	231,650	(112,646)
	<u>546,806</u>	<u>533,864</u>	<u>617,796</u>	<u>(83,932)</u>
Public Defender				
Personnel Services	3,274,365	3,247,024	3,064,465	182,559
Supplies and Services	871,496	834,468	694,258	140,210
	<u>4,145,861</u>	<u>4,081,492</u>	<u>3,758,723</u>	<u>322,769</u>
Recorder of Deeds				
Personnel Services	495,769	492,000	475,666	16,334
Supplies and Services	650,502	601,804	482,871	118,933
	<u>1,146,271</u>	<u>1,093,804</u>	<u>958,537</u>	<u>135,267</u>
Facilities Management				
Personnel Services	3,312,199	3,290,715	3,039,719	250,996
Supplies and Services	2,171,134	2,203,094	1,977,176	225,918
	<u>5,483,333</u>	<u>5,493,809</u>	<u>5,016,895</u>	<u>476,914</u>
Data Processing				
Personnel Services	2,186,293	2,063,024	1,918,938	144,086
Supplies and Services	1,257,104	1,359,860	1,347,522	12,338
	<u>3,443,397</u>	<u>3,422,884</u>	<u>3,266,460</u>	<u>156,424</u>
Veterans' Affairs				
Personnel Services	158,059	156,817	155,702	1,115
Supplies and Services	143,879	156,868	117,794	39,074
	<u>301,938</u>	<u>313,685</u>	<u>273,496</u>	<u>40,189</u>

COUNTY OF DAUPHIN
 SCHEDULE OF DEPARTMENTAL EXPENDITURES (CONTINUED)
 BUDGET AND ACTUAL
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
General Government (Continued)				
Gasoline Center				
Supplies and Services	<u>16,760</u>	<u>16,571</u>	<u>13,519</u>	<u>3,052</u>
	<u>16,760</u>	<u>16,571</u>	<u>13,519</u>	<u>3,052</u>
Less: Indirect Cost Reimbursement	<u>(13,400,000)</u>	<u>(13,400,000)</u>	<u>(12,814,681)</u>	<u>(585,319)</u>
Total General Government	<u>\$ 13,726,056</u>	<u>\$ 14,789,518</u>	<u>\$ 12,756,061</u>	<u>\$ 2,033,457</u>

COUNTY OF DAUPHIN
SCHEDULE OF DEPARTMENTAL EXPENDITURES (CONTINUED)
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Judicial				
Courts				
Personnel Services	\$ 2,687,906	\$ 2,666,779	\$ 2,348,388	\$ 318,391
Supplies and Services	3,702,671	3,579,080	3,694,525	(115,445)
	<u>6,390,577</u>	<u>6,245,859</u>	<u>6,042,913</u>	<u>202,946</u>
Court Reporters				
Personnel Services	1,389,016	1,375,662	1,282,290	93,372
Supplies and Services	48,085	48,085	38,241	9,844
	<u>1,437,101</u>	<u>1,423,747</u>	<u>1,320,531</u>	<u>103,216</u>
Judicial Center				
Personnel Services	1,759,421	1,746,994	1,637,360	109,634
Supplies and Services	402,385	398,515	394,882	3,633
	<u>2,161,806</u>	<u>2,145,509</u>	<u>2,032,242</u>	<u>113,267</u>
District Justices				
Personnel Services	5,001,074	4,941,911	4,391,033	550,878
Supplies and Services	1,609,048	1,579,115	1,846,610	(267,495)
	<u>6,610,122</u>	<u>6,521,026</u>	<u>6,237,643</u>	<u>283,383</u>
Law Library				
Personnel Services	100,371	99,468	89,608	9,860
Supplies and Services	388,992	374,618	365,868	8,750
	<u>489,363</u>	<u>474,086</u>	<u>455,476</u>	<u>18,610</u>
Night Court				
Personnel Services	153,838	152,750	188,945	(36,195)
Supplies and Services	13,300	8,425	6,709	1,716
	<u>167,138</u>	<u>161,175</u>	<u>195,654</u>	<u>(34,479)</u>
Clerk of Courts				
Personnel Services	1,528,249	1,513,683	1,456,234	57,449
Supplies and Services	384,556	404,999	387,885	17,114
	<u>1,912,805</u>	<u>1,918,682</u>	<u>1,844,119</u>	<u>74,563</u>

COUNTY OF DAUPHIN
SCHEDULE OF DEPARTMENTAL EXPENDITURES (CONTINUED)
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Judicial (Continued)				
Coroner				
Personnel Services	707,036	701,317	665,122	36,195
Supplies and Services	596,874	586,686	565,542	21,144
	<u>1,303,910</u>	<u>1,288,003</u>	<u>1,230,664</u>	<u>57,339</u>
District Attorney				
Personnel Services	4,258,324	4,216,683	3,877,604	339,079
Supplies and Services	1,183,927	1,531,056	1,348,368	182,688
	<u>5,442,251</u>	<u>5,747,739</u>	<u>5,225,972</u>	<u>521,767</u>
Criminal Investigation				
Personnel Services	1,485,562	1,451,691	1,336,799	114,892
Supplies and Services	700,060	601,040	552,255	48,785
	<u>2,185,622</u>	<u>2,052,731</u>	<u>1,889,054</u>	<u>163,677</u>
Prothonotary				
Personnel Services	1,088,901	1,080,630	1,029,141	51,489
Supplies and Services	447,025	430,569	395,292	35,277
	<u>1,535,926</u>	<u>1,511,199</u>	<u>1,424,433</u>	<u>86,766</u>
Registrar of Wills				
Personnel Services	551,627	547,156	530,083	17,073
Supplies and Services	354,657	340,461	299,997	40,464
	<u>906,284</u>	<u>887,617</u>	<u>830,080</u>	<u>57,537</u>
Sheriff				
Personnel Services	3,291,317	3,266,486	3,093,548	172,938
Supplies and Services	737,272	722,299	656,586	65,713
	<u>4,028,589</u>	<u>3,988,785</u>	<u>3,750,134</u>	<u>238,651</u>
Cost & Fines				
Personnel Services	334,406	333,911	313,642	20,269
Supplies and Services	31,148	36,247	35,340	907
	<u>365,554</u>	<u>370,158</u>	<u>348,982</u>	<u>21,176</u>

COUNTY OF DAUPHIN
SCHEDULE OF DEPARTMENTAL EXPENDITURES (CONTINUED)
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Judicial (Continued)				
Adult Probation				
Personnel Services	13,980,520	13,912,220	13,235,073	677,147
Supplies and Services	<u>3,135,799</u>	<u>2,510,912</u>	<u>2,831,521</u>	<u>(320,609)</u>
	<u>17,116,319</u>	<u>16,423,132</u>	<u>16,066,594</u>	<u>356,538</u>
Juvenile Probation				
Personnel Services	5,105,917	5,070,993	4,740,731	330,262
Supplies and Services	<u>-</u>	<u>553,935</u>	<u>553,935</u>	<u>-</u>
	<u>5,105,917</u>	<u>5,624,928</u>	<u>5,294,666</u>	<u>330,262</u>
Victim Witness				
Supplies and Services	<u>1,245,805</u>	<u>1,238,623</u>	<u>1,086,709</u>	<u>151,914</u>
	<u>1,245,805</u>	<u>1,238,623</u>	<u>1,086,709</u>	<u>151,914</u>
Pretrial				
Supplies and Services	<u>644,380</u>	<u>644,380</u>	<u>587,575</u>	<u>56,805</u>
	<u>644,380</u>	<u>644,380</u>	<u>587,575</u>	<u>56,805</u>
RO County Records Improvement				
Supplies and Services	<u>139,000</u>	<u>139,000</u>	<u>29,023</u>	<u>109,977</u>
	<u>139,000</u>	<u>139,000</u>	<u>29,023</u>	<u>109,977</u>
Total Judicial	<u>\$ 59,188,469</u>	<u>\$ 58,806,379</u>	<u>\$ 55,892,464</u>	<u>\$ 2,913,915</u>

COUNTY OF DAUPHIN
SCHEDULE OF DEPARTMENTAL EXPENDITURES (CONTINUED)
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Public Safety				
Prison				
Personnel Services	\$ 28,148,012	\$ 27,954,469	\$ 26,979,667	\$ 974,802
Supplies and Services	<u>8,777,832</u>	<u>8,702,027</u>	<u>8,939,508</u>	<u>(237,481)</u>
	<u>36,925,844</u>	<u>36,656,496</u>	<u>35,919,175</u>	<u>737,321</u>
Emergency Services				
Personnel Services	712,596	705,255	695,034	10,221
Supplies and Services	<u>2,320,532</u>	<u>2,253,884</u>	<u>1,780,606</u>	<u>473,278</u>
	<u>3,033,128</u>	<u>2,959,139</u>	<u>2,475,640</u>	<u>483,499</u>
Total Public Safety	<u>\$ 39,958,972</u>	<u>\$ 39,615,635</u>	<u>\$ 38,394,815</u>	<u>\$ 1,220,820</u>

COUNTY OF DAUPHIN
SCHEDULE OF DEPARTMENTAL EXPENDITURES (CONTINUED)
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Human Services				
Personnel Services	\$ 404,857	\$ 404,169	\$ 302,725	\$ 101,444
Supplies and Services	<u>29,881,082</u>	<u>29,888,917</u>	<u>32,852,576</u>	<u>(2,963,659)</u>
Total Human Services	<u>\$ 30,285,939</u>	<u>\$ 30,293,086</u>	<u>\$ 33,155,301</u>	<u>\$ (2,862,215)</u>
Culture and Recreation				
Parks				
Personnel Services	\$ 1,386,761	\$ 1,379,033	\$ 1,394,459	\$ (15,426)
Supplies and Services	<u>1,036,630</u>	<u>1,016,215</u>	<u>965,437</u>	<u>50,778</u>
Total Culture and Recreation	<u>\$ 2,423,391</u>	<u>\$ 2,395,248</u>	<u>\$ 2,359,896</u>	<u>\$ 35,352</u>
Conservation and Development				
Cooperative Extension				
Personnel Services	\$ 301,751	\$ 299,576	\$ 287,544	\$ 12,032
Supplies and Services	<u>236,185</u>	<u>236,035</u>	<u>236,055</u>	<u>(20)</u>
Total Conservation and Development	<u>537,936</u>	<u>535,611</u>	<u>523,599</u>	<u>12,012</u>
Conservation Programs				
Personnel Services	1,102,018	1,093,785	1,022,467	71,318
Supplies and Services	<u>648,287</u>	<u>693,648</u>	<u>634,633</u>	<u>59,015</u>
Total Conservation Programs	<u>1,750,305</u>	<u>1,787,433</u>	<u>1,657,100</u>	<u>130,333</u>
Economic Development				
Personnel Services	492,143	483,690	458,808	24,882
Supplies and Services	<u>3,668,124</u>	<u>3,687,198</u>	<u>3,766,576</u>	<u>(79,378)</u>
Total Economic Development	<u>4,160,267</u>	<u>4,170,888</u>	<u>4,225,384</u>	<u>(54,496)</u>
Total Conservation and Development	<u>\$ 6,448,508</u>	<u>\$ 6,493,932</u>	<u>\$ 6,406,083</u>	<u>\$ 87,849</u>

COUNTY OF DAUPHIN
SCHEDULE OF DEPARTMENTAL EXPENDITURES (CONTINUED)
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2017

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Debt Service				
Principal	\$ 9,629,000	\$ 9,629,000	\$ 15,497,619	\$ (5,868,619)
Interest	3,878,832	3,878,832	4,042,511	(163,679)
Bond Issuance Costs	-	-	424,625	(424,625)
	<u>13,507,832</u>	<u>13,507,832</u>	<u>19,964,755</u>	<u>(6,456,923)</u>
Total Debt Service	<u>\$ 13,507,832</u>	<u>\$ 13,507,832</u>	<u>\$ 19,964,755</u>	<u>\$ (6,456,923)</u>
Capital Outlay				
General Government	\$ 339,789	\$ 359,789	144,984	\$ 214,805
Judicial	394,280	422,912	3,210,434	(2,787,522)
Public Safety	228,000	287,920	208,636	79,284
Conservation and Development	95,500	60,500	-	60,500
	<u>1,057,569</u>	<u>1,131,121</u>	<u>3,564,054</u>	<u>(2,432,933)</u>
Total Capital Outlay	<u>\$ 1,057,569</u>	<u>\$ 1,131,121</u>	<u>\$ 3,564,054</u>	<u>\$ (2,432,933)</u>
Other Financing Uses				
Interfund Transfers to:				
Domestic Relations Fund	\$ 2,222,571	\$ 2,222,571	\$ 2,034,073	\$ 188,498
MH/ID Fund	882,700	882,700	882,700	-
Drug and Alcohol Fund	223,016	223,016	228,150	(5,134)
Children, Youth, and Families Fund	10,500,000	10,500,000	8,418,928	2,081,072
Human Services Development Fund	60,000	60,000	74,638	(14,638)
911 - EMA Communications Fund	2,518,120	2,518,120	1,126,316	1,391,804
Capital Projects Fund	-	12,922	12,922	-
Solid Waste	638,467	638,467	638,467	-
Human Service Building Fund	140,200	140,200	-	140,200
General Fund	378,916	410,444	(1)	410,445
	<u>17,563,990</u>	<u>17,608,440</u>	<u>13,416,193</u>	<u>4,192,247</u>
Total Interfund Transfers	<u>17,563,990</u>	<u>17,608,440</u>	<u>13,416,193</u>	<u>4,192,247</u>
Payment to Refunding Bond Escrow Agent	-	-	18,645,431	(18,645,431)
Total Other Financing Uses	<u>\$ 17,563,990</u>	<u>\$ 17,608,440</u>	<u>\$ 32,061,624</u>	<u>\$ (14,453,184)</u>

NONMAJOR ENTERPRISE FUNDS

County of Dauphin, Pennsylvania

Combining and Individual Nonmajor Enterprise Fund Financial Statements

Proprietary funds are used to account for activities where the intent of the governing body is that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges and cost reimbursement plans.

The Solid Waste Fund is used to account for activities of the Dauphin County Solid Waste Management & Recycling department, and is expected to be financed through dumping and recycling fees.

The Fort Hunter Operating Fund is used to account for operating of Fort Hunter Park, and is expected to be financed through various rental and other charges.

COUNTY OF DAUPHIN
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 DECEMBER 31, 2017

	Solid Waste Fund	Fort Hunter Operating Fund	Totals
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 492,204	\$ 14,223	\$ 506,427
Accounts Receivables	15,699	-	15,699
Due From Other Funds	9,248	-	9,248
Total current assets	517,151	14,223	531,374
Noncurrent Assets:			
Capital Assets, Not Being Depreciated	-	121,142	121,142
Capital Assets, Being Depreciated, (Net)	1,337,397	339,828	1,677,225
Total noncurrent assets	1,337,397	460,970	1,798,367
Total assets	1,854,548	475,193	2,329,741
LIABILITIES			
Current liabilities:			
Accounts Payable	65,850	-	65,850
Accrued Liabilities	10,557	-	10,557
Due to Other Funds	16,330	-	16,330
Total current liabilities	92,737	-	92,737
Noncurrent liabilities:			
Accrued Compensated Absences	31,359	-	31,359
Total noncurrent liabilities	31,359	-	31,359
Total liabilities	124,096	-	124,096
NET POSITION			
Net Investment in Capital Assets	1,337,397	460,970	1,798,367
Unrestricted	393,055	14,223	407,278
Total net position	\$ 1,730,452	\$ 475,193	\$ 2,205,645

COUNTY OF DAUPHIN
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN FUND NET POSITION
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Solid Waste Fund	Fort Hunter Operating Fund	Totals
Operating Revenues			
Charges for Services	\$ 109,067	\$ 51,435	\$ 160,502
Total Operating Revenues	<u>109,067</u>	<u>51,435</u>	<u>160,502</u>
Operating Expenses			
Personnel Services	399,035	-	399,035
Contracted Services	147,812	-	147,812
Supplies and Materials	2,094	-	2,094
Repairs and Maintenance	64,234	20,378	84,612
Utilities	18,004	9,756	27,760
Other Services and Charges	112,966	9,902	122,868
Depreciation and Amortization	96,299	40,612	136,911
Total Operating Expenses	<u>840,444</u>	<u>80,648</u>	<u>921,092</u>
Operating Loss	<u>(731,377)</u>	<u>(29,213)</u>	<u>(760,590)</u>
Nonoperating Revenues (Expenses)			
Interest Income	190	-	190
Grants	90,310	-	90,310
Total Nonoperating Revenues (Expenses)	<u>90,500</u>	<u>-</u>	<u>90,500</u>
Loss Before Transfers	<u>(640,877)</u>	<u>(29,213)</u>	<u>(670,090)</u>
Transfers In	638,467	20,000	658,467
Transfers Out	-	(1,160)	(1,160)
Total Transfers	<u>638,467</u>	<u>18,840</u>	<u>657,307</u>
Changes in Net Position	(2,410)	(10,373)	(12,783)
Total Net Position - Beginning of Year	<u>1,732,862</u>	<u>485,566</u>	<u>2,218,428</u>
Total Net Position - End of Year	<u>\$ 1,730,452</u>	<u>\$ 475,193</u>	<u>\$ 2,205,645</u>

COUNTY OF DAUPHIN
 COMBINING STATEMENT OF CASH FLOWS
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Solid Waste Fund	Fort Hunter Operating Fund	Totals
Cash Flows From Operating Activities			
Receipts from Recycling Services	\$ 99,899	\$ -	\$ 99,899
Receipts from Recreational Activities	-	51,435	51,435
Payments to Employees	(393,501)	-	(393,501)
Payments to Suppliers	(326,861)	(40,036)	(366,897)
Net Cash Used In Operating Activities	<u>(620,463)</u>	<u>11,399</u>	<u>(609,064)</u>
Cash Flow From Noncapital Financing Activities			
Operating Transfers In (Out)	1,073,759	18,840	1,092,599
Grants	90,310	-	90,310
Net Cash Provided by Noncapital Financing Activities	<u>1,164,069</u>	<u>18,840</u>	<u>1,182,909</u>
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets, net of Disposals	(51,592)	(50,051)	(101,643)
Net Cash Used in Capital and Related Financing Activities	<u>(51,592)</u>	<u>(50,051)</u>	<u>(101,643)</u>
Cash Flows from Investing Activities			
Interest Income	190	-	190
Net Cash Provided By Investing Activities	<u>190</u>	<u>-</u>	<u>190</u>
Net Increase (Decrease) in Cash and Cash Equivalents	492,204	(19,812)	472,392
Cash and Cash Equivalents, Beginning of Year	-	34,035	34,035
Cash and Cash Equivalents, End of Year	<u>\$ 492,204</u>	<u>\$ 14,223</u>	<u>\$ 506,427</u>

COUNTY OF DAUPHIN
 COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
 NONMAJOR ENTERPRISE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Solid Waste Fund	Fort Hunter Operating Fund	Totals
Reconciliation of Operating loss to net cash provided by (used in) operating activities			
Operating Loss	\$ (731,377)	\$ (29,213)	\$ (760,590)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities			
Depreciation and Amortization Expense	96,299	40,612	136,911
Change in assets and liabilities			
Accounts Receivable	(9,168)	-	(9,168)
Accounts Payable	18,249	-	18,249
Accrued Expenses	1,499	-	1,499
Accrued Vacation and Sick Pay	4,035	-	4,035
Net Cash Provided by (Used In) Operating Activities	<u>\$ (620,463)</u>	<u>\$ 11,399</u>	<u>\$ (609,064)</u>

AGENCY FUNDS

County of Dauphin, Pennsylvania
Combining Agency Funds Statements

Agency Funds

Funds used to report resources held by the primary government in a purely custodial capacity.

Tax Claim – Used to account for the collection of delinquent taxes for the County and on behalf of school districts and municipalities.

Prison, Probation, and Parole Funds – Used to account for work release earnings and disbursements and the personal funds held by individuals incarcerated at the County prison.

Agency Funds – Used to accounts for the fees, fines, taxes, grants, and other monies collected by elected row officers that are subsequently disbursed to the County, other governments, or other not-for-profit entities or citizens for whom they were collected. These funds are as follows:

- Sheriff
- Treasurer
- Prothonotary
- Recorder of Deeds
- Clerk of Court
- Register of Wills
- Coroner

Domestic Relations – Used to account for child support payments collected by the County on behalf of the parents within the County's child support enforcement program.

Payroll Advance – Used to account for funds earned, but not yet received by employees.

Children and Youth – Used to account for child support and other various receipts collected by the County on behalf of children within the County's custody.

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.

Night Court Account – Used to account for funds collected for fines and restitutions.

COUNTY OF DAUPHIN, PENNSYLVANIA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Balance January 1, 2017	Additions	Deletions	Balance December 31, 2017
Tax Claim Bureau				
Assets:				
Cash and Cash Equivalents	\$ 3,338,997	\$ 31,847,090	\$ 30,573,922	\$ 4,612,165
Total Assets	<u>3,338,997</u>	<u>31,847,090</u>	<u>30,573,922</u>	<u>4,612,165</u>
Liabilities				
Accounts Payable	892,036	20,307,176	20,239,392	959,820
Funds Held in Escrow	2,446,961	34,625,967	33,420,583	3,652,345
Due To Other Governments	-	19,405,009	19,405,009	-
Total Liabilities	<u>\$ 3,338,997</u>	<u>\$ 74,338,152</u>	<u>\$ 73,064,984</u>	<u>\$ 4,612,165</u>
Sheriff Agency Fund				
Assets:				
Cash and Cash Equivalents	\$ 746,036	\$ 7,825,127	\$ 7,966,287	\$ 604,876
Total Assets	<u>746,036</u>	<u>7,825,127</u>	<u>7,966,287</u>	<u>604,876</u>
Liabilities				
Funds Held in Escrow	746,036	7,825,127	7,966,287	604,876
Total Liabilities	<u>\$ 746,036</u>	<u>\$ 7,825,127</u>	<u>\$ 7,966,287</u>	<u>\$ 604,876</u>
Probation and Parole Agency Fund				
Assets:				
Cash and Cash Equivalents	\$ 407,075	\$ 2,531,923	\$ 2,511,029	\$ 427,969
Total Assets	<u>407,075</u>	<u>2,531,923</u>	<u>2,511,029</u>	<u>427,969</u>
Liabilities				
Funds Held in Escrow	407,075	2,531,923	2,511,029	427,969
Total Liabilities	<u>\$ 407,075</u>	<u>\$ 2,531,923</u>	<u>\$ 2,511,029</u>	<u>\$ 427,969</u>
Treasurer Agency Fund				
Assets:				
Cash and Cash Equivalents	\$ 18,534	\$ 226,393	\$ 230,096	\$ 14,831
Total Assets	<u>18,534</u>	<u>226,393</u>	<u>230,096</u>	<u>14,831</u>
Liabilities				
Funds Held in Escrow	18,534	226,393	230,096	14,831
Total Liabilities	<u>\$ 18,534</u>	<u>\$ 226,393</u>	<u>\$ 230,096</u>	<u>\$ 14,831</u>

COUNTY OF DAUPHIN, PENNSYLVANIA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Balance January 1, 2017	Additions	Deletions	Balance December 31, 2017
Prothonotary Agency Fund				
Assets:				
Cash and Cash Equivalents	\$ 136,399	\$ 2,076,389	\$ 2,065,294	\$ 147,494
Total Assets	136,399	2,076,389	2,065,294	147,494
Liabilities				
Funds Held in Escrow	136,399	2,076,389	2,065,294	147,494
Total Liabilities	\$ 136,399	\$ 2,076,389	\$ 2,065,294	\$ 147,494
Recorder of Deeds Agency Fund				
Assets:				
Cash and Cash Equivalents	\$ 1,266,549	\$ 29,484,888	\$ 29,708,616	\$ 1,042,821
Total Assets	1,266,549	29,484,888	29,708,616	1,042,821
Liabilities				
Due To Other Governments	1,266,549	29,484,888	29,708,616	1,042,821
Total Liabilities	\$ 1,266,549	\$ 29,484,888	\$ 29,708,616	\$ 1,042,821
Clerk of Courts Agency Fund				
Assets:				
Cash and Cash Equivalents	\$ 880,447	\$ 8,291,219	\$ 8,110,630	\$ 1,061,036
Total Assets	880,447	8,291,219	8,110,630	1,061,036
Liabilities				
Due To Other Governments	880,447	8,291,219	8,110,630	1,061,036
Total Liabilities	\$ 880,447	\$ 8,291,219	\$ 8,110,630	\$ 1,061,036
Prison Agency Fund				
Assets:				
Cash and Cash Equivalents	\$ 1,380,989	\$ 2,253,594	\$ 2,273,189	\$ 1,361,394
Total Assets	1,380,989	2,253,594	2,273,189	1,361,394
Liabilities				
Funds Held in Escrow	1,380,989	2,253,594	2,273,189	1,361,394
Total Liabilities	\$ 1,380,989	\$ 2,253,594	\$ 2,273,189	\$ 1,361,394

COUNTY OF DAUPHIN, PENNSYLVANIA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Balance January 1, 2017	Additions	Deletions	Balance December 31, 2017
Domestic Relations Agency Fund				
Assets:				
Cash and Cash Equivalents	\$ 35,395	\$ 2,431,700	\$ 2,433,484	\$ 33,611
Total Assets	<u>35,395</u>	<u>2,431,700</u>	<u>2,433,484</u>	<u>33,611</u>
Liabilities				
Funds Held in Escrow	35,395	2,431,700	2,433,484	33,611
Total Liabilities	<u>\$ 35,395</u>	<u>\$ 2,431,700</u>	<u>\$ 2,433,484</u>	<u>\$ 33,611</u>
Register of Wills Agency Fund				
Assets:				
Cash and Cash Equivalents	\$ 164,407	\$ 870,704	\$ 966,077	\$ 69,034
Total Assets	<u>164,407</u>	<u>870,704</u>	<u>966,077</u>	<u>69,034</u>
Liabilities				
Due To Other Governments	164,407	870,704	966,077	69,034
Total Liabilities	<u>\$ 164,407</u>	<u>\$ 870,704</u>	<u>\$ 966,077</u>	<u>\$ 69,034</u>
Coroner's Agency Fund				
Assets:				
Cash and Cash Equivalents	\$ 820	\$ 81,322	\$ 70,400	\$ 11,742
Total Assets	<u>820</u>	<u>81,322</u>	<u>70,400</u>	<u>11,742</u>
Liabilities				
Funds Held in Escrow	820	81,322	70,400	11,742
Total Liabilities	<u>\$ 820</u>	<u>\$ 81,322</u>	<u>\$ 70,400</u>	<u>\$ 11,742</u>
Payroll Advance Fund				
Assets:				
Cash and Cash Equivalents	\$ 7,500	\$ 9,792	\$ 11,247	\$ 6,045
Total Assets	<u>7,500</u>	<u>9,792</u>	<u>11,247</u>	<u>6,045</u>
Liabilities				
Funds Held in Escrow	7,500	9,792	11,247	6,045
Total Liabilities	<u>\$ 7,500</u>	<u>\$ 9,792</u>	<u>\$ 11,247</u>	<u>\$ 6,045</u>

COUNTY OF DAUPHIN, PENNSYLVANIA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2017

	Balance January 1, 2017	Additions	Deletions	Balance December 31, 2017
Children & Youth Agency Fund				
Assets:				
Cash and Cash Equivalents	\$ 243,967	\$ 1,102,200	\$ 1,197,232	\$ 148,935
Total Assets	243,967	1,102,200	1,197,232	148,935
Liabilities				
Funds Held in Escrow	243,967	1,102,200	1,197,232	148,935
Total Liabilities	\$ 243,967	\$ 1,102,200	\$ 1,197,232	\$ 148,935
Flexible Spending Fund				
Assets:				
Cash and Cash Equivalents	\$ 77,864	\$ 717,015	\$ 688,055	\$ 106,824
Total Assets	77,864	717,015	688,055	106,824
Liabilities				
Funds Held in Escrow	77,864	717,015	688,055	106,824
Total Liabilities	\$ 77,864	\$ 717,015	\$ 688,055	\$ 106,824
Night Court				
Assets:				
Cash and Cash Equivalents	\$ -	\$ 122,822	\$ 121,482	\$ 1,340
Total Assets	-	122,822	121,482	1,340
Liabilities				
Funds Held in Escrow	-	122,822	121,482	1,340
Total Liabilities	\$ -	\$ 122,822	\$ 121,482	\$ 1,340
Total Agency Funds				
Assets:				
Cash and Cash Equivalents	\$ 8,704,979	\$ 89,872,178	\$ 88,927,040	\$ 9,650,117
Total Assets	\$ 8,704,979	\$ 89,872,178	\$ 88,927,040	\$ 9,650,117
Liabilities				
Accounts Payable	892,036	20,307,176	20,239,392	959,820
Funds Held in Escrow	5,501,540	54,004,244	52,988,378	6,517,406
Due to Other Governments	2,311,403	58,051,820	58,190,332	2,172,891
Total Liabilities	\$ 8,704,979	\$ 132,363,240	\$ 131,418,102	\$ 9,650,117

COUNTY OF DAUPHIN, PENNSYLVANIA

Statistical Section

This part of the County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

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<i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	
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<i>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</i>	
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<i>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.</i>	
Demographic and Economic Information.....	228
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.</i>	
Operating Information.....	230
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial statements for the relevant year.

FINANCIAL TRENDS

Net Position by Component

Last Six Years

COUNTY OF DAUPHIN, PENNSYLVANIA

(accrual basis of accounting)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental activities						
Net investment in capital assets	\$ (695,268)	\$ 5,955,867	\$ 10,755,684	\$ 12,456,056	\$ 20,736,715	\$ 26,951,861
Restricted	28,776,237	18,862,587	19,445,884	23,273,811	23,112,169	24,737,862
Unrestricted	<u>23,407,540</u>	<u>29,584,391</u>	<u>19,056,396</u>	<u>2,307,926</u>	<u>12,358,231</u>	<u>9,892,045</u>
Total Net Position	<u>\$ 51,488,509</u>	<u>\$ 54,402,845</u>	<u>\$ 49,257,964</u>	<u>\$ 38,037,793</u>	<u>\$ 56,207,115</u>	<u>\$ 61,581,768</u>
Business-type activities						
Net investment in capital assets	\$ 2,252,981	\$ 2,223,121	\$ 1,950,577	\$ 1,224,578	\$ 1,100,645	\$ 893,369
Restricted	-	-	-	-	-	-
Unrestricted	<u>1,179,423</u>	<u>672,357</u>	<u>1,489,455</u>	<u>931,611</u>	<u>864,516</u>	<u>1,123,726</u>
Total Net Position	<u>\$ 3,432,404</u>	<u>\$ 2,895,478</u>	<u>\$ 3,440,032</u>	<u>\$ 2,156,189</u>	<u>\$ 1,965,161</u>	<u>\$ 2,017,095</u>
Primary government						
Net investment in capital assets	\$ 1,557,713	\$ 8,178,988	\$ 12,706,261	\$ 13,680,634	\$ 21,837,360	\$ 27,845,230
Restricted	28,776,237	18,862,587	19,445,884	23,273,811	23,112,169	24,737,862
Unrestricted	<u>24,586,963</u>	<u>30,256,748</u>	<u>20,545,851</u>	<u>3,239,537</u>	<u>13,222,747</u>	<u>11,015,771</u>
Total Net Position	<u>\$ 54,920,913</u>	<u>\$ 57,298,323</u>	<u>\$ 52,697,996</u>	<u>\$ 40,193,982</u>	<u>\$ 58,172,276</u>	<u>\$ 63,598,863</u>

NOTE 1: This schedule is being prepared prospectively in accordance with GASB 63. The next schedule has been included to provide prior years' information as it was originally presented in the prior years' reports.

NOTE 2: The County implemented GASB Statement 65 in 2013 and GASB Statement 68 in 2015; and, therefore, prior years have not been adjusted to reflect the implementation of these standards.

Net Assets by Component

Previous Four Years

COUNTY OF DAUPHIN, PENNSYLVANIA

(accrual basis of accounting)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<u>Governmental activities</u>				
Invested in capital assets, net of related debt	\$ (17,589,895)	\$ (13,684,780)	\$ (6,154,912)	\$ (2,074,093)
Restricted	17,379,968	24,943,553	25,666,745	34,245,154
Unrestricted	<u>46,830,583</u>	<u>53,181,629</u>	<u>49,279,916</u>	<u>35,253,948</u>
Total Net Position	<u>\$ 46,620,656</u>	<u>\$ 64,440,402</u>	<u>\$ 68,791,749</u>	<u>\$ 67,425,009</u>
<u>Business-type activities</u>				
Invested in capital assets, net of related debt	\$ 538,052	\$ 1,944,288	\$ 2,876,629	\$ 2,824,091
Restricted	-	-	-	-
Unrestricted	<u>6,930,786</u>	<u>5,912,991</u>	<u>5,305,422</u>	<u>2,534,040</u>
Total Net Position	<u>\$ 7,468,838</u>	<u>\$ 7,857,279</u>	<u>\$ 8,182,051</u>	<u>\$ 5,358,131</u>
<u>Primary government</u>				
Invested in capital assets, net of related debt	\$ (17,051,843)	\$ (11,740,492)	\$ (3,278,283)	\$ 749,998
Restricted	17,379,968	24,943,553	25,666,745	34,245,154
Unrestricted	<u>53,761,369</u>	<u>59,094,620</u>	<u>54,585,338</u>	<u>37,787,988</u>
Total Net Position	<u>\$ 54,089,494</u>	<u>\$ 72,297,681</u>	<u>\$ 76,973,800</u>	<u>\$ 72,783,140</u>

NOTE: The County implemented GASB Statements 51 and 53 beginning in 2010, GASB Statement 65 in 2013, and GASB Statement 68 in 2015; and therefore, prior years have not been adjusted to reflect the implementation of these standards.

Changes in Net Position

Last Six Years

COUNTY OF DAUPHIN, PENNSYLVANIA
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017
Expenses						
Governmental activities						
General government	\$ 24,629,938	\$ 24,284,573	\$ 24,417,463	\$ 23,881,297	\$ 25,256,595	\$ 26,020,252
Judicial	53,584,526	54,700,457	54,993,262	58,057,097	59,916,415	61,198,204
Public safety	44,663,848	38,621,432	39,036,174	45,627,099	48,356,487	48,406,025
Public works	1,558,538	1,544,044	6,982,260	1,910,552	1,482,959	1,747,568
Human Services	106,417,603	104,780,861	103,694,696	105,755,168	112,562,042	114,896,098
Culture and recreation	10,334,029	11,709,200	12,354,951	12,893,509	13,342,145	13,762,985
Conservation & Development	13,184,384	18,515,635	14,900,958	11,625,331	15,653,091	13,435,965
Interest and fiscal charges on long-term debt	5,574,564	3,456,514	6,991,197	4,736,404	4,002,741	3,834,082
Indirect Expenses	(801,629)	(718,511)	(736,948)	(534,651)	(506,437)	(534,516)
Total governmental activities expenses	259,145,801	256,894,205	262,634,013	263,951,806	280,066,038	282,766,663
Business-type activities						
Human Services - Health Choices Fund	67,066,573	67,323,365	67,936,230	68,502,487	78,709,782	86,139,886
Public Works - Human Service Building	847,667	847,297	877,526	854,111	945,478	842,357
Public Works - Solid Waste Fund	1,332,335	1,516,202	794,468	783,465	806,608	798,628
Public Safety - Emergency 911	7,092,262	6,831,369	6,661,578	-	-	-
Culture and Recreation - Fort Hunter	87,970	83,363	87,979	91,639	105,028	80,648
Indirect Expenses	801,629	718,511	736,948	534,651	506,437	534,516
Total business-type activities expenses	77,228,436	77,320,107	77,094,729	70,766,353	81,073,333	88,396,035
Total primary government expenses	\$ 336,374,237	\$ 334,214,312	\$ 339,728,742	\$ 334,718,159	\$ 361,139,371	\$ 371,162,698
Program revenues						
Governmental activities:						
Charges for services						
General government	\$ 5,874,147	\$ 6,700,196	\$ 5,856,365	\$ 6,166,936	\$ 6,283,231	\$ 6,189,074
Judicial	10,719,624	11,861,657	12,038,691	12,892,768	12,494,767	12,467,022
Public safety	6,730,187	5,619,650	4,108,454	3,477,601	3,479,940	4,033,103
Human services	2,093,552	2,243,607	1,956,182	2,276,056	1,967,261	2,451,320
Culture and recreation	186,806	225,749	261,016	257,882	226,913	233,438
Conservation and Development	540,016	384,293	495,880	974,891	1,061,199	1,052,446
Operating Grants and contributions						
General government	137,438	94,598	10,351	-	21,500	-
Judicial	6,298,018	9,515,106	8,557,665	6,314,794	8,903,901	9,055,033
Public safety	2,024,115	2,252,880	2,931,595	7,358,620	8,079,581	7,788,677
Public Works	846,997	1,020,925	7,462,593	1,177,199	631,147	678,266
Human services	96,089,660	93,124,678	93,579,940	92,394,086	99,674,375	101,497,099
Culture and recreation	733,262	1,140,022	1,005,810	302,671	271,094	195,982
Conservation and Development	16,637,881	14,883,136	15,720,657	18,673,389	18,892,272	17,472,716
Capital Grants and Contributions						
Public Works	-	-	-	1,307,572	4,844,784	3,160,135
Culture and recreation	-	-	-	-	2,020,878	527,164
Total Primary Government type activities	148,911,703	149,066,497	153,985,199	153,574,465	168,852,843	166,801,475
Business-type activities:						
Charges for services						
Human Services - Health Choices Fund	67,156,734	67,407,409	68,012,606	68,599,898	78,812,900	86,270,929
Public Works - Human Service Building	1,491,423	1,408,740	1,368,655	1,372,156	1,358,321	1,366,488
Public Works - Solid Waste Fund	1,200,381	1,027,329	195,323	203,690	97,752	109,067
Public Safety - Emergency 911	4,133,262	3,941,635	4,422,486	-	-	-
Culture and Recreation - Fort Hunter	48,414	38,461	48,672	44,514	44,554	51,435
Operating Grants and contributions						
Public Works - Solid Waste Fund	67,993	231,482	5,229	95,831	54,268	90,310
Public Safety - Emergency 911	-	52,061	-	-	-	-
Total business-type activities program revenue	74,098,207	74,107,117	74,052,971	70,316,089	80,367,795	87,888,229
Total primary government program revenues	\$ 223,009,910	\$ 223,173,614	\$ 228,038,170	\$ 223,890,554	\$ 249,220,638	\$ 254,689,704
Net expense:						
Governmental activities	\$ (110,234,098)	\$ (107,827,708)	\$ (108,648,814)	\$ (110,377,341)	\$ (111,213,195)	\$ (115,965,188)
Business-type activities	(3,130,229)	(3,212,990)	(3,041,758)	(450,264)	(705,538)	(507,806)
Total primary government net expense	\$ (113,364,327)	\$ (111,040,698)	\$ (111,690,572)	\$ (110,827,605)	\$ (111,918,733)	\$ (116,472,994)

Changes in Net Position

Last Six Years

COUNTY OF DAUPHIN, PENNSYLVANIA

(accrual basis of accounting)

(continued)

	2012	2013	2014	2015	2016	2017
General Revenue and Other						
Changes in Net Position						
Governmental activities:						
Taxes:						
Property taxes, levied for general purposes	\$ 99,828,373	\$ 100,484,797	\$ 101,557,300	\$ 102,381,207	\$ 103,874,126	\$ 104,379,322
Hotel taxes	9,074,534	9,725,114	10,680,070	10,957,914	11,359,510	11,717,786
In-lieu of taxes	1,900,267	1,772,152	1,793,658	2,813,934	2,184,946	2,157,821
Unrestricted investment income	239,826	170,979	267,267	(317,957)	122,676	1,046,462
Appreciation (Depreciation) in Fair Market						
Value of Investments	60,535	90,003	58,978	(24,964)	-	-
Miscellaneous	-	-	-	2,286,775	1,551,190	2,565,544
Gain/(Loss) on Asset Disposal	11,311	(36,738)	-	(441,830)	3,320,275	-
Loss on Guaranteed Debt Payments	(17,139,378)	-	-	-	-	-
Swap Proceeds	505,000	-	-	-	-	-
Transfers from Component Unit	619,624	-	-	-	-	-
Transfers from/(to) Primary Government	-	1,100,606	1,677,955	(363,745)	-	-
Transfers in/(out) of Capital Assets and Long-						
Term Liabilities	-	-	-	242,026	-	-
Transfers in/(out)	(802,494)	(2,669,177)	(3,577,026)	594,404	(504,741)	(527,094)
Special Items						
Proceeds from Incinerator Settlement	-	7,045,600	-	-	-	-
Allowance for Incinerator Debt payments	-	(6,043,741)	-	-	-	-
Total governmental activities	<u>94,297,598</u>	<u>111,639,595</u>	<u>112,458,202</u>	<u>118,127,764</u>	<u>121,907,982</u>	<u>121,339,841</u>
Business-type activities						
Unrestricted investment income	12,582	6,887	9,286	2,851	9,769	27,754
Gain/(Loss) on Asset Disposal	389,426	-	-	-	-	-
Miscellaneous	-	-	-	-	-	4,892
Transfers in/(out) of Capital Assets and						
Long-Term Liabilities	-	-	-	(242,026)	-	-
Transfers in/(out)	802,494	2,669,177	3,577,026	(594,404)	504,741	527,094
Total business-type activities	<u>1,204,502</u>	<u>2,676,064</u>	<u>3,586,312</u>	<u>(833,579)</u>	<u>514,510</u>	<u>559,740</u>
Total primary government	<u>\$ 95,502,100</u>	<u>\$ 114,315,659</u>	<u>\$ 116,044,514</u>	<u>\$ 117,294,185</u>	<u>\$ 122,422,492</u>	<u>\$ 121,899,581</u>
Change in net position						
Governmental Activities	\$ (15,936,500)	\$ 3,811,887	\$ 3,809,388	\$ 7,750,423	\$ 10,694,787	\$ 5,374,653
Business-type Activities	(1,925,727)	(536,926)	544,554	(1,283,843)	(191,028)	51,934
Total change in net position	<u>\$ (17,862,227)</u>	<u>\$ 3,274,961</u>	<u>\$ 4,353,942</u>	<u>\$ 6,466,580</u>	<u>\$ 10,503,759</u>	<u>\$ 5,426,587</u>

NOTE 1: This schedule is being prepared prospectively in accordance with GASB 63. The next schedule has been included to provide prior years' information as it was originally presented in the prior years' reports.

NOTE 2: The County implemented GASB Statement 65 in 2013 and GASB Statement 68 in 2015; and, therefore, prior years have not been adjusted to reflect the implementation of these standards.

COUNTY OF DAUPHIN, PENNSYLVANIA

(accrual basis of accounting)

	2008	2009	2010	2011
Expenses				
Governmental activities				
General government	\$ 23,208,641	\$ 25,676,531	\$ 25,943,187	\$ 25,450,965
Judicial	45,963,260	48,312,938	51,966,818	53,005,426
Public safety	36,617,733	38,933,598	43,343,970	41,926,883
Public works	574,649	714,493	419,047	1,620,843
Human Services	149,336,214	133,374,047	114,091,581	112,461,597
Culture and recreation	9,581,620	9,411,019	9,788,893	10,020,111
Conservation & Development	8,518,775	10,295,203	14,018,932	17,992,444
Interest and fiscal charges on long-term debt	5,298,211	5,581,014	5,865,430	4,187,999
Indirect Expenses	(732,469)	(758,937)	(791,468)	(838,866)
Total governmental activities expenses	278,366,634	271,539,906	264,646,390	265,827,402
Business-type activities				
Human Services - Health Choices Fund	54,196,235	70,648,977	70,242,714	68,091,896
Public Works - Human Service Building	1,391,170	1,414,489	1,107,110	861,411
Public Works - Solid Waste Fund	1,041,462	1,457,505	1,422,164	1,610,431
Public Safety - Emergency 911	5,127,855	5,507,407	5,842,220	7,340,029
Culture and Recreation - Fort Hunter	105,561	89,028	96,620	116,774
Indirect Expenses	732,469	758,937	791,468	838,866
Total business-type activities expenses	62,594,752	79,876,343	79,502,296	78,859,407
Total primary government expenses	\$ 340,961,386	\$ 351,416,249	\$ 344,148,686	\$ 344,686,809
Program revenues				
Governmental activities:				
Charges for services				
General government	\$ 5,280,856	\$ 6,381,052	\$ 6,228,703	\$ 5,911,259
Judicial	10,264,888	9,789,809	10,058,758	10,172,292
Public safety	9,187,920	7,785,758	9,871,150	7,541,430
Human services	2,322,225	2,403,398	2,727,557	2,202,963
Culture and recreation	173,939	119,914	130,532	130,904
Conservation and Development	723,996	702,966	454,381	560,871
Operating Grants and contributions				
General government	25,784	81,580	1,579,222	298,946
Judicial	7,264,399	9,186,367	9,033,896	8,830,390
Public safety	1,659,619	1,848,508	2,809,990	2,134,950
Public Works	1,128,204	809,066	1,472,385	782,389
Human services	135,427,890	119,866,570	102,627,850	100,248,912
Culture and recreation	165,646	384,525	301,837	341,857
Conservation and Development	14,488,789	18,174,744	16,610,189	16,214,856
Total Primary Government type activities	188,114,155	177,534,257	163,906,450	155,372,019
Business-type activities:				
Charges for services				
Human Services - Health Choices Fund	54,274,045	70,735,914	70,346,629	68,171,492
Public Works - Human Service Building	1,645,202	1,651,157	1,507,035	1,233,260
Public Works - Solid Waste Fund	784,691	901,257	895,602	861,306
Public Safety - Emergency 911	6,201,552	5,750,486	5,505,946	4,965,596
Culture and Recreation - Fort Hunter	45,134	46,161	41,150	44,835
Operating Grants and contributions				
Human Services - Health Choices Fund	19,590	-	-	-
Public Works - Solid Waste Fund	30,661	40,469	72,630	67,596
Public Safety - Emergency 911	192,470	-	-	-
Culture and Recreation - Fort Hunter	2,023	70,000	-	-
Total business-type activities program revenue	63,195,368	79,195,444	78,368,992	75,344,085
Total primary government program revenues	\$ 251,309,523	\$ 256,729,701	\$ 242,275,442	\$ 230,716,104
Net expense:				
Governmental activities	\$ (90,252,479)	\$ (94,005,649)	\$ (100,739,940)	\$ (110,455,383)
Business-type activities	600,616	(680,899)	(1,133,304)	(3,515,322)
Total primary government net expense	\$ (89,651,863)	\$ (94,686,548)	\$ (101,873,244)	\$ (113,970,705)

COUNTY OF DAUPHIN, PENNSYLVANIA

(accrual basis of accounting)

(continued)

	2008	2009	2010	2011
General Revenue and Other				
Changes in Net Assets				
Governmental activities:				
Taxes:				
Property taxes, levied for general purposes	\$ 96,267,073	\$ 99,687,242	\$ 98,914,846	\$ 98,588,435
Hotel taxes	8,169,200	8,222,770	8,458,641	8,900,896
In-lieu of taxes	1,737,651	1,628,168	1,700,024	1,261,808
Unrestricted investment income	2,626,764	1,288,331	517,651	353,772
Appreciation (Depreciation) in Fair Market				
Value of Investments	(165,228)	91,754	64,132	4,339
Gain/(Loss) on Asset Disposal	(7,878)	(18,789)	6,713	6,900
Rent Recoupment	-	(635,707)	-	-
Swap Proceeds	800,000	1,668,000	-	-
Swap Option Termination Payments/ Swap Termination Fees	-	-	(2,363,500)	-
Transfers from Component Unit	593,114	637,361	635,589	637,609
Transfers in/(out)	1,788,076	(743,735)	(1,411,552)	(665,116)
Total governmental activities	<u>111,808,772</u>	<u>111,825,395</u>	<u>106,522,544</u>	<u>109,088,643</u>
Business-type activities				
Unrestricted investment income	55,336	111,791	46,524	26,286
Donated Assets	-	-	-	-
Gain/(Loss) on Asset Disposal	-	213,814	-	-
Transfers in/(out)	(1,788,076)	743,735	1,411,552	665,116
Total business-type activities	<u>(1,732,740)</u>	<u>1,069,340</u>	<u>1,458,076</u>	<u>691,402</u>
Total primary government	<u>\$ 110,076,032</u>	<u>\$ 112,894,735</u>	<u>\$ 107,980,620</u>	<u>\$ 109,780,045</u>
Change in net assets				
Governmental Activities	\$ 21,556,293	\$ 17,819,746	\$ 5,782,604	\$ (1,366,740)
Business-type Activities	(1,132,124)	388,441	324,772	(2,823,920)
Total change in net assets	<u>\$ 20,424,169</u>	<u>\$ 18,208,187</u>	<u>\$ 6,107,376</u>	<u>\$ (4,190,660)</u>

NOTE: The County implemented GASB Statements 51 and 53 beginning in 2010, GASB Statement 63 in 2013, and GASB Statement 68 in 2015; and, therefore, prior years have not been adjusted to reflect implementation of these standards.

Governmental Activities Tax Revenues by Source

Last Ten Years

COUNTY OF DAUPHIN, PENNSYLVANIA

(accrual basis of accounting)

<u>Year</u>	<u>Real Estate Tax</u>	<u>Hotel Room Tax</u>	<u>Total</u>
2008	\$ 96,367,073	\$ 8,169,200	\$ 104,536,273
2009	99,687,242	8,222,770	107,910,012
2010	98,914,846	8,458,641	107,373,487
2011	98,588,435	8,900,896	107,489,331
2012	99,628,373	9,074,534	108,702,907
2013	100,484,797	9,725,114	110,209,911
2014	101,557,300	10,680,070	112,237,370
2015	102,381,207	10,957,914	113,339,121
2016	103,874,126	11,359,510	115,233,636
2017	104,379,322	11,717,786	116,097,108

Fund Balances of Governmental Funds

Last Ten Years

COUNTY OF DAUPHIN, PENNSYLVANIA
(accrual basis of accounting)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund										
Reserved	\$ 1,001,653	\$ 4,677,180	\$ 48,693,315	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	60,768,632	60,841,154	47,343,928	-	-	-	-	-	-	-
Nonspendable	-	-	-	47,835,377	45,251,837	9,747,318	11,650,424	16,772,783	15,556,960	16,560,026
Assigned	-	-	-	20,871,756	13,586,946	-	5,673,324	8,872,094	12,454,580	12,275,149
Unassigned	-	-	-	22,492,245	11,683,415	27,750,848	27,247,543	24,262,396	21,130,318	23,194,418
Total General Fund	<u>\$ 61,770,285</u>	<u>\$ 65,518,334</u>	<u>\$ 96,037,243</u>	<u>\$ 91,199,378</u>	<u>\$ 70,522,198</u>	<u>\$ 37,498,166</u>	<u>\$ 44,571,291</u>	<u>\$ 49,907,273</u>	<u>\$ 49,141,858</u>	<u>\$ 52,029,593</u>
All other-governmental funds										
Reserved										
Capital Projects Fund	\$ 9,765,718	\$ 25,496,409	\$ 18,732,026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Nonmajor Funds	17,088,793	24,648,037	25,369,743	-	-	-	-	-	-	-
Nonspendable	-	-	-	2,534,470	3,975,280	3,939,726	3,907,114	3,655,000	1,241,905	1,222,093
Restricted	-	-	-	34,245,154	28,776,237	18,862,587	19,238,760	23,298,783	22,988,391	23,515,769
Assigned	-	-	-	-	-	5,978,924	2,360,554	2,841,566	6,377,707	8,844,525
Unassigned	-	-	-	-	-	-	-	(24,972)	-	-
Total all other governmental funds	<u>\$ 26,854,511</u>	<u>\$ 50,144,446</u>	<u>\$ 44,101,769</u>	<u>\$ 36,779,624</u>	<u>\$ 32,751,517</u>	<u>\$ 28,781,237</u>	<u>\$ 25,506,428</u>	<u>\$ 29,770,377</u>	<u>\$ 30,608,003</u>	<u>\$ 33,582,387</u>
Total fund balances of all governmental funds	<u>\$ 88,624,796</u>	<u>\$ 115,662,780</u>	<u>\$ 140,139,012</u>	<u>\$ 127,979,002</u>	<u>\$ 103,273,715</u>	<u>\$ 66,279,403</u>	<u>\$ 70,077,719</u>	<u>\$ 79,677,650</u>	<u>\$ 79,749,861</u>	<u>\$ 85,611,980</u>

NOTE: The County implemented GASB Statement 54 beginning in 2011; and, therefore prior years have not been adjusted to reflect implementation of this standard.

Changes in Fund Balances of Governmental Funds

Last Ten Years

COUNTY OF DAUPHIN, PENNSYLVANIA
(modified-accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenue:										
Property Taxes	\$ 95,576,298	\$ 99,139,719	\$ 98,928,619	\$ 98,746,079	\$ 99,745,703	\$ 100,610,002	\$ 101,593,952	\$ 102,161,789	\$ 104,430,716	\$ 104,674,431
Hotel Taxes	8,169,200	8,222,770	8,458,641	8,900,896	9,074,534	9,725,114	10,680,070	10,957,914	11,359,510	11,717,786
Intergovernmental	161,107,930	149,947,426	135,810,438	128,516,500	123,054,965	121,467,341	128,946,120	130,342,265	145,524,478	142,532,893
Charges for Services	22,523,026	21,746,731	24,209,696	20,900,323	20,586,292	21,465,080	19,112,027	20,816,043	20,365,325	21,904,835
License and Permits	107,559	98,232	81,145	79,916	111,168	110,694	105,213	107,191	129,273	165,921
Court Costs and Fines	5,330,022	5,343,825	5,195,912	5,271,488	5,117,532	5,438,374	5,596,484	5,122,600	5,018,713	4,355,647
Interest and Rents	3,086,758	1,831,040	679,636	432,195	380,933	324,158	294,008	220,956	479,552	1,046,462
Miscellaneous Revenue	158,047	1,599,415	211,430	1,791,516	1,861,441	2,293,984	2,051,250	2,286,775	1,551,190	2,565,544
Total revenues	<u>296,058,840</u>	<u>287,929,158</u>	<u>273,575,517</u>	<u>264,638,913</u>	<u>259,932,568</u>	<u>261,434,747</u>	<u>268,379,124</u>	<u>272,015,833</u>	<u>288,858,757</u>	<u>288,963,519</u>
Expenditure:										
Current:										
General government	12,854,496	15,799,802	15,246,114	13,310,093	13,632,054	20,606,693	12,568,616	13,795,509	12,546,041	12,774,602
Judicial	49,139,054	52,924,790	56,732,643	57,423,430	58,345,058	59,453,828	60,991,551	62,896,565	62,834,027	63,825,449
Public Safety	37,789,097	40,368,605	44,964,637	40,787,150	43,495,804	39,311,668	37,522,009	44,593,238	45,091,034	45,991,418
Public Works	340,634	1,524,277	4,683,407	1,578,056	1,179,281	1,194,333	6,855,353	1,761,453	1,078,435	1,339,098
Human Services	149,908,799	134,252,651	115,854,754	113,897,014	107,793,163	105,885,655	104,690,413	106,878,569	113,039,405	115,871,738
Culture and Recreation	9,888,932	9,865,376	10,088,173	10,585,517	10,766,861	12,131,061	12,822,560	13,377,664	13,807,651	14,215,710
Conservation and Development	8,676,219	10,447,932	14,388,173	18,137,502	13,489,492	18,761,162	16,583,950	11,730,470	20,715,865	13,548,786
Debt Service										
Principal	5,465,009	5,621,657	5,571,115	8,607,154	7,571,138	43,660,909	19,088,532	29,655,798	26,047,302	15,917,222
Interest	5,198,692	5,224,873	5,456,580	5,284,554	5,045,163	5,508,225	5,661,010	4,965,306	4,401,171	4,064,872
Bond Issuance Costs	-	-	-	-	-	184,383	269,393	238,546	204,773	424,625
Capital Outlay	10,859,547	8,513,873	8,376,398	7,827,806	7,331,881	1,087,821	1,396,911	1,210,603	9,216,502	7,875,070
Total Expenditures	<u>290,120,479</u>	<u>284,543,836</u>	<u>281,361,994</u>	<u>277,438,276</u>	<u>268,649,895</u>	<u>307,785,738</u>	<u>278,450,298</u>	<u>291,103,721</u>	<u>308,982,206</u>	<u>295,848,590</u>
Excess of Revenues Over (Under)										
Expenditures	<u>5,938,361</u>	<u>3,385,322</u>	<u>(7,786,477)</u>	<u>(12,799,363)</u>	<u>(8,717,327)</u>	<u>(46,350,991)</u>	<u>(10,071,174)</u>	<u>(19,087,888)</u>	<u>(20,123,449)</u>	<u>(6,885,071)</u>
Other Financing Sources (Uses)										
Transfers In	25,746,722	52,234,218	16,546,130	15,286,068	20,788,649	16,116,304	15,006,095	19,094,348	20,139,834	17,312,738
Transfers Out	(23,958,646)	(52,977,953)	(17,957,682)	(15,951,184)	(21,591,143)	(18,785,481)	(18,583,121)	(18,499,944)	(20,644,575)	(17,839,832)
Transfers from Component Unit	593,114	637,361	635,589	637,609	619,624	1,100,606	1,677,955	104,544	-	-
Transfers to Component Unit	-	-	-	-	-	-	-	(468,289)	-	-
Proceeds (Loss) from Asset Disposal	5,518	275	6,713	6,900	11,311	(36,738)	-	27,437	3,321,471	-
Swap Termination transactions/fees	-	-	(2,363,500)	-	-	-	-	(1,146,000)	(1,076,900)	-
Swap Proceeds	800,000	1,668,000	-	-	505,000	-	-	-	-	-
Payment to Bond Escrow Agent	(16,700,000)	-	(23,610,000)	(16,465,000)	-	(14,955,000)	(8,080,000)	-	-	(18,645,431)
Bond Premium	-	238,427	560,109	1,091,219	-	-	116,368	2,595,006	1,357,680	2,104,367
Bond Discount	-	-	-	-	-	-	(33,164)	-	-	-
Rent Recoupment	-	(635,707)	-	-	-	-	-	-	-	-
Loss on Guaranteed Debt Payments	-	-	-	-	(17,139,378)	-	-	-	-	-
Proceeds of General Obligation Debt	-	21,965,000	34,746,500	-	-	-	-	-	-	4,355,000
Issuance of Refunding Bonds	16,865,000	-	23,380,000	15,655,000	-	15,905,000	18,080,000	19,425,000	14,690,000	16,775,000
Note Proceeds	-	-	-	-	-	-	4,272,723	7,034,518	1,279,250	-
Capital Lease Proceeds	668,806	523,041	318,850	378,741	817,977	9,010,129	1,412,634	521,199	1,128,900	8,685,348
Total Other Financing Sources (Uses)	<u>4,020,514</u>	<u>23,652,662</u>	<u>32,262,709</u>	<u>639,353</u>	<u>(15,987,960)</u>	<u>8,354,820</u>	<u>13,869,490</u>	<u>28,687,819</u>	<u>20,195,660</u>	<u>12,747,190</u>
Special Items										
Proceeds from Incinerator Settlement	-	-	-	-	-	7,045,600	-	-	-	-
Allowance for Incinerator Debt Payments	-	-	-	-	-	(6,043,741)	-	-	-	-
Total Special Items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,001,859</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	9,958,875	27,037,984	24,476,232	(12,160,010)	(24,705,287)	(36,994,312)	3,798,316	9,599,931	72,211	5,862,119
Fund Balances - Beginning of Year	78,665,921	88,624,796	115,662,780	140,139,012	127,979,002	103,273,715	66,279,403	70,077,719	79,677,650	79,749,861
Fund Balances - End of Year	<u>\$ 88,624,796</u>	<u>\$ 115,662,780</u>	<u>\$ 140,139,012</u>	<u>\$ 127,979,002</u>	<u>\$ 103,273,715</u>	<u>\$ 66,279,403</u>	<u>\$ 70,077,719</u>	<u>\$ 79,677,650</u>	<u>\$ 79,749,861</u>	<u>\$ 85,611,980</u>
Debt service as a percentage of noncapital expenditures	3.8%	3.9%	4.0%	5.2%	4.8%	16.1%	9.0%	12.0%	10.2%	7.1%

COUNTY OF DAUPHIN, PENNSYLVANIA
(modified-accrual basis of accounting)

Year	General Government	Judicial	Public Safety	Public Works	Human Services	Culture and Recreation	Conservation and Development	Capital Projects	(2) (3) Debt Service	Totals
2008	\$ 12,854,496	\$ 49,139,054	\$ 37,789,097	\$ 340,634	\$ 149,908,799	\$ 9,888,932	\$ 8,676,219	\$ 10,859,547	\$ 10,663,701	\$ 290,120,479
2009	15,799,802	52,924,790	40,368,605	1,524,277	134,252,651	9,865,376	10,447,932	8,513,873	10,846,530	284,543,836
2010	15,246,114	56,732,643	44,964,637	4,683,407	115,854,754	10,088,173	14,388,173	8,376,398	11,027,695	281,361,994
2011	13,310,093	57,423,430	40,787,150	1,578,056	113,897,014	10,585,517	18,137,502	7,827,806	13,891,708	277,438,276
2012	13,632,054	58,345,058	43,495,804	1,179,281	107,793,163	10,766,861	13,489,492	7,331,881	12,616,301	268,649,895
2013	20,606,693	59,453,828	39,311,668	1,194,333	105,885,655	12,131,061	18,761,162	1,087,821	49,353,517	307,785,738
2014	12,568,616	60,991,551	37,522,009	6,855,353	104,690,413	12,822,560	16,583,950	1,396,911	25,018,935	278,450,298
2015	13,795,509	62,896,565	44,593,238	1,761,453	106,878,569	13,377,664	11,730,470	1,210,603	34,859,650	291,103,721
2016	12,546,041	62,834,027	45,091,034	1,078,435	113,039,405	13,807,651	20,715,865	9,216,502	30,653,246	308,982,206
2017	12,774,602	63,825,449	45,991,418	1,339,098	115,871,738	14,215,710	13,548,786	7,875,070	20,406,719	295,848,590

NOTES:

- (1) Includes General, Special Revenue, Permanent, and Capital Projects Funds.
- (2) Includes interest and bond issuance costs on general obligation debt.
- (3) Does not include Enterprise Funds debt.

REVENUE CAPACITY

General Governmental Revenues by Source (1)

Last Ten Years

COUNTY OF DAUPHIN, PENNSYLVANIA

(modified-accrual basis of accounting)

Year	Property and Hotel Tax	Intergovernmental	Charges for Services	License, Permits, Court Costs, and Fines	Interest, Rents, and Investments	Miscellaneous	(1) Totals
2008	\$ 103,745,498	\$ 161,107,930	\$ 22,523,026	\$ 5,437,581	\$ 3,086,758	\$ 158,047	\$ 296,058,840
2009	107,362,489	149,947,426	21,746,731	5,442,057	1,831,040	1,599,415	287,929,158
2010	107,387,260	135,810,438	24,209,696	5,277,057	679,636	211,430	273,575,517
2011	107,646,975	128,516,500	20,900,323	5,351,404	432,195	1,791,516	264,638,913
2012	108,820,237	123,054,965	20,586,292	5,228,700	380,933	1,861,441	259,932,568
2013	110,335,116	121,467,341	21,465,080	5,549,068	324,158	2,293,984	261,434,747
2014	112,274,022	128,946,120	19,112,027	5,701,697	294,008	2,051,250	268,379,124
2015	113,119,703	130,342,265	20,816,043	5,230,091	220,956	2,286,775	272,015,833
2016	115,790,226	145,524,478	20,365,325	5,147,986	479,552	1,551,190	288,858,757
2017	116,392,217	142,532,893	21,904,835	4,521,568	1,046,462	2,565,544	288,963,519

NOTES:

(1) Includes General, Special Revenue, and Capital Projects Funds.

COUNTY OF DAUPHIN, PENNSYLVANIA
 (modified-accrual basis of accounting)

<u>Year</u>	<u>Real Estate Tax</u>	<u>Hotel Room Tax</u>	<u>Total</u>
2008	\$ 95,576,298	\$ 8,169,200	\$ 103,745,498
2009	99,139,719	8,222,770	107,362,489
2010	98,928,619	8,458,641	107,387,260
2011	98,746,079	8,900,896	107,646,975
2012	99,745,703	9,074,534	108,820,237
2013	100,610,002	9,725,114	110,335,116
2014	101,593,952	10,680,070	112,274,022
2015	102,161,789	10,957,914	113,119,703
2016	104,430,713	11,359,510	115,790,223
2017	104,674,431	11,717,786	116,392,217

COUNTY OF DAUPHIN, PENNSYLVANIA

Year	(1) Residential	(1) Commercial	(1) Agricultural	(1) Industrial	(3) Other	Total	(2) Exempt	Total Direct Tax Rate	(1) Estimated Market Value	Assessed Value as a Percentage of Market Value
2008	\$ 8,548,581,600	\$ 4,089,205,250	\$ 309,697,600	\$ 708,975,500	\$ 302,317,300	\$ 13,958,777,250	\$ 4,009,065,600	7.226	\$ 19,600,379,593	71.2%
2009	8,655,376,300	4,125,311,050	312,730,600	731,394,700	306,682,500	14,131,495,150	4,045,825,200	7.226	20,712,927,226	68.2%
2010	8,790,639,500	4,320,013,750	310,311,900	748,251,100	301,244,000	14,470,460,250	4,108,566,150	7.226	21,146,516,861	68.4%
2011	8,890,294,923	4,338,908,450	313,365,500	730,916,300	295,648,400	14,569,133,573	4,107,421,300	7.226	20,669,325,991	70.5%
2012	8,963,647,300	4,331,973,550	286,507,500	733,711,500	324,170,700	14,640,010,550	4,144,296,920	7.226	19,953,769,047	73.4%
2013	9,420,281,350	4,005,908,800	283,588,100	699,856,700	325,655,700	14,735,290,650	4,030,420,000	7.226	20,262,690,702	72.7%
2014	9,581,558,650	3,936,089,200	281,767,300	684,724,800	316,865,300	14,801,005,250	4,025,899,196	7.226	19,398,434,141	76.3%
2015	9,642,380,250	3,882,252,800	280,645,400	698,184,600	282,003,600	14,785,466,650	4,033,739,400	7.226	20,118,761,927	73.5%
2016	9,721,601,400	4,106,159,450	277,855,700	717,676,400	352,739,700	15,176,032,650	4,157,065,650	7.226	20,252,831,208	74.9%
2017	9,736,646,400	4,275,028,750	286,379,500	707,279,300	288,244,100	15,293,578,050	4,144,214,950	7.226	21,257,264,705	71.9%

Sources:

(1) PA State Tax Equilization Board

(2) Dauphin County Tax Assessment - Includes utilities and exempt properties

Notes:

(3) Category includes Lots, Trailers, Land, Seasonal, etc.

Real Estate Millage Rates -
Direct and Overlapping Governments

Last Ten Years
(unaudited)

COUNTY OF DAUPHIN, PENNSYLVANIA

(1) Year	County Direct Rates			Overlapping Rates		Total
	Basic Rate	Library Tax	Total Rate	(2) Municipalities	(2) School District	
2008	6.876	0.35	7.226	2.917	17.971	28.114
2009	6.876	0.35	7.226	3.823	18.185	29.233
2010	6.876	0.35	7.226	3.948	18.650	29.824
2011	6.876	0.35	7.226	3.928	18.944	30.098
2012	6.876	0.35	7.226	4.260	19.111	30.596
2013	6.876	0.35	7.226	4.327	19.344	30.897
2014	6.876	0.35	7.226	4.362	19.632	31.221
2015	6.876	0.35	7.226	4.610	19.999	31.835
2016	6.876	0.35	7.226	4.673	20.427	32.326
2017	6.876	0.35	7.226	4.725	20.502	32.453

NOTES:

(1) The fiscal year shown represents the calendar year for the County and Municipalities and the fiscal year for School Districts which begins in July of the year shown and spans six months into the next calendar year.

(2) Each unit within these classes levies its own millage rate. The rates shown are an average.

Source: Tax Assessment Office

Direct and Overlapping Property Tax Rates

Last 10 Years
(unaudited)

COUNTY OF DAUPHIN, PENNSYLVANIA

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
County Direct Rate										
General	6.876	6.876	6.876	6.876	6.876	6.876	6.876	6.876	6.876	6.876
Library	0.350	0.350	0.350	0.350	0.350	0.350	0.350	0.350	0.350	0.350
Total Direct Rate	<u>7.226</u>	<u>7.226</u>	<u>7.226</u>	<u>7.226</u>	<u>7.226</u>	<u>7.226</u>	<u>7.226</u>	<u>7.226</u>	<u>7.226</u>	<u>7.226</u>
School District Rates										
Central Dauphin	13.548	13.860	13.860	13.860	14.3170	14.3173	14.6008	14.8622	15.2188	16.1160
Derry Township	16.520	16.520	16.990	16.990	17.5510	17.5541	17.9227	18.1019	18.1019	18.1019
Halifax Area	18.530	18.530	19.750	20.450	20.4500	20.4500	20.4500	21.9600	22.4870	22.4870
Harrisburg City	23.750	25.199	26.307	26.307	26.9650	27.9156	27.9156	27.9156	27.8000	27.8000
Lower Dauphin	18.100	18.100	18.100	18.420	18.4200	18.4200	18.4200	18.4200	18.4200	18.4200
Middletown Area	19.948	19.948	20.660	20.990	21.4000	21.8100	22.1500	22.1500	22.1500	22.1500
Millersburg Area	16.575	16.575	17.221	17.221	17.6170	18.0221	18.5267	18.9898	19.5974	19.5974
Steelton-Highspire	23.337	23.337	24.337	24.837	24.8370	25.4770	25.4770	25.4770	26.2770	26.2770
Susquehanna Township	15.430	15.970	16.430	16.430	16.4300	16.8400	17.0200	17.0200	17.5306	17.5306
Susquenita	21.093	20.765	20.374	20.795	19.5550	19.5320	20.3540	21.6660	22.8100	22.8100
Upper Dauphin	15.400	15.400	15.400	16.380	16.7566	16.7566	17.2425	17.6908	18.2745	18.2745
Williams Valley	13.420	14.010	14.370	14.650	15.0300	15.0300	15.5100	15.7300	16.4600	16.4600
City										
Harrisburg - Land	28.6700	28.6700	28.6700	28.6700	30.9700	30.9700	30.9700	30.9700	30.9700	30.9700
Harrisburg - Building	4.7800	4.7800	4.7800	4.7800	5.1600	5.1600	5.1600	5.1600	5.1600	5.1600
Borough Rates										
Berrysburg	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500
Dauphin	5.0000	5.0000	5.0000	5.0000	5.0000	5.0000	5.0000	5.0000	5.0000	5.0000
Elizabethville	4.4000	4.4000	4.4000	4.4000	4.4300	4.9000	4.9000	5.6500	5.6500	5.6500
Gratz	0.8025	0.8025	0.8025	0.8025	0.8025	0.8025	0.8025	0.8025	0.8025	0.8025
Halifax	2.5280	2.5280	2.5280	2.5280	3.5280	3.5280	3.5280	4.0280	4.0280	4.0280
Highspire	10.3500	11.3500	12.3500	12.3500	14.3000	14.9500	15.8000	17.5000	18.5000	18.5000
Hummelstown	1.7000	2.0000	2.0000	2.0000	2.0000	2.3500	2.3500	2.3500	2.3500	2.8500
Lykens	3.9200	3.9200	3.9200	3.9200	4.4200	4.4200	4.4200	4.4200	4.4200	4.4200
Middletown	5.6310	5.6310	5.6310	5.6310	5.6310	5.6310	5.6310	5.6310	5.6310	5.6310
Millersburg	4.6780	4.7780	4.8780	4.8780	5.1180	5.1180	5.1180	5.2680	5.4180	5.9500
Paxtang	9.1900	10.0000	10.7300	10.7300	10.7300	10.7300	11.2300	11.2300	11.2300	11.2300
Penbrook	8.3700	8.7500	9.0000	9.0000	9.4500	9.4500	9.7000	9.9500	10.4500	10.9500
Pillow	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000
Royalton	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.0000	3.2000	3.3250	3.5750
Steelton - Land	12.0000	12.0000	14.0000	14.0000	15.0000	15.0000	15.0000	17.0000	17.0000	17.0000
Steelton - Building	12.0000	14.0000	14.0000	14.0000	15.0000	15.0000	15.0000	17.0000	17.0000	17.0000
Williamstown	6.6500	6.6500	6.6500	6.6500	6.6500	6.6500	6.6500	6.6500	6.6500	6.0500
Townships										
Conewago	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Derry	1.0966	1.0966	1.0966	1.0966	1.4466	1.4466	1.4466	1.4466	1.4466	1.9881
East Hanover	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600	0.3600
Halifax	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300	0.9300
Jackson	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200	0.2200
Jefferson	0.7800	0.7800	0.7800	0.7800	0.7800	0.7800	0.7800	0.7800	0.7800	0.7800
Londonderry	1.0700	1.0700	1.0700	1.0700	3.0000	3.0000	3.0000	5.0000	5.0000	5.0000
Lower Paxton	0.8750	0.8750	0.8750	0.8750	1.3000	1.3000	1.3000	1.7000	1.9500	1.9500
Lower Swatara	3.2700	3.2700	3.2700	3.2700	3.2700	4.2400	4.2400	4.2800	4.2800	4.2800
Lykens	0.2500	0.2500	0.2500	0.2500	0.2500	0.5000	0.5000	0.5000	0.5000	0.5000
Middle Paxton	N/A	2.0000	2.0000	1.1700	1.1700	1.1700	1.0000	0.1700	0.1700	N/A
Mifflin	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
Reed	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000
Rush	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500
South Hanover	0.4611	0.4611	0.4611	0.4611	0.4611	0.4611	0.4611	0.4611	0.4611	0.4611
Susquehanna	1.7980	1.7980	2.5980	2.5980	3.0980	3.0980	3.0980	3.0980	3.0980	3.4000
Swatara	1.9400	1.9400	2.1900	2.1900	3.39566	3.7639	3.76388	3.76388	3.76388	3.7639
Upper Paxton	0.4780	0.4780	0.4780	0.4780	0.4780	0.4780	0.4780	0.4780	0.4780	0.7725
Washington	1.4400	1.4400	1.4400	1.4400	1.4400	1.4400	1.4400	1.4400	1.4400	1.4400
Wayne	0.5174	0.5174	0.5174	0.5174	0.5174	0.5174	0.5174	0.5174	0.5174	0.5174
West Hanover Township	1.1857	1.1857	1.1857	1.1857	1.1857	1.2534	1.2534	1.2534	1.2534	1.2534
Wiconisco	4.3400	4.3340	4.3400	4.3400	4.3400	4.3400	4.3400	5.3400	5.3400	5.3400
Williams	1.4600	1.4600	1.4600	1.4600	1.4600	1.4600	1.4600	1.4600	2.0000	2.0000

Source: Tax Assessment Office

Principal Property Taxpayers

2008 and 2017 Tax Years
(unaudited)

COUNTY OF DAUPHIN, PENNSYLVANIA

Taxpayer	2017			2008		
	Taxable Assessed Value	Rank	(1) Percentage of Total Assessed Valuation	Taxable Assessed Value	Rank	(2) Percentage of Total Assessed Valuation
GLP Capital LP	\$ 191,800,000	1	1.25%			
HERCO	164,878,200	2	1.08%	\$ 141,712,450 *	2	1.02%
Harristown Dev Corp	153,233,600	3	1.00%	186,196,500 *	1	1.33%
Hershey Foods	152,438,400	4	1.00%	121,379,400 *	3	0.87%
Boyd and Mahoney Partners	73,409,600	5	0.48%	44,816,900	7	0.32%
Milton Hershey School	52,876,300	6	0.35%	59,642,350 *	5	0.43%
Prologis	49,721,100	7	0.33%			
Keystone	42,379,100	8	0.28%			
Tyco Electronics Corp	41,038,000	9	0.27%	54,493,500	6	0.39%
Clabell Management	38,111,700	10	0.25%	41,682,600	8	0.30%
Feldman Lubert Adler Harrisburg LP				63,532,750 *	4	0.46%
M & T				28,008,500	9	0.20%
AmerGen Energy Co.				22,773,700	10	0.16%
Total	\$ 959,886,000		6.28%	\$ 764,238,650		5.47%

Source: Tax Assessment Office

(1) Percentage based on total County taxable assessed valuation for 2017

(2) Percentage based on total County taxable assessed valuation for 2008

* 2008 Taxable Assessed Value unable to be located. Took average of the 2007 Taxable Assessed Value and the 2009 Taxable Assessed Value if there was a difference between the years.

COUNTY OF DAUPHIN, PENNSYLVANIA

Year Ended December 31	Taxes Levied for the Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$ 96,364,016	\$ 91,825,097	95.29%	\$ 4,230,232	\$ 96,055,329	99.68%
2009	98,859,243	94,228,706	95.32%	3,821,786	98,050,492	99.18%
2010	100,461,882	95,300,000	94.86%	4,372,000	99,672,000	99.21%
2011	100,765,603	94,850,941	94.13%	5,054,133	99,905,074	99.15%
2012	100,843,555	95,256,538	94.46%	4,965,412	100,221,950	99.38%
2013	101,501,047	95,958,167	94.54%	5,206,737	101,164,904	99.67%
2014	102,033,935	96,656,111	94.73%	4,937,561	101,593,672	99.57%
2015	102,829,762	97,615,729	94.93%	4,896,361	102,512,090	99.69%
2016	104,851,183	99,197,875	94.61%	5,232,840	104,430,715	99.60%
2017	105,730,110	99,951,142	94.53%	-	99,951,142	94.53%

Source: Budget & Finance

COUNTY OF DAUPHIN, PENNSYLVANIA

Year Ended December 31	Taxes Levied for the Year	Collected within the Fiscal Year fo the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$ 3,844,528	\$ 3,663,444	95.29%	\$ 168,769	\$ 3,832,213	99.68%
2009	3,944,078	3,759,338	95.32%	152,473	3,911,811	99.18%
2010	4,008,016	3,802,079	94.86%	174,425	3,976,504	99.21%
2011	4,020,134	3,784,163	94.13%	201,639	3,985,802	99.15%
2012	4,023,244	3,800,344	94.46%	198,100	3,998,444	99.38%
2013	4,049,475	3,828,337	94.54%	207,728	4,036,065	99.67%
2014	4,070,735	3,856,182	94.73%	196,988	4,053,170	99.57%
2015	4,102,485	3,894,466	94.93%	195,345	4,089,811	99.69%
2016	4,437,400	4,198,147	94.61%	64,074	4,262,221	96.05%
2017	4,472,237	4,227,795	94.53%	-	4,227,795	94.53%

Source: Budget & Finance

DEBT CAPACITY

Ratio of Outstanding Debt by Type

Last Ten Years
(unaudited)

COUNTY OF DAUPHIN, PENNSYLVANIA

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Total Personal Income	Per Capita
	General Obligation Bonds	Pennsylvania Infrastructure Bank (PIB) Loans	Capital Leases	General Obligation Bonds	Capital Leases			
2008	\$ 116,058,332	\$ -	\$ 6,163,279	\$ 1,600,720	\$ 6,354,382	\$ 130,176,713	1.24%	\$ 490.50
2009	133,249,116	-	5,959,663	1,558,280	5,405,320	146,172,379	1.40%	547.28
2010	163,315,200	-	5,452,397	441,388	4,936,910	174,145,895	1.62%	649.56
2011	155,457,980	-	5,078,985	-	4,529,546	165,066,511	1.46%	613.36
2012	148,377,283	-	4,985,824	-	4,120,470	157,483,577	1.35%	583.31
2013	105,968,117	-	13,145,044	-	3,831,049	122,944,210	1.04%	453.16
2014	97,751,563	4,272,723	13,305,646	-	3,690,546	119,020,478	0.97%	437.45
2015	92,484,215	10,908,917	12,690,069	-	2,995,000	119,078,201	0.93%	436.21
2016	85,252,312	10,822,351	12,452,238	5,699,665	-	114,226,566	0.87%	417.33
2017	80,409,740	9,631,767	15,495,948	5,444,713	-	110,982,168	*	402.53

* Information not yet available.

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

Ratio of General Obligation Debt to Assessed Value
of Real Estate and General Obligation Debt Per Capita

Last Ten Years
(unaudited)

COUNTY OF DAUPHIN, PENNSYLVANIA

Fiscal Year	(1) Population	(2) (3) Assessed Value	(4) General Obligation Debt	Ratio of General Obligation Debt to Assessed Value	General Obligation Debt Per Capita
2008	265,395	13,958,777,250	\$ 117,659,052	0.84%	\$ 443.34
2009	267,090	14,131,495,150	134,807,396	0.95%	504.73
2010	268,100	14,470,460,250	163,756,588	1.13%	610.80
2011	269,119	14,569,133,573	155,457,980	1.07%	577.66
2012	269,940	14,640,010,550	148,377,283	1.01%	549.67
2013	271,420	14,735,290,650	105,968,117	0.72%	390.42
2014	272,219	14,801,005,250	97,751,563	0.66%	359.09
2015	273,176	14,785,466,650	92,484,215	0.63%	338.55
2016	274,121	15,176,032,650	90,951,977	0.60%	331.79
2017	275,710	15,293,578,050	85,854,453	0.56%	311.39

NOTES:

- (1) U.S. Census Bureau, American Factfinder
- (2) PA State Tax Equilization Board
- (3) Does not include Exempt and Utility assessments.
- (4) Annual financial statements of Dauphin County.

COUNTY OF DAUPHIN, PENNSYLVANIA

Government Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
School Districts			
Central Dauphin School District	\$ 143,454,491	100%	\$ 143,454,491
Derry Township School District	37,569,349	100%	37,569,349
Halifax Area School District	21,494,097	100%	21,494,097
Harrisburg City School District	244,064,500	100%	244,064,500
Lower Dauphin School District	26,142,000	100%	26,142,000
Middletown Area School District	N/A	N/A	N/A
Millersburg Area School District	9,670,000	100%	9,670,000
Steelton-Highspire School District	25,588,247	100%	25,588,247
Susquehanna Township School District	37,210,258	100%	37,210,258
Upper Dauphin Area School District	37,740,743	100%	37,740,743
Dauphin County Technical School	19,200,000	100%	19,200,000
Boroughs			
Berrysburg Borough	-	100%	-
Dauphin Borough	2,019,074	100%	2,019,074
Elizabethville Borough	94,109	100%	94,109
Gratz Borough	N/A	N/A	N/A
Halifax Borough	-	100%	-
Highspire Borough	4,930,000	100%	4,930,000
Hummelstown Borough	5,788,394	100%	5,788,394
Lykens Borough	N/A	100%	N/A
Middletown Borough	387,000	100%	387,000
Millersburg Borough	101,401	100%	101,401
Paxtang Borough	14,689	100%	14,689
Penbrook Borough	1,113,534	100%	1,113,534
Pillow Borough	-	100%	-
Royalton Borough	421,530	100%	421,530
Steelton Borough	8,646,261	100%	8,646,261
Williamstown Borough	-	100%	-
City			
City of Harrisburg	65,574,694	100%	65,574,694
Townships			
Conewago Township	1,190,000	100%	1,190,000
Derry Township	N/A	N/A	N/A
East Hanover Township	2,923,907	100%	2,923,907
Halifax Township	-	100%	-
Jackson Township	-	100%	-
Jefferson Township	47,046	100%	47,046
Londonderry Township	2,028,637	100%	2,028,637
Lower Paxton Township	136,812,395	100%	136,812,395
Lower Swatara Township	4,949,326	100%	4,949,326
Lykens Township	-	100%	-
Middle Paxton Township	N/A	N/A	N/A
Mifflin Township	-	100%	-
Reed Township	-	100%	-
Rush Township	N/A	N/A	N/A

COUNTY OF DAUPHIN, PENNSYLVANIA

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Townships (continued)			
South Hanover Township	N/A	N/A	N/A
Susquehanna Township	N/A	N/A	N/A
Swatara Township	11,273,736	100%	11,273,736
Upper Paxton Township	-	100%	-
Washington Township	-	100%	-
Wayne Township	-	100%	-
West Hanover Township	N/A	N/A	N/A
Wiconisco Township	N/A	N/A	N/A
Williams Township	-	100%	-
Subtotal, overlapping debt			\$ 850,449,418
County of Dauphin direct debt			<u>105,537,455</u>
Total direct and overlapping debt			<u><u>\$ 955,986,873</u></u>

Source: Each individual governmental unit.

N/A - Information unavailable

Note 1 - Method to calculate overlapping debt is the percentage applicable multiplied by the total debt report by each governmental unit.

Computation of Legal Debt Margin

Last Ten Years
(unaudited)

COUNTY OF DAUPHIN, PENNSYLVANIA

	Year									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Borrowing Base Revenues										
Two years prior	\$ 359,245,674	\$ 360,201,050	\$ 361,385,555	\$ 369,624,436	\$ 351,871,879	\$ 339,915,402	\$ 335,651,388	\$ 343,533,014	\$ 342,426,866	\$ 342,236,091
Prior year	360,201,050	361,385,555	369,624,436	351,871,879	339,915,402	335,651,388	343,533,014	342,426,866	342,236,091	368,692,656
Current year	<u>361,385,555</u>	<u>369,624,436</u>	<u>351,871,879</u>	<u>339,915,402</u>	<u>335,651,388</u>	<u>343,533,014</u>	<u>342,426,866</u>	<u>342,236,091</u>	<u>368,692,656</u>	<u>376,914,421</u>
Total Revenues	<u>\$ 1,080,832,279</u>	<u>\$ 1,091,211,041</u>	<u>\$ 1,082,881,870</u>	<u>\$ 1,061,411,717</u>	<u>\$ 1,027,438,669</u>	<u>\$ 1,019,099,804</u>	<u>\$ 1,021,611,268</u>	<u>\$ 1,028,195,971</u>	<u>\$ 1,053,355,613</u>	<u>\$ 1,087,843,168</u>
Debt Limit For General Obligation Bonds										
Average borrowing base revenues	\$ 360,277,426	\$ 363,737,014	\$ 360,960,623	\$ 353,803,906	\$ 342,479,556	\$ 339,699,935	\$ 340,537,089	\$ 342,731,990	\$ 351,118,538	\$ 362,614,389
Debt limit percentage	x <u>300%</u>	x <u>300%</u>	x <u>300%</u>	x <u>300%</u>	x <u>300%</u>	x <u>300%</u>	x <u>300%</u>	x <u>300%</u>	x <u>300%</u>	x <u>300%</u>
Debt limit	1,080,832,278	1,091,211,042	1,082,881,869	1,061,411,718	1,027,438,668	1,019,099,805	1,021,611,267	1,028,195,970	1,053,355,614	1,087,843,167
Total outstanding bonded debt	<u>115,840,000</u>	<u>132,955,000</u>	<u>161,616,500</u>	<u>152,511,500</u>	<u>145,851,500</u>	<u>103,991,500</u>	<u>96,155,000</u>	<u>89,275,000</u>	<u>87,180,000</u>	<u>81,220,000</u>
Legal Debt Margin	<u>\$ 964,992,278</u>	<u>\$ 958,256,042</u>	<u>\$ 921,265,369</u>	<u>\$ 908,900,218</u>	<u>\$ 881,587,168</u>	<u>\$ 915,108,305</u>	<u>\$ 925,456,267</u>	<u>\$ 938,920,970</u>	<u>\$ 966,175,614</u>	<u>\$ 1,006,623,167</u>
Total outstanding bonded debt as a percentage of debt limit	10.72%	12.18%	14.92%	14.37%	14.20%	10.20%	9.41%	8.68%	8.28%	7.47%
Debt Limit For General Obligation Bonds and Lease Rental Debt										
Average borrowing base revenues	\$ 360,277,426	\$ 363,737,014	\$ 360,960,623	\$ 353,803,906	\$ 342,479,556	\$ 339,699,935	\$ 340,537,089	\$ 342,731,990	\$ 351,118,538	\$ 362,614,389
Debt limit percentage	x <u>400%</u>	x <u>400%</u>	x <u>400%</u>	x <u>400%</u>	x <u>400%</u>	x <u>400%</u>	x <u>400%</u>	x <u>400%</u>	x <u>400%</u>	x <u>400%</u>
Debt limit	1,441,109,704	1,454,948,056	1,443,842,492	1,415,215,624	1,369,918,224	1,358,799,740	1,362,148,356	1,370,927,960	1,404,474,152	1,450,457,556
Total amount of debt applicable to debt limit	<u>115,840,000</u>	<u>132,955,000</u>	<u>161,616,500</u>	<u>152,511,500</u>	<u>145,851,500</u>	<u>103,991,500</u>	<u>100,427,723</u>	<u>100,183,917</u>	<u>98,002,351</u>	<u>90,851,767</u>
Legal Debt Margin	<u>\$ 1,325,269,704</u>	<u>\$ 1,321,993,056</u>	<u>\$ 1,282,225,992</u>	<u>\$ 1,262,704,124</u>	<u>\$ 1,224,066,724</u>	<u>\$ 1,254,808,240</u>	<u>\$ 1,261,720,633</u>	<u>\$ 1,270,744,043</u>	<u>\$ 1,306,471,801</u>	<u>\$ 1,359,605,789</u>
Total amount of debt applicable to debt limit as a percentage of debt limit	8.04%	9.14%	11.19%	10.78%	10.65%	7.65%	7.37%	7.31%	6.98%	6.26%

DEMOGRAPHIC AND ECONOMIC INFORMATION

Demographic Economic Statistics

Last Ten Years
(Unaudited)

COUNTY OF DAUPHIN, PENNSYLVANIA

<u>Year</u>	<u>Population</u>	<u>Total Personal Income (\$000)</u>	<u>Per Capita Personal Income</u>	<u>Median Household Income</u>	<u>School Enrollment (1)</u>	<u>Annual Average Unemployment Rate (2)</u>
2008	265,395 (A)	\$ 10,488,024 (B)	\$ 39,519 (B)	\$ 52,480 (A)	38,261	4.7
2009	267,090 (A)	10,441,063 (B)	39,092 (B)	48,742 (A)	38,105	7.5
2010	268,100 (C)	10,768,929 (B)	40,144 (B)	52,177 (A)	41,105	8.0
2011	269,119 (A)	11,311,459 (B)	42,031 (B)	51,871 (A)	41,541	7.6
2012	269,940 (A)	11,651,602 (B)	43,157 (B)	52,228 (A)	41,510	7.4
2013	271,420 (A)	11,802,266 (B)	43,502 (B)	53,816 (A)	42,369	6.8
2014	272,219 (A)	12,236,308 (B)	44,974 (B)	52,975 (A)	43,881	5.4
2015	273,176 (A)	12,789,632 (B)	46,851 (B)	54,232 (A)	44,604	4.5
2016	274,121 (A)	13,100,657 (B)	47,864 (B)	53,754 (A)	45,166	4.8
2017	275,710 (A)	*	*	54,968 (A)	45,964	4.5

Notes: * Information not yet available

Sources: (1) Pennsylvania Department of Education
 (2) Annual, not seasonally adjusted from Pennsylvania Department of Labor & Industry, Labor Market Information, Center for workforce Information & Analysis
 (A) U.S. Census Bureau, American Factfinder
 (B) Bureau of Economic Analysis, U.S. Department of Commerce
 (C) U.S. Census 2010 Data

Principal Employers

2008 and 2017
(unaudited)

COUNTY OF DAUPHIN, PENNSYLVANIA

Employer(1)	2017			2008		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
PA State Gov't	15,475	1	11.45%	17,682	1	13.44%
Milton S Hershey Medical Center	12,349	2	9.13%	6,778	2	5.15%
Hershey Entertainment & Resorts Co	N/A	3	N/A	N/A	5	N/A
The Hershey Company	N/A	4	N/A	N/A	3	N/A
UPMC Pinnacle Health Hospitals	5,580	5	4.13%	4,914	4	3.73%
Federal Government *	2,423	6	1.79%	1,003	6	0.76%
United Parcel Service	N/A	7	N/A	N/A		N/A
PHEAA	N/A	8	N/A	N/A	7	N/A
Pennsylvania State University	N/A	9	N/A	N/A	10	N/A
Tyco Electronics Corporation	N/A	10	N/A	N/A	8	N/A
Central Dauphin School District	N/A		N/A	2,199	9	1.67%
Total Employees In County (1)	135,200			131,600		

Sources:

(1) Pennsylvania Department of Labor & Industry, Labor Market Information, Center for workforce Information & Analysis

* Excludes United States Postal data for 2008

N/A - Information not available

OPERATING INFORMATION

Full-Time Employees by Function/Program

Last Ten Years

(unaudited)

COUNTY OF DAUPHIN, PENNSYLVANIA

Functions/Programs	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund Departments										
Adult Probation and Parole	76	78	81	81	82	84	85	89	92	93
Adult Prob Work Release Center	54	58	55	64	65	66	65	66	66	66
Afordable Housing Admin	2	1	1	0	0	0	0	0	0	0
Budget and Finance	4	4	4	4	4	3	3	3	2	2
Chesapeake Bay Project	3	3	3	3	3	2	2	3	2	2
Clerk of Courts	14	13	14	13	14	14	12	13	13	14
Commissioners Office	12	12	11	11	12	12	12	12	12	12
Conservation District	6	5	5	5	5	5	5	5	5	4
Controller's Office	12	12	12	12	12	12	10	10	10	12
Cooperative Extension Svc	5	5	5	5	5	5	5	5	5	5
Coroner	6	6	7	7	8	8	7	7	7	7
Cost and Fines	3	3	3	3	3	3	3	4	4	5
County Soliciter	4	4	4	4	4	4	1	2	0	0
Court Administrators Office	8	8	8	7	6	5	6	7	9	9
Court Cryers	4	6	9	9	8	8	10	9	8	8
Court-Related Support Staff	0	0	0	0	0	0	0	0	0	0
Court Reporters	10	10	13	13	13	13	13	13	12	12
Criminal Investigation Division	14	15	15	15	14	12	12	12	12	12
District Attorney's Office	36	36	38	42	42	44	46	51	50	49
District Attorney-Drug Forf	1	1	1	1	1	1	1	0	1	1
Erosion & Sediment Control	3	3	3	3	3	3	3	3	3	3
District Court Judges	81	79	81	75	76	78	75	78	73	75
District Engineer	1	1	1	1	1	1	1	1	1	1
D J Court Administrator	2	2	2	2	2	2	2	2	2	2
Economic Development Office	2	4	4	4	5	5	6	5	5	6
Emergency Management Agency	9	9	9	9	9	8	7	8	8	8
Fed Forfeiture Jury Investigat	0	0	0	0	0	0	0	0	1	1
Fort Hunter Operations	0	0	0	0	0	0	0	0	0	0
Human Services Director Office	9	9	9	8	9	9	7	10	9	9
Information Technology	23	23	23	22	22	22	22	20	21	21
Judicial Center	0	0	0	0	0	23	23	23	22	23
Judicial Law Clerks	8	7	10	10	10	10	10	9	10	8
Judicial Secretaries	8	8	10	10	10	10	10	10	9	8
Juvenile Probation	62	63	64	62	58	50	49	59	59	58
Juv Prob Community Base Unit	14	15	16	16	14	12	10	0	0	0
Junvenile Accountability Grant	3	3	3	3	2	2	2	0	0	0
Juvenile Expansion Grant	0	1	2	1	0	0	0	0	0	0
PD Juvenile Unit Enhancement	0	0	0	1	1	0	0	0	0	0
Law Library	3	3	3	1	1	1	1	1	1	1
Manor Post Divestiture	1	1	1	0	0	0	0	0	0	0
Night Court	4	3	3	2	2	2	1	1	1	1
North county Government Center	1	1	1	2	1	1	1	1	1	1
Parks and Recreation	16	17	17	17	17	15	15	15	16	16
Personnel Office	13	13	13	13	13	11	10	10	10	11
Postal Department	1	1	1	1	1	1	1	1	1	1
Printing Department	1	0	0	0	0	0	0	0	0	0
Prison	286	299	293	283	289	279	276	281	282	275
Prothonotary	16	16	16	16	16	16	14	14	14	14
Public Defender	35	35	35	34	35	34	38	36	36	35
Purchasing - Central Office	5	2	2	2	2	2	2	2	2	2
Purchasing Warehouse	0	3	3	3	2	2	2	2	2	2
Rapid Response	1	1	0	0	0	0	0	0	0	0
Recorder of Deeds	11	11	10	9	9	8	6	6	6	5
Register of Wills	8	8	8	8	7	8	7	7	7	7
Risk Management	2	2	2	2	1	0	0	0	0	0
Schaffner Center Detention	37	37	21	1	0	0	0	0	0	0
Schaffner Center Shelter	21	14	28	26	26	0	0	0	0	0
Sheriff	45	44	41	44	47	43	41	40	40	38
Sheriff Licensing Division	2	2	2	2	2	2	1	2	2	2
Security Department	29	28	26	23	25	24	24	23	24	24
Storm Water Projects	1	1	0	0	0	0	0	0	0	0
Suburban School Based Prob Unt	5	6	6	6	5	6	4	3	3	3

OPERATING INFORMATION

Full-Time Employees by Function/Program

Last Ten Years

(unaudited)

COUNTY OF DAUPHIN, PENNSYLVANIA

(continued)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund Departments										
Tax Assessment	23	22	22	22	21	19	19	19	18	17
Tax Assessment Board of Appeal	1	2	1	1	1	1	0	0	0	0
Tax Collector's	0	0	0	0	0	0	0	0	0	0
Treasurer's Office	4	4	4	4	2	2	1	1	0	0
Veteran Affairs Office	1	1	1	1	2	2	2	2	2	2
Voter Registration/Election	5	5	5	5	6	5	5	5	5	3
Water Resource Specialist	0	1	1	1	1	1	1	1	1	1
West Nile Project	2	2	2	2	2	2	2	1	2	2
Wildwood Lake Nature Center	0	0	0	0	0	0	0	0	0	0
Community Gun Violence Grant	0	1	0	0	0	0	0	0	0	0
DA D & A RIP Grant	0	1	1	0	0	0	0	0	0	0
Gaming Board Grant	1	1	1	0	0	0	0	0	0	0
PFA Enforcement Grant	2	2	2	0	0	0	0	0	0	0
PSP Auto Theft Grant	0	0	0	0	0	0	1	1	1	1
Victim Witness State Grant	1	1	1	1	1	0	0	0	0	0
Non General Fund Departments										
Adoption Foster Care Analyst	0	0	0	2	1	1	1	1	1	1
Adult Prob Supervision Fee	4	4	3	3	3	3	3	3	4	4
Agency on Aging	62	44	43	43	40	39	36	35	39	38
Aging Kitchen	0	16	12	12	12	12	12	0	0	0
Alternative Activities	0	3	3	3	3	2	5	5	6	6
C & Y Administration Dep	9	10	9	9	8	9	14	14	16	18
C & Y Adoption Assistance	17	31	27	29	30	34	35	67	79	69
C & Y Family Svcs System Ref	29	34	28	35	32	31	15	2	1	2
C & Y Foster Family Care	40	31	33	33	33	26	44	17	12	20
C & Y Protective Child Abuse	9	9	9	8	9	13	11	14	15	16
C & Y Service Planning	10	14	16	18	19	26	15	8	9	8
C & Y System of Care Grant	0	0	0	0	0	0	0	0	0	0
C & Y Independent Living Special Grant	0	5	6	6	6	6	1	1	1	1
Criminal Justice Enhancement Grant	1	0	0	0	0	0	0	0	0	0
Special FGC Grant	0	0	2	3	3	0	6	6	6	6
D & A Administration	4	7	6	5	7	7	7	5	5	4
D & A Case Management Services	0	6	6	6	5	6	6	6	7	8
D & A Community Based Process	1	0	0	0	0	0	0	0	0	0
D & A CRS Case Manage ODAP	10	0	1	0	0	0	0	0	0	0
Dept of Buildings & Grounds	16	16	16	16	16	16	15	15	16	16
DOJ-PFA Enforcement Grant	0	2	2	0	0	0	0	0	0	0
Domestic Relations Office	81	85	82	89	87	86	87	87	86	86
EMA 911 Communications	53	54	57	60	60	60	59	57	59	56
Hotel Tax	2	2	2	2	3	3	3	3	4	4
MH Administration	16	16	15	15	15	15	14	15	15	15
MH/MR Emergency Care Services	19	19	17	18	18	18	15	16	20	18
MR Administration	4	5	5	5	5	5	5	5	5	5
Prison Education Program	0	0	0	0	0	0	0	0	0	0
Solid Waste Authority	6	6	6	6	6	6	7	7	6	7
Weatherization	8	7	7	7	8	7	0	0	0	0
Weatherization Arra Program	0	1	2	2	0	0	0	0	0	0

Source: Human Resources

Operating Indicators by Function

Last Ten Years
(unaudited)

COUNTY OF DAUPHIN, PENNSYLVANIA

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government - Administrative										
Fiscal Affairs:										
Deed transfers	7,667	6,849	6,375	5,957	6,256	6,854	6,865	7,258	7,765	7,805
Mortgages recorded	14,767	14,091	12,444	11,072	11,924	11,702	9,042	9,492	9,717	8,972
Subdivision plans filed	158	131	104	122	88	90	111	118	92	90
Administration:										
General election information										
Registered Voters at time of Primary Election	183,679	186,851	187,760	170,965	173,429	175,862	175,478	173,845	180,020	181,339
Registered Voters at time of General Election	192,726	186,866	189,520	172,063	178,936	174,482	176,352	174,991	190,301	181,371
Votes Cast										
Primary Election	69,560	42,031	48,825	31,710	43,193	34,094	30,947	26,544	74,802	38,463
General Election	130,106	50,169	89,210	38,705	124,443	44,072	80,226	44,350	133,740	48,339
Percent of votes cast - Primary	0	0	0	0	0	0	0	0	0	0
Percent of votes cast - General	1	0	0	0	1	0	0	0	1	0
Coroner:										
Cases Referred	434	518	569	604	540	606	600	698	606	688
Autopsies	135	140	147	141	151	158	153	161	157	125
General Government - Judicial										
Court services:										
Criminal Cases Filed	5,986	5,936	6,128	5,232	6,357	6,324	6,785	7,329	7,002	6,875
Summary Appeals Filed	267	290	317	258	243	275	291	269	248	258
Juvenile Delinquency Cases Filed	1,708	1,624	1,654	1,303	1,254	1,030	1,077	1,052	999	1,015
Juvenile Dependency Cases Filed	255	230	198	123	116	164	241	332	317	245
Marriage Applications	2,283	1,995	2,037	2,104	2,107	2,001	2,255	2,296	2,148	2,174
Estates and Wills Probated	1,246	1,190	1,259	1,249	1,241	1,241	1,190	1,217	1,153	1,217
Petitions for Termination or Relinquishment	116	159	124	125	158	72	116	112	124	208
Petitions for Adoption	142	188	134	134	142	88	125	108	129	128
Civil Cases Filed	5,033	4,876	4,767	3,661	3,064	3,128	2,950	2,781	2,687	2,484
Family Cases Filed	2,036	2,256	2,442	2,459	2,560	2,501	2,294	2,359	2,337	2,935
Municipal Tax Liens Filed	509	855	1,005	661	806	835	484	405	484	172
Notes Filed	9,800	10,467	7,179	4,888	4,063	4,449	5,217	4,506	3,741	3,011
Miscellaneous Criminal Cases Filed	1,653	1,562	1,407	1,422	1,600	1,706	1,897	1,805	1,727	1,892
Domestic Relations Active Cases	17,566	16,830	15,965	15,467	14,853	14,255	13,702	13,056	12,488	12,056
Sheriff:										
Firearm permits issued	2,296	2,642	2,115	2,396	3,973	3,971	3,251	3,297	4,335	4,560
Prison transports	6,832	6,791	6,492	6,069	5,182	7,509	7,869	7,023	7,083	6,794
Public safety										
County Prison: (1)										
Average daily population										
In-house	988	949	943	943	999	998	1,055	1,028	1,036	1,037
Work Release *	261	218	177	203	195	228	249	253	235	234
Total average daily population	1,249	1,167	1,120	1,146	1,194	1,226	1,304	1,281	1,271	1,271
Commitments to Prison	6,444	5,952	5,918	5,869	5,909	6,165	6,353	6,076	6,082	6,421
Release from Prison	6,504	5,986	5,976	5,848	5,815	6,128	6,265	6,109	6,137	6,360
Adult Probation:										
Adult Caseload	4,738	4,975	5,199	5,407	5,298	6,845	6,767	7,051	7,451	6,912
Juvenile Referrals	1,415	1,360	1,255	1,091	1,057	937	937	911	911	850
Intermediate Punishment Program	663	970	1,021	941	1,272	1,158	1,217	1,488	1,279	1,453
Accelerated Rehabilitative Disposition/DUI Program	682	630	516	535	729	1,221	1,504	1,585	903	918

Operating Indicators by Function

Last Ten Years
(unaudited)

COUNTY OF DAUPHIN, PENNSYLVANIA
(continued)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Human Services										
Adult Services:										
Emergency Shelter	290	279	196	23	20	16	10	10	8	3
Information/Referral/Case Mgt	19,056	16,547	12,658	8,773	7,557	6,472	6,767	7,112	1,497	2,565
Transportation	2	2	1	1	-	-	-	-	-	-
Counseling	185	152	163	158	-	-	-	-	-	-
In Home Personal Care	41	32	28	19	-	-	-	-	-	-
Employment/Job Coach	190	186	162	155	-	-	-	-	-	-
Adult/Children Services Services:										
Case Management	1,102	1,214	1,199	1,173	237	216	202	170	170	269
Food Assistance	9,832	10,004	10,338	46,756	56,014	50,477	49,105	50,633	41,459	52,570
Child Care	6,612	6,763	6,951	6,992	6,551	6,113	6,141	6,678	8,706	8,845
Homeless Assistance Program:										
Bridge housing consumers	80	102	103	88	79	95	97	80	74	88
Rental Assistance consumers	1,427	1,432	1,192	1,014	731	861	527	502	626	809
Emergency Shelter consumers	1,538	1,503	1,432	1,469	1,401	770	911	739	716	637
Individual Shelter nights	31,389	31,177	26,914	29,224	51,013	25,993	26,527	14,250	18,295	14,544
Case Management	N/A	N/A	N/A	N/A	N/A	N/A	1,350	1,368	1,909	2,007
Medical Transportation:										
Consumers	4,986	4,744	4,816	5,672	5,099	5,302	5,558	5,856	6,579	3,611
Trips	106,882	120,533	126,819	124,448	125,132	131,451	135,447	136,089	142,693	97,718
Area Agency on Aging:										
Home Delivered Meals										
Meals Served	N/A	N/A	N/A	155,767	129,717	126,565	108,188	106,399	123,978	145,775
Persons Served	N/A	N/A	N/A	980	933	832	720	737	779	923
Congregate Meals Served										
Meals Served	N/A	N/A	N/A	23,801	22,047	22,834	18,352	20,970	43,873	46,821
Persons Served	N/A	N/A	N/A	554	526	504	388	552	682	661
Transportation										
Trips	N/A	N/A	N/A	25,144	25,001	25,944	20,326	17,595	17,007	18,618
Persons Served	N/A	N/A	N/A	561	515	594	508	520	534	587
Information and Assistance Contracts	N/A	N/A	N/A	711	827	616	517	867	1,022	800
Adult day care days provided	N/A	N/A	N/A	1,041	1,189	1,040	828	439	83	733
Maintenance/Modification of homes	N/A	N/A	N/A	33	24	13	39	43	20	10
Children & Youth:										
Number of Referrals	3,680	4,198	4,847	4,806	5,373	4,585	4,639	6,462	6,267	7,367
Clients receiving in-home services	276	381	433	388	311	309	301	327	277	609
Clients requiring placement	1,170	1,019	936	825	703	558	365	405	516	527
Services Provided										
Rental Assistance	N/A	N/A	N/A	25	63	42	56	117	97	88
Emergency Shelter	N/A	N/A	N/A	4	2	3	14	23	35	30
Hotel Stays	N/A	N/A	N/A	4	2	3	14	23	35	30
Drug & Alcohol Services *										
Inpatient NH Detox	193	166	155	116	118	159	189	226	129	146
Inpatient NH Rehab (Short/Long)	123	139	114	112	83	126	158	262	175	233
Halfway House	18	38	19	11	1	6	8	10	32	10
Inpatient Hospital Detox	-	-	-	-	-	-	-	-	-	-
Inpatient Hospital Treatment & Rehab	-	3	-	-	-	-	1	-	-	-
Partial Hospitalization	-	5	2	2	1	1	-	-	-	1
Outpatient Drug Free	1,432	1,506	2,370	1,478	1,042	1,258	1,366	1,921	1,446	1,864
Outpatient Maintenance	71	78	83	19	43	28	24	145	90	182

Operating Indicators by Function

Last Ten Years
(unaudited)

COUNTY OF DAUPHIN, PENNSYLVANIA
(continued)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Human Services (continued)										
Drug & Alcohol Services (continued) *										
Intensive Outpatient	189	254	542	330	363	418	326	366	223	327
CM Assessments	1,337	1,512	1,617	1,296	796	963	1,080	829	689	1,269
HealthChoices:										
In-patient psychiatric treatment										
Number of in-patient consumers	658	690	802	869	935	840	843	902	1,137	1,162
Number of in-patient days	12,669	13,228	15,403	18,736	18,723	18,761	19,575	20,986	24,556	26,225
Out-patient psychiatric treatment										
Number of out-patient consumers	5,248	5,369	6,060	6,388	6,758	6,840	7,536	8,303	9,928	10,193
Number of out-patient units	134,570	159,675	157,457	150,313	161,394	147,036	165,683	177,477	202,379	157,132
Psychiatric Partial Hospitalization										
Number of consumers	357	430	454	380	421	301	378	380	418	422
Number of units	61,480	75,223	71,825	61,574	67,529	51,185	55,920	57,099	55,333	56,232
Targeted case management										
Number of consumers	2,510	2,500	2,580	2,524	2,310	2,274	2,193	2,165	2,207	2,088
Number of units	282,572	306,197	295,337	289,301	280,697	251,366	194,621	193,193	193,861	190,104
Crisis Intervention										
Number of consumers	725	865	971	975	1,057	976	950	830	1,237	1,356
Number of units	7,149	7,517	8,181	9,459	9,981	8,845	9,836	6,640	9,515	12,247
BHRS										
Members	1,617	1,789	1,850	1,953	2,040	2,118	1,942	1,891	1,844	1,720
Units	1,132,863	1,326,197	1,268,804	1,292,730	1,344,600	1,419,346	1,245,398	1,097,680	923,607	802,201
Family Based Mental Health										
Number of consumers	313	386	325	322	296	213	198	203	236	255
Number of units	145,036	182,963	146,802	140,314	123,052	83,669	76,198	77,444	97,581	11,048
Peer Support										
Number of consumers	93	93	88	98	121	102	99	113	110	110
Number of units	8,902	11,026	10,585	8,986	16,264	17,581	16,741	11,191	14,431	11,020
In-patient drug & alcohol										
Members	16	19	18	12	25	19	18	19	34	16
Units	134	182	231	195	344	270	160	361	386	246
Non-hospital drug & alcohol										
Members	343	342	448	510	592	476	585	605	960	1,055
Units	14,628	12,599	20,345	21,404	21,404	20,960	24,999	24,853	39,914	41,115
Other services										
Members	187	249	305	307	320	470	515	417	381	1,812
Units	8,129	4,711	4,359	4,760	5,181	6,507	10,146	10,810	14,832	119,219
RTF accredited										
Members	149	147	108	95	76	47	38	32	32	44
Units	27,835	27,174	18,352	16,633	12,123	9,114	5,602	5,602	5,737	7,816
RTF non-accredited										
Members	36	19	8	9	8	8	8	6	6	9
Units	5,047	2,898	1,233	1,463	1,826	2,135	1,620	1,180	1,302	1,909
Mental Health/Intellectual Disabilities:										
Mental Health										
Crisis Intervention Services	2,669	2,547	2,394	2,235	2,457	2,023	2,431	2,371	2,409	2,359
Emergency Services	1,388	1,601	1,115	1,026	1,052	1,321	1,731	1,574	1,623	1,815
Community treatment team consumers	N/A	N/A	N/A	N/A	N/A	N/A	25	19	19	15
Community residential consumers	394	410	403	436	413	401	397	389	405	396
Community employment consumers	120	73	28	22	12	9	9	4	28	79
Community vocational rehab consumers	87	65	36	35	27	17	15	8	6	-
Administrative Case management consumers	4,242	4,134	2,966	4,552	4,395	4,518	3,426	3,688	3,428	3,174
Partial Hospitalization consumers	78	78	70	74	67	54	55	38	38	41
Psychiatric outpatient consumers	942	912	993	970	800	795	734	572	282	197
Social rehab consumers	556	553	504	483	480	421	201	196	196	123

Operating Indicators by Function

Last Ten Years
(unaudited)

COUNTY OF DAUPHIN, PENNSYLVANIA
(continued)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Human Services (continued)										
Mental Health (continued)										
Family based consumers	12	6	-	-	-	1	1	-	-	-
Housing support consumers	4	7	9	8	8	5	234	253	234	201
Psychiatric inpatient consumers	9	9	6	7	5	15	17	10	6	1
Community Services	N/A	N/A	N/A	N/A	N/A	N/A	1	1	2,100	1,196
Targeted Case Management	N/A	N/A	N/A	N/A	N/A	N/A	903	823	752	748
Family Support Services	N/A	N/A	N/A	N/A	N/A	N/A	3	1	38	103
Psychiatric rehabilitation	N/A	N/A	N/A	N/A	N/A	N/A	1	1	81	102
Peer support services	N/A	N/A	N/A	N/A	N/A	N/A	11	11	36	27
Consumer driven services	N/A	N/A	N/A	N/A	N/A	N/A	-	-	-	197
Intellectual Disabilities										
Community hab (ADT) consumers	380	448	-	70	68	285	71	71	64	57
Number of workshop/vocational consumers	170	185	-	2	3	-	-	-	-	-
Supported employment consumers	94	94	-	47	51	55	70	54	47	25
Respite service consumers	227	207	-	19	22	23	-	-	-	-
Behavioral Specialist consumers	99	99	-	8	4	2	-	-	-	-
Number of transportation consumers	153	149	-	3	4	7	18	25	16	10
Family support consumers	133	97	-	111	110	85	90	97	86	84
Residential consumers	378	375	-	40	28	18	33	26	17	10
Case Management services	N/A	N/A	N/A	N/A	N/A	N/A	217	233	227	333
Early intervention Program consumers	649	569	526	573	707	705	677	659	730	794

Source: By reporting department

N/A: Information not available

* Drug and Alcohol Services - Data based on fiscal year.

(1) County Prison - Prior to 2011, Work Release figures did not include males sent directly to Work Release from the Courts nor did the figures include Work Release males who were from another County. Since mid-March 2011, all inmates at Male Work Release have been processed through DCP before being transferred to Work Release and are, therefore, captured in the Work Release.

Capital asset Statistics by Function - Fleet

Last Ten Years
(unaudited)

COUNTY OF DAUPHIN, PENNSYLVANIA										
Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Fund										
Corrections										
Motor Vehicles										
Juvenile Probation	N/A	N/A	17	17	20	20	19	16	15	23
Adult Probation	N/A	N/A	45	37	34	33	30	26	25	27
Youth Detention Center	N/A	N/A	3	2	3	-	-	-	-	-
Prison	N/A	N/A	10	9	9	10	10	9	10	10
Work Release Ctr.	N/A	N/A	12	14	12	19	18	13	13	13
Booking Center	-	-	-	-	-	-	-	-	-	1
Cultural and Recreation										
Motor Vehicles										
Parks	N/A	N/A	8	11	11	12	12	12	11	12
General Government										
Motor Vehicles										
Commissioners	N/A	N/A	3	3	3	4	4	3	3	3
Conservation District	N/A	N/A	6	7	6	9	9	9	12	9
Coroner	N/A	N/A	3	3	3	3	3	3	3	4
Information Technology	N/A	N/A	1	1	1	1	1	1	1	1
Maintenance	N/A	N/A	13	19	16	14	13	19	18	20
Purchasing	N/A	N/A	2	2	2	2	2	2	2	2
Solid Waste	N/A	N/A	6	9	8	13	12	12	11	13
Penn State Coop Extension	N/A	N/A	2	2	2	2	2	2	2	2
Tax Assessment	N/A	N/A	-	1	1	1	1	1	1	3
Weatherization	N/A	N/A	6	3	6	7	-	-	-	-
Human Services										
Motor Vehicles										
Aging	N/A	N/A	25	26	25	27	19	17	16	17
Children and Youth	N/A	N/A	-	-	-	1	2	1	2	3
MHID	N/A	N/A	2	2	2	2	2	2	2	2
Drug and Alcohol	N/A	N/A	-	1	1	1	1	1	2	2
Domestic Relations	N/A	N/A	1	1	1	1	1	1	1	1
Judicial										
Motor Vehicles										
District Attorney	N/A	N/A	-	-	-	-	-	27	25	26
CID	N/A	N/A	59	68	57	30	32	-	-	-
Drug Task Force	N/A	N/A	-	-	-	30	25	25	19	18
Pre Trial	N/A	N/A	-	-	-	1	1	1	1	-
Sheriff	N/A	N/A	27	27	27	33	22	21	20	19
Public Safety										
Motor Vehicles										
Emergency Management	N/A	N/A	12	13	15	17	16	16	14	14
Security	-	-	-	-	-	-	-	-	-	4

Source: Commissioners Office

N/A: Information not available

COUNTY OF DAUPHIN, PENNSYLVANIA

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Square Footage of Buildings Owned by the County										
Court House	161,866	161,866	161,866	161,866	161,866	161,866	161,866	161,866	161,866	161,866
Administration Building	126,170	126,170	126,170	126,170	126,170	126,170	126,170	126,170	126,170	126,170
Human Services & Parking Garage	-	-	-	-	-	-	-	-	214,169 *	214,169
Adult Probation Offices	11,286	11,286	11,286	11,286	11,286	11,286	11,286	11,286	11,286	11,286
Work Release Center	50,270	50,270	50,270	50,270	50,270	50,270	50,270	50,270	50,270	50,270
EMA/Schaffner	54,403	54,403	54,403	54,403	54,403	54,403	54,403	54,403	54,403	54,403
EMA/Storage	200	200	200	200	200	200	200	200	200	200
County Prison	223,838	223,838	223,838	223,838	223,838	223,838	223,838	223,838	223,838	223,838
Rutherford House	12,979	12,979	12,979	12,979	12,979	12,979	12,979	12,979	12,979	12,979
Coroners/Transportation Bulk Storage	31,247	31,247	31,247	31,247	31,247	31,247	31,247	31,247	31,247	31,247
AAA Kitchen	8,184	8,184	8,184	8,184	8,184	8,184	8,184	8,184	8,184	8,184
Detweiler Park Dwelling	-	-	-	-	-	-	-	-	1,768 *	1,768
Detweiler Park Pole Building	-	-	-	-	-	-	-	-	6,075 *	6,075
Detweiler Park Barn	-	-	-	-	-	-	-	-	3,376 *	3,376
Detweiler Park Garage	-	-	-	-	-	-	-	-	680 *	680
Detweiler Park w/ Garage	-	-	-	-	-	-	-	-	5,759 *	5,759
Detweiler Park Garage/Carport	-	-	-	-	-	-	-	-	1,992 *	1,992
Detweiler Park Pool House	-	-	-	-	-	-	-	-	664 *	664
Lykens Glen Park - shop	912	912	912	912	912	912	912	912	912	912
Lykens Glen Park - storage shed	288	288	288	288	288	288	288	288	288	288
Lykens Glen Park - Lg. Pavillion	3,136	3,136	3,136	3,136	3,136	3,136	3,136	3,136	3,136	3,136
Lykens Glen Park - Sm. Pavillion	861	861	861	861	861	861	861	861	861	861
Henninger Bridge - covered bridge	1,314	1,314	1,314	1,314	1,314	1,314	1,314	1,314	1,314	1,314
Wiconisco Park-maint. Garage 1	861	861	861	861	861	861	861	861	861	861
Wiconisco Park-maint. Garage 2	588	588	588	588	588	588	588	588	588	588
Wiconisco Park-pump house 1	132	132	132	132	132	132	132	132	132	132
Wiconisco Park-pump house 2	132	132	132	132	132	132	132	132	132	132
Wiconisco Park-irrigation house shed	80	80	80	80	80	80	80	80	80	80
Wiconisco Park-concession bldg.	840	840	840	840	840	840	840	840	840	840
Wiconisco Park-pavillion	512	512	512	512	512	512	512	512	512	512
Wiconisco Park-maint. Garage 3	960	960	960	960	960	960	960	960	960	960
Fort Hunter Complex-mansion	9,920	9,920	9,920	9,920	9,920	9,920	9,920	9,920	9,920	9,920
Fort Hunter Complex-dairy bldg.	408	408	408	408	408	408	408	408	408	408
Fort Hunter Complex-ice house	140	140	140	140	140	140	140	140	140	140
Fort Hunter Complex-barn	12,700	12,700	12,700	12,700	12,700	12,700	12,700	12,700	12,700	12,700
Fort Hunter Complex-corn crib	135	135	135	135	135	135	135	135	135	135
Fort Hunter Complex-maint. Storage	64	64	64	64	64	64	64	64	64	64
Fort Hunter Complex-station	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Fort Hunter Complex-bait shop	452	452	452	452	452	452	452	452	452	452
Fort Hunter Complex-maint. Bldg.	3,658	3,658	3,658	3,658	3,658	3,658	3,658	3,658	3,658	3,658
Fort Hunter Complex-closed storage	1,104	1,104	1,104	1,104	1,104	1,104	1,104	1,104	1,104	1,104
Fort Hunter Complex-open storage	912	912	912	912	912	912	912	912	912	912
Fort Hunter Complex-farm house	1,648	1,648	1,648	1,648	1,648	1,648	1,648	1,648	1,648	1,648
Fort Hunter Complex-tavern	3,432	3,432	3,432	3,432	3,432	3,432	3,432	3,432	3,432	3,432
Fort Hunter Complex-spring house	630	630	630	630	630	630	630	630	630	630
Fort Hunter Complex-smoke house	36	36	36	36	36	36	36	36	36	36
Fort Hunter Complex-stable	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332	2,332
Fort Hunter Complex-east restroom	435	435	435	435	435	435	435	435	435	435
Fort Hunter Complex-west restrooms	112	112	112	112	112	112	112	112	112	112

COUNTY OF DAUPHIN, PENNSYLVANIA

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Square Footage of Buildings Owned by the County										(continued)
Fort Hunter Complex-east pavillion	688	688	688	688	688	688	688	688	688	688
Fort Hunter Complex-west pavillion	704	704	704	704	704	704	704	704	704	704
Fort Hunter Complex-church	2,248	2,248	2,248	2,248	2,248	2,248	2,248	2,248	2,248	2,248
Fort Hunter Complex-covered bridge replica	795	795	795	795	795	795	795	795	795	796
Wildwood Lake Nature Center	13,094	13,094	13,094	13,094	13,094	13,094	13,094	13,094	13,094	13,094
Wildwood Park Teaching Pavillion	526	526	526	526	526	526	526	526	526	526
Pavillion	-	-	-	665	665	665	665	665	665	665
Restroom	121	121	121	121	121	121	121	121	121	121
Storage Building	1,064	1,064	1,064	1,064	1,064	1,064	1,064	1,064	1,064	1,064
Pavillion	880	880	880	880	880	880	880	880	880	880
Booking Center/Night Court	-	-	-	-	-	14,786	14,786	14,786	14,786	14,786
Magisterial District Court 12-1-04 O'Leary	6,085	6,085	6,085	6,085	6,085	6,085	6,085	6,085	6,085	6,085
Magisterial District Court 12-1-05 George Zo Zo	3,149	3,149	3,149	3,149	3,149	3,149	3,149	3,149	3,149	3,149
Magisterial District Court 12-2-01 Smith	2,392	2,392	2,392	2,392	2,392	2,392	2,392	2,392	2,392	2,392
Square Footage of Buildings Leased by the County										
Veterans Memorial Building	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000
Children and Youth Services	18,959	18,959	36,504	36,504	36,504	36,504	36,504	36,504	36,504	36,504
Human Services-Hoffman St.	2,512	2,512	2,512	2,512	2,512	2,512	2,512	2,512	2,512	2,512
Chestnut Street	39,250	39,250	39,250	39,250	39,250	39,250	39,250	39,250	39,250	39,250
Northern Dauphin Government Ctr	10,292	10,292	10,292	10,292	10,292	10,292	10,292	10,292	10,292	11,050
1100 Cameron Street	41,415	41,415	41,415	41,415	41,415	41,415	41,415	41,415	41,415	41,415
Magisterial District Court 12-1-01 J. Lenker	3,018	3,018	3,018	3,018	3,018	3,018	3,018	3,018	3,018	3,018
Magisterial District Court 12-1-02 Pianka	5,016	5,016	5,016	5,016	5,016	5,016	5,016	5,016	5,016	5,016
Magisterial District Court 12-1-06 Lindsey	2,455	2,455	2,455	2,455	2,455	2,455	2,455	2,455	2,455	4,955
Magisterial District Court 12-2-02 K. Lenker	3,018	3,018	3,018	3,018	3,018	3,018	3,018	3,018	3,018	3,018
Magisterial District Court 12-2-03 Judy	5,016	5,016	5,016	5,016	5,016	5,016	5,016	5,016	5,016	5,016
Magisterial District Court 12-2-04 McKnight	3,160	3,160	3,160	3,160	3,160	3,160	3,160	3,160	3,160	3,160
Magisterial District Court 12-2-05 Paul Zo Zo	3,354	3,354	3,354	3,354	3,354	3,354	3,354	3,354	3,354	3,354
Magisterial District Court 12-3-01 Margerum	3,545	3,545	3,545	3,545	3,545	3,545	3,545	3,545	3,545	3,545
Magisterial District Court 12-3-02 Johnson	2,064	2,064	2,064	2,064	2,064	2,064	2,064	2,064	2,064	2,064
Magisterial District Court 12-3-03 Wenner	20,480	20,480	20,480	20,480	20,480	20,480	20,480	20,480	20,480	20,480
Magisterial District Court 12-3-04 Pelino	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200