

County of Dauphin, Pennsylvania
POPULAR ANNUAL FINANCIAL REPORT
For The Year Ended December 31, 2016



PREPARED BY THE OFFICE OF THE CONTROLLER

TIMOTHY L. DEFOOR, CONTROLLER

www.dauphincounty.org

ABOUT DAUPHIN COUNTY

Dauphin County is located in south central Pennsylvania, and has over 270,000 citizens. The landscapes range from exuberant city life, to calming countryside, creating communities that offer a blend of big-city influence and sophistication, with small-town friendliness and charm. We have plenty of places to see, and entertainment to enjoy, making it a great place to live, work, or visit.

We hope this summary will exemplify why so many people are proud to call this area home and why millions visit every year.



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(www.visithersheyharrisburg.org)



A MESSAGE FROM THE CONTROLLER

It is with great pleasure that I present to you the first Dauphin County Popular Annual Financial Report (PAFR). The PAFR is an informative overview of the Comprehensive Annual Financial Report (CAFR) and is intended to allow the reader to easily understand the financial position and change of Dauphin County. If you would like to read the CAFR it is available on our website, www.dauphincounty.org or you can review the paper copy at the Office of the Dauphin County Controller located at 101 Market Street, Harrisburg, PA 17101. The PAFR includes demographic, economic, and statistical information about Dauphin County and highlights why Dauphin County is a great place to work and live. Since it is a shortened overview, this report does not comply with Generally Accepted Accounting Principles (GAAP). Only the financial data for the general government is included in this report and therefore, all of the County's discretely presented component units are excluded.

I would like to thank the citizens of this great County for electing me to serve as your Controller. As Controller, I am fully responsible for the checks and balances of County funds. It is my responsibility to ensure taxpayer dollars are spent efficiently, and in accordance to the Pennsylvania County Code. I am also interested in hearing your voices. So if you have any concerns about fraud, waste, or abuse, I urge you to contact the County's "fraud, waste, and abuse hotline", the information is located on the back cover of this report. Since taking office, my goal for the Controller's office has been government transparency. I can confidently say my office is improving and we are dedicated to accomplishing this goal. I hope this report is interesting, helpful and informative to the people who matter most, you the citizens of Dauphin County.



Sincerely,

A handwritten signature in black ink, appearing to read "Tim", written over a horizontal line.

Timothy L. DeFoor

Controller of Dauphin County

What does the Controller do?

The Controller is the elected Chief Fiscal Officer of Dauphin County who supervises fiscal affairs, as set forth by Pennsylvania County Code for Counties of the Third Class. The Controller is required by County Code to maintain custody and stewardship of all County contracts. The Controller is the Secretary of the Dauphin County Retirement Board, and serves on the Dauphin County Prison Board, Dauphin County Salary Board, and Local Emergency Planning Committee.

FINANCIAL SECTION

Statements of Net Activities

This statement of net activities shows the difference between the County's revenues and expenses on a full accrual basis. The increase in net position shows an improvement in Dauphin County's financial position.

	2015	2016	Change
Revenues:			
Charges for Services	\$ 96,266,392	105,826,838	
Grants	127,624,162	143,393,800	
Real Estate Taxes	102,381,207	103,874,126	
Hotel Taxes	10,957,914	11,359,510	
In Lieu of Taxes	2,813,934	2,184,946	
*Other Revenues	<u>1,141,130</u>	<u>5,343,991</u>	
Total Revenue	<u>341,184,739</u>	<u>371,643,130</u>	8.9%
Expenses			
General Government	13,949,212	14,774,792	
Judicial	63,522,839	65,788,271	
Public Safety	47,417,705	50,216,428	
Public Works	3,270,208	2,889,252	
Human Services	175,691,255	192,761,231	
Culture & Recreation	13,463,593	13,946,060	
Conversation & Development	11,750,171	15,806,592	
Interest on Long Term Debt	4,736,404	4,002,741	
Other Programs	<u>916,072</u>	<u>954,004</u>	
Total Expenses	<u>334,718,159</u>	<u>361,139,371</u>	7.9%
Change in net position:	\$ <u>6,466,580</u>	<u>10,503,759</u>	62.4%

* Other Revenues Includes: investment income, asset disposal, appreciation/(depreciation) of investments, transfers to/from primary government

Statement of Net Position

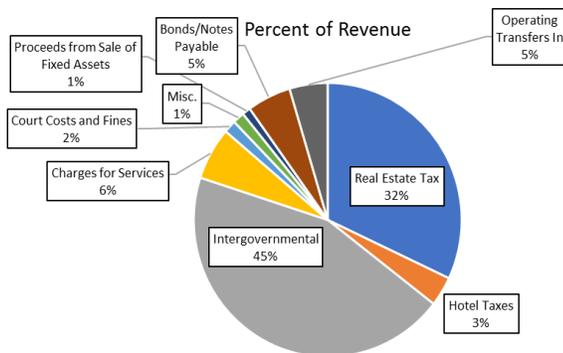
This summary represents the County's financial position by taking the total resources at year-end versus amount owed at year-end. It includes both governmental and business-type activities. These amounts are recorded on a full accrual basis. Accrual basis means that revenues are recorded when earned and expenses are recorded when the liability is incurred. As we can see, the County has vastly improved its net position in the past year.

	2015	2016	Change
Assets:			
Capital Assets	\$ 111,799,738	113,694,268	
Current and other assets	<u>129,572,997</u>	<u>128,235,092</u>	
Total Assets	<u>241,372,735</u>	<u>241,929,360</u>	0%
Liabilities:			
Other Liabilities	24,653,226	25,774,067	
Long-term Liabilities	<u>169,050,992</u>	<u>157,983,017</u>	
Total Liabilities	<u>193,704,218</u>	<u>183,757,084</u>	-5.6%
Net Position:			
Net Investment in Capital Assets	13,680,634	21,837,360	
Restricted	23,273,811	23,112,169	
Unrestricted	<u>10,714,072</u>	<u>13,222,747</u>	
Total Net Position	\$ <u>47,668,517</u>	<u>58,172,276</u>	22%

REVENUE, EXPENSES & FINANCIAL POSITION

Revenue Breakdown

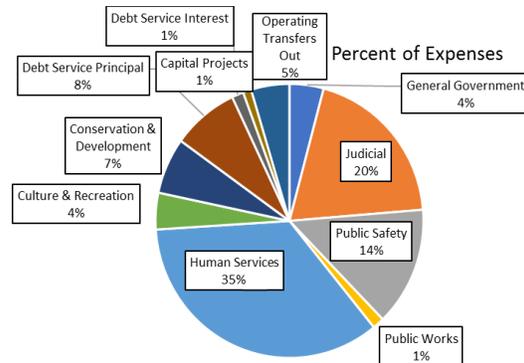
Seeing where our funds come from is very important in analyzing our performance and efficiency. The chart below represents our governmental revenue sources:



*Misc. section includes: license and permits, interest and rents, appreciation fair market value investments, transfers from component units, capital lease proceeds.

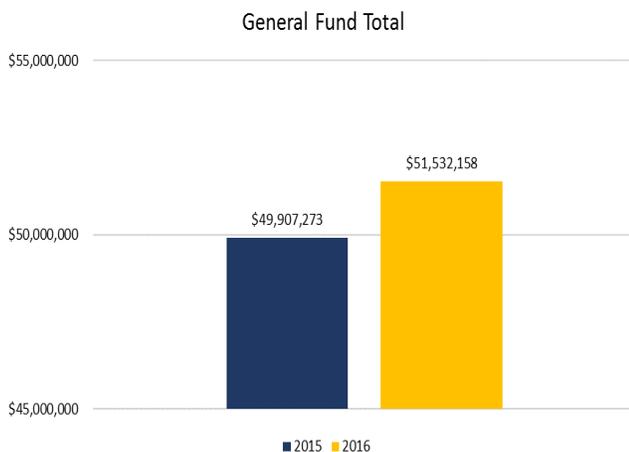
Expense Breakdown

Looking into our expense breakdown can help us better budget funds for the future. It also allows us to see which areas we are spending too much or too little. This chart represents each governmental expense source:



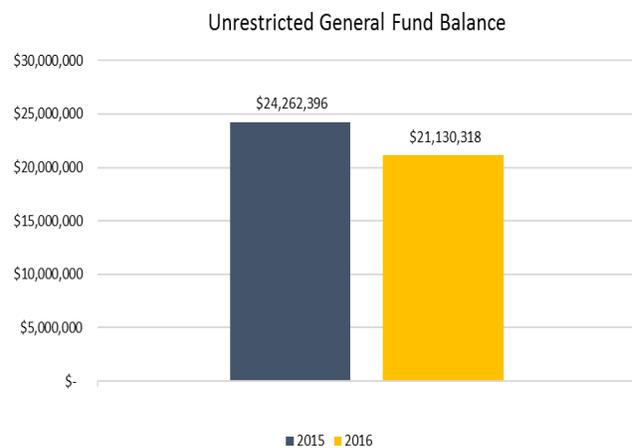
General Fund Total

Our general fund as of December 31, 2016 was \$51,532,158. This is a 3.3% increase from 2015. This shows our financial position has improved over the past year. In 2016, Dauphin County retained its AA/Stable Outlook Standard & Poor's credit rating.



General Fund Unrestricted

The Government Finance Officers Association recommends governments maintain a general fund balance of at least two months of expenditures. Our balance of \$21,130,318 covers more than two months of general fund expenditures and program subsidies. In 2016, our unrestricted general fund balance decreased 14.8%.

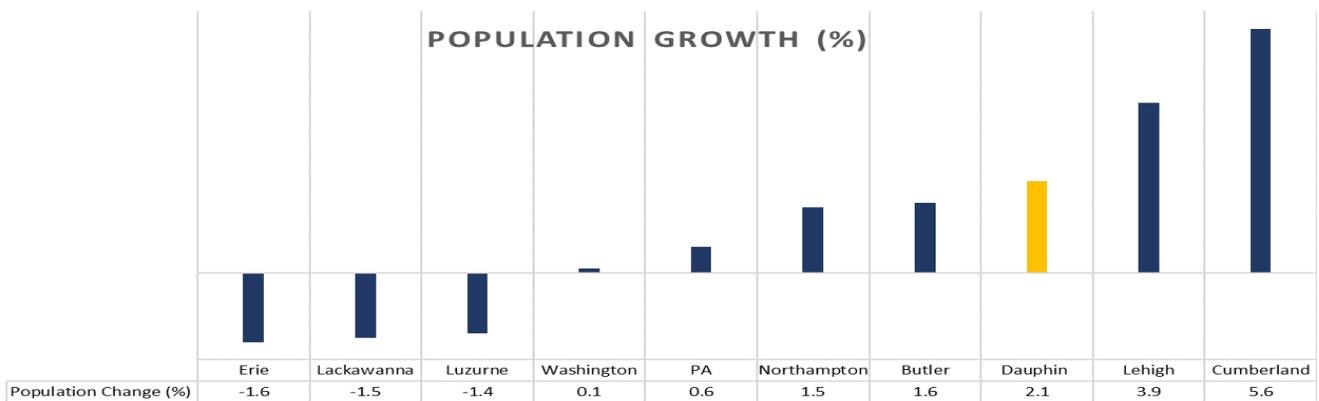
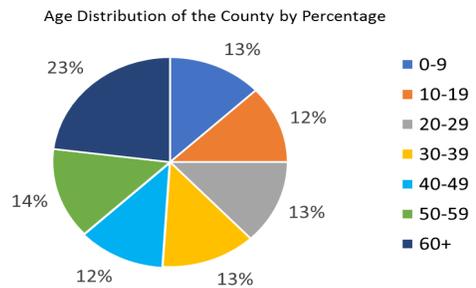


LIFE IN DAUPHIN COUNTY

People

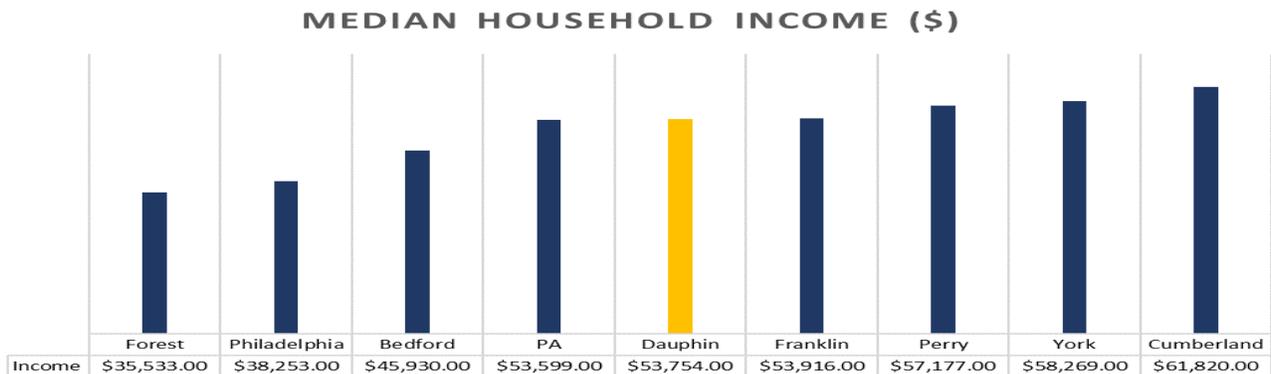
(Source: Pennsylvania State Data Center)

We saw our population increase 2.1% since 2010. This indicates quality of life in Dauphin County is improving. Comparative data on population growth is represented by the graph below. Counties included fall within a 85,000 population difference to Dauphin County, as of 2010. The median age for Dauphin County is 38.8 years old and the breakdown of the ages for our citizens is labeled on the chart to the right.



Income and Housing

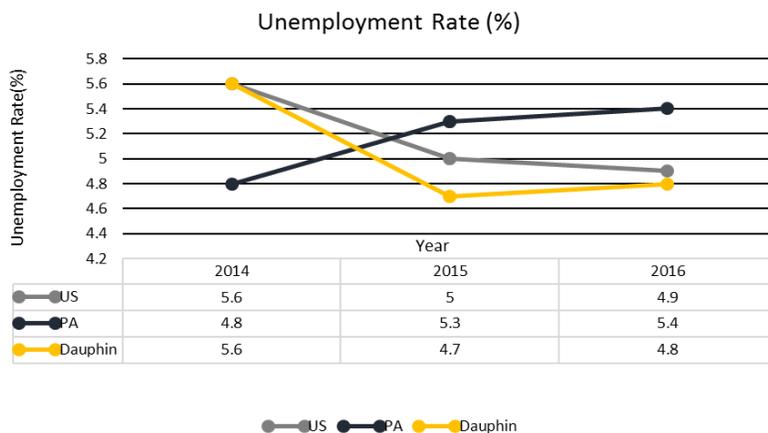
Since 2000, the value of homes in Dauphin County has increased 59.4%, which is significantly higher than the national average of 46.9%. The median household annual income has also increased, about 1%, over the past two years. Comparative household incomes for other counties are displayed in the bar chart below. 35% of people in Dauphin County pay rent, which is above the 30% average for the state of Pennsylvania. A big draw to our County is the cost of living. As of March 2016, our cost of living index was 96.8, which is lower than the national average of 100. These statistics are clear signs of improvement for Dauphin County.



Employment

(Source: PA Department of Labor and Industry)

Unemployment rates in Dauphin County continue to be less than or equal to national rates. Since 2014, Dauphin County's rates have also been significantly lower than the state average. The chart below compares Dauphin County to the national and state average. To the right is a list of the top 10 employers in Dauphin County as of the end of the 3rd quarter, 2016.



Top 10 Employers

1. State Government
2. Hershey Medical Center
3. Hershey Entertainment
4. The Hershey Company
5. Pinnacle Health Hospitals
6. Federal Government
7. Pennsylvania Higher Education Assistance Agency
8. Tyco Electronics Corp.
9. United Parcel Service Inc.
10. Pennsylvania State University

Historical Landmarks

Dauphin County has a rich history, dating back to the 1700s. This rich history has gifted us many sights to see and places to visit. In total, the County has 72 registered historical buildings.

The John Harris Mansion was built in 1766 by John Harris, Jr., who founded the Capital City of Harrisburg in 1791 along the banks of the Susquehanna River. In 1863, the mansion was purchased by Simon Cameron, Secretary of War (1861-1862) under President Abraham Lincoln, who remodeled the home into the structure we see today. It is listed on the National Register of Historical Places.



The Fort Hunter Mansion was built by Archibald McAllister in 1786 on the site of Fort Hunter which was originally constructed during the French and Indian War as a part of a series of small forts from Harris Ferry to Fort Augusta in Sunbury. The original fort was a 10' by 14' log blockhouse surrounded by a stockade and manned by volunteer soldiers, who were mostly farmers' sons.



MAJOR & FUTURE INITIATIVES

Major Initiatives

- In March 2014, the Duke Street Bridge in Hummelstown and South Hanover Township was closed to all traffic due to deterioration and decay, forcing roughly 1,500 vehicles a day to be detoured including large emergency vehicles. Construction of the new \$3.8 million Duke Street Bridge began in spring of 2016 and was completed during the spring of 2017. The construction was partially funded through the Dauphin County Infrastructure Bank, which offers low-interest loans to local municipalities without the need to raise property taxes to fund the projects.
- In 2011, Tropical Storm Lee flooded Rattle Creek running through Lykens Glen Park damaging a fish hatchery run by the Short Mountain Conservation Club. The hatchery raised 8,000 trout a year from fingerlings received from the Pennsylvania Fish and Boat Commission. In 2016, a Dauphin County lead project to restore the hatchery was started with a tourism grant funded through hotel tax dollars and securing a state Department of Environmental Protection permit. The project was completed in time to raise trout for the 2017 fishing season.



Future Initiatives

- The Dauphin County Commissioners awarded Capital Region Water \$812,622 in federal disaster relief funding to pay for a new generator to ensure the more than 60,000 Harrisburg-area residents have access to clean water during emergencies. The generator project is among dozens of flood mitigation efforts countywide—including bridge repairs, improving drainage and upgrading sewer lines—funded with more than \$14 million in federal money available after Tropical Storm Lee in 2011.
- Dauphin County was one of only four communities in the state awarded a Brownfields Assessment Grant by the Environmental Protection Agency. The \$400,000 grant will allow the County to conduct environmental assessments of transforming blighted and unused commercial properties into promising redevelopment sites and attracting new public and private investments.



HIGHLIGHTS & CHALLENGES

Highlights

- According to the County Health Rankings, Dauphin County improved its Health Outcomes rank from 51 to 39 out of 67 counties in the past year. This ranking comes from length of life (26), quality of life (55), health behaviors (44), clinical care (13), social and economic factors (24), and physical environment (49).
- As shown on page 3, our total net position has increased nearly 22% in the past year. This increase has helped our general fund grow and given Dauphin County more financial freedom and security.
- Our total revenue grew about 9% thanks to increases in revenue from property taxes, hotel taxes, and investments.
- Several Parks & Recreation projects were completed during the year, including the addition of Detweiler Park. Completing these projects helped increase the value of our assets, which grew 1.7% in 2016. The infrastructure-in-progress asset category grew over 500%, showing how dedicated the County is to rebuilding our backyard.
- At year-end, the County had \$87,180,000 in general obligation bonds and notes outstanding. This figure is down from 2015 as principal continues to be retired.
- Dauphin County's property tax rate of 6.876 mills was not raised in 2016.



Detweiler park is an oasis even after the leaves have fallen.

Challenges

- At December 31, 2016, the General Fund's Unassigned Balance was \$21,130,318. This is down from the \$24,262,396 balance at the end of 2015.
- Obesity continues to be a problem for our County. About 1 out of 3 adults living in the County has a BMI over 30, classifying them as obese. As the governing body in the area, health is a concern for us.
- The heroin and opioid epidemic continues to plague Dauphin County. In the past year, drug overdose has taken more lives than car accidents in our County. We want to attack the heroin and opioid epidemic. The County is transitioning to be a 24/7 resource for information, prevention and treatment, which includes increasing its provider network. Gaudenzia Common Ground Drug and Alcohol Treatment Program, with support from the County and HealthChoices Reinvestment funding, is increasing its bed count by at least 10 beds. Next, the County is disseminating Naloxone (also known as Narcan), which reverses the effects of overdose, to police and probation officers. Adult and Juvenile Probation were also trained and will have access to Naloxone.
- Abandoned homes and deteriorating structures around the County have become a problem. Not only are they eyesores around our community, but deteriorating buildings can be potentially dangerous to those around them. Our Department of Community and Economic Development is providing grants to those qualified to renovate such buildings.
- Health care costs continue to rise, as we anticipate a 12% increase for 2017. This makes it extremely difficult to maintain a proper budget with our current funding.



INFRASTRUCTURE & TOURISM

Throughout 2016, the County's Gaming Grant awards allowed for the revitalization of many buildings and facilities while also promoting safety, and tourism. Our office of Community and Economic Development is responsible for approving and awarding these grants. For a complete list of projects awarded funding, go to our website > Government Services > Community and Economic Development > Projects. Here are a few highlighted projects funded with gaming grants:

Detweiler Park, Dauphin County



The park is known for its amazing fall scenery, shown in the picture above.

For the price of \$257,500, the County has purchased 400 acres of the Detweiler/Stackpole family's land. Meade Detweiler III asked the heirs of the land to preserve the land for wild-life and their habitats, which is exactly what we are doing. It will be the largest of the eight public land owned parks by Dauphin County. This land is home to many members of nature like deer, turkey, hawks, woodpeckers, and bluebirds. Many terrains such as forests, meadows, evergreen plantations, gardens and fields encompass this beautiful park.

Public Safety Building Expansion, Susquehanna Township

The Gaming Grant awarded Susquehanna Township \$200,000 to expand its public safety building. The public safety department for Susquehanna township is largely underfunded and the fire department relies on unpaid volunteer firefighters. This grant will allow them to expand and continue their important service to the community.

The Dauphin County Tourism Grant Program is designed to enhance tourism in our local community. Municipalities and 501 non-profit organizations may apply. Applicants must be located within the legal boundaries of Dauphin County. In order to be eligible, the money must go towards one of the following activities: marketing efforts to attract tourism, tourism enhancement programs, beautification projects, or limited general operating expenses. Dauphin County awarded over \$1.7 million in tourism awards in 2016. Below are a few attractions the tourism grant program has helped fund:

Big 33 Football Classic

The program awarded \$85,000 to the Big 33 Football Classic in 2016. The Classic features top high school football talent from Pennsylvania taking on the state of Maryland's top high school talent. At least one alumni from the Big 33 has played in every NFL Super Bowl.



Whitaker Center for Science & the Arts

The Whitaker Center was awarded \$60,000 in 2016 to promote education, entertainment, and art. They attract tourism by showing movies, having live performances from nationally known acts, summer camps for youth and a state of the art science center.

National Civil War Museum

Harrisburg is the home to the National Civil War Museum, which displays the unbiased, humanistic viewpoint on the American Civil War. The program granted the museum \$75,000 in 2016, to continue their quest to inspire lifelong learning of the American Civil War through the preservation and balanced presentation of the American peoples struggle for survival and healing.

PARKS & RECREATION

Department of Parks and Recreation: 100 Fort Hunter Road, Harrisburg, PA 17110

The Parks and Recreation Department oversees 46,729 acres of State Game Lands and 8,029 acres of State Forest Lands. The department has an Open Space and Greenways Plan, which focuses on enhancing existing and future communities in Dauphin County by preserving, and where appropriate, creating various types of green space. Created in 2009, the Plan includes an inventory of current conditions and parks in Dauphin County. It also analyzes those conditions, assesses needs, and lists possible future opportunities.

- **Wildwood Park, 100 Wildwood Way, Harrisburg, PA 17110**

This 229 acre park includes a 90 acre shallow lake, 6 miles of trails, and 1.5 miles of boardwalks. The Benjamin Olewine III Nature Center exhibit hall displays workings of a freshwater wetland and gives visitors a glimpse of the wildlife inhabitants of the park.

- **Lykens Glen Park, Glen Road, Lykens, PA 17048**

Through a long-term lease with the Borough of Lykens, the County maintains and operates this 51 acre area of mountain slopes and the tumbling Rattling Creek. Two picnic pavilions, a sand volleyball court, a playground, a creek side walk and scattered benches make this park an oasis of Central Pennsylvania beauty and a favorite to witness fall colors.



The Parks and Recreation department also hosts many events throughout the year. For an updated event list, go to our website > Parks & Recreation > Special Events. Here are a few popular events the Parks Department hosts:

- **Jazz & Wine Festival**



This year is the 11th anniversary of the Dauphin County Jazz & Wine Festival at beautiful Fort Hunter Park as we welcome national, regional, and local recording artists. The Central Pennsylvania Friends of Jazz will host Friday night's entertainment. Browse among some of Central Pennsylvania's top wineries and a fine gathering of wine, craft and food vendors.

- **Lykens Glen Fall Festival**

Enjoy a quintessential Pennsylvania fall foliage landscape in this beautiful valley created by rambling Rattling Creek as it heads into the charming town of Lykens. This festival features a large number of craftsmen displaying their finest work and a variety of ethnic foods served by local organizations.



- **CulturalFest**

The Commissioners and the County's Multicultural Task Force Committee extend a warm invitation to a free, open air street festival celebrating cultural diversity in Dauphin County. The festival will offer national and local recording artists, ethnic foods, crafts, Kid's Corner and more.



CRIMINAL JUSTICE & PUBLIC SAFETY

Criminal Justice

This department runs the Dauphin County Prison and work release program. The department consists of:

District Attorney

A four-year term, the District Attorney is elected as the chief law enforcement officer in the County. The District Attorney oversees an office of 22 deputies, 13 detectives, and over 20 support personnel, which handles over 6,500 cases per year in the County Court of Common Pleas and the appellate courts.

Public Defenders

The Public Defender is responsible for furnishing legal counsel to any person who, for lack of sufficient funds, is unable to obtain legal counsel in any situation where representation is constitutionally guaranteed. In general, a person is entitled to legal counsel whenever that individual's personal liberty is at stake. This would include capital crimes, misdemeanor and felony offenses, summary offenses that carry a mandatory sentence of incarceration and commitment proceedings under the Mental Health Procedures Act.

Sheriff

Elected to a four-year term, the Sheriff's duties include overseeing the transporting of prisoners from the County Prison to the Courthouse, securing the interior of the courtroom, and servicing court papers.

Clerk of Courts

Established by the PA Constitution, the Clerk of Courts is an officer of the court and an independent elected official serving a four-year term. The main office is responsible for recording, maintaining, and processing criminal and juvenile records for the Dauphin County Court of Common Pleas. Other responsibilities include assessing court imposed costs and fines, and licensing private detectives. Administrative duties include preparing prison commitments, bail, processing motions and petitions, summary appeals, and appeals to the PA Superior and Supreme Courts.

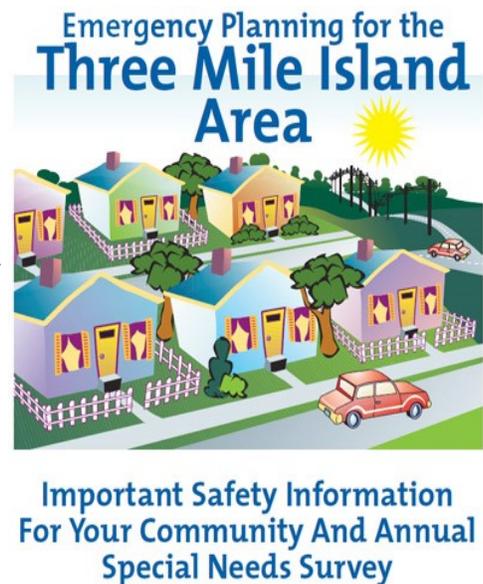
Court of Common Pleas

The Court of Common Pleas hears civil and criminal cases. It also decides cases involving adoption, divorce, child custody, abuse, juvenile delinquency, estates, guardianships, charitable organizations and many other matters.

Public Safety

The Dauphin County Department of Public Safety (DPS) takes on the dual role of serving as the County's primary Public Safety Answering Point (PSAP) for 9-1-1 and non-emergency phone calls, as well as preparing for emergencies that may occur through planning and the Emergency Operations Center.

The Emergency Communications Center (ECC) answers an average of 1,250 emergency and non-emergency calls a day and dispatches municipal police, fire and emergency medical services (EMS) to provide assistance to County residents and visitors.



MEET OUR ELECTED OFFICIALS

Board of Commissioners



Jeff Haste
Chairman



Mike Pries
Vice Chairman



George P. Hartwick III
Secretary

Row Officers



Dale Klein
Clerk of Courts
(717) 780-6530



Graham Hetrick
Coroner
(717) 780-4567



James Zugay
Recorder of Deeds
(717) 780-6560



Jean Marfizo King
Register of Wills
(717) 780-6500



Ed Marsico
District Attorney
(717) 780-6767



Steve Farina
Prothonotary
(717) 780-6520



Nicholas Chimienti Jr.
Sheriff
(717) 780-6590



Janis Creason
Treasurer
(717) 780-6550



Timothy L. DeFoor
Controller
(717) 780-6570





DAUPHIN COUNTY
P E N N S Y L V A N I A
CONTROLLER

101 Market Street, Rm. 106
Harrisburg, PA 17101-1295
717-780-6570
www.dauphincounty.org

Fraud, Waste & Abuse Hotline

If you think you have knowledge of...

- Suspected theft or misuse of County equipment, property, or cash
- False reporting of hours worked
- Submission of illegitimate vendor invoices
- Misrepresentation of expense or travel reimbursements
- Misrepresentation of tax dollars
- Fraudulent reporting of medical, disability or workers compensation claims
- Spending in excess of what is reasonable and necessary
- Violations of the County's gift and gratuity policy
- Violations of the County's purchasing policy
- Suspicious Behavior - Fraud perpetrators often display behavior traits that serve as indicators of possible illegal behavior. The most commonly cited behavioral red flag was "living beyond their apparent means."

Here's how you can report it...

- Gather as much of the following information as possible:
 - *Area where the fraud is occurring
 - *Person or persons involved
 - *Nature of the fraud/abuse- lying, cheating, stealing, etc..
 - *Date and/or durations of occurrences
 - *Approximate dollar amount/value involved
 - *Any other witnesses

Reporting Options...

- Call (717) 780-3570
- Fax (717) 780-6483

Important 2017 Election Dates

October 10: Last day to REGISTER before the November election

October 31: Last day to apply for a civilian absentee ballot

November 7: Municipal Election

Community Resources

Dauphin County offers many resources to its community including assistance with home ownership, a Keep Kids Safe program, and numerous educational festivals and events, plus so much more. To find out more about what the County is doing to improve the community and what services are offered, refer to Community Resources section on our website.

We invite you to watch our Video TourBook online! This TourBook shows Dauphin County in a light you've never seen before. Lifelong residents can even learn things about their County they never knew. Sections include quality of life, real estate and relocation, education, accommodations, attractions, business and industry, culture and diversity, healthcare, and recreation and things to do.