

County of Dauphin, Pennsylvania

**Popular Annual Financial Report
For the Year Ended December 31, 2018**



**Prepared by the Office of the Controller
TIMOTHY L. DEFOOR, CONTROLLER**

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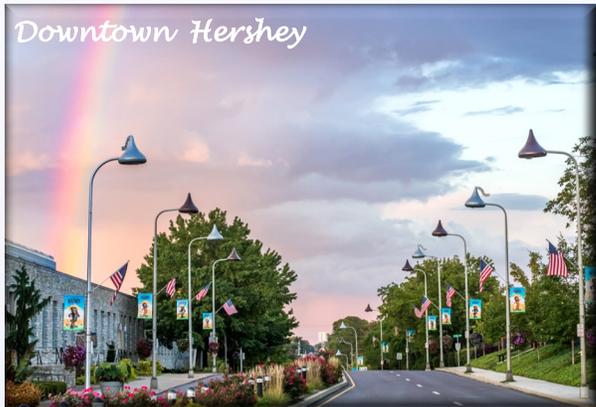
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#14 Best Place to Live
 in Pennsylvania
 Hershey
 (2018- *WalletHub*)



#44 Best Places to Live
 Greater Harrisburg Area
 (April 10, 2018- *U.S. News & World Report*)



Dauphin County was founded in 1785 with a population of approximately 18,000. Now, Dauphin County’s population has grown exceptionally to 277,000 residents. The County is unique in that it boasts both energetic towns and countryside farmlands. The County is perhaps best known for Pennsylvania’s capital city, Harrisburg, and “The Sweetest Place on Earth ®,” Hershey. Dauphin County has much to offer residents and tourists alike.

Photo Credit: The cover image features the Main Rotunda of the Pennsylvania State Capitol Building, while the image directly

above is of the exterior. The front cover photo and photos on pages 1, 7, 13, 14 & 16 are courtesy of the Hershey Harrisburg Regional Visitors Bureau.

A Message from the Controller

It is with great pleasure that I present to you the 3rd Annual Dauphin County Popular Annual Financial Report (PAFR). The PAFR is an informative overview of Dauphin County's Comprehensive Annual Financial Report (CAFR), and is intended to allow the reader to easily understand the financial changes and financial position of Dauphin County. The PAFR includes demographic, economic and statistical information about Dauphin County, and highlights why Dauphin County is a great place to live, work and raise a family.

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 with Pennsylvania County Code.

Since taking office in 2016, my goal for the Controller's office has been government transparency. In 2016, I created the Controller's office first ever Audit Division, which includes two Certified Fraud Examiners. In 2017, we successfully filed the first CAFR in Dauphin County history. The CAFR, in addition to being an independent audit, also provides statistical and historical data that makes the financial information easier to understand and analyze. Some benefits of a CAFR can include a better credit rating by rating agencies, and greater transparency for the public. Also in 2017, we introduced the "Fraud, Waste and Abuse Hotline". If you have concerns about fraud, waste or abuse, I urge you to contact our Hotline at 717.780.3570. In 2018, we issued the first County pension fund summary report for year ended December 31, 2017. These reports are available electronically on the Controller's page of our website at www.dauphincounty.org.

It is a great honor to work alongside the many Dauphin County employees who are doing the good work of the people with professionalism and integrity. I would like to thank the staff in the Controller's office who have worked tirelessly to accomplish these milestones for the citizens of Dauphin County. I can confidently say my office is constantly improving, and we are dedicated to accomplishing our goals of efficiency and transparency for you. I hope you find this report interesting, helpful and informative to the people who matter most, you the citizens of Dauphin County.



Sincerely,

A handwritten signature in blue ink that reads "Tim". The signature is stylized and appears to be written on a white surface.

Timothy L. DeFoor
Dauphin County Controller

Major County Initiatives

Transformation Initiative

As part of a County-wide effort to transform blight for redevelopment, “The Steel Works” is a mixed-use development featuring a grocery, brewpub and more than 75 apartments, in downtown Steelton. Construction is expected to begin late 2019 or early 2020, and continue for 2 to 3 years.



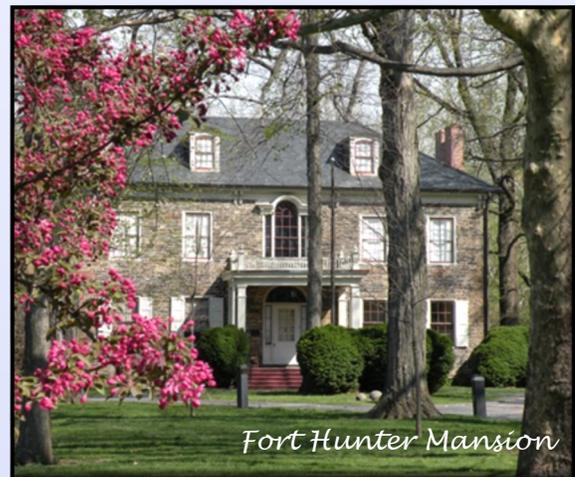
Site plan courtesy of Integrated Development Partners, LLC (IDP)

Bridge Program

Dauphin County is partnering with its local municipalities to repair or replace all structurally deficient bridges, including 12 municipal bridges and 9 county bridges, by 2021. Municipalities will be responsible for 40% of the repair costs, which can be financed through Dauphin County Infrastructure Bank loans with less than a 1% interest rate.

Fort Hunter & Greenbelt Connect

The two-mile extension project will connect Fort Hunter Park to the 20-mile Capital Area Greenbelt Trail. Between 100,000 to 400,000 visitors utilize the trail yearly. When completed, guests on the Greenbelt Trail can enjoy 50 acres of land filled with picnic pavilions, playgrounds, historical buildings, and a view overlooking the river. The expansion is expected to be completed May 2020.



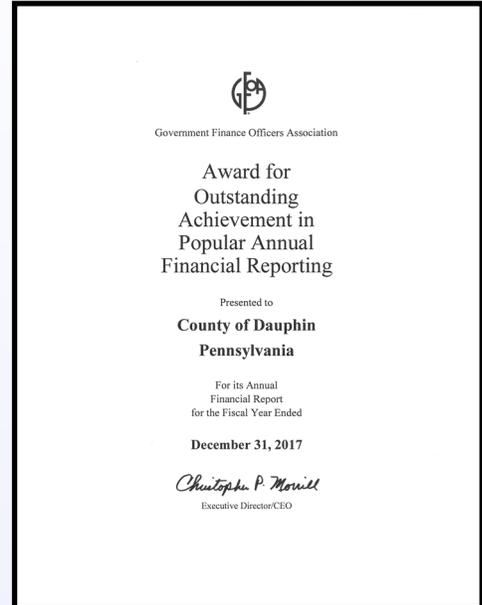
Awards

Popular Annual Financial Report (PAFR)

Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to Dauphin County, Pennsylvania for its Popular Annual Financial Report for the fiscal year ended December 31, 2017. 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 government 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, Pennsylvania has received a Popular Award for the last two consecutive years (fiscal years ended 2016-2017). We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA to determine its eligibility for another Award.



Comprehensive Annual Financial Report (CAFR)

Dauphin County's comprehensive annual financial reports for the years ended 2016-2017, from which the information of pages 9-11 has been drawn, were awarded the Certificate of Achievement for Excellence in Financial Reporting by Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR), whose contents conform to program standards. Such a CAFR must satisfy both 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 CAFR continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another Certificate.

Dauphin County at Work

New Services for 2018

Register of Wills leads New Guardianship Electronic Report Filing

Dauphin County Register of Wills & Clerk of the Orphans' Court Jean Marfizo King, in partnership with the Administrative Office of Pennsylvania Courts and the Dauphin County Court, served as the co-pilot county in implementing the Pennsylvania Guardianship Tracking System (GTS). GTS is now available for electronic filings with the Dauphin County Register of Wills & Clerk of the Orphans' Court office. Guardians can submit inventory, as well as annual person and estate reports online. To set up a secure user account, visit <https://ujportal.pacourts.us/>.

Clerk of Courts offers New Electronic Filing through PACFile

New for 2018, Clerk of Courts Dale Klein, in collaboration with the courts, is offering electronic filings through PACFile, a service that provides a way for documents to be filed with the courts electronically in a safe and secure manner. To utilize this service and file with the Dauphin County Clerk of Courts office, you must register for a secure account. For more information, visit <https://ujportal.pacourts.us/>.

Prothonotary provides New One-Stop Passport Services

Now, you can have your passport photo taken, and file your passport application all at one time in the Prothonotary's office. Previously, you would have needed to obtain a passport photo elsewhere and bring it with you to file your application in the Prothonotary's office. In 2018, Prothonotary Matt Krupp initiated this new service by purchasing a camera, printer, tripod and screen to produce U.S. passport quality photos. The Prothonotary's office charges an administrative fee of \$35 per passport application and \$10 per photo, a lower fee than many retail establishments and with the added convenience of being able to file your application at the same time.

BE THE CHANGE. RECYCLE

Did you know that on average a person creates 4.7 pounds of waste every day? Most of the waste we make can be recycled into new products. Making an impact today on your community by recycling any materials such as paper, aluminum, and plastic at drop-off recycling depots. Recycling helps makes a positive impact on your community and even the world.

1625 South Cameron Street
Harrisburg PA 17104
717.982.6772



Dauphin County at Work

2018 County Government Performance



700

*Seniors Served
through Farmer's
Market Program*



1,000

*Veteran Discount
Cards Issued
to date*



156,448

*911 Phone Calls
Answered*



2,038

*Marriage Licenses
Issued*



17,700

*Dog Licenses
Issued*



1

*Full-time Spanish
Interpreter Hired
by Courts*



123

Adoptions Filed



246,797

*Total Police
Dispatch Events*



11,773

*Total Fire
Dispatch Events*



52,079

*Total Medical
Dispatch Events*

See Fraud, Waste or Abuse?



Report it.

717-780-3570

Did you know?

The Treasurer's Office has helped reunite dozens of dogs with their owners through its licensing program.

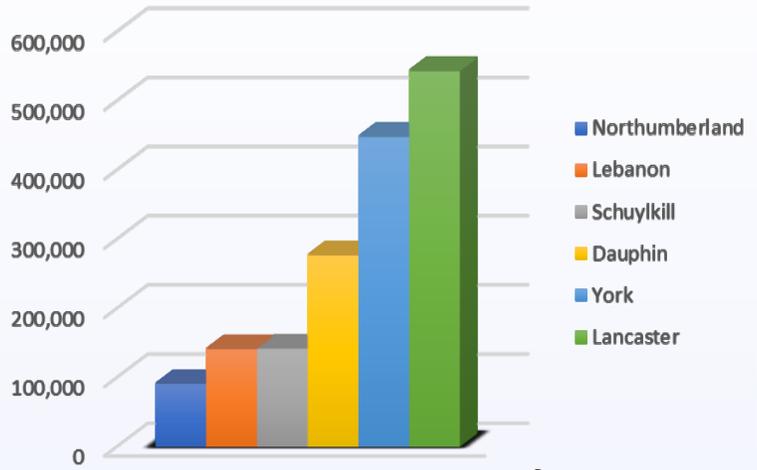


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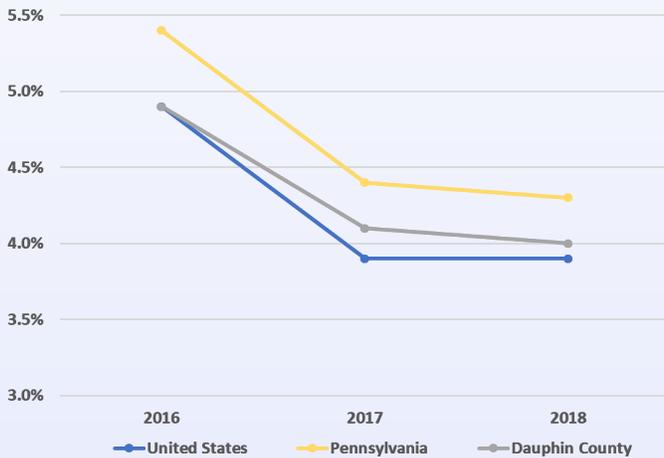
License your dog today!
www.padoglicense.com

Dauphin County at a Glance

Population: The graph to the right shows the population in Dauphin County as well as some of Dauphin County's adjacent counties for the year 2018. The population of Dauphin County was 277,097 when last recorded and has grown 3.3% since the 2010 census.



Source: census.gov



Employment: The chart to the left compares the unemployment rate of Dauphin County to the rates of both Pennsylvania and the United States. The unemployment rate for Dauphin County has decreased by 0.1% since 2017 to 4.0%.

Source: The Bureau of Labor Statistics

#4 Best City
 for New College Grads
Harrisburg
 (April 29, 2019– *realtor.com*)

Top 10 Employers

1. State Government
2. Milton S Hershey Medical Center
3. Hershey Entertainment & Resorts Co.
4. The Hershey Company
5. UPMC Pinnacle Hospitals
6. Federal Government
7. PHEAA
8. Pennsylvania State University
9. United Parcel Service Inc
10. Tyco Electronics Corporation

County's Bond Rating
"AA/Stable Outlook"
 As of December 31, 2018
 (Standard & Poor's)

A Safe Community
Crime Rate of 15.7
 (7 points lower than U.S. Average)
 (*bestplaces.net*)

Median Household
 Income
\$57,071
 (*census.gov*)

Introduction to Finances

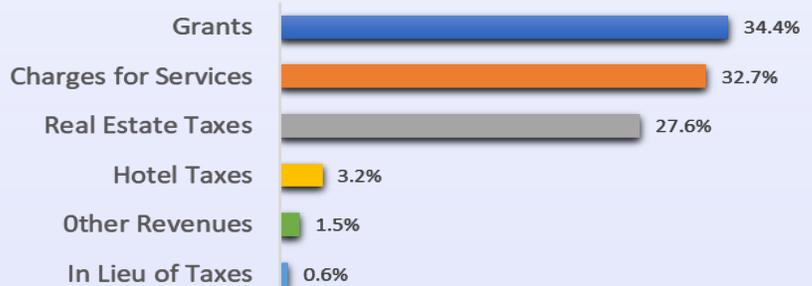
In an effort to maximize transparency, the following information represents our county's financial position and how our funds are allocated. We anticipate that you will gain a basic understanding of how your tax dollars are distributed and where our revenues and expenses come from. It's critical for taxpayers to become informed on how government funds are distributed and the services that rely on their taxes. Contained within the information are various graphics, which serve to highlight the County's current performance compared to historical data. We hope you find the following information informative and promising as a resident of Dauphin County.

This report serves as a summary of county financial statements and information, and does not comply with the Generally Accepted Accounting Principles (GAAP). Only the financial data for the general government is included in this report. All of the County's discretely presented component units are excluded, as well as certain statements and note disclosures required by GAAP. For complete details and notes to the financial statements, refer to the 2018 Comprehensive Annual Financial Report (CAFR), which can be found online at www.dauphincounty.org.

Revenues

As of December 31, 2018, the County's revenue totaled \$373,200,745. Grants dropped 8.7% since 2017 due to the childcare grant ending in 2018.

Where the Money Comes From



Where the Money Goes to



Expenditures

At the end of December 31, 2018, the County spent \$367,998,383. Human Services dropped 2.9% since 2017 due to the childcare grant ending in 2018.

Revenue & Expenses

This statement of net activities shows the difference between the County's revenues and expenses on a full accrual basis. Accrual basis means that revenues are recorded when earned and expenses are recorded when the liability is incurred. Net position represents the difference between revenues and expenses; a positive net position is promising, illustrating a surplus.

Revenues:		2017		2018	Change %
Charges for Services	\$	114,224,322	\$	121,973,455	6.8
Grants		140,465,382		128,207,236	(8.7)
Real Estate Taxes		104,379,322		103,088,831	(1.2)
Hotel Taxes		11,717,786		12,077,750	3.1
In Lieu of Taxes		2,157,821		2,225,269	3.1
*Other Revenues		3,644,652		5,628,204	54.4
Total Revenues	\$	376,589,285		373,200,745	(0.9)
Expenses:					
General Government	\$	15,881,489	\$	16,935,084	6.6
Judicial		66,831,997		66,653,315	(0.3)
Public Safety		50,114,628		50,692,732	1.2
Public Works		3,080,970		3,069,821	(0.4)
Human Services		202,552,975		196,770,582	(2.9)
Cultural & Recreation		14,334,994		16,789,417	17.1
Conservation & Development		13,610,471		12,988,612	(4.6)
Interest on Long Term Debt		3,834,082		3,185,232	(16.9)
Other Programs		921,092		913,588	(0.8)
Total Expenditures	\$	371,162,698	\$	367,998,383	(0.9)
Change in Net Position:	\$	5,426,587	\$	5,202,362	(4.1)

*Other Revenues includes: investment income, asset disposal & miscellaneous as shown in the Dauphin County CAFR YE 2018 on page 21

See Page 21 of the Dauphin County CAFR YE 2018 for the full Statement of Activities

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 (see page 9 for explanation).

	2017	2018	Change %
Assets:			
Capital Assets	\$ 114,671,958	\$ 111,047,814	(3.2)
Current and other assets	121,224,709	124,900,238	3.0
Total Assets	235,896,667	235,948,052	0
Deferred Outflows of Resources:			
Total Deferred Outflow of Resources	2,635,367	31,445,465	1093.2
Liabilities:			
Long-Term Liabilities	136,713,800	185,164,719	35.4
Other Liabilities	27,155,200	31,954,738	17.7
Total Liabilities	163,869,000	217,119,457	32.5
Deferred Inflows of Resources:			
Total Deferred Inflows of Resources	11,064,171	2,208,629	(80)
Net Position:			
Net Investment in Capital Assets	27,845,230	47,088,102	69.1
Restricted	24,737,862	22,307,689	(9.8)
Unrestricted	11,015,771	(21,330,360)	(293.6)
Total Net Position	\$ 63,598,863	\$ 48,065,431	(24.4)

See Page 20 of the Dauphin County CAFR YE 2018 for the full Statement of Net Position

County’s 5-Year Net Position

The County’s net position decrease was primarily due to the implementation of the Governmental Accounting Standards Board (GASB) Statement No. 75, aimed at improving reporting for postemployment benefits other than pensions. This caused a prior period adjustment and a restatement of the County’s beginning net position. The result for the prior period was a reduction of \$20,735,794.

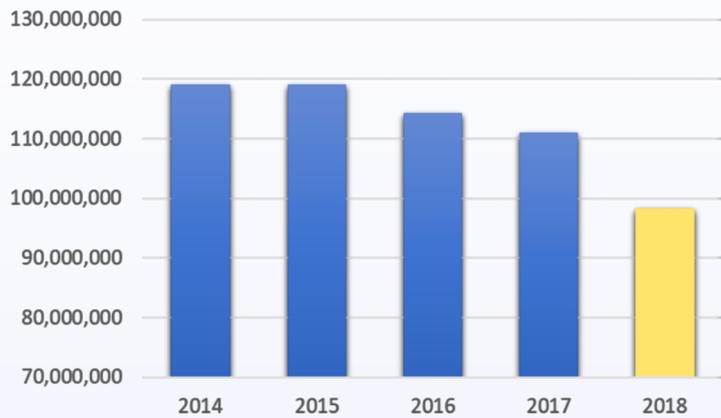


County Funding

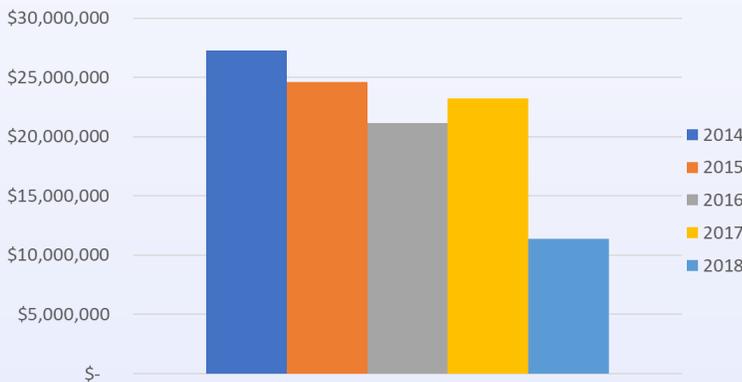
DECLINING DEBT OBLIGATIONS

Counties utilize bonds to borrow money that they are obligated to pay back in the future. The County has experienced a decline in the amount of debt for the 3rd consecutive year.

County Debt



Unassigned General Fund



Unassigned General Fund Balance

The illustration on the left represents the county's Unassigned General Fund balance. These funds are available for any purpose. In 2018, the balance ended at \$11,359,603, dropping 51% since last year.

Library: 1¢ Municipal: 15¢ County: 21¢ Local School Districts: 63¢



Above: Chart illustrates an average distribution of property tax dollars to county and municipal services

General Fund Expenditures

Department	2018 Budget	2018 Actual	Savings/(Over)
General Government	\$15,303,280	\$14,793,181	\$510,099
Judicial	61,790,816	56,683,411	5,107,405
Public Safety	41,193,518	40,112,405	1,081,113
Human Service	18,695,353	19,958,506	(1,263,153)
Culture & Recreation	2,502,287	2,473,667	28,620
Conservation & Development	7,648,996	6,221,675	1,427,321
Other Financing Departments	17,925,963	15,374,136	2,551,827

See Pages 191-199 of the Dauphin County CAFR YE 2018 for the Schedule of Departmental Expenditures

Breakdown by Departments*

General

- Budget & Finance
- Commissioners
- Controller
- Data Processing (IT)
- Facilities Maintenance
- Gasoline Center
- Personnel (HR)
- Public Defenders
- Purchasing
- Recorder of Deeds
- Solicitors
- Tax Assessment
- Tax Collectors
- Treasurer
- Veterans' Affairs
- Voter Registration

Public Safety

- Emergency Services
 - Prison
- ### Culture & Recreation
- Parks
- ### Conservation & Dev.
- Conservation Programs
 - Cooperative Extension
 - Economic Development

Human Service/Other

- Children & Youth
- Drug and Alcohol
- EMA Communications
- Mental Health (MH/ID)
- Solid Waste

Judicial

- Adult Probation
- C.I.D. (Detectives)
- Clerk of Courts
- Coroner
- Cost & Fines
- Court
- Court Reporters
- District Attorney
- District Justices
- Judicial Center
- Juvenile Probation
- Law Library
- Night Court
- Pretrial
- Prothonotary
- Register of Wills
- Sheriff
- Victim Witness

*This list is illustrative only, and not all inclusive.

Entertainment

Whitaker Center

The Whitaker Center for Science and the Arts is a unique hands-on attraction that has three floors that feature activities that range from science, movies, and live performances of dance, music, and theater. There is even an art gallery and other areas dedicated to kid-focused entertainment.

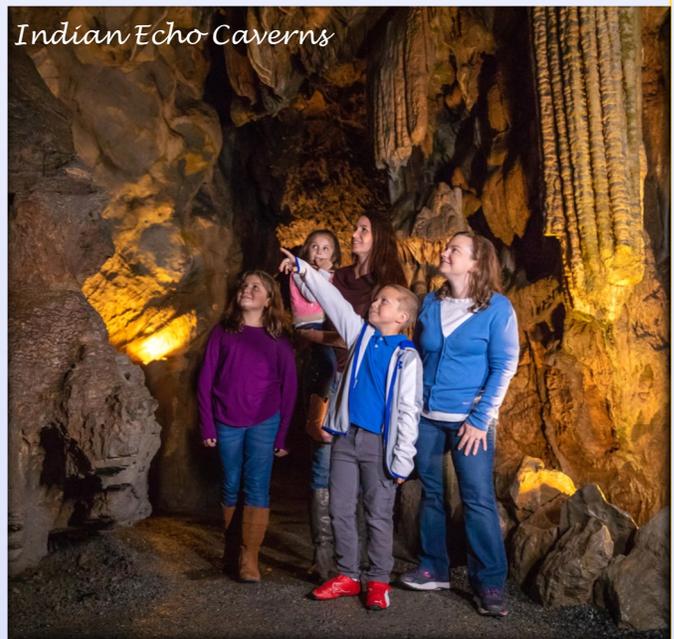


City Island

City Island, only being a mile long, is considered the crown jewel of the Susquehanna River. City Island is used for entertainment events such as baseball and soccer games, a small-scale steam train, and one of the best views of the Harrisburg skyline.

Indian Echo Caverns

Tour the stunning natural underground limestone caves open to the public. Every room offers an array of fantastic geological wonders, stalactites, and lakes. Learn ancient facts about the former inhabitants of the cave. Gain insight into how the cavern's inhabitants utilized the caves natural temperature, which is 52 degrees Fahrenheit year-round.



Tourism



Courtesy of
PA Department of Agriculture

PA Farm Show

Pennsylvania Farm Show

A week-long event that occurs in early January, Dauphin County is proud to host the largest indoor agricultural expo in the nation. Over many years, the Farm Show has welcomed countless visitors to experience Pennsylvania agricultural history and featured a variety of animals and amazing food. The agricultural expo contributes \$185 billion to Pennsylvania's economy every year.

HUE Festival

Harrisburg University hosted a two-day festival that featured music concerts and a collegiate level esports tournament. Players from 32 teams, including Harrisburg's own Storm, competed in "Overwatch" and "League of Legends" games. Musical performances included Lit, Alien Ant Farm, Atlas Genius, and DJ Whipped Cream.



Courtesy of
Harrisburg University



Jazz and Wine Festival

Visitors can listen to musicians play some smooth jazz while tasting exquisite wines from top notch regional wineries at the Harrisburg Jazz and Wine Festival. Located at Fort Hunter Park, guests can bring blankets or chairs to enjoy this event and see the park's beautiful scenery.

Parks & Recreation



*Egg Hunt
Fort Hunter Park*

**Need a quiet walk in the woods?
Visit 7 miles of trails in Detweiler Park.**



Detweiler Park



Lykens Park Pavilion

**Planning a family reunion?
Rent one of our pavilions.**



*Sunset Movie Series
Fort Hunter Park*

Looking for an outdoor movie experience? Join us at the Sunset Movie Series.

County Sights



Downtown Harrisburg



Hershey Gardens



The Pride of the Susquehanna Riverboat



City Island Water Golf

2018 in Review

Highlights

No Tax Increase for 14 Consecutive Years

The Dauphin County Commissioners approved a \$247 million budget for 2019, which marks the 14th consecutive year with no tax increase. The 2019 Budget highlights cost savings in the consolidation of the Dauphin County Prison and Judicial Center operations projected at \$800,000 for 2019; reduction of healthcare costs by \$7 million since 2009 by self-insuring; and investment in energy-efficiency projects for County facilities.

50th Anniversary Commemoration of MLK's Assassination

A 50th anniversary commemoration of the Rev. Martin Luther King Jr.'s assassination, 'A Time to Remember the Dream,' was held April 4, 2018 at the National Civil War Museum in Harrisburg. Dauphin County, along with community partners, celebrated the legacy of Dr. King with a series of special events to coincide with his assassination on April 4, 1968 in Memphis, Tennessee.

Land Bank eliminates blight and returns properties to tax rolls

Dauphin County created the first Land Bank Authority in Pennsylvania in 2013. The purpose of the Land Bank is to identify and remove or prevent blighted areas, and increase the property tax collection rate by placing tax-delinquent, abandoned and vacant properties back on the tax rolls. In 2018, the Land Bank completed demolition of two properties, which has resulted in three properties being returned to the tax rolls.

Challenges

Opioid Epidemic

In an ongoing effort to deal with the devastation caused by the opioid epidemic, District Attorney Fran Chardo, in partnership with the Office of Attorney General, local police agencies, and the Dauphin County Drug Task Force, have instituted the Rapid Response to Drug Overdose Initiative. This program gathers evidence in drug overdose cases quickly and effectively to identify drug dealers who cause overdoses.

Northern Dauphin Medical Transportation

A Community Health Needs Assessment found a lack of transportation stopped many Northern Dauphin residents from accessing primary medical and dental care. In 2018, the Commissioners approved a \$30,000 gaming grant to purchase a seven-passenger van in a joint effort with Tri-County Community Action to provide transportation assistance to residents. Service is expected to begin in 2019.

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



Graham Hetrick
Coroner



James Zugay
Recorder of Deeds



Jean Marfizo King
Register of Wills &
Clerk of Orphans' Court



Francis T. Chardo
District Attorney



Matt Krupp
Prothonotary



Nicholas Chimienti Jr.
Sheriff



Janis Creason
Treasurer



Timothy L. DeFoor
Controller



Dauphin County Courthouse

101 Market Street, Room 106

Harrisburg, PA 17101

717-780-6570

Dauphin County's Veteran ID Discount Card Program



Memorial Day Services, Fort Indiantown Gap

Recorder of Deeds Jim Zugay offers a reward program for those who have bravely served our country. This Veteran ID discount card program offers veterans discounts on local business products and services. To obtain a Dauphin County Veteran ID Discount Card, please visit the Dauphin County Recorder of Deeds Office or one of the veterans' events held throughout the County.

Please bring your DD-214, as well as an official ID, such as a driver's license. We will record the discharge papers, take a photo and provide you with an ID card immediately. This card will enable you to receive special discounts at local businesses.



Veterans: Scan this QR Code with your phone for additional information about the program and a complete list of participating businesses!

