

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

**Financial Statements and Supplemental Schedules
Together with Reports of Independent Public Accountants**

For the Year Ended December 31, 2023

DECEMBER 31, 2023

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

County Commissioners of Northumberland County
Sunbury, Pennsylvania

Report on the Audit of the Financial Statements

Opinions

We have jointly audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Northumberland County, Pennsylvania (the County), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2023, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The County'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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is

not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, schedules of net pension liability, pension contributions, net OPEB liability, and budgetary comparison information, as listed in the accompanying table of contents 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 and the other auditors 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements are the responsibility of management and was derived from and relates 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 and individual fund statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2024, on our consideration of the County'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 solely 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 the effectiveness of the County's 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's internal control over financial reporting and compliance.

Owings Mills, Maryland
September 24, 2024

SBC & Company, LLC

Shamokin, Pennsylvania
September 24, 2024

Klacik & Associates, P.C.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Management's Discussion and Analysis December 31, 2023

This management's discussion and analysis of Northumberland County's (the County) financial statements is designed to introduce the basic financial statements and provide an analytical overview of the County's financial activities for the fiscal year ended December 31, 2023. The basic financial statements are comprised of the government-wide financial statements, fund financial statements, and notes to the financial statements. We hope this, in conjunction with additional information provided within the financial statements, will assist readers in identifying significant financial issues and changes in the County's financial position.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: **1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.** This report also contains **4) supplementary information** in addition to the basic financial statements themselves.

1) Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private business. The government-wide financial statements include a *statement of net position* and a *statement of activities*.

- The *statement of net position* presents information on the County's entire assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.
- The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of these financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) and activities from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

- The *governmental activities* of the County include general government, parks and recreation, public safety, courts, health and social services, conservation and development, and highway maintenance.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Management's Discussion and Analysis December 31, 2023

1) *Government-wide Financial Statements* (continued)

- The *business-type activities* of the County include an internal service fund.

2) *Fund Financial Statements*

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: *governmental*, *proprietary*, or *fiduciary*.

- ***Governmental Funds.*** Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains twenty individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General, Behavioral Health and Intellectual Developmental Services, Children and Youth, Debt Service, ARPA, Act 35, Domestic Relations, Planning, Liquid Fuels, Weatherization, Adult Service, Emergency Management, Area Agency on Aging, Drugs and Alcohol, Juvenile Court, Affordable Housing, Records Improvement, Capital Projects, Emergency 911 Fund, Inmate Fund and Northumberland County Authority funds.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Management's Discussion and Analysis December 31, 2023

2) *Fund Financial Statements* (continued)

The County adopts an annual appropriated budget for all of its governmental fund budgets.

- ***Proprietary Funds.*** When the County charges customers for a service it provides, whether to outside customers or to other units of government, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. Proprietary funds are comprised of two types: 1) *Enterprise funds* and 2) *Internal service funds*. The County does not utilize enterprise funds. Internal service funds are used to report an activity that provides supplies and services for the government's other programs and activities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

- ***Fiduciary Funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is similar to proprietary funds.

3) *Notes to the Financial Statements*

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

4) *Supplementary Information*

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to its employees and includes budgetary comparison schedules for the general, BHIDS, and children and youth.

In addition to this MD&A, required supplementary information can be found on page 55-57 and 65-67 of this report.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Management's Discussion and Analysis December 31, 2023

Financial Analysis on Government-Wide Financial Statements

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$15.0 million as of the close of the most recent fiscal year.

	Governmental Activities		Change	% Change
	2023	2022		
Current and other assets	\$ 54,151,218	\$ 53,221,950	\$ 929,268	1.7%
Capital assets	50,589,979	52,869,494	(2,279,515)	-4.3%
Total assets	<u>104,741,197</u>	<u>106,091,444</u>		
Deferred outflows- pensions and OPEB	<u>3,489,792</u>	<u>12,573,187</u>	(9,083,395)	-72.2%
Other liabilities	23,470,823	23,517,515	(46,692)	-0.2%
Long-term liabilities outstanding	<u>67,423,950</u>	<u>78,701,010</u>	(11,277,060)	-14.3%
Total liabilities	<u>90,894,773</u>	<u>102,218,525</u>		
Deferred inflows- pensions and OPEB	<u>2,014,984</u>	<u>2,821,296</u>	(806,312)	-28.6%
Net position:				
Net investment in capital assets	1,656,417	321,191	1,335,226	415.7%
Restricted	14,929,478	14,043,477	886,001	6.3%
Unrestricted	<u>(1,555,686)</u>	<u>(1,294,963)</u>	(260,723)	20.1%
Total net position	<u>\$ 15,030,209</u>	<u>\$ 13,069,705</u>		

The largest portion of the County's net position reflects its investments in capital assets (e.g., land, roads, and bridges) of \$50.6 million; less related outstanding net debt used to acquire those assets in the amount of \$48.9 million. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the County's net position (\$14.9 million) represent resources that are subject to external restrictions on how they may be used. The remaining unrestricted net position deficit of \$1.6 million represents liabilities that will be funded with future revenue streams.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Management's Discussion and Analysis December 31, 2023

Capital assets decreased by \$2.3 million during the year ended December 31, 2023 as a result of depreciation offset by capital asset additions funding with current assets.

	<u>Governmental Activities</u>		<u>Change</u>	<u>% Change</u>
	<u>2023</u>	<u>2022</u>		
Revenue				
Program revenue:				
Charges for current services	\$ 6,001,376	\$ 7,466,092	\$ (1,464,716)	-19.6%
Operating grants and contributions	39,381,822	41,327,916	(1,946,094)	-4.7%
General revenue:				
Property taxes	24,185,067	24,159,361	25,706	0.1%
Other	3,053,825	2,080,546	973,279	46.8%
Total revenue	<u>72,622,090</u>	<u>75,033,915</u>	(2,411,825)	-3.2%
Expenses				
General activities	7,318,716	9,651,190	(2,332,474)	-24.2%
Judicial and public safety	22,176,942	20,623,321	1,553,621	7.5%
Public works	3,821,346	5,943,381	(2,122,035)	-35.7%
Human services	33,668,303	35,297,846	(1,629,543)	-4.6%
Conservation and development	1,922,154	1,324,882	597,272	45.1%
Debt service	1,754,125	1,782,026	(27,901)	-1.6%
Total expenses	<u>70,661,586</u>	<u>74,622,646</u>	(3,961,060)	-5.3%
Change in net position	<u>\$ 1,960,504</u>	<u>\$ 411,269</u>		

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Management's Discussion and Analysis December 31, 2023

Governmental Activities (government-wide) – Change in Net Position:

Net position in governmental activities increased by \$2.0 million. Key factors in this increase are as follows:

- ❑ Total revenue decreased by \$2.4 million during the year. This is primary driven by decreases in grants from COVID related funding.
- ❑ Total expenses decreased by \$4.0 million primarily as a result of the decrease in the net pension liability as well as increased spending for various governmental functions.

The County uses fund accounting to ensure and demonstrate compliance with finance related legal requirements and restrictions, and fiscal accountability.

Governmental Funds:

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

As of the end of the current fiscal year, the County's governmental funds reported combined fund balances of \$26.9 million, an increase of \$1.5 million in comparison with the prior year. This increase is largely caused by increased revenue during the year.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Management's Discussion and Analysis December 31, 2023

Shown below are the fund balance and net changes in fund balance for each fund.

Fund	Fund Balance		% Change	Change in Fund Balance		% Change
	2023	2022		2023	2022	
General	\$ 11,869,745	\$ 11,328,025	4.8%	\$ 541,720	\$ 1,003,533	-46.0%
BHIDS	10,681	10,681	0.0%	-	-	100.0%
Children and youth	-	-	0.0%	-	-	0.0%
ARPA	281,359	38,462	0.0%	-	-	0.0%
Capital projects	377,717	366,997	2.9%	10,720	(28,839)	-137.2%
Act 35	132,348	188,938	-30.0%	(56,590)	(41,988)	34.8%
Domestic relations	-	-	0.0%	-	-	0.0%
Liquid fuels	4,336,639	4,117,741	5.3%	218,898	67,981	222.0%
Weatherization	-	-	0.0%	-	-	0.0%
Adult services	33,804	22,089	53.0%	11,715	2,902	303.7%
Emergency management	72,989	77,076	-5.3%	(4,087)	612	-767.8%
Planning	-	-	0.0%	-	-	0.0%
Area agency on aging	843,868	577,935	46.0%	265,933	248,962	6.8%
Drugs and alcohol	1,165,623	893,327	30.5%	272,296	525,815	-48.2%
Affordable housing	102,601	125,948	-18.5%	(23,347)	(24,683)	-5.4%
Record improvements	211,931	191,753	10.5%	20,178	(73,211)	-127.6%
Debt service	6,725,044	6,902,745	100.0%	(177,701)	(131,156)	35.5%
Juvenile courts	-	-	0.0%	-	-	0.0%
911 Center	-	-	0.0%	-	-	0.0%
Northumberland county authority	(125,762)	(139,293)	-9.7%	13,531	17,310	-100.0%
Inmate fund	853,893	730,953	16.8%	122,940	145,705	-15.6%

Original Budget vs. Final Budget:

There were no significant differences in budgets made during the 2023 year.

Final Budget vs. Actual Results:

Final actual results yielded an approximate \$0.5 million increase in the general fund. Revenue was under budget by \$1.5 million as a result of taxes below budget. Expenditures were under budget by \$1.1 million and transfers were below budget by \$0.6 million as a result of decreased needs in other funds.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Management's Discussion and Analysis December 31, 2023

Capital Asset Administration – Government Wide Statements

The County's investment in capital assets for its governmental activities as of December 31, 2023, amounts to \$50.6 million (net of depreciation). This investment in capital assets includes land, buildings, bridges, roads, equipment, and operational facilities.

Additional information on the County's capital assets can be found in Note 5 of this report.

	<u>2023</u>	<u>2022</u>
Land	\$ 225,874	\$ 225,874
Construction in progress	-	4,943,476
Buildings and Improvements	54,634,919	49,489,590
Infrastructure	12,920,093	12,480,296
Machinery, equipment, and vehicles	35,503,458	35,319,862
Leased assets	2,593,750	2,210,393
Less: Accumulated Depreciation	<u>(55,288,115)</u>	<u>(51,799,998)</u>
Total	<u>\$ 50,589,979</u>	<u>\$ 52,869,493</u>

Debt Administration

At the end of the current fiscal year, the County had total outstanding debt of approximately \$51.4 million. This amount was comprised of debt backed by the full faith and credit of the County and user fees. The County's outstanding debt decreased by \$3.7 million during the current fiscal year as a result of regularly scheduled principal payments.

Economic Factors and Fiscal Year 2023

Additional information on the County's long-term debt can be found in Note 6 of this report. The economic outlook of the County is closely tied to the State of Pennsylvania. As the overall economy continues a recovery from the COVID pandemic, the County will continue to face a number of financial constraints as it balances the need to provide services with the related costs of such services.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Management's Discussion and Analysis December 31, 2023

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Controller's Office, Northumberland County Administration Center 399 Stadium Drive, Sunbury, Pennsylvania 17801.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Statement of Net Position As of December 31, 2023

	<u>Primary Government</u>
	<u>Governmental Activities</u>
ASSETS:	
Cash and cash equivalents	\$ 41,424,746
Restricted cash and cash equivalents	3,617,621
Receivables, net:	
Taxes	3,473,659
Due from other governments	3,644,802
Other	1,396,132
Other assets	594,258
Total current assets	<u>54,151,218</u>
Capital Assets:	
Land and improvements not being depreciated	225,874
Infrastructure and infrastructure in progress	12,920,093
Buildings	54,634,919
Equipment and furniture	35,503,458
Leased assets	2,593,750
Less: accumulated depreciation	<u>(55,288,115)</u>
Total capital assets	<u>50,589,979</u>
TOTAL ASSETS	<u>104,741,197</u>
DEFERRED OUTFLOWS OF RESOURCES- Pension and OPEB	<u>3,489,792</u>
LIABILITIES:	
Accounts payable and accrued expenses	3,524,938
Due to other governmental agencies	400,758
Unearned income	19,820,993
Long-Term Liabilities:	
Due within one year:	
Bonds	4,921,953
Lease liability	381,823
Due in more than one year:	
Bonds	46,497,543
Lease liability	1,444,453
Compensated absences	1,646,894
Net pension liability	5,510,473
Net OPEB liability	6,549,182
Claims and judgments	195,763
TOTAL LIABILITIES	<u>90,894,773</u>
DEFERRED INFLOWS OF RESOURCES- Pension and OPEB	2,014,984
Lease receivable	291,023
NET POSITION:	
Net investment in capital assets	1,656,417
Restricted for:	
Debt service	6,725,044
Program purposes	8,204,434
Unrestricted	<u>(1,555,686)</u>
TOTAL NET POSITION	<u>\$ 15,030,209</u>

The accompanying notes are an integral part of this financial statement.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Statement of Activities
For the Year Ended December 31, 2023

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
						Governmental Activities
PRIMARY GOVERNMENT:						
Governmental activities:						
General activities	\$ 7,318,716	\$ 2,971,470	\$ 4,208,523	\$ -	\$	(138,723)
Judicial	9,513,911	1,854,434	328,077	-	-	(7,331,400)
Public safety	12,663,031	58,885	2,147,255	-	-	(10,456,891)
Public works	3,821,346	348,449	3,295,042	-	-	(177,855)
Human services	33,668,303	711,656	27,705,901	-	-	(5,250,746)
Conservation and development	1,922,154	56,482	1,697,024	-	-	(168,648)
Debt service	1,754,125	-	-	-	-	(1,754,125)
Total primary government	<u>70,661,586</u>	<u>6,001,376</u>	<u>39,381,822</u>	<u>-</u>	<u>-</u>	<u>(25,278,388)</u>
GENERAL REVENUES:						
Taxes:						
Property taxes						24,185,067
Unrestricted investment earnings						1,309,623
Miscellaneous						1,744,202
Total general revenues						<u>27,238,892</u>
Change in net position						1,960,504
Net position, beginning						<u>13,069,705</u>
Net position, ending					\$	<u><u>15,030,209</u></u>

The accompanying notes are an integral part of this financial statement.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

**Balance Sheet- Governmental Funds
As of December 31, 2023**

	GENERAL	BHIDS	CHILDREN & YOUTH	ADULT SERVICES	DEBT SERVICE	ARPA	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS:								
Cash and cash equivalents	\$ 13,157,998	\$ 3,588,480	\$ 112,937	\$ 700,649	\$ 3,411,685	\$ 10,755,214	\$ 8,785,438	\$ 40,512,401
Restricted cash and cash equivalents	3,617,621	-	-	-	-	-	-	3,617,621
Taxes receivable, net	2,828,696	-	-	-	644,963	-	-	3,473,659
Due from other funds	1,163,579	93,570	2,423	-	3,152,686	-	83,948	4,496,206
Receivable from other governments	458,581	453,147	1,399,922	44,137	-	-	1,289,015	3,644,802
Other receivables	875,434	283,989	41,717	-	-	-	194,992	1,396,132
Other assets	331,006	12,652	-	-	-	-	250,600	594,258
TOTAL ASSETS	22,432,915	4,431,838	1,556,999	744,786	7,209,334	10,755,214	10,603,993	57,735,079
LIABILITIES								
Accounts payable	567,985	551,279	718,627	3,351	175	-	577,057	2,418,474
Due to other funds	3,335,185	-	2,917	1,737	-	-	1,123,837	4,463,676
Payable to other governments	102,649	66,826	-	-	-	-	231,283	400,758
Unearned revenue	3,664,981	3,707,026	744,409	705,193	-	10,473,855	525,529	19,820,993
Other accrued expenses	468,385	96,026	91,046	701	-	-	174,440	830,598
Total liabilities	8,139,185	4,421,157	1,556,999	710,982	175	10,473,855	2,632,146	27,934,499
DEFERRED INFLOW OF RESOURCES								
Leases	291,023	-	-	-	-	-	-	291,023
Unavailable revenue	2,132,962	-	-	-	484,115	-	-	2,617,077
Fund balances:								
Restricted	158,698	10,681	-	33,804	6,725,044	281,359	7,719,892	14,929,478
Committed	2,000,000	-	-	-	-	-	-	2,000,000
Assigned	3,292,398	-	-	-	-	-	377,717	3,670,115
Unassigned	6,418,649	-	-	-	-	-	(125,762)	6,292,887
Total fund balances	11,869,745	10,681	-	33,804	6,725,044	281,359	7,971,847	26,892,480
TOTAL LIABILITIES AND FUND BALANCE	\$ 22,432,915	\$ 4,431,838	\$ 1,556,999	\$ 744,786	\$ 7,209,334	\$ 10,755,214	\$ 10,603,993	\$ 57,735,079

The accompanying notes are an integral part of this financial statement.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Reconciliation of the Balance Sheet- Governmental Funds to the Statement of Net Position As of December 31, 2023

Total Fund Balance, Governmental Funds	\$	26,892,480
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the statement of net position	50,589,979
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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 not reported as deferred revenue in the funds	2,617,077
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The assets and liabilities of the internal service fund is not included in the fund financial statements, but is included in the governmental activities of the statement of net position	687,418
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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 the 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 as of December 31, 2023 are:

Accrued expenses	\$ (279,232)	
Bonds	(51,419,496)	
Lease liability	(1,826,276)	
Compensated absences	(1,646,894)	
Deferred outflows/(inflows) related to pensions and OPEB	1,474,808	
Net pension liability	(5,510,473)	
Net OPEB liability	(6,549,182)	
	<u>(65,756,745)</u>	<u>(65,756,745)</u>

Net position of governmental activities in the statement of net position	\$	<u>15,030,209</u>
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The accompanying notes are an integral part of this financial statement.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

**Statement of Revenue, Expenditures, and Changes in Fund Balances- Governmental Funds
For the Year Ended December 31, 2023**

	GENERAL	BHIDS	CHILDREN & YOUTH	ADULT SERVICES	DEBT SERVICE	ARPA	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:								
Taxes	\$ 19,578,921	\$ -	\$ -	\$ -	\$ 4,517,589	\$ -	\$ -	\$ 24,096,510
Intergovernmental	1,591,730	9,355,968	9,955,809	2,006,745	-	2,505,200	13,966,370	39,381,822
Charges for services	3,804,734	170,300	170,505	-	-	-	1,855,837	6,001,376
Investment earnings	625,942	71,735	-	-	171,705	242,897	197,344	1,309,623
Miscellaneous	1,045,810	84,994	-	234	43,884	-	569,280	1,744,202
Total Revenues	26,647,137	9,682,997	10,126,314	2,006,979	4,733,178	2,748,097	16,588,831	72,533,533
EXPENDITURES:								
Current:								
General government	6,115,562	-	-	-	21,050	-	47,761	6,184,373
Judicial	6,748,270	-	-	-	-	-	2,379,061	9,127,331
Public safety	8,783,743	-	-	-	-	-	3,338,449	12,122,192
Human services	-	9,955,990	11,084,132	1,995,264	-	-	9,823,633	32,859,019
Public works	-	-	-	-	-	2,505,200	737,941	3,243,141
Conservation and development	225,130	-	-	-	-	-	1,697,024	1,922,154
Capital outlay	383,357	-	-	-	-	-	184,819	568,176
Debt service:								
Principal	-	-	-	-	3,351,000	-	535,269	3,886,269
Interest and other charges	-	-	-	-	1,527,623	-	220,944	1,748,567
Total Expenditures	22,256,062	9,955,990	11,084,132	1,995,264	4,899,673	2,505,200	18,964,901	71,661,222
Excess (deficiency) of revenues over expenditures	4,391,075	(272,993)	(957,818)	11,715	(166,495)	242,897	(2,376,070)	872,311
OTHER FINANCING SOURCES (USES):								
Proceeds from issuance of long-term debt	383,357	-	-	-	173,613	-	-	556,970
Transfers in	40,744	312,993	1,276,418	-	-	-	3,248,122	4,878,277
Transfers out	(4,273,456)	(40,000)	(318,600)	-	(184,819)	-	(31,580)	(4,848,455)
Total other financing sources and uses	(3,849,355)	272,993	957,818	-	(11,206)	-	3,216,542	586,792
NET CHANGE IN FUND BALANCES	541,720	-	-	11,715	(177,701)	242,897	840,472	1,459,103
FUND BALANCES, BEGINNING	11,328,025	10,681	-	22,089	6,902,745	38,462	7,131,375	25,433,377
FUND BALANCES, ENDING	\$ 11,869,745	\$ 10,681	\$ -	\$ 33,804	\$ 6,725,044	\$ 281,359	\$ 7,971,847	\$ 26,892,480

The accompanying notes are an integral part of this financial statement.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances- of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2023

Net changes in fund balances, total governmental funds	\$	1,459,103
Amounts reported for governmental activities in the statement of activities are different because:		
<p>Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.</p>		
Depreciation expense	\$ (4,018,164)	
Capital outlay	<u>1,738,649</u>	(2,279,515)
<p>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.</p>		
		88,557
<p>Governmental funds report repayment of bond and capital lease principal as an expenditure and new debt as a other financing source. In contrast, the Statement of Activities treats such repayments and draws as a changes in long term liabilities.</p>		
		3,675,465
<p>Pension and other post employment benefit (OPEB) expense reported in the Statement of Activities is recognized on the accrual basis. The net pension liability and net OPEB liability is adjusted for any difference between years and OPEB expenses and contributions made in relation to the annual determined contribution and recordation of related deferred outflows and inflows.</p>		
		(554,360)
<p>The County uses an Internal Service Fund to charge the costs for workers' compensation. The net income related to this activity is reported with the governmental activities.</p>		
		(367,346)
<p>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 as it accrues. This adjustment combines the net changes of the following balances:</p>		
Compensated absences	\$ (55,842)	
Change in accrued expenses	<u>(5,558)</u>	(61,400)
Change in net position of governmental activities	\$	<u>1,960,504</u>

The accompanying notes are an integral part of this financial statement.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

**Statement of Net Position- Proprietary Fund
For the Year Ended December 31, 2023**

	<u>INTERNAL SERVICE FUND</u>
ASSETS:	
Current assets:	
Cash and cash equivalents	<u>\$ 912,345</u>
LIABILITIES	
Current liabilities:	
Accounts payable and current claims and judgements	29,164
Non-current liabilities:	
Claims and judgments	<u>195,763</u>
Total liabilities	<u>224,927</u>
NET POSITION:	
Unrestricted	<u><u>\$ 687,418</u></u>

The accompanying notes are an integral part of this financial statement.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

**Statement of Revenue, Expenses, and Changes in Net Position- Proprietary Fund
For the Year Ended December 31, 2023**

	INTERNAL SERVICE FUND
OPERATING REVENUE:	
Total operating revenue	\$ -
OPERATING EXPENSES:	
Insurance claims and expenses	360,271
OPERATING INCOME	(360,271)
NON-OPERATING REVENUES (EXPENSES):	
Transfer to General Fund	(29,164)
Interest and investment revenue	22,089
CHANGE IN NET POSITION	(367,346)
TOTAL NET POSITION, beginning	1,054,764
TOTAL NET POSITION, ending	\$ 687,418

The accompanying notes are an integral part of this financial statement.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

**Statement of Cash Flows- Proprietary Fund
For the Year Ended December 31, 2023**

	INTERNAL SERVICE FUND
CASH FLOWS FROM OPERATING ACTIVITIES:	
Claims activity	\$ (294,985)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES,	
Transfer to General Fund	(29,164)
CASH FLOWS FROM INVESTING ACTIVITIES,	
Interest income	22,089
INCREASE IN CASH AND CASH EQUIVALENTS	(302,060)
CASH AND CASH EQUIVALENTS, BEGINNING	1,214,405
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 912,345</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES:	
Operating income	\$ (360,271)
Adjustments to reconcile operating loss to net cash from operating activities:	
Effect of changes in non-cash operating assets and liabilities:	
Accounts payable	(21,583)
Claims and judgements	86,869
NET CASH FROM OPERATING ACTIVITIES	<u>\$ (294,985)</u>

The accompanying notes are an integral part of this financial statement.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

**Statement of Fiduciary Net Position- Fiduciary Fund
As of December 31, 2023**

	PENSION TRUST FUND EMPLOYEE BENEFIT PLAN
ASSETS:	
Cash and cash equivalents	\$ 2,103,162
Other receivables	-
Investments, at fair value:	
Domestic equities	79,377,900
Fixed income securities	18,960,614
Total investments	<u>98,338,514</u>
Total assets	<u>100,441,676</u>
LIABILITIES:	
Accounts payable	-
Due to other funds	-
Due to other governments	-
Unearned revenue and other	107,130
Total liabilities	<u>107,130</u>
NET POSITION	
Held in trust for pension benefits	<u>\$ 100,334,546</u>

The accompanying notes are an integral part of this financial statement.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

**Statement of Changes in Fiduciary Net Position- Fiduciary Fund
For the Year Ended December 31, 2023**

	PENSION TRUST FUND EMPLOYEE BENEFIT PLAN <hr style="border-top: 1px solid black;"/>
ADDITIONS:	
Contributions:	
Plan members	\$ 1,323,141
Employer	1,181,200
Third party	-
Total contributions	<u>2,504,341</u>
Investment earnings:	
Net appreciation in fair value of investments	13,274,797
Interest and dividends	2,335,346
Total investment earnings	<u>15,610,143</u>
Less: investment expense	<u>(346,595)</u>
Total net investment earnings	<u>15,263,548</u>
Total additions	<u>17,767,889</u>
DEDUCTIONS:	
Benefits	7,025,152
Administrative expenses	312,693
Third party payments	-
Total deductions	<u>7,337,845</u>
CHANGE IN NET POSITION	10,430,044
FIDUCIARY NET POSITION, BEGINNING OF YEAR	<u>89,904,502</u>
FIDUCIARY NET POSITION, END OF YEAR	<u>\$ 100,334,546</u>

The accompanying notes are an integral part of this financial statement.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Notes to the Financial Statements December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting methods and procedures adopted by the County of Northumberland, Pennsylvania (the “County”) conform to accounting principles generally accepted in the United States of America as applied to governmental entities. The following notes to the financial statements are an integral part of the County’s financial statements:

REPORTING ENTITY

The County of Northumberland is a fifth-class county formed on March 21, 1772. The County operates under the direction of an elected Board of Commissioners, and provides the following services: administrative services, tax assessment and collections, judicial, public improvements, public safety, conservation and development, and human service programs.

The County follows the criteria promulgated by the Governmental Accounting Standards Board (“GASB”) for purposes of determining the scope of its reporting entity.

The financial statements of the County include the accounts of all County operations. As required under accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the County (the primary government) and its component units. The component units, discussed below, are included in the County’s financial reporting entity because of the significance of their operational or financial relationships with the County: Northumberland County Authority (the “County Authority,” a public finance authority, included as a blended component unit in the accompanying financial statements).

JOINT VENTURES

The County is a participant with the 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. The following is a summary of the significant facts and circumstances for each organization:

<u>Name of Organization</u>	<u>Services Provided</u>	<u>County Participation</u>
Northumberland Montour Airport Commission	Airport Facility Management	One-half of the board of directors
SEDA-COG	Numerous governmental services provided to members	One of eleven counties participating
SEDA-COG Joint Rail Authority	Preserve and foster rail service in Central Pennsylvania	One of eleven counties participating

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Notes to the Financial Statements December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 for these organizations 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 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:

- Northumberland County Airport Authority
- Northumberland County Housing Authority
- Planning Commission
- Children and Youth Advisory Board
- Behavioral Health and Intellectual Developmental Services Advisory Board
- Drug and Alcohol Advisory Board
- Area Agency on Aging Advisory Board
- Shared-ride Transportation Advisory Committee
- Agricultural Land Preservation Board
- Local Emergency Planning Commission
- Pennsylvania Council on Aging, Northeast Division
- Lewis Township Recreational Complex
- Northumberland County Recreation Commission
- Redevelopment Authority of Northumberland County

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which, rely, to a significant extent on user fees and charges for support.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Notes to the Financial Statements December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or benefit directly from the goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as a separate column in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resource measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expense/expenditure. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability rather than an expense/expenditure.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Notes to the Financial Statements December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (continued)

Governmental fund financial statements are reported using the current financial resource measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 365 days of the end of the current fiscal period with the exception of property taxes, which must be received within 60 days of year-end to be deemed available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Licenses, operating and capital grants, and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when the County receives the cash.

Under the current financial resources measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of “available spendable resources”. Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during the period.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities.

Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended rather than as fund assets. The proceeds of long-term debt are recorded as another financing source rather than a fund liability. However, debt service expenditures related to compensated absences and claims for judgments, are recorded only when payment is due.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Notes to the Financial Statements December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (continued)

The County reports the following major governmental funds:

- 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, commission, the court systems, and the health and welfare services.
- The Behavioral Health and Intellectual Developmental Services (BHIDS) Fund is used to account for specific revenue sources related to the provisions of services that are restricted to expenditures for those specified purposes.
- The Children and Youth Fund is used to account for specific revenue sources related to the provisions of Children and Youth services that are restricted to expenditures for those specified purposes.
- The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.
- The Adult Services Fund is used to account for the expenditures of resources for adult services activity.
- The ARPA fund is used to account for the revenue and expenditures related to ARPA grant funding.

The County's enterprise funds are proprietary funds. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods and services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Notes to the Financial Statements December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (continued)

Proprietary fund operating revenues result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Amounts paid to acquire capital assets are capitalized as assets in the proprietary fund financial statements, rather than reported as an expense. Proceeds of long-term debt are recorded as a liability in the proprietary fund financial statements, rather than as another financing source. Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liabilities, rather than an expense.

Additionally, the County reports the following fund types:

- The Pension Trust Fund-Employee Benefit Plan accounts for the revenue (i.e., member contributions, County contributions, and net investment income) and the expenses (i.e., contributions refunded, retirement allowances and death benefits paid) of the Pension Trust Fund.
- Included in the general fund are restricted funds of the various row offices of the County. The County has administrative involvement with these funds and reports balances as restricted with the following respective purpose(s) including:
 - Treasurer Escrow-licenses and permits sold on behalf of the Commonwealth of Pennsylvania;
 - Medical Claims-deposits held for employee medical claims;
 - Tax Claim Escrow-delinquent tax collections held for various taxing districts;
 - Coal Land Royalty-royalties collected on coal extracted held for various taxing districts;
 - Sheriff Escrow-deposits held for Sheriff sales, undisbursed Sheriff sale proceeds, and personal liens;
 - Bid Deposit Escrow-deposits held by County for bid security;
 - Escheats-unclaimed property held for distribution to Commonwealth of Pennsylvania Treasurer;

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Notes to the Financial Statements December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (continued)

- Prothonotary-inmate funds held during incarceration and various escrow transactions;
- Juvenile Court Restitution-restitution funds held for disbursement;
- District Justice-undisbursed deposits held by District Justice(s);
- BHIDS Patient-BHIDS client funds held under Social Security Administration guidelines;
- Register and recorder- funds held on behalf of various organizations;
- Domestic Relations-fees collected on behalf of the Commonwealth of Pennsylvania;
- Court Costs-funds forfeited pursuant to the Controlled Substances Forfeitures Act; and

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

CASH EQUIVALENTS

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

INTERFUND RECEIVABLES AND PAYABLES

Activities 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.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Notes to the Financial Statements December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ACCOUNTS RECEIVABLE

All receivables are reported at net realizable value. Amounts are written off when they are determined to be uncollectible based upon management's assessment of individual amounts. The allowance for doubtful accounts is estimated based upon a combination of the County's historical losses and a percentage of aged receivables. The allowance for uncollectible real estate and debt service taxes as of December 31, 2023 amounted to \$153,716 and \$5,867, respectively.

INVESTMENTS

Investments for the County are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

CAPITAL ASSETS

Capital assets, which include property, 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 in excess of 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 fair 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.

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

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

Buildings and Improvements	30-40 years
Equipment	3-20 years
Infrastructure	40 years
Leasehold Assets	40 years

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Notes to the Financial Statements December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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. All leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is recorded.

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 government activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognized bond premiums and discounts 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 debt service expenditures. The proprietary and fiduciary fund financial statements utilize the net position presentation as described above.

UNEARNED REVENUES

Unearned revenues reported in government-wide financial statements represent unearned revenues. The unearned revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Unavailable revenues reported in governmental fund financial statements represent unearned revenues or revenues, which are measurable but not available and in accordance with the modified accrual basis of accounting. The County deems revenues received within 60 days of the year end to be available.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Notes to the Financial Statements December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

NET POSITION/FUND BALANCES

The government-wide and business-type activities financial statements utilize a net position presentation. Net position are categorized as invested capital assets (net of related debt), 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 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. In the governmental fund financial statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various reserves and designations are established by actions of the Board of Commissioners and management and can be increased, reduced, or eliminated by similar actions. The proprietary and fiduciary fund financial statements utilized the net position presentation as described above.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Notes to the Financial Statements December 31, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

NET POSITION/FUND BALANCES (continued)

Nonspendable fund balance reports resources cannot be spent because of their form, or due to legal or contractual requirements. Restricted fund balance is restricted based on third party requirements or enabling legislation. The County had approximately \$14.9 million of restricted funds. Committed fund balance reports resources with self-imposed limitation approved by the Commissioners of the County to the end of the period. Formal action is required to remove or modify a constraint reflected in the committed fund balance. There was one commitment for future debt service payments of \$2 million as of December 31, 2023. Assigned fund balance records the portion of fund balance that reflects the Commissioners' intended use of resources. Assigned fund balance can be established by either the Commissioners or senior management. Unlike committed fund balance, formal action is not required to impose, remove, or modify assigned fund balance. The County assigned approximately \$3.7 million primarily for specific fund purposes. The remaining balance of approximately \$6.3 million is unassigned and can be used for any purpose.

ACCOUNTING 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

2. BUDGETARY DATA

Formal budgetary accounting is employed as management control for the General Fund, certain Special Revenue Funds, and the Debt Service Fund of the County. Annual operating budgets are adopted each year through the passage of an annual budget ordinance and accounting principles generally accepted in the United States of America are used to complete the budget. The County follows these procedures in establishing the budgetary data reflected in the financial statements:

- (1) During August and September, the department heads use current financial status reports to develop financial projections for their programs for the ensuing year. These financial projections are reviewed with the budget staff.
- (2) The Finance Office reviews and consolidates submitted financial projections and forwards the projections to the Commissioners' Office.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Notes to the Financial Statements December 31, 2023

2. BUDGETARY DATA (continued)

- (3) Upon consolidation of the department and agency expenditure projections, the Commissioners' Office must ascertain the most viable method of financing them.
- (4) Subsequently, the Commissioners' Office assembles the preliminary projections of revenues and expenditures into a final budget incorporating any revisions or adjustments resulting from the aforementioned County Commissioners' review.
- (5) By early December, the final budget is presented to the County Commissioners. Pursuant to budgetary requirements, as set forth in the County Code, public notice is given that the proposed budget is available for inspection for a period of 20 days.
- (6) After the 20-day inspection period but no later than December 31, the County Commissioners adopt the final budget by enacting an appropriate ordinance.
- (7) As required by the Commonwealth of Pennsylvania County Code, the proposed budget is made available for public inspection for at least 20 days prior to the date of adoption, with adoption required by December 31. Subsequent to the budget 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 budget, the County Commissioners file a copy of the budget with the Department of Community and Economic Development of the Commonwealth of Pennsylvania.

The Commissioners may at any time, by resolution, make supplemental appropriations for any lawful purpose from any funds on hand or estimated to be received within the fiscal year and not otherwise appropriated, including the proceeds of any borrowing now or hereafter authorized by law. The Commissioners may authorize the transfer of any unencumbered balance of any appropriation item or any portion thereof.

LEVEL OF CONTROL

The County is legally required to maintain budgetary controls at the major function level. In practice, the County maintains budgetary control at the fund level.

LAPSING OF APPROPRIATIONS

Unexpended appropriations lapse at year-end.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Notes to the Financial Statements December 31, 2023

2. BUDGETARY DATA (continued)

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 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.

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Under Section 1706 of the County Code of the Commonwealth of Pennsylvania, the County is authorized to invest in the following:

- A. United States Treasury Bill
- B. Short-term obligations of the United States government or its agencies or instrumentalities.
- C. Savings accounts or time deposits, other than certificates of deposit, or share accounts of institutions having their principal place of business in the Commonwealth of Pennsylvania ("Commonwealth") and insured by the Federal Deposit Insurance Corporation ("FDIC").
- D. Obligations of the United States or any of its agencies or instrumentalities backed by the full faith and credit of the United States, the Commonwealth, or of any agencies instrumentalities backed by the full faith and credit of the Commonwealth, or of any political subdivision of the Commonwealth, or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision. The County may also invest in shares of a registered investment company under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933.
- E. Certificates of deposit purchased from institutions having their principal place of business in or outside the Commonwealth, which are insured by Federal agencies. For any amounts in excess of the insured maximum, such as deposits, shall be collateralized by a pledge or assignment of assets pursuant to Act No. 72 of the General Assembly. Certificates of deposit may not exceed 20% of a bank's total capital surplus or 20% of a savings and loan's or savings bank's assets net of its liabilities.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Notes to the Financial Statements December 31, 2023

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued)

F. “Commercial paper” and “prime commercial paper” meeting certain requirements.

Pension or retirement funds may be invested by the County according to the “Prudent Man Rule” as defined by Decedents, Estates, and Fiduciaries Act, 20 PA C.S.CH.73, which is referred to in the County Code.

It is the policy of the County to invest funds under the County’s control principally in certificates of deposit, repurchase agreements, U.S. government securities, and money market mutual funds. Funds under the County’s direct control exclude monies of the Retirement Trust Fund. GAAP requires disclosures related to the following deposit and investment risks, custodial credit risk, custodial risk, concentration of credit risk, interest rate risk, and foreign currency risk. The following is a description of the County’s deposit and investment risks.

DEPOSITS

Custodial credit risk- Is the risk that in the event of a bank failure, the County will not recover its deposit or will not be able to recover collateral securities that are in the possession of an outside party. The County does not have a formal deposit policy for custodial credit risk. As of December 31, 2023, the County’s total book and bank balance was approximately \$45.0 million and \$45.5 million, respectively. Of this amount, approximately \$7.2 million was insured by the FDIC. The remaining bank deposits of approximately \$38.3 million were exposed to custodial credit risk, since the deposits were collateralized with securities held by pledging financial institutions, but not in the County’s name.

INVESTMENTS-PENSION TRUST FUND

Assets in the pension trust fund are stated at fair value, The Employees Pension Board has adopted investment guidelines that summarize the investment philosophy of the Board, as follows:

Custodial Credit Risk- For an investment, 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 possession of an outside party. As of December 31, 2023, all of the County’s Pension trust funds investments were held in Wells Fargo and were insured by the Securities Investor Protection Corporation (“SIPC”) up to \$500,000. Additional coverage is provided up to \$1 billion including up to \$1.9 million for cash per client.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Notes to the Financial Statements
December 31, 2023

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued)

INVESTMENTS-PENSION TRUST FUND (continued)

Credit Risk- Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a credit rating by a nationally recognized rating organization. The County’s investment policy protects against credit risk by limiting investments to the following:

- Fixed income investments shall be high quality, marketable securities with a preponderance of the investment in (1) U.S. Treasury, Federal agencies and U.S. Government guaranteed obligations, and (2) investment grade corporate issues including convertibles.
➤ The overall rating of the fixed income assets shall be at least “A” according to either Moody’s or Standard and Poor’s rating system. In cases where the yield spread adequately compensates for additional risk, BAA, BBB, or below investment grade ratings can be purchased up to a maximum of 15% of total market value of fixed income securities.

As of December 31, 2023, the County’s credit quality distribution of securities as a percentage of total investments is as follows:

Table with 2 columns: Credit Rating, % of Portfolio. Rows: BBB-AAA (4%), AAA (10%), N/A (86%)

Concentration of Credit Risk- Concentration of credit risk is the risk of loss attributed to the magnitude of the County’s investment in a single issue, as follows: for equity securities, not more than 5% of the total stock portfolio (valued at market) may be invested in the common stock of any one corporation; ownership of the shares of one company shall not exceed two (2%) percent of those outstanding, and; not more than 25% of stock (valued at market) may be held in any one industry category. For fixed income securities, any one issue shall not exceed 5% of the total bond portfolio at time of purchase (this rule does not apply to issues of the U.S. Treasury or other federal agencies). As of December 31, 2023, there were no individual investments that exceeded 5% of the total portfolio’s market value.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

**Notes to the Financial Statements
December 31, 2023**

3. CASH, CASH EQUIVALENTS, AND INVESTMENTS (continued)

INVESTMENTS-PENSION TRUST FUND (continued)

Interest Rate Risk- Interest rate risk is the risk that changes in market rates will adversely affect the fair value of an investment. The County does not have a specific policy with regard to interest rate risk.

Information about the sensitivity of the fair values of the County’s investments to market interest rate fluctuations is provided by the following table which provides a distribution of the County’s investments by maturity as of December 31, 2023:

<u>Investment</u>	<u>Matures</u>	<u>Fair Value</u>
Corporate bonds	Average of 7 years	\$ 4,090,304
U.S. government obligations	Average of 13 years	10,355,535
Managed equities	N/A	70,456,182
Mutual funds	N/A	13,436,492
Cash and cash equivalents	N/A	2,103,162
		<u>\$ 100,441,675</u>
Reported in the financial statements as:		
Cash and cash equivalents		\$ 2,103,162
Investments		<u>98,338,513</u>
		<u>\$ 100,441,675</u>

Foreign Currency Risk- Foreign currency risk is the risk that changes in the foreign exchange rate will adversely affect the fair value of an investment. The County is not directly invested in any foreign securities as of December 31, 2023.

INVESTMENTS-INTERNAL SERVICE FUNDS

The Internal Service Fund is comprised of the County’s Workers’ Compensation Fund. The Workers Compensation Fund does not have an investment policy with regard to custodial credit risk, credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. As of December 31, 2023, investments held for the County’s Government Obligations included money market funds and certificate of deposits of \$912,345. The County categorizes its fair value measurements with 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 in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. All investments held by the County are considered Level 1 and are valued using prices quoted in active markets for those securities.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Notes to the Financial Statements December 31, 2023

4. PROPERTY TAXES

REAL ESTATE PROPERTY TAXES

Real estate property taxes attach as an enforceable lien on property on January 1, based on 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 100% of calculated market value. Taxes are billed on or about March 1, payable under the following terms: 2% discount, March 1 through April 30; face amount, May 1 through June 30, and a 10% penalty from July 1 through December 31. The County bills its own property taxes, which are collected by elected tax collectors. Uncollected real estate property taxes levied for 2023 are recorded as receivables, net of estimated uncollectible amounting to \$153,716 and \$5,867, for debt service purposes as of December 31, 2023. Net receivables estimated to be collectible subsequent to March 31 are reflected in unearned revenue. Prior years' levies are recorded using these same principles, and remaining receivables are annually reevaluated as to collectability.

The County is permitted by the County Code to levy real estate taxes up to 25 mills on every dollar of adjusted valuation for General County purposes, exclusive of the requirements for the payment of interest and principal on funded debt. The County levy for 2023 was 25 mills for general government purposes and 5.885 mills for debt services purposes.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Notes to the Financial Statements December 31, 2023

5. CAPITAL ASSETS

Capital assets of the governmental activities for the year ended December 31, 2023 were as follows:

	<u>Balance, January 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Balance, December 31, 2023</u>
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 225,874	\$ -	\$ -	\$ -	\$ 225,874
Construction in progress	4,943,476	184,819	-	(5,128,295)	-
Total capital assets, not being depreciated	<u>5,169,350</u>	<u>184,819</u>	<u>-</u>	<u>(5,128,295)</u>	<u>225,874</u>
Capital assets, being depreciated					
Buildings and improvements	49,489,590	17,034	-	5,128,295	54,634,919
Infrastructure	12,480,296	439,797	-	-	12,920,093
Machinery, equipment, and vehicles	35,319,862	713,642	(530,046)	-	35,503,458
Leased assets	2,210,393	383,357	-	-	2,593,750
Total capital assets, being depreciated	<u>99,500,141</u>	<u>1,553,830</u>	<u>(530,046)</u>	<u>5,128,295</u>	<u>105,652,220</u>
Less: accumulated depreciation	<u>(51,799,997)</u>	<u>(4,018,164)</u>	<u>530,046</u>	<u>-</u>	<u>(55,288,115)</u>
Total capital assets being depreciated, net	<u>47,700,144</u>	<u>(2,464,334)</u>	<u>-</u>	<u>5,128,295</u>	<u>50,364,105</u>
Governmental activities, net	<u>\$ 52,869,494</u>	<u>\$ (2,279,515)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,589,979</u>

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

Governmental Activities	
General government	\$ 1,703,256
Judicial	386,580
Public safety	540,839
Human services	809,284
Public works	<u>578,205</u>
Total depreciation expense, governmental activities	<u>\$ 4,018,164</u>

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Notes to the Financial Statements December 31, 2023

6. LONG-TERM LIABILITIES

As of December 31, 2023, the County's long-term liabilities consisted of the following:

Governmental Activities	Balance, January 1, 2023	Additions	Retirements	Balance, December 31, 2023	Current Portion
Long term debt	\$ 55,132,152	\$ 173,613	\$ 3,886,269	\$ 51,419,496	\$ 4,921,953
Compensated absences	1,591,052	55,842	-	1,646,894	82,345
Lease liability	1,789,085	383,357	346,166	1,826,276	381,823
Net pension liability	13,320,271	-	7,809,798	5,510,473	-
Net OPEB liability	6,462,107	87,075	-	6,549,182	-
Claims and judgements	108,894	360,271	273,402	195,763	-
Total	<u>\$ 78,403,561</u>	<u>\$ 1,060,158</u>	<u>\$ 12,315,635</u>	<u>\$ 67,148,084</u>	<u>\$ 5,386,121</u>

As of December 31, 2023, the County's long-term debt consisted of the following:

Description	Interest Rate	Amount of Original Issue	Balance as of 1/1/23	Additions	Retirements	Balance as of 12/31/23	Current Portion
2012 General Obligation Note	3.39%	\$ 1,800,000	\$ 1,065,000	\$ -	\$ (470,000)	\$ 595,000	\$ 490,000
2013 General Obligation Note	3.15%	7,355,000	4,890,000	-	(1,455,000)	3,435,000	1,495,000
2015 Guaranteed Lease Revenue Note	4.07-6.5%	7,405,399	3,688,240	-	(535,269)	3,152,971	566,428
2017 General Obligation Bond, Series of 2017	3.54%	31,125,000	28,490,000	-	(295,000)	28,195,000	305,000
2018 General Obligation Note	2.62%	3,330,000	2,552,000	-	(217,000)	2,335,000	226,000
2019 General Obligation Note	3.04%	3,300,000	2,459,000	-	(214,000)	2,245,000	220,000
2021 General Obligation Note	1.78%	9,268,000	8,354,000	-	(530,000)	7,824,000	544,000
2021 General Obligation Note, Series A	1.72%	2,907,000	2,907,000	-	(170,000)	2,737,000	175,000
2021 General Obligation Note, Series B	1.12%	1,500,000	726,912	173,613	-	900,525	900,525
			<u>\$ 55,132,152</u>	<u>\$ 173,613</u>	<u>\$ (3,886,269)</u>	<u>\$ 51,419,496</u>	<u>\$ 4,921,953</u>

The County entered into various leases for the use of building space that expire at various times through 2037. The future minimum lease payments are as follows:

Years Ending December 31,	Principal	Interest	Total Debt Service
2024	\$ 381,823	\$ 63,009	\$ 444,832
2025	271,654	54,852	326,506
2026	217,828	45,223	263,051
2027	233,113	35,775	268,888
2028	210,961	26,072	237,033
2029 and thereafter	<u>510,897</u>	<u>40,666</u>	<u>551,563</u>
	<u>\$ 1,826,276</u>	<u>\$ 265,597</u>	<u>\$ 2,091,873</u>

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Notes to the Financial Statements December 31, 2023

6. LONG-TERM LIABILITIES (continued)

BONDS AND NOTES PAYABLE

In 2012, the County issued \$1,800,000 of General Obligation Notes bearing interest at 3.39% per annum, maturing in 2025. The proceeds of these notes were used for general capital asset purchases.

In 2013, the County issued \$7,355,000 of General Obligation Notes bearing interest at 3.15% per annum maturing in 2025. The proceeds of these notes were used for general capital asset purchases.

In 2015, the County issued \$7,405,399 of Guaranteed Lease Revenue Note, Series 2015 bearing interest at 4.07% per month through 2023 and reset thereafter through 2028 at a maximum rate of 6.5%.

In 2017, the County issued \$31,125,000 of General Obligation Bonds bearing interest at rates ranging from 3% to 5% per annum maturing in 2042. The proceeds of these notes were used for general capital asset purchases.

In 2018, the County issued \$3,330,000 of General Obligation Notes bearing interest at 2.62% per annum maturing in 2032. The proceeds of these notes were used for general capital asset purchases.

In 2019, the County issued \$3,300,000 of General Obligation Notes bearing interest at 3.04% per annum maturing in 2032. The proceeds of these notes were used for general capital asset purchases.

In 2021, the County issued \$9,268,000 and \$2,907,000 of General Obligation Notes bearing interest at 1.78% and 1.72%, respectively. The proceeds of these notes were used to refund debt and provide capital for future capital expenditures.

In 2021, the County issued \$1,500,000 of General Obligation Notes bearing interest at 1.12%. The proceeds of these notes were used to provide capital for future capital expenditures.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Notes to the Financial Statements December 31, 2023

6. LONG-TERM LIABILITIES (continued)

An analysis of debt service requirements to maturity on these obligations is as follows:

<u>Years Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2024	\$ 4,921,953	\$ 1,631,897	\$ 6,553,850
2025	4,170,363	1,463,281	5,633,644
2026	3,048,838	1,313,749	4,362,587
2027	3,170,024	1,192,752	4,362,776
2028	3,211,318	1,066,581	4,277,899
2029-2033	12,375,000	4,275,018	16,650,018
2034-2038	10,562,000	2,796,607	13,358,607
2039-2042	<u>9,960,000</u>	<u>886,375</u>	<u>10,846,375</u>
Totals	<u>\$ 51,419,496</u>	<u>\$ 14,626,260</u>	<u>\$ 66,045,756</u>

7. COMPENSATED ABSENCES

VACATION PAY

Time accrues at various rates based on length of service. Employees are encouraged to utilize earned vacation time by the final pay of each year; however, current practice allows for the carryover of 55 unused vacation days to the subsequent calendar year. Time carried over in this manner is considered vested.

SICK PAY

Employees earn 1 1/4 sick days for each month of service or 15 days per year. Current practice allows for the accumulation of unused sick days to be paid at retirement if the employee meets either of the applicable vesting requirements: Age 55 with 20 or more years of credited service to the County or Age 60.

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 Governmental Funds. The County has accrued a liability for vacation and sick pay in financial statements at the fund level for the Governmental Activities in government-wide financial statements.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

**Notes to the Financial Statements
December 31, 2023**

8. INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances consist of the following at December 31, 2023:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Governmental funds		
General fund	\$ 1,163,579	\$ 3,335,185
Special revenue/Internal service/Agency	<u>3,332,626</u>	<u>1,161,020</u>
Total	<u>\$ 4,496,205</u>	<u>\$ 4,496,205</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 amount 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.

9. INTERFUND OPERATING TRANSFERS

Interfund transfers are executed as a result of the requirements for the General Fund to "match" a portion of the expenditures or expenses of other funds. Interfund operating transfers for such purposes are as follows:

	<u>Transfers From Other Funds</u>	<u>Transfers to Other Funds</u>
Governmental funds		
General fund	\$ 40,744	\$ 4,273,456
Special revenue/Internal service/Agency	<u>4,837,533</u>	<u>604,821</u>
Total	<u>\$ 4,878,277</u>	<u>\$ 4,878,277</u>

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Notes to the Financial Statements December 31, 2023

10. RISK MANAGEMENT

The County is exposed to risk of loss related to self-insurance activities for workers' compensation, medical, and prescription drug claims. The County records the liability for the risk associated with the County's self-insurance activities in the Internal Service Fund.

WORKERS' COMPENSATION

The County self-insures its Workers' Compensation claims and has established a trust account (the "Workers' Compensation Trust") with a local bank to fund its workers' compensation liabilities. Under this program, the Workers' Compensation Trust provides coverage for up to a maximum of \$500,000. The County purchases commercial insurance for claims in excess of coverage provided by the Fund. There have been no changes in insurance coverages, retention limits or excess loss policies from the prior year. Settled claims have not exceeded this commercial coverage since inception.

The County establishes claims liabilities for its self-insured workers' compensation based on the requirements of GASB No. 30, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claims liabilities does not necessarily result in exact amounts. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claim costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation, and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to revenue in the periods in which they are made. Such claims are not discounted.

The following summary provides aggregate information on self-insurance liabilities, incurred claims, and payments during the years ended December 31, 2023 and 2022, and reported self-insurance liabilities as of December 31, 2023 and 2022.

	<u>Liability, beginning of year</u>	<u>Incurred claims and changes in estimate</u>	<u>Benefit payments</u>	<u>Liability, end of year</u>
2023	\$ 108,894	\$ 360,271	\$ (273,402)	\$ 195,763
2022	61,696	125,581	(78,383)	108,894

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Notes to the Financial Statements December 31, 2023

11. EMPLOYEES RETIREMENT PLAN

The Employees' Retirement Trust Fund Plan (the "Plan") is a contributory defined benefit single employer retirement plan covering all County employees, except those hired on a part-time basis. The Plan is included in the accompanying financial statements of the County as a pension trust fund. The financial statements of the Retirement Trust Fund are prepared on the accrual basis of accounting. 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.

As of December 31, 2023, the date of the latest valuation, employees covered by the Plan consisted of the following:

Active plan members	407
Retirees and beneficiaries currently receiving benefits	675
Terminated employees entitled to benefits	<u>94</u>
Total	<u><u>1,176</u></u>

INVESTMENTS

All investments of the pension trust fund are reported at fair value. Securities traded on a national level are valued at the last reported sales price at current exchange rates. Real estate assets are reported at fair value utilizing an income approach to valuation.

CONTRIBUTIONS

Employees are required to contribute a portion of their salaries (5% of earnings in 2023) to the Plan and employees can elect to contribute up to 15% of their salaries. Per Act 96 of 1971, contribution requirements of the Plan members and the County may be amended by the General Assembly of the Commonwealth of Pennsylvania. Interest is credited each year in an amount allowed by the County Retirement Board to each member's account. Administrative costs of the Plan are financed through investment earnings. The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate assets to pay benefits when due. Level percentages of payroll employer contribution rates are determined using the aggregate actuarial cost funding method.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Notes to the Financial Statements December 31, 2023

11. EMPLOYEES RETIREMENT PLAN (continued)

CONTRIBUTIONS (continued)

The annual required contribution was determined based on the most recent annual actuarial valuation dated January 1, 2023. The entry age normal actuarial cost method of funding was used in the valuation, which does not identify and separately amortize unfunded actuarial liabilities. The method used to determine the actuarial value of assets is a five-year smoothed market.

INVESTMENTS

The table below summarizes the target asset class assumed rates of return:

<u>Investment Type</u>	<u>Target Allocation</u>	<u>Assumed Rate of Return</u>
Domestic Equity	40-80%	5.4-6.4%
International Equity	40-80%	5.5-6.5%
Fixed Income	20-60%	1.3-3.3%
Cash	0-5%	0.0-1.0%

ACTUARIAL ASSUMPTIONS

The Plan had the following actuary assumptions and methods:

Actuarial cost method	Entry Age Normal
Amortization Method	Level Dollar
Mortality	PubG-2010 Mortality Table set forward one year with generational mortality improvement using MP20
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Investment rate of return	7.25%
Discount rate	7.25%
Projected salary increases	3.50%
Inflation	3.00%

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

**Notes to the Financial Statements
December 31, 2023**

11. EMPLOYEES RETIREMENT PLAN (continued)

NET PENSION LIABILITY

The net pension asset is equal to the total pension liability minus the net position of the plan. The result as of December 31, 2023 was as follows:

	<u>2023</u>
Total pension liability	\$ 105,845,019
Net position	100,334,546
Net pension liability (asset)	<u>\$ 5,510,473</u>
Net position as a percentage of total pension liability	94.8%

SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

The sensitivity of the net pension liability of the plan to a 1% change to the discount rate is as follows:

	<u>1% Decrease 6.25%</u>	<u>Current Discount Rate 7.25%</u>	<u>1% Increase 8.25%</u>
Net pension (asset) liability	\$ 16,152,970	\$ 5,510,473	\$ (3,654,936)

DEFERRED OUTFLOWS AND INFLOWS RELATED TO PENSIONS

For the 2023 measurement period, the County recognized a pension expense of approximately \$1.9 million and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in assumptions	\$ 217,899	\$ -
Actual versus projected earnings	2,470,911	-
Differences between expected and actual experience	231,969	794,134
Total	<u>\$ 2,920,779</u>	<u>\$ 794,134</u>

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Notes to the Financial Statements December 31, 2023

11. EMPLOYEES RETIREMENT PLAN (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended:</u>		
2024	\$	113,764
2025		1,361,254
2026		2,435,152
2027		<u>(1,783,525)</u>
	<u>\$</u>	<u>2,126,645</u>

12. OTHER POSTEMPLOYMENT BENEFITS

PLAN DESCRIPTION

The County's Retiree Health and Welfare Benefit Plan (the "OPEB Plan") is a single employer defined benefit plan administered by the County. The OPEB Plan provides postemployment benefits to eligible retirees. The County pays eligible retirees \$100 for each year of service rendered to the County up to a maximum of 20 years; with an eligibility requirement of 20 years of service. This is to offset the employees cost of purchasing health insurance after retirement. The Plan is unfunded and no financial report is prepared. The OPEB Plan is authorized and under the control, maintenance and operation of the County Commissioners. During the year ended December 31, 2012, the OPEB Plan was amended to make non-union employees hired after June 26, 2012 no longer eligible to participate in the OPEB Plan.

FUNDING POLICY

OPEB Plan members do not contribute to the plan, the County pays 100% of the cost of coverage for retired covered employees. The required contribution is based on pay-as-you-go financing requirements. The County Commissioners have the authority to amend the plan including changing the obligations of the plan members and the County to contribute to the plan. The County has not set up an OPEB trust to hold assets for the OPEB Plan.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

**Notes to the Financial Statements
December 31, 2023**

12. OTHER POSTEMPLOYMENT BENEFITS (continued)

As of December 31, 2023, the date of the latest valuation, employees covered by the OPEB Plan consisted of the following:

Active plan members	330
Retirees and beneficiaries currently receiving benefits	268
Terminated employees entitled to benefits	<u>-</u>
Total	<u><u>598</u></u>

ACTUARIAL ASSUMPTIONS

The OPEB Plan had the following actuary assumptions and methods:

Actuarial cost method	Entry Age Normal
Mortality	Pub-2010 Headcount-Weighted table General Employees/Retirees projected fully generationally using MP-2020
<u>Actuarial Assumptions</u>	
Health care cost trends	N/A- the County only provides a projected fixed dollar stipend that is not expected to increase in the future
Projected salary increases	3.50%
Inflation	2.70%
Discount rate	4.00%

NET OPEB LIABILITY

The net OPEB liability is equal to the total OPEB liability minus the net position of the plan. The result as of December 31, 2023 was as follows:

	<u>2023</u>
Total OPEB liability	\$ 6,549,182
Net position	<u>-</u>
Net OPEB liability	<u><u>\$ 6,549,182</u></u>
Net position as a percentage of total OPEB liability	0.0%

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

**Notes to the Financial Statements
December 31, 2023**

12. OTHER POSTEMPLOYMENT BENEFITS (continued)

SENSITIVITY OF THE NET OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

The sensitivity of the net OPEB liability of the plan to a 1% change to the discount rate and healthcare cost trend rate is as follows:

Healthcare Cost Trend	1% Decrease	Discount Rate	
		Current Discount Rate 4.00%	1% Increase 5.00%
1% Decrease		n/a	
Current	\$ 7,302,122	\$ 6,549,182	\$ 5,914,011
1% increase		n/a	

DEFERRED OUTFLOWS AND INFLOWS RELATED TO OPEB

For the 2023 measurement period, the County recognized OPEB expense of approximately \$0.3 million and reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	\$ -	\$ 414,561
Differences between expected and actual experience	569,013	806,289
Total	\$ 569,013	\$ 1,220,850

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

Year Ended:	
2024	\$ 8,937
2025	(168,065)
2026	(244,409)
2027	(248,300)
2028	-
	\$ (651,837)

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Notes to the Financial Statements December 31, 2023

13. 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 as of December 31, 2023.

GRANTS

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

14. PENDING ACCOUNTING PRINCIPLES

During the year ended December 31, 2023, the County implemented GASB Statement 91, Conduit Debt Obligations; Statement 92, Omnibus 2020; Statement 93, Replacement of Interbank Offered Rates; Statement 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements; Statement 96, Subscriptions-Based Information Technology Arrangements; Statement 97, Certain Component Unit Criteria; Statement 99, Omnibus 2023. The County adopted all of these statements without significant effect to the financial statements.

As of the year ended December 31, 2023, GASB issued Statement 100, Accounting Changes and Error Corrections; Statement 101, Compensated Absences; Statement 102, Certain Risk Disclosures; and Statement 103, Financial Reporting Model Improvements. The County will be analyzing the effects of these pronouncements and plans to adopt them by their respective effective dates.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Required Supplementary Information
December 31, 2023

Schedule of Net Pension Liability

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service cost	\$ 1,948,359	\$ 1,892,959	\$ 1,882,693	\$ 1,829,383	\$ 1,802,425	\$ 1,644,212	\$ 1,789,747	\$ 1,673,926	\$ 1,777,546	\$ 1,711,360
Interest	7,396,626	7,231,038	7,266,437	6,791,592	6,678,874	6,596,236	6,421,572	6,086,746	6,120,383	5,787,423
Changes in benefit terms	-	-	-	-	-	-	-	2,936,316	-	2,942,480
Differences between expected and actual experience	300,413	(2,382,404)	1,089,575	(282,897)	(341,675)	477,672	648,351	(1,568,646)	30,074	(329,007)
Changes in assumptions	-	-	6,754,881	-	-	-	-	-	-	-
Benefit Payments, including refunds of member contributions	(7,025,152)	(7,360,644)	(7,173,154)	(6,527,510)	(6,910,479)	(6,998,218)	(6,558,158)	(7,383,770)	(6,054,180)	(6,072,799)
Net change in total pension liability	2,620,246	(619,051)	9,820,432	1,810,568	1,229,145	1,719,902	2,301,512	1,744,572	1,873,823	4,039,457
Total pension liability - beginning	103,224,773	103,843,824	94,023,392	92,212,824	90,983,679	89,263,777	86,962,265	85,217,693	83,343,870	79,304,413
Total pension liability - ending (a)	<u>\$ 105,845,019</u>	<u>\$ 103,224,773</u>	<u>\$ 103,843,824</u>	<u>\$ 94,023,392</u>	<u>\$ 92,212,824</u>	<u>\$ 90,983,679</u>	<u>\$ 89,263,777</u>	<u>\$ 86,962,265</u>	<u>\$ 85,217,693</u>	<u>\$ 83,343,870</u>
Plan Fiduciary Net Position										
Contributions - employer	\$ 1,181,200	\$ 809,615	\$ 1,187,434	\$ 1,468,318	\$ 1,926,337	\$ 1,771,378	\$ 1,958,315	\$ 1,685,928	\$ 1,111,373	\$ 1,135,549
Contributions - member	1,323,141	1,345,629	1,323,341	1,271,174	1,259,646	1,160,205	1,099,322	1,063,212	1,127,652	1,060,075
Net investment income (loss)	15,263,548	(13,407,053)	12,948,716	10,480,502	18,091,860	(2,594,000)	11,602,979	5,678,272	323,884	5,651,579
Benefit payments, including refunds of member contributions	(7,025,152)	(7,360,644)	(7,173,154)	(6,527,510)	(6,910,479)	(6,998,218)	(6,558,158)	(7,383,770)	(6,054,180)	(6,072,799)
Administrative expense	(312,693)	(115,236)	(109,345)	(104,373)	(101,558)	(99,677)	(92,481)	(99,501)	(103,721)	(58,547)
Net change in plan fiduciary net position	10,430,044	(18,727,689)	8,176,992	6,588,111	14,265,806	(6,760,312)	8,009,977	944,141	(3,594,992)	1,715,857
Plan fiduciary net position - beginning	89,904,502	108,632,191	100,455,199	93,867,088	79,601,282	86,361,594	78,351,617	77,407,476	81,002,468	79,286,611
Plan fiduciary net position - ending (b)	<u>\$ 100,334,546</u>	<u>\$ 89,904,502</u>	<u>\$ 108,632,191</u>	<u>\$ 100,455,199</u>	<u>\$ 93,867,088</u>	<u>\$ 79,601,282</u>	<u>\$ 86,361,594</u>	<u>\$ 78,351,617</u>	<u>\$ 77,407,476</u>	<u>\$ 81,002,468</u>
Net Pension Liability- ending (a)-(b)	<u>\$ 5,510,473</u>	<u>\$ 13,320,271</u>	<u>\$ (4,788,367)</u>	<u>\$ (6,431,807)</u>	<u>\$ (1,654,264)</u>	<u>\$ 11,382,397</u>	<u>\$ 2,902,183</u>	<u>\$ 8,610,648</u>	<u>\$ 7,810,217</u>	<u>\$ 2,341,402</u>
Plan fiduciary net position as a percentage of total pension liability	94.79%	87.10%	104.61%	106.84%	101.79%	87.49%	96.75%	90.10%	90.83%	97.19%
Covered employee payroll	\$ 18,266,624	\$ 17,124,594	\$ 17,847,586	\$ 20,157,641	\$ 19,113,684	\$ 17,401,380	\$ 17,342,703	\$ 16,087,224	\$ 17,280,652	\$ 17,243,020
Net liability as a percentage of covered payroll	30.17%	77.78%	-26.83%	-31.91%	-8.65%	65.41%	16.73%	53.52%	45.20%	13.58%
Annual money-weighted rate of return, net of investment expense	16.05%	-13.51%	12.89%	11.42%	23.32%	-3.08%	15.14%	8.31%	0.37%	7.35%

The accompanying notes are an integral part of this schedule.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

**Required Supplementary Information
December 31, 2023**

Schedule of Pension Contributions

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 1,181,200	\$ 780,360	\$ 1,187,434	\$ 1,468,318	\$ 1,926,337	\$ 1,771,378	\$ 1,958,315	\$ 1,685,928	\$ 1,111,373	\$ 1,135,549
Contributions in Relation to the Actuarially Determined Contribution	1,181,200	809,615	1,187,434	1,468,318	1,926,337	1,771,378	1,958,315	1,685,928	1,111,373	1,135,549
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ (29,255)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 18,266,624	\$ 17,124,594	\$ 17,847,586	\$ 20,157,641	\$ 19,113,684	\$ 17,401,380	\$ 17,342,703	\$ 16,087,224	\$ 17,280,652	\$ 17,243,020
Contributions as a Percentage of Covered Employee Payroll	6.5%	4.8%	6.7%	7.3%	10.1%	10.2%	11.3%	10.5%	6.4%	6.6%
Notes to schedule:										
Valuation Date:	January 1, 2023	January 1, 2022	January 1, 2021	January 1, 2020	January 1, 2019	January 1, 2018	January 1, 2017	January 1, 2016	January 1, 2015	January 1, 2014
Methods and assumptions used to determine contribution rates:										
Actuarial Valuation Date:	Entry age									
Actuarial Cost Method:	Level dollar									
Amortization Method:	15 years									
Remaining Amortization Period:	Market value adjusted for unrecognized gains and losses from prior years									
Asset Valuation Method:	3%									
Inflation:	3.5% average, including inflation									
Salary Increases:	7.25%, net of pension plan investment expense, including inflation									
Investment Rate of Return:	Age 60 or 55 with 20 years' service									
Retirement Age:	PubG-2010 Mortality Table set forward one year with generational mortality improvement using MP20									
Mortality:										

The accompanying notes are an integral part of this schedule.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Required Supplementary Information
December 31, 2023

Retiree Health and Welfare Benefit Plan
Schedule of Net OPEB Liability

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	\$ 68,365	\$ 147,200	\$ 144,292	\$ 112,333	\$ 76,634	\$ 92,314
Interest	272,136	168,616	176,373	218,808	287,808	264,064
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(24,385)	(501,192)	(42,435)	(103,674)	(30,911)	-
Change in assumptions or other inputs	208,406	(1,209,433)	65,776	527,804	1,092,890	(516,118)
Benefit Payments, including refunds of member contributions	(437,447)	(439,862)	(442,521)	(463,561)	(492,700)	(504,467)
Net change in total opeb liability	87,075	(1,834,671)	(98,515)	291,710	933,721	(664,207)
Total OPEB liability - beginning	6,462,107	8,296,778	8,395,293	8,103,583	7,169,862	7,834,069
Total OPEB liability - ending (a)	<u>\$ 6,549,182</u>	<u>\$ 6,462,107</u>	<u>\$ 8,296,778</u>	<u>\$ 8,395,293</u>	<u>\$ 8,103,583</u>	<u>\$ 7,169,862</u>
Plan Fiduciary Net Position						
Contributions - Employer	\$ 437,447	\$ 439,862	\$ 442,521	\$ 463,561	\$ 492,700	\$ 504,467
Contributions - Member	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(437,447)	(439,862)	(442,521)	(463,561)	(492,700)	(504,467)
Administrative expense	-	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability- ending (a)-(b)	<u>\$ 6,549,182</u>	<u>\$ 6,462,107</u>	<u>\$ 8,296,778</u>	<u>\$ 8,395,293</u>	<u>\$ 8,103,583</u>	<u>\$ 7,169,862</u>
Plan fiduciary net position as a percentage of total pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered payroll	\$ 12,546,956	\$ 12,942,314	\$ 16,558,631	\$ 15,407,594	N/A	N/A
NOL as % of covered payroll	52.2%	49.9%	50.1%	54.5%	N/A	N/A

Notes to schedule:

A) This information is not available for prior years.

The accompanying notes are an integral part of this schedule.

COMBINING AND INDIVIDUAL FUND STATEMENTS

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

Combining Balance Sheet
 Nonmajor Governmental Funds
 As of December 31, 2023

	ACT 35	DOMESTIC RELATIONS	PLANNING	WEATHERIZATION	LIQUID FUELS	EMERGENCY MANAGEMENT	CAPITAL PROJECTS	AREA AGENCY ON AGING	DRUGS & ALCOHOL
ASSETS:									
Cash and cash equivalents	\$ 137,482	\$ -	\$ 12,764	\$ -	\$ 4,339,138	\$ 7,169	\$ 377,717	\$ 1,287,065	\$ 1,208,964
Due from other funds	-	-	-	-	-	-	-	82,416	-
Receivable from other governments	-	147,340	8,911	385,542	-	71,040	-	1,764	153,046
Other receivables	-	-	-	-	-	-	-	137,093	4,115
Other assets	-	-	-	66,286	-	-	-	-	-
TOTAL	137,482	147,340	21,675	451,828	4,339,138	78,209	377,717	1,508,338	1,366,125
LIABILITIES									
Liabilities:									
Accounts payable	5,129	19,626	-	38,471	2,492	3,366	-	188,917	153,575
Due to other funds	5	127,714	-	403,738	7	-	-	4,236	4,219
Payable to other governments	-	-	-	-	-	-	-	-	3,897
Unearned revenue	-	-	21,675	-	-	1,854	-	415,592	24,640
Other accrued expenses	-	-	-	9,619	-	-	-	55,725	14,171
Total liabilities	5,134	147,340	21,675	451,828	2,499	5,220	-	664,470	200,502
FUND BALANCES,									
Restricted for:									
Program purposes	132,348	-	-	-	4,336,639	72,989	-	843,868	1,165,623
Assigned	-	-	-	-	-	-	377,717	-	-
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	132,348	-	-	-	4,336,639	72,989	377,717	843,868	1,165,623
TOTAL LIABILITIES AND FUND BALANCE	\$ 137,482	\$ 147,340	\$ 21,675	\$ 451,828	\$ 4,339,138	\$ 78,209	\$ 377,717	\$ 1,508,338	\$ 1,366,125

The accompanying notes are an integral part of this schedule.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

**Combining Balance Sheet
Nonmajor Governmental Funds
As of December 31, 2023**

JUVENILE COURT	AFFORDABLE HOUSING	RECORDS IMPROVEMENT	911 CENTER	INMATE FUNDS	NORTH- UMBERLAND COUNTY AUTHORITY	TOTAL NONMAJOR GOVERNMENTAL FUNDS
\$ 152,319	\$ 98,249	\$ 210,507	\$ -	\$ 859,315	\$ 94,749	\$ 8,785,438
478	-	-	1,054	-	-	83,948
13,635	-	-	507,737	-	-	1,289,015
641	4,403	1,424	-	47,316	-	194,992
-	-	-	184,314	-	-	250,600
167,073	102,652	211,931	693,105	906,631	94,749	10,603,993
84,169	51	-	69,778	5,983	5,500	577,057
116	-	-	583,637	165	-	1,123,837
12,375	-	-	-	-	215,011	231,283
14,974	-	-	204	46,590	-	525,529
55,439	-	-	39,486	-	-	174,440
167,073	51	-	693,105	52,738	220,511	2,632,146
-	102,601	211,931	-	853,893	-	7,719,892
-	-	-	-	-	-	377,717
-	-	-	-	-	(125,762)	(125,762)
-	102,601	211,931	-	853,893	(125,762)	7,971,847
\$ 167,073	\$ 102,652	\$ 211,931	\$ 693,105	\$ 906,631	\$ 94,749	\$ 10,603,993

The accompanying notes are an integral part of this schedule.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2023**

	ACT 35	DOMESTIC RELATIONS	PLANNING	WEATHERIZATION	LIQUID FUELS	EMERGENCY MANAGEMENT	CAPITAL PROJECTS	AREA AGENCY ON AGING	DRUGS & ALCOHOL
REVENUES:									
Intergovernmental	\$ -	\$ 714,719	\$ 1,697,024	\$ 2,616,793	\$ 789,842	\$ 62,902	\$ -	\$ 4,232,417	\$ 1,440,243
Charges for services	273,393	26,684	-	-	75,056	22,000	-	153,052	20,610
Investment earnings	3,997	-	-	-	111,475	-	10,720	16,795	18,716
Miscellaneous	-	-	-	-	466	3,459	-	195,772	349,284
Total revenues	277,390	741,403	1,697,024	2,616,793	976,839	88,361	10,720	4,598,036	1,828,853
EXPENDITURES:									
Current:									
General government	-	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-	-
Public Safety	333,980	-	-	-	-	274,334	-	-	-
Human services	-	1,037,567	-	2,617,157	-	-	-	4,522,711	1,566,369
Public works	-	-	-	-	737,941	-	-	-	-
Conservation and development	-	-	1,697,024	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	184,819	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-
Total expenditures	333,980	1,037,567	1,697,024	2,617,157	737,941	274,334	184,819	4,522,711	1,566,369
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(56,590)	(296,164)	-	(364)	238,898	(185,973)	(174,099)	75,325	262,484
OTHER FINANCING SOURCES (USES):									
Transfers in	-	301,951	-	364	-	181,886	184,819	190,608	15,605
Transfers out	-	(5,787)	-	-	(20,000)	-	-	-	(5,793)
Total other financing sources and uses	-	296,164	-	364	(20,000)	181,886	184,819	190,608	9,812
NET CHANGE IN FUND BALANCES	(56,590)	-	-	-	218,898	(4,087)	10,720	265,933	272,296
FUND BALANCES, beginning	188,938	-	-	-	4,117,741	77,076	366,997	577,935	893,327
FUND BALANCES, ending	\$ 132,348	\$ -	\$ -	\$ -	\$ 4,336,639	\$ 72,989	\$ 377,717	\$ 843,868	\$ 1,165,623

The accompanying notes are an integral part of this schedule.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2023**

JUVENILE COURTS	AFFORDABLE HOUSING	RECORDS IMPROVEMENTS	911 CENTER	INMATE FUND	NORTH- UMBERLAND COUNTY AUTHORITY	TOTAL NONMAJOR GOVERNMENTAL FUNDS
\$ 328,077	\$ -	\$ -	\$ 2,084,353	\$ -	\$ -	\$ 13,966,370
21,980	56,482	50,509	36,885	337,537	781,649	1,855,837
-	-	4,944	13,622	16,494	581	197,344
11,379	-	-	8,920	-	-	569,280
361,436	56,482	55,453	2,143,780	354,031	782,230	16,588,831
-	-	35,275	-	-	12,486	47,761
2,147,970	-	-	-	231,091	-	2,379,061
-	-	-	2,730,135	-	-	3,338,449
-	79,829	-	-	-	-	9,823,633
-	-	-	-	-	-	737,941
-	-	-	-	-	-	1,697,024
-	-	-	-	-	-	184,819
-	-	-	-	-	535,269	535,269
-	-	-	-	-	220,944	220,944
2,147,970	79,829	35,275	2,730,135	231,091	768,699	18,964,901
(1,786,534)	(23,347)	20,178	(586,355)	122,940	13,531	(2,376,070)
1,786,534	-	-	586,355	-	-	3,248,122
-	-	-	-	-	-	(31,580)
1,786,534	-	-	586,355	-	-	3,216,542
-	(23,347)	20,178	-	122,940	13,531	840,472
-	125,948	191,753	-	730,953	(139,293)	7,131,375
\$ -	\$ 102,601	\$ 211,931	\$ -	\$ 853,893	\$ (125,762)	\$ 7,971,847

The accompanying notes are an integral part of this schedule.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

**Combining Statement of Asset and Liabilities
Custodial Funds Held in the General Fund
December 31, 2023**

	TREASURER ESCROW	MEDICAL CLAIMS	TAX CLAIM ESCROW	COAL LAND ROYALTY	SHERIFF ESCROW	BID DEPOSIT ESCROW	ESCHEATS
ASSETS:							
Cash and cash equivalents	\$ 18,338	\$ 13,669	\$ 1,120,458	\$ 30,988	\$ 259,486	\$ 2,298	\$ 71,991
Other receivables	5	16,099	23,015	-	-	-	-
Total assets	<u>\$ 18,343</u>	<u>\$ 29,768</u>	<u>\$ 1,143,473</u>	<u>\$ 30,988</u>	<u>\$ 259,486</u>	<u>\$ 2,298</u>	<u>\$ 71,991</u>
LIABILITIES:							
Accounts payable	\$ -	\$ -	\$ 11,964	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	29,768	2,431	181	-	-	149
Due to other governments	-	-	-	30,807	-	-	71,842
Unearned revenue and other	18,343	-	1,129,078	-	259,486	2,298	-
Total liabilities	<u>\$ 18,343</u>	<u>\$ 29,768</u>	<u>\$ 1,143,473</u>	<u>\$ 30,988</u>	<u>\$ 259,486</u>	<u>\$ 2,298</u>	<u>\$ 71,991</u>

The accompanying notes are an integral part of this schedule.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

**Combining Statement of Asset and Liabilities
Custodial Funds Held in the General Fund
December 31, 2023**

PROTHONOTARY	JUVENILE COURT RESTITUTION	DISTRICT JUSTICE	BHIDS PATIENT	REGISTER and RECORDER	DOMESTIC RELATIONS	COURT COST	TOTAL
\$ 489,724	\$ 82,969	\$ 139,915	\$ 438,585	\$ 498,835	\$ 9,232	\$ 441,133	\$ 3,617,621
-	-	-	-	-	-	-	39,119
\$ 489,724	\$ 82,969	\$ 139,915	\$ 438,585	\$ 498,835	\$ 9,232	\$ 441,133	\$ 3,656,740
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	11,964
-	-	-	-	-	-	-	32,529
-	-	-	-	-	-	-	102,649
489,724	82,969	139,915	438,585	498,835	9,232	441,133	3,509,598
\$ 489,724	\$ 82,969	\$ 139,915	\$ 438,585	\$ 498,835	\$ 9,232	\$ 441,133	\$ 3,656,740

The accompanying notes are an integral part of this schedule.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

**Schedule of Revenue, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2023**

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCES WITH FINAL BUDGET- POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES:				
Taxes	\$ 19,533,250	\$ 19,582,250	\$ 19,578,921	\$ (3,329)
Intergovernmental	931,271	1,278,931	1,591,730	312,799
Charges for services	3,574,049	3,754,783	3,804,734	49,951
Investment earnings	177,500	177,500	625,942	448,442
Miscellaneous	3,251,666	3,380,577	1,045,810	(2,334,767)
Total revenues	<u>27,467,736</u>	<u>28,174,041</u>	<u>26,647,137</u>	<u>(1,526,904)</u>
EXPENDITURES:				
Current:				
General government	6,494,591	7,564,800	6,498,919	1,065,881
Judicial	6,840,740	6,802,300	6,748,270	54,030
Public safety	9,060,144	8,742,266	8,783,743	(41,477)
Conservation and development	204,373	204,373	225,130	(20,757)
Total expenditures	<u>22,599,848</u>	<u>23,313,739</u>	<u>22,256,062</u>	<u>1,057,677</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>4,867,888</u>	<u>4,860,302</u>	<u>4,391,075</u>	<u>(469,227)</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from long term debt	-	-	383,357	383,357
Insurance recoveries	-	-	-	-
Transfers in	70,086	70,086	40,744	(29,342)
Transfers out	(4,937,974)	(4,940,374)	(4,273,456)	666,918
Total other financing uses, net	<u>(4,867,888)</u>	<u>(4,870,288)</u>	<u>(3,849,355)</u>	<u>1,020,933</u>
Net change in fund balances	-	(9,986)	541,720	551,706
Fund balances, beginning	-	-	11,328,025	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,869,745</u>	<u>\$ -</u>

The accompanying notes are an integral part of this schedule.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

**Schedule of Revenue, Expenditures, and Changes in Fund Balance
Budget and Actual
Behavioral Health and Intellectual Development Services
For the Year Ended December 31, 2023
(Unaudited) Budgeted Amounts**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Intergovernmental	\$ 11,050,395	\$ 11,229,815	\$ 9,355,968	\$ (1,873,847)
Charges for services	75,424	75,424	170,300	94,876
Investment earnings	11,000	11,000	71,735	60,735
Miscellaneous revenue	62,437	62,437	84,994	22,557
Total revenues	11,199,256	11,378,676	9,682,997	(1,695,679)
EXPENDITURES,				
Current,				
Human services	11,474,054	11,653,474	9,955,990	1,697,484
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(274,798)	(274,798)	(272,993)	1,805
OTHER FINANCING SOURCES (USES):				
Transfers in	354,798	354,798	312,993	(41,805)
Transfers out	(80,000)	(80,000)	(40,000)	40,000
Total other financing sources and uses	274,798	274,798	272,993	(1,805)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES, Beginning	-	-	10,681	-
FUND BALANCES, Ending	\$ -	\$ -	\$ 10,681	\$ -

The accompanying notes are an integral part of this schedule.

COUNTY OF NORTHUMBERLAND, PENNSYLVANIA

**Schedule of Revenue, Expenditures, and Changes in Fund Balance
Budget and Actual
Children and Youth
For the Year Ended December 31, 2023
(Unaudited) Budgeted Amounts**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET- POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUES:				
Intergovernmental	\$ 11,948,808	\$ 12,228,808	\$ 9,955,809	\$ (2,272,999)
Charges for services	361,500	361,500	170,505	(190,995)
Total revenues	12,310,308	12,590,308	10,126,314	(2,463,994)
EXPENDITURES,				
Current,				
Human services	13,226,358	13,506,358	11,084,132	2,422,226
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(916,050)	(916,050)	(957,818)	(41,768)
OTHER FINANCING SOURCES (USES):				
Transfers in	1,216,050	1,216,050	1,276,418	60,368
Transfers out	(300,000)	(300,000)	(318,600)	(18,600)
Total other financing sources and uses	916,050	916,050	957,818	41,768
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES, Beginning	-	-	-	-
FUND BALANCES, Ending	\$ -	\$ -	\$ -	\$ -

The accompanying notes are an integral part of this schedule.