

Comprehensive
Annual Financial
Report for the
Year Ending
December 31, 2019



County of Berks,
Pennsylvania

**County of Berks,
Pennsylvania
Comprehensive
Annual Financial
Report for the
Year Ending
December 31, 2019**

Commissioners:

Christian Y. Leinbach, Chair

Kevin S. Barnhardt, Vice Chair

Michael S. Rivera

Prepared by the

Office of the Controller

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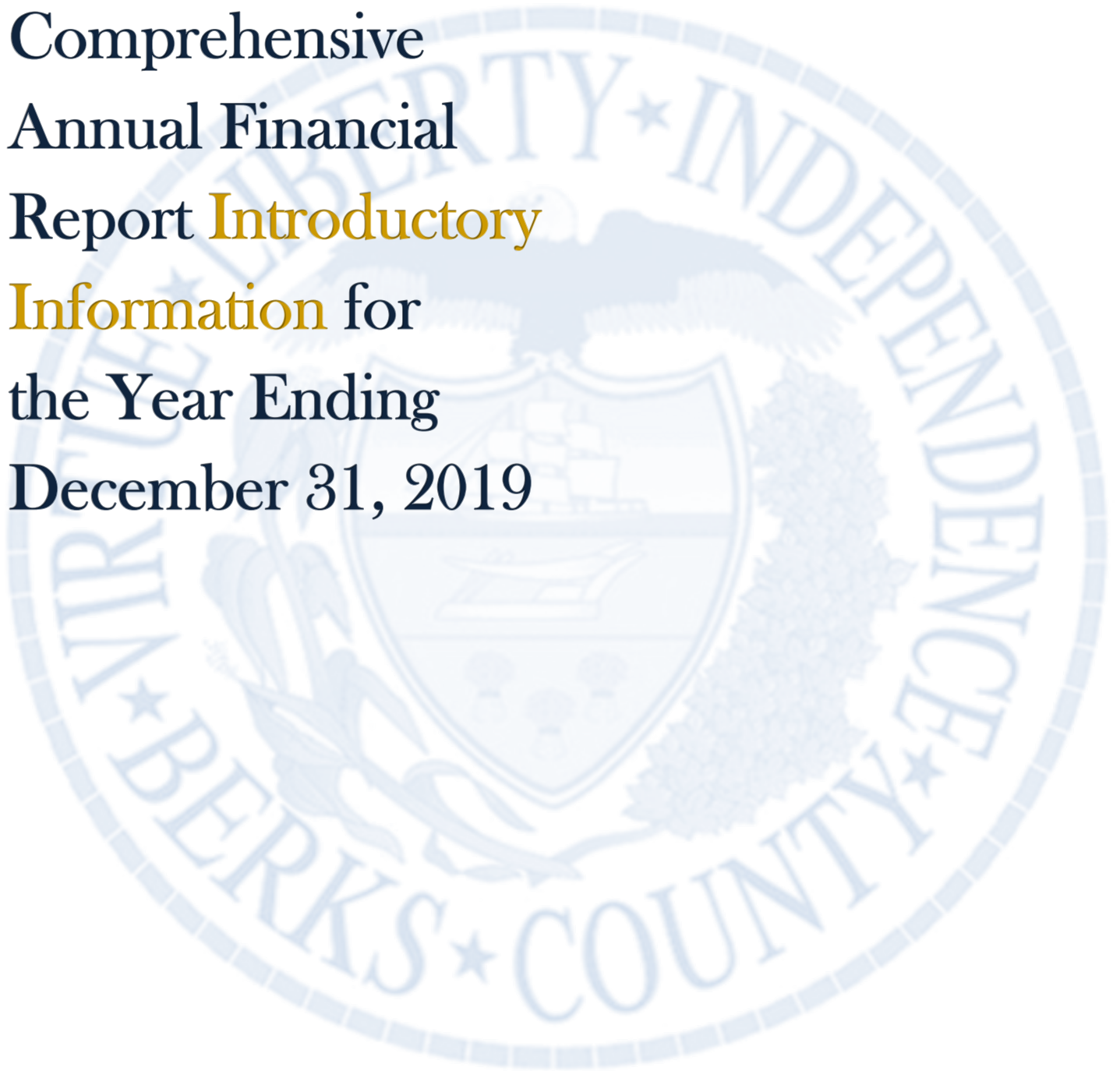
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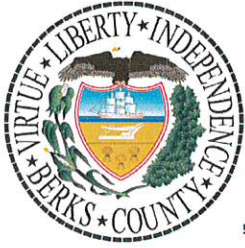
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County of Berks,
Pennsylvania
Comprehensive
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Report **Introductory
Information** for
the Year Ending
December 31, 2019





COUNTY OF BERKS, PENNSYLVANIA

Office of the Commissioners

Services Center, 13th Floor
633 Court Street
Reading, PA 19601

Phone: 610.478.6136

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Christian Y. Leinbach, Chair
Kevin S. Barnhardt, Vice Chair
Michael S. Rivera, Commissioner

Ronald R. Seaman, Chief Administrative Officer
Christine M. Sadler, Solicitor
Maryjo Gibson, Chief Clerk

September 10, 2020

To: The Citizens of the County of Berks

This Comprehensive Annual Financial Report (CAFR) of the County of Berks for the year ended December 31, 2019 is submitted herewith to the citizens of the County of Berks and other interested readers of these financial statements. This CAFR was prepared by the Office of the Controller on behalf of the Board of Commissioners. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with County management. We believe the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County, as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain a clear understanding of the County's financial affairs have been included.

The organization, form, and contents of this CAFR and the accompanying financial statements and statistical tables were prepared in accordance with the standards established by the Governmental Accounting Standards Board (GASB), the Government Finance Officers Association (GFOA) and the American Institute of Certified Public Accountants (AICPA). The County's financial statements have been audited by the certified public accounting firm of RKL LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the year ended December 31, 2019 are free of material misstatement. The independent certified public accounting firm has issued an unmodified opinion on the County's financial statements as of and for the year ended December 31, 2019. The auditor's report is located at the beginning of the financial section of this report.

As a recipient of federal financial assistance, the County is also required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Information related to this single audit is included in a separately issued Single Audit Report issued by the County's external CPA firm.

In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition; (2) the reliability of financial records for preparing financial statements; and (3) maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefits likely to be derived, and that the evaluation of cost and benefits requires estimates and judgments by management. All internal accounting control evaluations occur within the above framework. We believe that the County's internal accounting controls (1) adequately safeguard assets, (2) provide

Letter of Transmittal

2019 Comprehensive Annual Financial Report

reasonable assurance of proper recording of financial transactions, and (3) maintain accountability for assets.

The letter of transmittal is designed to complement, and should be read in conjunction with, Management's Discussion and Analysis (MD&A), and the included financial statements and financial statement notes. MD&A provides a narrative introduction, overview, and analysis of the financial statements and can be found immediately following the report of independent auditors.

Profile of the County and Government

The County of Berks is a diamond shaped area of 864 square miles located in Southeast Pennsylvania. It is strategically located at the intersection of a dynamic market of economic, trade and industrial activities in the New York - Washington, DC corridor. The county seat, the City of Reading, is 56 miles northwest of Philadelphia, one of the leading industrial and trade complexes of the nation, while also being near other major metropolitan areas of Baltimore, 97 miles to the south, and New York City, 125 miles to the northeast. The County is bordered by Lebanon and Lancaster Counties to the Southwest, Chester and Montgomery Counties to the Southeast, Lehigh County to the Northeast, and Schuylkill County to the Northwest.

Originally settled over 250 years ago, the County has shifted from primarily an agrarian-based economy to mining and forging, to manufacturing, and most recently to service-related business. The trend away from manufacturing is expected to continue into the next decade. The service industry, in particular banking, retail, business, health, and social services, is projected to grow the most over the next ten years. The County's current estimated population is 421,164 in 73 boroughs, townships and the City of Reading, and has been exhibiting an upward trend for the last decade.

The County is a third class county, by population, and is governed by a Board of Commissioners under the County Code of 1955. Three County Commissioners, not all from the same political party, are elected every four years, and are assisted in the operation of County government by 9 elected Row Officers, 16 elected Judges of Court and Judicial Officers, and several appointed department heads. A full organization chart follows this Letter of Transmittal.

On an annual basis, the County must develop an Operating and Capital Projects Budget, which serves as the foundation of the County's financial planning and control system. The County Commissioners must adopt this annual revenue and expenditure budget for the County by December 31 of each year for the subsequent year.

Financial Reporting Entity

This CAFR includes all funds (agencies) of the County, and through those funds, provides a full range of services including the court system, prison, nursing home, education and cultural programs, public safety, economic development, human services programs for children, families and the aged, as well as general administration. In addition to general governmental activities, the County also has discretely presented component units. These units of government are included in the County's reporting entity because of the County's authority to appoint a voting majority of their boards of directors and their dependent financial relationships with the County. Please refer to Note 1.A in the Notes to the Financial Statements for detailed information about the County's component units and related organizations.

Letter of Transmittal
2019 Comprehensive Annual Financial Report

Economic Condition & Outlook

Overall, the County economy remained consistently healthy, and continues to show slow growth in its major sectors. The labor market is at its best level in years and the economy has been growing at an average rate of almost 1.5% in the last fifteen years. The unemployment rate remained stable and continues to mirror both the state and national levels. Employment subsectors seeing growth over the year were led by education and health services at 2.1% and manufacturing at 2.2%. Manufacturing remains the largest employment sector of Berks County's economy and contributes the most to Berks County's GDP.

The County maintains many investments to facilitate operations, capital expansion and retirement plans. The investment policy is to minimize credit and market risks, while maintaining a competitive yield on the portfolios. Accordingly, deposits are insured by federal depository insurance, invested in governmental obligations, or collateralized in accordance with the Commonwealth of Pennsylvania Act 72. The County maintains a defined benefit retirement plan with mandatory membership for all full-time County employees, through a 5% required contribution. Net plan position was valued at \$484,198,237, an increase of 12.8% from the prior year. Please refer to Note 2 in the Notes to Financial Statements for a detailed analysis of cash and investment information and to Note 7 in the Notes to the Financial Statements for disclosure on the County's Employees' Pension Plan.

Even though the County was able to implement a no tax increase budget for the 2019 year, succeeding year's budgets are forecast to face a continued revenue compression from both federal and state governments in funding the areas of the Children and Youth Services, Berks Heim, and the Criminal Justice System, notably the Jail. The County is now completing its thirteenth year of self-insurance in healthcare coverage, while maintaining other third-party coverage to control the rising, overall cost of insurance protection. Analysis of the ten year history points to a substantial out-of-pocket savings through self-insurance. Workers' Compensation Insurance has been similarly self-insured, in this case since 2002. Please refer to Note 9 in the Notes to Financial Statements for detailed Risk Management information.

Several major capital projects were completed during the year. The most notable of which was the Blandon Bridge Project. The cost of construction was approximately \$2.7 million. The Election Services, Election System Project was also completed this year at an aggregate cost of approximately \$4.3 million.

Continuing major initiatives of the County are rehabilitations and repairs of seven other County owned bridges. Total aggregate construction in progress on these seven bridges is approximately \$3.4 million at December 31, 2019. The bridge projects have varying dates of completion. The County's Department of Emergency Services continued its GPS project during the year. Expenditures incurred on the GPS project through December 31, 2019 are approximately \$1.2 million.

Going forward, to eliminate the need for future tax increases, it is imperative that the County continue to maximize non-property tax revenue and streamline its service delivery. It is likewise vital to maintain an adequate level of General Fund balance, and not look to this fund to finance future shortfalls in operating revenues. These steps and a five-year financial forecast are part of the County's long-term financial planning process.

**Letter of Transmittal
2019 Comprehensive Annual Financial Report**

Acknowledgements

The preparation of this CAFR could not have been accomplished without the dedicated efforts and professionalism of the staff of the Accounting Department in the Office of the Controller and the Office of Budget and Finance. We would like to personally thank these individuals for their assistance in improving both the accuracy and quality of this important County document.

We would like to further express our appreciation to the certified public accounting firm of RKL LLP, who audited the general ledger and financial statements from which these schedules are taken, and who provided invaluable guidance in its presentation.

Respectfully submitted,



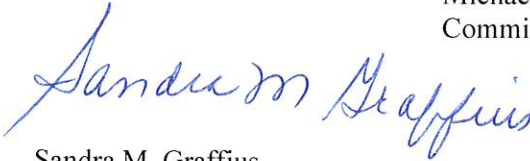
Christian Y. Leinbach
Commissioner Chair



Kevin S. Barnhardt
Commissioner



Michael S. Rivera
Commissioner



Sandra M. Graffius
Controller

**Letter of Transmittal
2019 Comprehensive Annual Financial Report**



Ronald M. Rutkowski, APM
Deputy Controller



Grazyna Nykiel, CICA, CGFM
Senior Governmental Accountant - Team
Lead



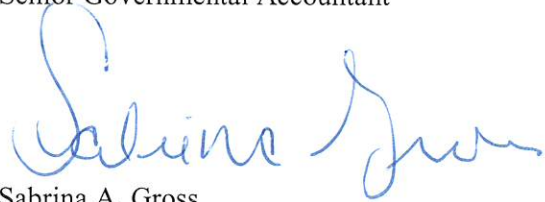
Daniel J. Jenkins, MBA
Manager of Financial Reporting
and Accounting



Scott S. Poch, CPA, CGMA
Senior Governmental Accountant



Andrew Noll, CFE, CGFM
Senior Governmental Accountant



Sabrina A. Gross
Senior Governmental Accountant

**Letter of Transmittal
2019 Comprehensive Annual Financial Report**

**County of Berks
List of Elected Officials
July 2020**

Commissioners

Christian Y. Leinbach, Chair
Kevin S. Barnhardt, Vice Chair
Michael S. Rivera

Controller

Sandra M. Graffius

Clerk of Courts

James P. Troutman

Treasurer

A. Dennis Adams, CPA

District Attorney

John T. Adams, Esq.

Register of Wills

Lawrence J. Medaglia, Jr.

Coroner

John M. Hollenbach
Acting Coroner

Prothonotary

Jonathan DelCollo

Sheriff

Eric J. Weaknecht

Recorder of Deeds

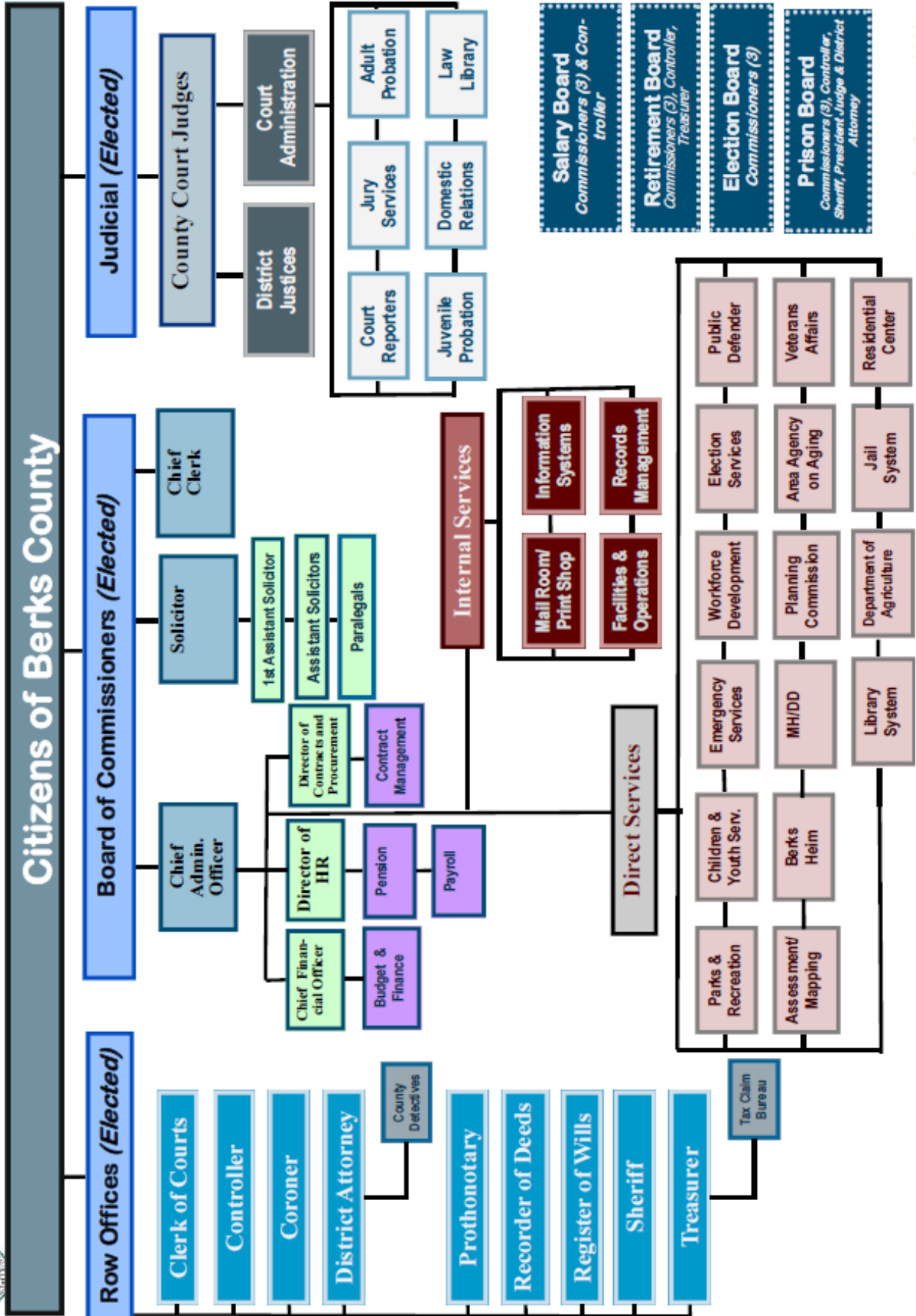
Mary Kozak

Judges of Court

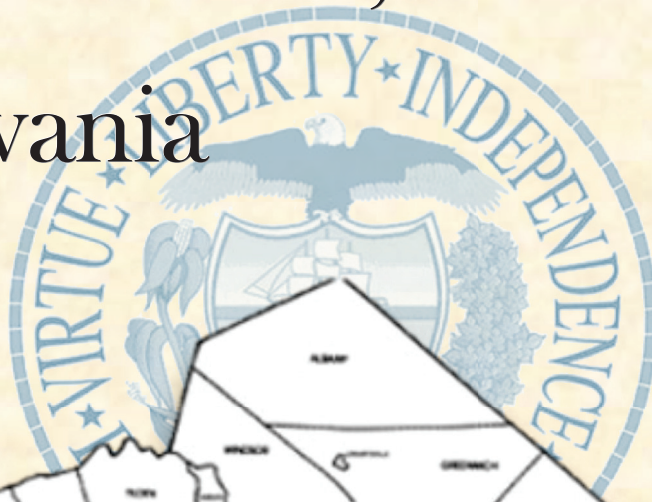
Honorable Thomas G. Parisi, President Judge
Honorable Jeffrey K. Sprecher, Judge
Honorable Scott E. Lash, Judge
Honorable Mary Ann Ullman, Judge
Honorable James M. Bucci, Judge
Honorable Paul M. Yatron, Judge
Honorable Timothy J. Rowley, Judge
Honorable Madelyn S. Fudeman, Judge
Honorable M. Theresa Johnson, Judge
Honorable James M. Lillis, Judge
Honorable Eleni Dimitriou Geishauser, Judge
Honorable Patrick T. Barrett, Judge
Honorable J. Benjamin Nevius, Judge
Honorable Scott D. Keller, Senior Judge
Honorable Stephen B. Lieberman, Senior Judge
Honorable John A. Boccabella, Senior Judge



County of Berks Organizational Chart



County of Berks, Pennsylvania



County of Berks,
Pennsylvania
Comprehensive
Annual Financial
Report **Financial
Information** for
the Year Ending
December 31, 2019





INDEPENDENT AUDITOR'S REPORT

The following pages are the report of the County's independent certified public accounting firm on the audit of its financial statements performed for the year ended December 31, 2019.



Independent Auditor's Report

To the Board of County Commissioners and County Controller
County of Berks
Reading, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Berks, Reading, Pennsylvania, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County of Berks' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

We did not audit the financial statements of the Reading Regional Airport Authority and the Reading Area Community College as of September 30, 2019 and June 30, 2019, respectively, which represent 100% of the assets and deferred outflows of resources, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the reports of other auditors.

Auditor's Responsibility (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County of Berks, Pennsylvania, as of December 31, 2019, 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, including Management's Discussion and Analysis on Pages 12 to 23, budgetary comparison information on Pages RSI 1 to 6, Schedule of Changes in the County's Net Pension Asset (Liability) and Related Ratios and Schedule of County Contributions on Pages RSI 7 and RSI 8 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 (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Matter - Adoption of Governmental Accounting Standards Board

County of Berks adopted the provisions of GASB Statement No. 84, *Fiduciary Activity*, as of January 1, 2019. As a result, the fund balance of the Custodial Fund as of January 1, 2019 has been restated to \$12,567,247 from \$-0-, as previously reported. Our opinion is not modified in respect to these matters.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Berks' basic financial statements. The introductory section, other supplementary information in the table of contents listed on Pages OSI 2 to 21 and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section, other supplementary information, and statistical section are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The other supplementary information on Pages OSI 2 to 21 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 other supplementary information on Pages OSI 2 to 21 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

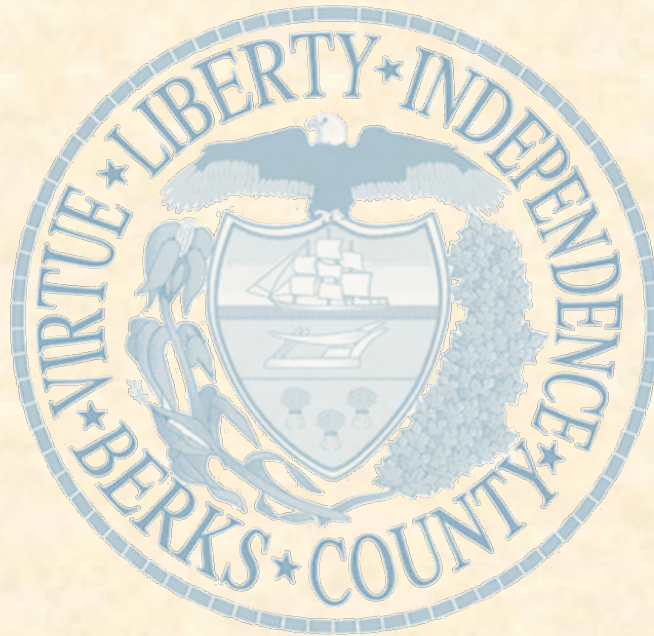
The introductory section and statistical section have not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated September 10, 2020, on our consideration of the County of Berks' internal control over financial reporting, and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Berks' internal control over financial reporting and compliance.

Handwritten signature in black ink that reads "RKL LLP". The letters are cursive and somewhat stylized.

September 10, 2020
Wyomissing, Pennsylvania



MANAGEMENT'S DISCUSSION AND ANALYSIS

The purpose of the Management's Discussion and Analysis section is to provide users of the basic financial statements with a narrative introduction, overview and analysis of those statements.

County of Berks
Management's Discussion and Analysis
December 31, 2019
(amounts rounded to nearest thousand)

The County of Berks' (County) management discussion and analysis (MD&A) is intended to present a narrative overview of the County and an analysis of the County's financial performance for the year ended December 31, 2019. The MD&A is intended to be read in conjunction with the transmittal letter at the beginning of this report and the County's basic financial statements and notes to financial statements following this section to obtain a thorough understanding of the County's financial condition at December 31, 2019. Dollar amounts throughout the MD&A are rounded to the nearest thousands of dollars unless otherwise indicated.

FINANCIAL HIGHLIGHTS

- The County's net position, restated for 2018, increased in 2019 by \$23,309 to \$324,986. Unrestricted net position at year-end increased by \$11,739 to \$102,847.
- Total outstanding bonds and other debt at December 31, 2019 was \$198,101, a decrease of \$17,232 from the prior year, resulting from principal payments made during 2019. The County's bond rating from Moody's increased from **Aa1** to **Aaa**, the highest bond rating a public entity can attain with a stable outlook.
- Property tax rates remained unchanged at 7.657 mills in 2019.
- During 2019, the County's General Fund balance increased by \$2,947 to \$156,975. The unassigned portion of that fund balance was \$104,739, a decrease of \$8,968 from the unassigned fund balance at the end of 2018.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following narrative explains the County's basic financial statements. The basic financial statements consist of three parts: (1) Government-wide financial statements, (2) Fund financial statements and (3) Notes to basic financial statements. Required supplementary information is included in addition to the basic financial statements.

Government-wide financial statements, (pages FS 2-5 of this report), provide a broad overview of the County's overall financial status, as well as the financial status of the County's component units, in a manner similar to a private-sector business, using the accrual basis of accounting. Please refer to Note 1, section B, for further information regarding accrual basis of accounting.

The *Statement of Net Position* includes information on all County assets, deferred outflows and inflows of resources, and liabilities, with the difference between these items being reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business. Net position is one way to measure the County's financial position. Over time, increases or decreases in the County's net position is one indicator of whether the County financial position is improving or deteriorating. However, other non-financial factors such as changes in the County's real property tax base and general economic conditions must be considered to assess the overall position of the County.

The *Statement of Activities* includes information that focuses on how the County's net position changed during the year. All changes to net position are recorded using the accrual basis of accounting, which requires that revenues be recorded when they are earned and expenses be recorded when the goods and/or

County of Berks
Management's Discussion and Analysis
December 31, 2019
(amounts rounded to nearest thousand)

services are received, regardless of when cash is received or paid. Because it separates program revenue (revenue generated by specific programs through charges for services, grants and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each program has to rely on local taxes for funding.

These government wide financial statements separate functions of the County into governmental and business-type activities. Governmental activities are principally supported by intergovernmental revenues and property taxes. These activities include general government, judicial, public safety, culture and recreation, community and economic development, public works, community support, debt service, administrative expenses and solid waste. The business-type activities of the County include Berks Heim, the County's long-term care facility, and the Residential Center. These activities charge a fee to those residents and customers to help cover the cost of services or submit costs for reimbursement through cost reimbursement plans.

The primary government and its discretely presented component units are included in the government-wide financial statements. Component units reflect the activities of legally separate government entities over which the County can exercise influence and/or be obligated to provide financial support. The County has two discretely presented component units including the Reading Regional Airport Authority and Reading Area Community College. Complete and detailed financial statements for the individual component units can be obtained from their administrative offices (See Note 1 of the Notes to the Financial Statements for addresses.)

Fund Financial Statements provide more detailed information on the County's individual funds. A fund is a group of related accounts used to keep track of specific sources of funding and spending for particular purposes, using the modified accrual basis of accounting. Please refer to Note 1, section B for further information regarding the modified accrual basis of accounting. The County uses fund accounting to ensure and demonstrate finance-related legal compliance. The County has three kinds of funds: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds statements report the County's basic services and focus on: (1) the flow in and out of cash and other financial assets that can readily be converted into cash, and (2) the balances left at year-end that are available for spending.

Since the focus of governmental funds is narrower than the government wide financial statements, it is helpful to compare the information presented in each type of financial statement. The comparison between governmental activities and governmental funds is facilitated in reconciliations that follow both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances.

The County maintains fourteen individual government funds, three of which are considered to be major governmental funds. Information for the General Fund, Children and Youth Services, and Health Choices is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances. Data for non-major governmental funds are combined into a single, aggregated presentation. Summary fund data by fund type and individual fund data for these non-major governmental funds is provided as other supplementary information in the form of combining statements found on Other Supplemental Information ("OSI") pages 2-7 of this report.

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The County adopts an annual budget for all governmental funds. Budgetary comparisons are provided for the County's major funds on pages Required Supplemental Information ("RSI") pages 1-5, while the non-major funds are provided on pages OSI pages 8-20.

Proprietary funds report business-type programs and activities that charge fees designed to recover the cost of providing services. Proprietary funds provide the same type of information as the government-wide financial statements; however, more detailed information is provided and the cash flow statement is included. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, using the full accrual basis of accounting. Enterprise Funds in the County are used to account for the Berks County Residential Center and Berks Heim. The County adopts an annual budget for the proprietary funds, as required by the state. Budgetary comparisons of the County's proprietary funds are presented as OSI. The proprietary fund financial statements are found on pages FS 10-12 and OSI 19-20 of this report.

Fiduciary funds are funds for which the County is the trustee or fiduciary. These include the Berks County Employees' Retirement Fund and certain custodial funds, or clearing accounts for assets held by the County in its role as custodian until the funds are allocated to the private parties, organizations or government agencies to which they belong. The County is responsible to ensure the assets reported in these funds are used for their intended purposes. This fiduciary activity is reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. These funds are excluded from the County's government-wide financial statements because the County cannot use these assets to finance its operations. The fiduciary fund financial statements are found on pages FS 13-14 of this report.

Notes to the Basic Financial Statements provide detailed information that is needed for a full understanding of the data provided in the government-wide and fund financial statements. The notes are an integral part of the financial statements and should be reviewed in conjunction with them. The notes can be found on pages N 1–N 77 of this report.

Required Supplementary Information includes budgetary comparison schedules for the General Fund and for major special revenue funds, notes on the budgetary basis of accounting, as well as schedules related to the County's net pension liability and County pension contributions. Required supplementary information can be found on pages RSI 1 to 8 of this report.

Other Supplementary Information includes the nonmajor funds balance sheet, budgetary comparison schedules for the nonmajor special revenue funds, the enterprise funds, and the change in net position of the agency fund. Other supplementary information can be found on pages OSI 2 to 21 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Condensed Statement of Net Position

The County of Berks' net position, which is the amount that assets and deferred outflows of resources exceed liabilities and deferred inflows of resources was \$324,986 at December 31, 2019. The following table breaks out governmental activities from business-type activities for total assets, total deferred outflows of resources, total liabilities, total deferred inflows of resources, and net position.

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Noncapital assets	\$ 266,231	\$ 253,323	\$ 16,439	\$ 12,248	\$ 282,670	\$ 265,571
Capital assets	286,012	283,351	34,170	32,980	320,182	316,331
Total assets	552,243	536,674	50,609	45,228	602,852	581,902
Deferred outflows	44,524	53,824	8,791	12,118	53,315	65,942
Total assets and deferred outflows	596,767	590,498	59,400	57,346	656,167	647,844
Current liabilities	80,874	76,335	5,190	4,367	86,064	80,702
Noncurrent liabilities	176,614	211,500	26,281	31,241	202,895	242,741
Total liabilities	257,488	287,835	31,471	35,608	288,959	323,443
Deferred inflows	33,678	17,916	8,544	4,808	42,222	22,724
Total liabilities and deferred inflows	291,166	305,751	40,015	40,416	331,181	346,167
Net position:						
Net investment in capital assets	137,967	114,240	13,784	12,114	151,751	126,354
Restricted	70,387	84,214	-	-	70,387	84,214
Unrestricted	97,247	86,293	5,601	4,816	102,848	91,109
Total net position	\$ 305,601	\$ 284,747	\$ 19,385	\$ 16,930	\$ 324,986	\$ 301,677

During 2019, net position increased \$23,309, or 7.7%, to \$324,986. Of this total, \$151,751 represents the net investment in capital assets (the net balance of long-term assets more than long-term debt), while \$70,387 is restricted for various purposes by external entities. The unrestricted net position of \$102,848 represents funds available to support operations or provide for the repayment of long-term debt. Reasons for this change include:

Current and other assets increased by \$17,099, or 6.4%, to \$282,670. Reasons for this increase include:

- Decrease in net pension liability from \$23,987 due to 2019 end of year reclassification to a net pension asset of \$6,132.
- Loans receivable decreased by \$1,972 mainly due to repayments by local governments on its end-user radios.

Capital assets are discussed in a subsequent analysis within this section.

Current liabilities increased by \$5,362, or 6.6%, to \$86,064.

Noncurrent liabilities decreased by \$39,846, or 16.4%, to \$202,895. This change is due primarily to the reasons described in the long-term debt section.

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Changes in Net Position

The following statement of activities represents the balances and changes that occurred in net position for the year ended December 31, 2019. It shows revenues by source and expenses by function.

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
				(Restated)		(Restated)
Program revenues:						
Charges for services	\$ 42,039	\$ 39,804	\$ 62,494	\$ 60,853	\$ 104,533	\$ 100,657
Operating grants/contri	217,452	215,507	-	-	217,452	215,507
Capital grants/contrib.	4,920	6,059	-	7	4,920	6,066
General revenues:						
Property taxes	145,014	143,678	-	-	145,014	143,678
Hotel room tax	2,447	2,736	-	-	2,447	2,736
Payment in lieu of taxes	237	221	-	-	237	221
Investment earnings	5,647	3,331	6	4	5,653	3,335
Change - rate swaps	846	(2,274)	-	(133)	846	(2,407)
Miscellaneous - other	7,530	7,439	-	-	7,530	7,439
(Loss) Gain on disposal of capital assets	-	(281)	-	-	-	(281)
Rental of space	405	441	-	-	405	441
Total revenues	<u>426,537</u>	<u>416,661</u>	<u>62,500</u>	<u>60,731</u>	<u>489,037</u>	<u>477,392</u>
Expenses:						
General government	46,453	48,039	-	-	46,453	48,039
Judicial	53,106	52,035	-	-	53,106	52,035
Public safety	83,217	81,282	-	-	83,217	81,282
Human services	201,851	203,988	-	-	201,851	203,988
Culture and recreation	7,945	7,731	-	-	7,945	7,731
Comm & econ developr	5,888	4,810	-	-	5,888	4,810
Public works	1,489	1,980	-	-	1,489	1,980
Community support	2,125	2,770	-	-	2,125	2,770
Debt service	4,383	6,905	-	-	4,383	6,905
Solid waste	315	192	-	-	315	192
Residential Center	-	-	7,546	8,171	7,546	8,171
Berks Heim	-	-	51,410	50,756	51,410	50,756
Total expenses	<u>406,772</u>	<u>409,732</u>	<u>58,956</u>	<u>58,927</u>	<u>465,728</u>	<u>468,659</u>
Change before other items	19,765	6,929	3,544	1,804	23,309	8,733
Other items:						
Transfers/cap contrib	1,089	1,089	(1,089)	(1,089)	-	-
Conversion to spec. rev	-	-	-	-	-	-
Total other items	<u>1,089</u>	<u>1,089</u>	<u>(1,089)</u>	<u>(1,089)</u>	<u>-</u>	<u>-</u>
Change in net position	20,854	8,018	2,455	715	23,309	8,733
Net position - beginning	284,747	271,624	16,930	16,215	301,677	287,839
Prior Period Adjustments	-	5,105	-	-	-	5,105
Net position - ending	<u>\$ 305,601</u>	<u>\$ 284,747</u>	<u>\$ 19,385</u>	<u>\$ 16,930</u>	<u>\$ 324,986</u>	<u>\$ 301,677</u>

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The County's overall net position increased by \$23,309, which includes an increase due to governmental activities of \$20,854 and an increase in business-type activities of \$2,455.

Governmental activities:

Revenues increased by \$9,876. Charges for services increased \$2,235. Additionally, operating grant revenue increased by \$1,945.

Expenses decreased by \$2,960. Expenses for general government decreased by \$1,586. Expenses for public safety increased by \$1,935.

Other notable items decreased by \$2,522 for Debt Service, and \$645 for Community and Economic Development.

While reviewing the changes noted above, please keep in mind the discussion in Note 1 to the financial statements of the measurement focus, basis of accounting and financial statement presentation. See the reconciliation on pages FS 7 and 9 which further explains the differences between changes in the County's fund balance under the modified accrual basis and changes in net position under the accrual basis of accounting.

Business-type activities:

Charges for services increased by \$1,641; an increase to Berks Heim revenue of \$2,266 due to state funding to offset costs of operations and a decrease of \$625 to the Berks County Residential Center.

Expenses increased by \$29; Berks Heim in the amount of \$654 and a decrease of \$625 related to the Berks County Residential Center.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

The County of Berks uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of 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, unassigned fund balance may serve as a useful measure of the County's net resources available for spending at the end of the year. Governmental funds accounting was not affected by the adoption of GASB Statement No. 34. Therefore schedules are presented to reconcile the fund statements to the government-wide statements.

The County's governmental funds include the general fund, special revenue funds, and a capital projects fund. The general fund is the chief operating fund for the County, while special revenue funds are restricted to specific legislated use. The capital project fund accounts for the proceeds and activity of bond issues. The major funds are shown on the statement of revenues, expenditures and changes in fund balances in the financial statements section.

At December 31, 2019, the County's governmental funds reported total fund balances of \$177,124, an

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increase of \$3,508 in comparison with December 31, 2018. Unassigned fund balance of \$104,739, or 59.1%, is fund balance available for future appropriation. Restricted fund balance of \$20,878, or 11.8%, is fund balance restricted by external entities. Committed fund balance of \$43,345, or 24.5%, is amounts committed by the Board of Commissioners for specific purposes. The remaining fund balance of \$8,162, or 4.6%, represents non-spendable items such as inventory and amounts assigned for specific purposes.

General Fund:

The General Fund accounts for all financial resources of the County except for those accounted for in other funds. At December 31, 2019, total fund balance of the General Fund was \$156,975, while unrestricted fund balance was \$104,739. As a measure of the General Fund's liquidity, it may be useful to compare both unrestricted fund balance and total fund balance to total fund expenditures. Unrestricted fund balance represents 47.3% of total fund expenditures excluding other financing uses, while total fund balance represents 70.8% of the same amount.

The General Fund's fund balance increased by \$2,947 during the 2019 year.

General Fund revenues without other financing sources totaled \$231,709, which represents a 1.9% increase, or \$4,420, from the 2018 year. This is primarily due to an increase in aid from General Government of \$1,615 and investment earnings of \$2,144

Expenditures without other financing uses totaled \$221,658, which represents a 5.9% increase, or \$12,255, from the 2018 year.

Children and Youth Services Special Revenue Fund

The Children and Youth Services Special Revenue Fund is a major governmental fund that provides services to children and youth. This fund received \$36,939 of revenues and incurred \$42,904 of expenses. The General Fund contributed \$6,272 during 2019 as part of the required County contribution. Expenses decreased by \$2,563 compared to 2018. Overall revenue decreased a similar amount during 2019.

Health Choices Special Revenue Fund

The Health Choices Special Revenue Fund is a major governmental fund. This fund accounts for financial resources for the provision of a behavioral health managed care program for medical assistance recipients. Revenues in 2019 were \$122,152, which represents a \$570 decrease, or .5% decrease, from the 2018 year.

Budgetary Highlights

The Board of County Commissioners adopts a new budget on or before December 31 for the succeeding year for all County operations. The budget is developed at the department level for each revenue and expense account. This budget is revised throughout the year as needed on a weekly basis with Commissioners' approval as follows:

- To move specific line item allocations to different line items on both an inter- and intra-departmental basis.
- To appropriate new revenue, when received, and the anticipated related spending authority.

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Because the County is on a calendar year that differs from many Federal and State government agencies, it is difficult, at times, to forecast the exact amount of non-tax revenue that will be forthcoming during the County's year. Many of the revenue variances are the result of federal and state revenues being either increased or decreased after the County budget is adopted.

During 2019, the General Fund revenue budget, excluding transfers and bond proceeds, increased \$1,202 during the year from the original approved budget of \$226,709 to the final budget of \$227,911. Actual revenues received of \$231,709 were \$3,798 more than the final budget. The overall excess of final revenue to final budget can be traced to increased state agency funds and increase in property taxes collected.

The General Fund expenditure budget, excluding transfers, increased \$15,649 during 2019 from the original budget of \$221,835 to the final budget of \$237,485. Actual expenditures of \$221,658 were \$15,826 lower than the final budget. The overall less than budget condition for expenditures can be traced primarily as three different Facilities projects being deferred totaling approximately \$4.4 million, two different Information Systems projects that commenced later than anticipated in 2019, totaling approximately \$2.5 million, Prison project and expenditures being deferred totaling \$1.2 million, Parks projects and expenditures being deferred totaling approximately \$240,000 and budgeted contingency expenditures were not used. In addition, overall general government expenses were lower than expected because of continued cost cutting measures in the County.

Capital Assets

The County's investment in capital assets at December 31, 2019, net of accumulated depreciation, was \$320,182. Capital assets consist primarily of the categories shown in the table below. Major capital asset transaction activities during the year include:

Governmental activities:

- Agricultural easements increased by approximately \$1.1 million as part of the County's farmland preservation program.
- Net infrastructure increased by approximately \$2.5 million. The net increase is primarily because of the completion of work and subsequent release from construction in progress four County owned bridges; Blandon Bridge, Burkey's Bridge, Hartz Mill Bridge and Swamp Creek Bridge, with aggregate cost of approximately \$3.3 million, less overall infrastructure depreciation of approximately \$.9 million.
- Net buildings and improvements decreased by approximately \$5.0 million. The net decrease is primarily because of current year improvements put into service of approximately \$.9 million, less depreciation of approximately \$5.9 million.
- Furniture, fixtures, equipment and vehicles increased by approximately \$.7 million. The primary reasons for the overall increase are capital asset purchases and transfers from construction in progress of \$4.8 million, primarily because of Election Services Election System project totaling approximately \$4.3 million during the year, and \$.9 million, respectively, less depreciation of \$5.0 million.
- Software in progress increased by approximately \$2.2 million primarily because of Information System department Case Management Software project totaling approximately \$.6 million during the year and Assessment department Assessment Software project totaling approximately \$1.5 million during the year.

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- Construction in progress increased by approximately \$1.3 million. Significant reasons for the increase are:
 - Net transfers of completed bridges to infrastructure of \$(2.3) million, comprised of beginning cost of \$2.3 million, current year charges of \$1.1 million, less transfers to infrastructure of \$(3.4) million.
 - Costs incurred on 7 other bridges not yet completed of approximately \$2.5 million.
 - Costs incurred on a Wastewater Treatment Plant Renovation project of approximately \$1.3 million.

Business-type activities:

- Net buildings and improvements decreased by approximately \$1.2 million, substantially the entire decrease was the result of current year depreciation totaling \$1.2 million, \$.3 million and \$.9 million charged to Berks County Residential Center and Berks Heim, respectively.

Capital Assets (net of depreciation)

	Governmental activities		Business-type activities		Totals	
	2019	2018	2019	2018	2019	2018
Land and improvements	\$ 15,327	\$ 15,492	\$ -	\$ -	\$ 15,327	\$ 15,492
Agricultural easements	82,535	81,438	-	-	82,535	81,438
Infrastructure	30,254	27,731	-	-	30,254	27,731
Buildings and improvements	85,933	90,915	31,182	32,404	117,115	123,319
Furniture, fixtures, equipment and vehicles	53,533	52,859	720	541	54,253	53,400
Historical treasures	2,280	2,280	-	-	2,280	2,280
Software in progress	7,877	5,675	-	-	7,877	5,675
Construction in progress	8,273	6,961	2,268	35	10,541	6,996
Totals	<u>\$ 286,012</u>	<u>\$ 283,351</u>	<u>\$ 34,170</u>	<u>\$ 32,980</u>	<u>\$ 320,182</u>	<u>\$ 316,331</u>

Please refer to Note 6 to the financial statements for more detailed information on capital asset activity.

Long-term debt:

As of December 31, 2019, the County had outstanding debt of \$198,101, or 12.9 percent, of the maximum \$1,535,261 as permitted by law. The outstanding debt represents 1.0 percent of the total assessed taxable property value as of the end of the year. Total debt decreased \$17,232, or 8.0 percent, from the prior year due to continued principal payments.

Please refer to Note 10 of the financial statements for more information on the County's long-term debt.

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Summary of outstanding debt

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Bonds and notes:						
Current portion	\$ 20,303	\$ 20,687	\$ 466	\$ 438	\$ 20,769	\$ 21,125
Noncurrent portion	152,701	169,203	24,631	25,005	177,332	194,208
Total	<u>\$ 173,004</u>	<u>\$ 189,890</u>	<u>\$ 25,097</u>	<u>\$ 25,443</u>	<u>\$ 198,101</u>	<u>\$ 215,333</u>

Bond rating

On July 25, 2019, Moody's Investors Services upgraded the rating on the County's general obligation bonds ~~at~~ from **Aa1 to Aaa** (Stable Outlook), following the issuance of the 2019, 2019A and 2019B General Obligation bonds series which refunded the 2009B, 2010C, 2012, 2012A and 2014 General Obligation bond series.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Economic conditions

The U.S. economy proved remarkably resilient in 2019, defying recession fears that dominated the headlines throughout the year. The economy entered the longest expansion in American history, surpassing the economic boom of the 1990s. The nation posted a respectable 2.3% increase in GDP, less than the previous year. However, the slowdown is worldwide, and the U.S. economy held up relatively well compared to other advanced economies. Financial conditions for U.S individuals remain challenging. Other overall indicators such as employment, income, wealth, and markets indicate that the economy is stronger than in several other years. However, what the income indicator does not show is that there is disparity in wage increases across occupations. While median wages may have stagnated in some professions, fewer workers are making the federal minimum wage or less as more states and municipalities implement minimum wage laws above the federal minimum level. There is also disparity in the distribution of wealth, as evidenced by the top 1% of Americans controlling over 25% of all wealth. Despite fluctuations in our trade balance, most stock indexes hit all-time highs in 2019. Trade tensions between the US and China, which is the largest contributor to our trade deficit, led to increased public attention on international trade.

Please refer to page N77 of the Notes to the Financial Statements Section for a subsequent event comment concerning the Covid-19 coronavirus.

The Berks County economy is broad-based, containing many sectors including, but not limited to, manufacturing, wholesale and retail trade, services, manufacturing and agriculture. While Berks County has lost a number of large organizations in the last 10 years, these jobs have been replaced with employers in other sectors. However, the manufacturing sector continues to generate the highest payroll as a whole throughout the County. There are several agencies throughout Berks County that are responsible for economic development. The Berks County Industrial Development Authority and the Greater Berks Development Fund provide site development and redevelopment assistance and financing. The Berks County Workforce Investment Board provides planning and funding for workforce education. The Berks Economic Partnership coordinates economic development marketing and outreach business development throughout the County. The Greater Reading Chamber of Commerce and Industry advocates for local businesses and provides training assistance.

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Berks County continued to be third in Pennsylvania and among the top 100 counties in the entire nation in value of farm products sold as of the 2010 census. More than 40% of the County's 864 square miles are dedicated to farming. The County's growing farmland preservation program is designed to preserve the best lands for agricultural production and maintain viability of the County's agricultural businesses. The County purchased agricultural preservation easements for over 1,278 additional acres during 2019, bringing total acreage under preservation to 74,429 acres on 764 farms.

Market impact on investment income

The County did experience, however, a significant increase in its investment earnings during the year (\$5,653 in 2019 versus \$3,336 in 2018). This is primarily attributed to a change in the County's investment policy in 2015. In 2015, the Commissioners approved County investments in Treasuries, Fanny Maes and Freddie Macs, all instruments which traditionally produce higher rates of return than traditional money market accounts. The Commonwealth of Pennsylvania restricts county investments to government secured funds and certificates of deposit. The County uses LIBOR-based programs that have historically yielded a higher rate of return than standard money market and CD rates.

The County's Retirement Fund, with December 31, 2019 net position valued at \$484,198, experienced net investment income of \$66,554 during 2019. During the year, the Retirement Fund had a diversified asset allocation program as discussed in Note 2. Due to the prefunding of the pension plan in 2012 with cash and pension bonds totaling \$60,000, the County has minimized future required contributions to the plan. Based on investment experience and the prefunding of the plan, the contributions in 2019 were \$4,412, which is an increase from \$3,648 in 2018, and \$2,601 in 2017. The actuary for the fund uses an aggregate, five-year smoothed market valuation method to calculate the fund requirements. The County has fully funded the required contribution in 2019. The County has received the latest report from this actuary indicating that its annual certified actuarially determined contribution for 2020 will be \$5,189. The 2020 contribution is 4.63 percent of estimated 2020 compensation of \$112,178.

Government funding

The County relies heavily on federal and state operating grants and contributions for many of its programs. In 2019, 48.4 percent of total government-wide revenues came from these sources. By comparison, property taxes provide only 31.6 percent of government-wide revenues. Uncertainty about the direction and timing of federal and state budgets, especially their impact on the County's human services programs, will have a direct effect on the programs and services in which the County participates.

Next Year's Budget

For 2020, the County adopted a balanced budget at \$541,990 in revenues, with \$33,991 of fund balance reserves to offset a revenue shortfall to expenditures. It was decided that it would be more prudent to absorb this deficit with these reserves to balance the budget, rather than increase property taxes. The budget assumes federal and state funding will satisfy the demand for our core human services levels throughout 2020. The 2020 budget continues to focus on several fiscal initiatives including, but not limited to:

- no property tax increase
- limited headcount growth
- no issuance of new debt
- continued commitment to farmland preservation, education, economic development, library and park systems.

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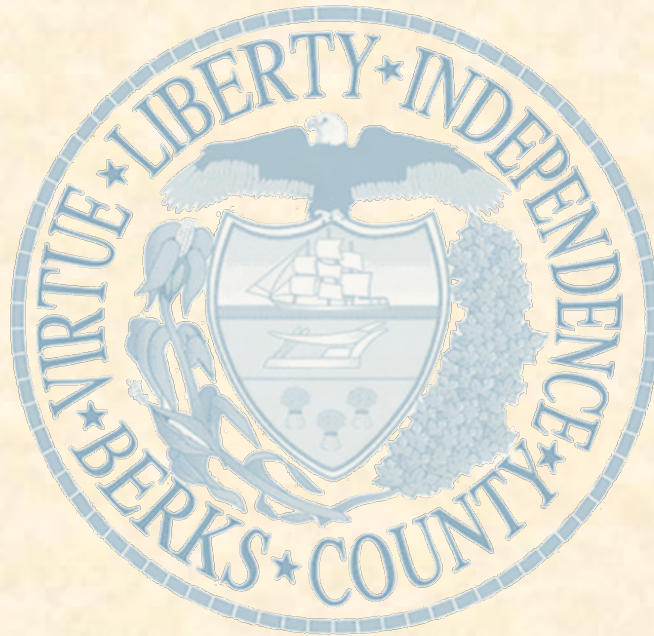
As in the current year, the greatest challenge to the upcoming 2020 operating budget continues to be the revenue compression coming from both the federal and state government grant programs and the minimal revenue increases coming from assessed values and property taxes. As the agencies develop their 2020 and forward budgets, the County is likely to receive less federal and state funding for mandated services in Children and Youth, Juvenile Probation and Aging services. This anticipated reduction in federal and state funding, combined with escalating wage, healthcare, pension and fuel costs, continues to put tremendous pressure on our budget. The average rate of inflation in personnel costs continues to outpace the rate of growth in property tax revenue. Traditional sources for increases in tax revenue from higher assessed property values are not keeping up with growing inflationary and non-inflationary costs. Other revenue sources, such as those in Health Choices and Mental Health Developmental Disabilities, are restricted, and cannot be used to fund general County services.

To mitigate the impact of these negative budget factors, County management continues its multiple-strategy approach to reducing operating costs. One goal centers on continued prioritization and evaluation of all programs, to reduce or eliminate discretionary service costs to the level needed to balance the budget at the current tax rate. Another goal is to continually identify and implement continuing process improvement methods internally to effectively minimize cost. Such efforts include re-designing processes, consolidating office locations, automation of records, maintaining vigilant cost containment measures to scrutinize all wage and benefit costs and maintaining healthcare and workers' compensation policies that utilize self-insurance to control the growth in personnel-related costs. In addition, the County is committed to maintaining an intensive legislative effort through an association of County Commissioners to preserve key federal and state funding streams.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

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

County of Berks
Office of the Controller
633 Court Street, 12th floor
Reading PA 19601-4311
Phone: 610-478-6150
Fax: 610-478-6890
Email: controller@countyofberks.com



FINANCIAL STATEMENTS

This section, along with the Notes to Financial Statements, constitutes the core of the Comprehensive Annual Financial Report's financial presentation. It provides both government-wide financial statements as well as fund financial statements, and should be read in conjunction with the Notes to Financial Statements.



	Primary Government			Component Units
	Governmental	Business-type	Total	
Assets:				
Current assets:				
Cash and cash equivalents	\$ 30,390,975	\$ 145,922	\$ 30,536,897	\$ 8,340,437
Cash and cash equivalents, restricted	44,151,992	3,668	44,155,660	513,638
Investments	42,610,590	-	42,610,590	28,248,077
Investments, restricted	4,207,672	112,435	4,320,107	-
Taxes receivable, net	7,143,687	-	7,143,687	-
Accounts receivable, net	9,640,293	3,981,084	13,621,377	7,300,585
Notes receivable	712,912	-	712,912	-
Due from other governments	29,789,149	392,325	30,181,474	963,546
Due from other funds	-	10,234,990	10,234,990	-
Inventories	111,658	175,738	287,396	22,447
Prepaid expenses	6,450,980	45,299	6,496,279	994,210
Restricted deposits	-	-	-	9,378
Total current assets	<u>175,209,908</u>	<u>15,091,461</u>	<u>190,301,369</u>	<u>46,392,318</u>
Noncurrent assets:				
Investments	\$ 77,230,961	\$ -	\$ 77,230,961	\$ -
Loans receivable	2,917,301	-	2,917,301	-
Beneficial interests in perpetual trusts held by others	-	-	-	7,716,609
Other receivables	-	-	-	231,436
Restricted assets:				
Employee pay advance	44,783	34,573	79,356	-
Interest receivable	396,316	-	396,316	-
Investments	5,552,042	60,958	5,613,000	-
Net pension asset	4,880,033	1,252,257	6,132,290	-
Collections - works of art	-	-	-	909,433
Capital assets not being depreciated	114,490,318	2,267,934	116,758,252	10,600,485
Capital assets, net of accumulated depreciation	171,521,946	31,901,812	203,423,758	71,301,665
Total noncurrent assets	<u>377,033,700</u>	<u>35,517,534</u>	<u>412,551,234</u>	<u>90,759,628</u>
Deferred outflows of resources:				
Unamortized bond refunding loss	\$ 8,974,838	\$ 225,403	\$ 9,200,241	\$ -
Pension	35,548,984	8,565,870	44,114,854	580,110
Other postemployment benefits	-	-	-	178,970
Total deferred outflows of resources	<u>44,523,822</u>	<u>8,791,273</u>	<u>53,315,095</u>	<u>759,080</u>
Total assets and deferred outflows of resources	<u>596,767,430</u>	<u>59,400,268</u>	<u>656,167,698</u>	<u>137,911,026</u>

	Primary Government			Component Units
	Governmental	Business-type	Total	
Liabilities:				
Current liabilities:				
Accounts payable	\$ 18,378,611	\$ 2,225,109	\$ 20,603,720	\$ 1,780,512
Accrued liabilities	9,407,760	1,543,923	10,951,683	1,200,487
Due to other governments	829,549	-	829,549	-
Unearned revenue	6,620,996	-	6,620,996	5,120,558
Advance revenue	637,578	-	637,578	-
Due to third parties	2,100,862	-	2,100,862	-
Due to other funds	10,234,896	-	10,234,896	-
Accrued interest payable	849,139	119,649	968,788	-
Compensated absences	1,360,457	364,089	1,724,546	381,533
Deposits	-	-	-	43,227
Accrued claims health insurance	9,791,373	323,499	10,114,872	-
Accrued claims liability	198,037	148,055	346,092	-
Notes payable, agricultural easement	161,968	-	161,968	-
Lease obligation	-	-	-	51,712
Bonds, loans and notes payable	20,302,848	466,142	20,768,990	1,471,274
Total current liabilities	<u>80,874,074</u>	<u>5,190,466</u>	<u>86,064,540</u>	<u>10,049,303</u>
Noncurrent liabilities:				
Compensated absences	5,325,065	735,367	6,060,432	469,843
Accrued claims liability	1,223,276	914,545	2,137,821	400,000
Other postemployment benefit liability	-	-	-	1,136,607
Lease obligation	-	-	-	31,362
Net pension liability	-	-	-	4,117,754
Bonds, loans and notes payable	152,899,262	24,631,280	177,530,542	13,816,278
Payable from restricted assets	17,166,175	-	17,166,175	-
Total noncurrent liabilities	<u>176,613,778</u>	<u>26,281,192</u>	<u>202,894,970</u>	<u>19,971,844</u>
Total liabilities	<u>257,487,852</u>	<u>31,471,658</u>	<u>288,959,510</u>	<u>30,021,147</u>
Deferred inflows of resources:				
Deferred rent revenue	-	-	-	6,880,754
Pension	33,678,119	8,355,486	42,033,605	624,671
Other postemployment benefits expense	-	-	-	175,216
Unamortized bond refunding gain	-	188,477	188,477	-
Total deferred inflows of resources	<u>33,678,119</u>	<u>8,543,963</u>	<u>42,222,082</u>	<u>7,680,641</u>
Net position:				
Net investment in capital assets	137,967,636	13,783,851	151,751,487	59,650,770
Restricted for:				
Gift fund	20,326	-	20,326	-
Farmland preservation	1,367,472	-	1,367,472	-
Hazmat response	2,044,215	-	2,044,215	-
Act 198 - Courts	295,679	-	295,679	-
Workers' compensation	215,062	-	215,062	-
Special revenue funds	23,522,170	-	23,522,170	-
2020 Capital Projects	29,051,341	-	29,051,341	-
Services Center Parking Garage	375,773	-	375,773	-
Act 13 Marcellus Shale	945,121	-	945,121	-
Defeasement of of 2013 Bond Issue	12,550,000	-	12,550,000	-
Debt service	-	-	-	513,638
Foundation for Reading Area Community College	-	-	-	19,245,367
Unrestricted net position	97,246,664	5,600,796	102,847,460	20,799,463
Total net position	<u>\$ 305,601,459</u>	<u>\$ 19,384,647</u>	<u>\$ 324,986,106</u>	<u>\$ 100,209,238</u>

See accompanying notes to the financial statements.

	<u>Expenses</u>	<u>Indirect Expense Allocation</u>	<u>Program Revenues</u>		
			<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Functions/Programs:					
Primary government:					
Governmental activities:					
General government	\$ 62,974,370	\$ (16,521,732)	\$ 8,480,343	\$ 2,571,978	\$ -
Judicial	46,080,124	7,025,947	10,021,136	1,519,175	53,740
Public safety	79,524,743	3,692,068	15,795,493	8,955,227	102,331
Human services	199,213,922	2,637,061	1,124,165	199,959,643	610,241
Culture and recreation	7,522,709	422,684	120,948	1,396,478	257,936
Community and economic development	5,531,281	356,967	659,079	2,989,864	-
Public works	1,395,667	93,139	2,032,415	-	3,896,018
Community support	2,050,489	74,256	14,550	-	-
Debt service administrative expenses	4,374,824	8,256	213,285	-	-
Solid waste	306,750	8,200	3,577,836	59,274	-
Total governmental activities	<u>408,974,879</u>	<u>(2,203,154)</u>	<u>42,039,250</u>	<u>217,451,639</u>	<u>4,920,266</u>
Business-type activities					
Berks County Residential Center	7,015,209	530,642	8,562,482	-	-
Berks Heim	49,738,265	1,672,512	53,931,414	-	-
Total business-type activities	<u>56,753,474</u>	<u>2,203,154</u>	<u>62,493,896</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 465,728,353</u>	<u>\$ -</u>	<u>\$ 104,533,146</u>	<u>\$ 217,451,639</u>	<u>\$ 4,920,266</u>
Component units:					
Total component units	<u>\$ 40,152,424</u>	<u>\$ -</u>	<u>\$ 8,606,947</u>	<u>\$ 15,966,354</u>	<u>\$ -</u>

Net (Expense) Revenue and Changes in Net Position

Primary Government

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Component Units</u>
Functions/Programs:				
Primary government:				
Governmental activities:				
General government	\$ (35,400,317)	\$ -	\$ (35,400,317)	
Judicial	(41,512,020)	-	(41,512,020)	
Public safety	(58,363,760)	-	(58,363,760)	
Human services	(156,934)	-	(156,934)	
Culture and recreation	(6,170,031)	-	(6,170,031)	
Community and economic development	(2,239,305)	-	(2,239,305)	
Public works	4,439,627	-	4,439,627	
Community support	(2,110,195)	-	(2,110,195)	
Debt service administrative expenses	(4,169,795)	-	(4,169,795)	
Solid waste	3,322,160	-	3,322,160	
Total governmental activities	<u>(142,360,570)</u>	<u>-</u>	<u>(142,360,570)</u>	
Business-type activities				
Berks County Residential Center	-	1,016,631	1,016,631	
Berks Heim	-	2,520,637	2,520,637	
Total business-type activities	<u>-</u>	<u>3,537,268</u>	<u>3,537,268</u>	
Total primary government	<u>(142,360,570)</u>	<u>3,537,268</u>	<u>(138,823,302)</u>	
Component units:				
Total component units				<u>\$ (15,579,123)</u>
General Revenues				
Taxes:				
Property taxes, levied for general purposes	145,013,522	-	145,013,522	-
Hotel tax	2,447,014	-	2,447,014	-
Payments in lieu of taxes	236,984	-	236,984	-
Payments from County of Berks	-	-	-	3,500,000
Payments from other governments	-	-	-	10,581,226
Investment earnings	5,647,379	6,013	5,653,392	1,254,352
Change in fair value of interest rate swaps	845,879	-	845,879	-
Tapping fee income	-	-	-	5,975
Miscellaneous/other	7,530,000	-	7,530,000	3,795,469
Loss on disposal of capital assets	-	-	-	33,424
Rental of space	405,200	-	405,200	-
Transfers	1,088,977	(1,088,977)	-	-
Total general revenue and transfers	<u>163,214,955</u>	<u>(1,082,964)</u>	<u>162,131,991</u>	<u>19,170,446</u>
Change in net position	20,854,385	2,454,304	23,308,689	3,591,323
Net position, beginning, as restated	284,747,074	16,930,343	301,677,417	96,617,915
Net position, ending	<u>\$ 305,601,459</u>	<u>\$ 19,384,647</u>	<u>\$ 324,986,106</u>	<u>\$ 100,209,238</u>

See accompanying notes to the financial statements.

	General Fund	Children and Youth Services	Health Choices	Nonmajor	Total Governmental
Assets					
Cash and cash equivalents	\$ 1,608,116	\$ 1,300	\$ 12,522,807	\$ 3,979,196	\$ 18,111,419
Cash and cash equivalents, restricted	28,883,079	-	4,460,548	10,808,365	44,151,992
Investments	42,610,590	-	-	-	42,610,590
Investments, restricted	634,565	-	3,075,107	498,000	4,207,672
Taxes receivable	7,143,687	-	-	-	7,143,687
Accounts receivable	7,514,863	3,724	-	2,166,490	9,685,077
Accrued interest receivable	379,428	-	-	-	379,428
Due from other governments	2,358,139	12,457,289	10,751,691	4,222,030	29,789,149
Due from other funds	-	-	59,384	3,514,797	3,574,181
Inventories	111,658	-	-	-	111,658
Prepaid expenses	1,777,433	-	2,376,048	2,297,499	6,450,980
Loans receivable	940,213	-	-	-	940,213
Investments, non-current	89,510,517	-	-	-	89,510,517
Investments, non-current, restricted	1,070,042	-	3,237,000	1,245,000	5,552,042
Total assets	<u>\$ 184,542,330</u>	<u>\$ 12,462,313</u>	<u>\$ 36,482,585</u>	<u>\$ 28,731,377</u>	<u>\$ 262,218,605</u>
Liabilities					
Accounts payable	\$ 4,278,937	\$ 2,204,845	\$ 8,178,093	\$ 3,716,643	\$ 18,378,518
Accrued liabilities	4,335,102	496,469	3,110,160	663,796	8,605,527
Due to other funds	5,573,431	8,235,740	-	-	13,809,171
Due to other governments	829,549	-	-	-	829,549
Unearned revenue	3,805,650	1,324,078	-	3,151,537	8,281,265
Due to third parties	2,100,837	25	-	-	2,100,862
Accrued claims health insurance	1,031,941	130,436	8,460,784	168,213	9,791,374
Payable from restricted assets	-	-	16,733,548	432,782	17,166,330
Total liabilities	<u>21,955,447</u>	<u>12,391,593</u>	<u>36,482,585</u>	<u>8,132,971</u>	<u>78,962,596</u>
Deferred inflows of resources					
Unavailable property taxes	4,835,313	-	-	-	4,835,313
Other unavailable	777,050	2,054	-	517,498	1,296,602
Total deferred inflows of resources	<u>5,612,363</u>	<u>2,054</u>	<u>-</u>	<u>517,498</u>	<u>6,131,915</u>
Fund balances					
Nonspendable:	1,376,957	3,724	-	2,767,733	4,148,414
Restricted	3,500,077	64,942	-	17,313,176	20,878,195
Committed	43,344,586	-	-	-	43,344,586
Assigned	4,013,727	-	-	-	4,013,727
Unassigned	104,739,173	-	-	-	104,739,173
Total fund balances	<u>156,974,520</u>	<u>68,666</u>	<u>-</u>	<u>20,080,909</u>	<u>177,124,095</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 184,542,330</u>	<u>\$ 12,462,313</u>	<u>\$ 36,482,585</u>	<u>\$ 28,731,377</u>	<u>\$ 262,218,605</u>

See accompanying notes to the financial statements.

Total fund balances for governmental funds	\$	177,124,095
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land and improvements, net	\$	15,326,766
Agland easements		82,534,643
Infrastructure, net		30,254,315
Building and improvements, net		85,932,980
Furniture, fixtures, equipment and vehicles, net		53,367,875
Historical treasures		2,279,644
Software		165,738
Software in progress		7,877,398
Construction in progress		8,272,905
		<u>286,012,264</u>
These pension items are not financial resources and therefore not reported in the funds.		
Net pension liability		4,880,033
Deferred outflow of resources		35,548,984
Deferred inflow of resources		(33,678,119)
Revenue that was not available soon enough to pay for the current period's expenditures and, therefore reported as advance revenue in the funds.		
Property taxes		1,611,541
Delinquent property taxes		3,223,772
District Justices departmental charges and reimbursements		1,660,269
		<u>6,495,582</u>
Other assets not available to pay for current period's expenditures and therefore not reported in the funds.		
Amount due from Greater Berks Development Fund for outstanding bonds payable		2,690,000
Accrued interest receivable from Greater Berks Development Fund		16,889
Other liabilities not paid until future periods that are a current period expense.		
Payroll and payroll taxes		(143,056)
Long-term liabilities related to the County's governmental activities, including bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but is recognized as an expenditure when due. Both current and long-term liabilities are reported in the statement of net position. Amounts borrowed are recognized when received in the governmental funds and increase fund balance. Amounts disbursed to paying agents are paid from governmental funds and reduce fund balance.		
Balances at December 31, 2019 are:		
Accrued interest on bonds and notes		(849,139)
Compensated absences		(6,685,522)
Accrued claims liabilities		(1,421,312)
Bonds and notes payable		(164,389,240)
		<u>(173,345,213)</u>
Total net position of governmental activities	\$	<u>305,601,459</u>

See accompanying notes to the financial statements.

	General Fund	Children and Youth Services	Health Choices	Nonmajor	Total Governmental
Revenues					
Taxes:					
Property	\$ 145,321,065	\$ -	\$ -	\$ -	\$ 145,321,065
Hotel	-	-	-	2,447,014	2,447,014
Court costs, fines and forfeitures	2,686,290	-	-	-	2,686,290
Intergovernmental revenue	14,516,303	36,177,787	121,826,545	50,159,371	222,680,006
Departmental charges and reimbursements	54,392,773	753,147	-	15,503,458	70,649,378
Payments in lieu of taxes	236,984	-	-	-	236,984
Rentals	340,134	-	-	65,067	405,201
Sales of property, supplies and equipment	4,168	-	-	-	4,168
Investment earnings	5,028,222	246	325,333	293,580	5,647,381
Miscellaneous	9,183,156	7,710	-	514,351	9,705,217
Total revenues	<u>231,709,095</u>	<u>36,938,890</u>	<u>122,151,878</u>	<u>68,982,841</u>	<u>459,782,704</u>
Expenditures					
Current:					
General government, administrative	47,329,840	-	-	2,713,556	50,043,396
General government, judicial	55,898,604	-	-	380,233	56,278,837
Public safety	69,988,821	-	-	12,318,477	82,307,298
Human services	-	42,903,684	122,138,563	47,355,147	212,397,394
Capital outlay	-	-	-	453,954	453,954
Culture and recreation	6,833,114	-	-	-	6,833,114
Community and economic development	3,819,636	-	-	3,249,082	7,068,718
Public works	14,699	-	-	4,192,449	4,207,148
Community support	13,160,403	-	-	-	13,160,403
Intergovernmental expenditures - Solid waste	250,720	-	-	-	250,720
Debt service:					
Principal	14,779,894	-	-	-	14,779,894
Interest and fiscal charges	8,663,370	-	-	-	8,663,370
Debt issuance costs	900,000	-	-	-	900,000
Administrative expenditures	19,091	-	-	-	19,091
Total expenditures	<u>221,658,192</u>	<u>42,903,684</u>	<u>122,138,563</u>	<u>70,662,898</u>	<u>457,363,337</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,050,903</u>	<u>(5,964,794)</u>	<u>13,315</u>	<u>(1,680,057)</u>	<u>2,419,367</u>
Other financing sources (uses)					
Transfers in	3,560,279	6,272,424	-	4,428,521	14,261,224
Transfers out	(10,664,482)	(305,855)	(13,315)	(2,188,595)	(13,172,247)
Total other financing sources (uses)	<u>(7,104,203)</u>	<u>5,966,569</u>	<u>(13,315)</u>	<u>2,239,926</u>	<u>1,088,977</u>
Net changes in fund balances	<u>2,946,700</u>	<u>1,775</u>	<u>-</u>	<u>559,869</u>	<u>3,508,344</u>
Fund balances, beginning, as restated	154,027,820	66,891	-	19,521,040	173,615,751
Fund balances, ending	<u>\$ 156,974,520</u>	<u>\$ 68,666</u>	<u>\$ -</u>	<u>\$ 20,080,909</u>	<u>\$ 177,124,095</u>

See accompanying notes to the financial statements.

Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year ended December 31, 2019

County of Berks
omprehensive Annual Financial Report

Net change in fund balances - total governmental funds \$ 3,508,344

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation expense exceeded capital outlays in the current period are as follows:

Expenditures for capital assets / agricultural easements	\$ 14,620,338	
Depreciation expense	<u>(11,958,658)</u>	2,661,680

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt uses current financial resources. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effects of these differences in the current period are:

Change in swap liability	845,878	
Debt principal repayments	118,694,096	
Issuance of notes payable	(89,620,064)	
Bond premium/discounts/refunding losses	(6,459,320)	
Accreted interest	<u>(1,199,463)</u>	22,261,127

Interest is expensed when paid in the governmental funds. However, in the government-wide statements interest is matched to the period in which it was incurred. In the current period the net effect of matching interest expense to the proper period is:

225,751

Revenues in the statement of activities that are not available to provide current financial resources are not reported as revenues in the funds. At the government-wide level revenue recognition is not limited by availability. The effects of these adjustments in the current year are:

Taxes	(307,542)	
Notes receivable	<u>(1,247,059)</u>	(1,554,601)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Payroll, payroll taxes, and select employee benefits	100,762	
Net pension obligation	<u>(6,348,678)</u>	<u>(6,247,916)</u>

Change in net position of governmental activities \$ 20,854,385

	Berks County Residential Center	Berks Heim	Totals
Assets:			
Current assets:			
Cash and cash equivalents	\$ 1,000	\$ 144,922	\$ 145,922
Cash and cash equivalents, restricted	-	3,668	3,668
Investments, restricted	-	112,435	112,435
Accounts receivable, net	-	3,981,084	3,981,084
Due from other governments	392,123	202	392,325
Due from other funds	1,938,838	8,296,152	10,234,990
Inventories	58,304	117,434	175,738
Prepaid expenses	-	45,299	45,299
Total current assets	<u>2,390,265</u>	<u>12,701,196</u>	<u>15,091,461</u>
Noncurrent assets:			
Employee pay advance	-	34,573	34,573
Investments	-	60,958	60,958
Pension asset	83,398	1,168,859	1,252,257
Capital assets	8,286,509	25,883,237	34,169,746
Total noncurrent assets	<u>8,369,907</u>	<u>27,147,627</u>	<u>35,517,534</u>
Deferred outflows of resources:			
Pension	1,402,332	7,163,538	8,565,870
Unamortized bond refunding gain/loss	225,403	-	225,403
Total deferred outflows of resources	<u>1,627,735</u>	<u>7,163,538</u>	<u>8,791,273</u>
Total assets and deferred outflows of resources	<u>12,387,907</u>	<u>47,012,361</u>	<u>59,400,268</u>
Liabilities:			
Current liabilities:			
Accounts payable	418,835	1,806,276	2,225,111
Accrued liabilities	220,876	1,323,047	1,543,923
Unearned grant revenue	-	-	-
Accrued interest payable	16,308	103,341	119,649
Compensated absences	38,385	325,704	364,089
Accrued claims health insurance	51,889	271,610	323,499
Accrued claims liability	7,695	140,360	148,055
Bonds payable, net	66,327	399,815	466,142
Total current liabilities	<u>820,315</u>	<u>4,370,153</u>	<u>5,190,468</u>
Noncurrent liabilities:			
Compensated absences	207,605	527,762	735,367
Accrued claims liability	47,532	867,013	914,545
Bonds payable, net	3,378,932	21,252,346	24,631,278
Total noncurrent liabilities	<u>3,634,069</u>	<u>22,647,121</u>	<u>26,281,190</u>
Total liabilities	<u>4,454,384</u>	<u>27,017,274</u>	<u>31,471,658</u>
Deferred inflows of resources:			
Unamortized bond refunding gain	-	188,477	188,477
Pension	1,341,140	7,014,346	8,355,486
Total deferred inflows of resources	<u>1,341,140</u>	<u>7,202,823</u>	<u>8,543,963</u>
Net Position			
Net investment in capital assets	5,761,235	8,022,616	13,783,851
Unrestricted net position	831,148	4,769,648	5,600,796
Total Net Postion	<u>\$ 6,592,383</u>	<u>\$ 12,792,264</u>	<u>\$ 19,384,647</u>

See accompanying notes to the financial statements.

Statement of Revenues, Expenses and Changes in Fund Net Position
 Proprietary Funds - Enterprise Funds
 Year Ended December 31, 2019

County of Berks
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	Berks County Residential Center	Berks Heim	Totals
Operating revenues			
Charges for services	\$ 7,713,859	\$ 39,242,400	\$ 46,956,259
Other operating revenues	848,623	14,689,014	15,537,637
Total operating revenues	<u>8,562,482</u>	<u>53,931,414</u>	<u>62,493,896</u>
Operating expenses			
Program services	7,096,524	36,271,233	43,367,757
Administrative expenses	-	5,692,058	5,692,058
Depreciation	318,720	1,102,115	1,420,835
Total operating expenses	<u>7,415,244</u>	<u>43,065,406</u>	<u>50,480,650</u>
Operating income	<u>1,147,238</u>	<u>10,866,008</u>	<u>12,013,246</u>
Nonoperating revenues (expenses)			
Investment earnings	-	6,013	6,013
Interest expense	(130,607)	(815,372)	(945,979)
Contribution to General Fund	-	(7,530,000)	(7,530,000)
Total nonoperating revenues (expenses)	<u>(130,607)</u>	<u>(8,339,359)</u>	<u>(8,469,966)</u>
Income before transfers	1,016,631	2,526,649	3,543,280
Transfers out	<u>(1,088,977)</u>	<u>-</u>	<u>(1,088,977)</u>
Change in net position	(72,346)	2,526,649	2,454,303
Total net position, beginning	6,664,729	10,265,615	16,930,344
Total net position, ending	<u>\$ 6,592,383</u>	<u>\$ 12,792,264</u>	<u>\$ 19,384,647</u>

See accompanying notes to the financial statements.

	Berks County Residential Center	Berks Heim	Totals
Cash flows from operating activities			
Receipts from customers	\$ 8,641,695	\$ 55,658,859	\$ 64,300,554
Payments to suppliers	(1,784,617)	(11,621,764)	(13,406,381)
Payments to employees	(4,791,163)	(28,735,500)	(33,526,663)
Net cash provided by operating activities	<u>2,065,915</u>	<u>15,301,595</u>	<u>17,367,510</u>
Cash flows from noncapital financing activities			
Principal paid on bonds	(34,825)	(199,554)	(234,379)
Receipts from other governments	408,182	-	408,182
Interest paid	(17,465)	(95,270)	(112,735)
Contribution from General Fund	-	(7,530,000)	(7,530,000)
Transfers from (to) other funds	(1,088,979)	-	(1,088,979)
Amounts due from (to) other funds	(184,923)	(4,939,836)	(5,124,759)
Net cash used by noncapital financing activities	<u>(918,010)</u>	<u>(12,764,660)</u>	<u>(13,682,670)</u>
Cash flows from capital and related financing activities			
Principal paid on bonds	(32,400)	(209,648)	(242,048)
Interest paid	(114,204)	(726,882)	(841,086)
Construction in progress	(1,001,301)	(1,231,235)	(2,232,536)
Purchase of capital assets	-	(377,768)	(377,768)
Net cash used by capital and related financing activities	<u>(1,147,905)</u>	<u>(2,545,533)</u>	<u>(3,693,438)</u>
Cash flows from investing activities			
Investment earnings received	-	6,013	6,013
Net cash provided by investing activities	<u>-</u>	<u>6,013</u>	<u>6,013</u>
Net decrease in cash and cash equivalents	-	(2,585)	(2,585)
Cash and cash equivalents, beginning	<u>1,000</u>	<u>151,175</u>	<u>152,175</u>
Cash and cash equivalents, ending	<u>\$ 1,000</u>	<u>\$ 148,590</u>	<u>\$ 149,590</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 1,147,238	\$ 10,866,008	\$ 12,013,246
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	318,720	1,102,115	1,420,835
Amortization of bond premium	(28,680)	(185,426)	(214,106)
Amortization of refunding loss	23,103	(33,452)	(10,349)
Bond issuance costs	3,310	18,907	22,217
Changes in assets and liabilities:			
Accounts receivable, net	79,212	1,727,768	1,806,980
Employee pay advance	-	5,197	5,197
Inventories	(4,959)	(17,975)	(22,934)
Prepaid expenses	-	(13,836)	(13,836)
Pension asset, net	(939,726)	(4,921,515)	(5,861,241)
Pension deferred outflow	535,514	2,804,580	3,340,094
Accounts payable and accrued liabilities	292,740	537,941	830,681
Unearned grant revenue	-	(322)	(322)
Compensated absences	8,887	28,261	37,148
Accrued claims health insurance	(8,807)	(23,451)	(32,258)
Accrued claims liability	(10,788)	1,837	(8,951)
Pension deferred inflow	650,151	3,404,958	4,055,109
Net cash provided by operating activities	<u>\$ 2,065,915</u>	<u>\$ 15,301,595</u>	<u>\$ 17,367,510</u>
Noncash investing activities			
Issuance of refunding debt proceeds	<u>\$ 675,537</u>	<u>\$ 4,106,104</u>	<u>\$ 4,781,641</u>

See accompanying notes to the financial statements.

Statement of Fiduciary Net Position
 Fiduciary Funds
 December 31, 2019

County of Berks
 2019 Comprehensive Annual Financial Report

	Berks County Employees' Retirement	Custodial
Assets		
Cash and cash equivalents	\$ 121,755	\$ 8,089,466
Receivables:		
Contributions receivable	420,321	-
Investment income receivable	322,222	-
Total receivables	<u>742,543</u>	<u>-</u>
Investments, at fair value (see Note 2):		
Fixed income securities	159,699,855	-
Domestic equities	223,694,427	-
Real estate/Alternative	100,317,157	-
Certificates of deposit	-	5,136,611
Total investments	<u>483,711,439</u>	<u>5,136,611</u>
Total assets	<u>484,575,737</u>	<u>13,226,077</u>
Liabilities		
Accounts payable	377,500	-
Due to third parties	-	1,395,661
Fees due to Commonwealth of Pennsylvania	-	109,746
Real estate taxes due to City of Reading	-	298,143
Due to other governments	-	78,541
Other	-	2,276,202
Total liabilities	<u>377,500</u>	<u>4,158,293</u>
Net position		
Net position restricted for pension	484,198,237	-
Net position restricted for individuals, organizations and other governments	-	9,067,784
Total Net Position	<u>\$ 484,198,237</u>	<u>\$ 9,067,784</u>

See accompanying notes to the financial statements.

Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 Year ended December 31, 2019

County of Berks
 2019 Comprehensive Annual Financial Report

	Berks County Employees' Retirement	Custodial
Additions		
Fee collections for government entities	\$ -	\$ 49,011,637
Escheated funds received for Commonwealth of Pennsylvania	-	79,288
Real estate tax collections for City of Reading, Pennsylvania	-	22,223,376
Receipts from Others	-	27,058,515
Subtotal	<u>-</u>	<u>98,372,816</u>
Contributions:		
Member	7,347,118	-
County	4,411,739	-
Total contributions	<u>11,758,857</u>	<u>-</u>
Investment income:		
Net increase in fair value of investments	57,542,411	-
Interest and dividends	10,454,302	159,992
Miscellaneous	4,857	-
Less investment expenses	(1,442,783)	-
Net investment income	<u>66,558,787</u>	<u>159,992</u>
Total additions	<u>78,317,644</u>	<u>98,532,808</u>
Deductions		
Benefit payments, including refunds of member contributions	23,391,279	-
Administrative/other expense	73,990	-
Payments of fees collected to Commonwealth of Pennsylvania	-	21,432,330
Payments of fees collected to other government entities	-	28,753,048
Payments of escheated funds to Commonwealth of Pennsylvania	-	71,480
Payments of real estate tax collected to City of Reading	-	22,284,201
Payments to others	-	29,491,212
Total deductions	<u>23,465,269</u>	<u>102,032,271</u>
Change in net position	54,852,375	(3,499,463)
Net position restricted, beginning	429,345,862	12,567,247
Net position restricted, ending	<u>\$ 484,198,237</u>	<u>\$ 9,067,784</u>

See accompanying notes to the financial statements.

	Reading Regional Airport Authority **	Reading Area Community College *	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 1,159,078	\$ 7,181,359	\$ 8,340,437
Cash and cash equivalents, restricted	513,638	-	513,638
Investments	-	28,248,077	28,248,077
Accounts receivable, net	207,618	7,092,967	7,300,585
Due from other governments	963,546	-	963,546
Inventories	-	22,447	22,447
Prepaid expenses	39,447	954,763	994,210
Deposits	9,378	-	9,378
Total current assets	<u>2,892,705</u>	<u>43,499,613</u>	<u>46,392,318</u>
Noncurrent assets:			
Investments	-	-	-
Beneficial interests in perpetual trusts held by others	-	7,716,609	7,716,609
Other receivables	-	231,436	231,436
Collections - works of art	-	909,433	909,433
Capital assets:			
Land and improvements	6,059,840	1,081,556	7,141,396
Air easement rights	103,002	-	103,002
Infrastructure, net	19,000,384	-	19,000,384
Buildings and improvements, net	10,245,257	37,330,657	47,575,914
Furniture, fixtures, equipment and vehicles, net	478,064	2,274,187	2,752,251
Leasehold improvements, net	549,675	-	549,675
Construction in progress	3,510,388	1,269,140	4,779,528
Total noncurrent assets	<u>39,946,610</u>	<u>50,813,018</u>	<u>90,759,628</u>
Deferred outflows of resources:			
Pension	-	580,110	580,110
Other postemployment benefits	-	178,970	178,970
Total deferred outflows of resources	<u>-</u>	<u>759,080</u>	<u>759,080</u>
Total assets and deferred outflows of resources	<u>42,839,315</u>	<u>95,071,711</u>	<u>137,911,026</u>
Liabilities			
Accounts payable	305,497	1,475,015	1,780,512
Accrued liabilities	9,219	1,191,268	1,200,487
Unearned revenue	52,064	5,068,494	5,120,558
Compensated absences	-	381,533	381,533
Deposits	43,227	-	43,227
Lease obligation	-	51,712	51,712
Bonds, loans and notes payable	145,000	1,326,274	1,471,274
Total current liabilities	<u>555,007</u>	<u>9,494,296</u>	<u>10,049,303</u>
Noncurrent liabilities:			
Compensated absences	-	469,843	469,843
Medical insurance liability	-	400,000	400,000
Other postemployment benefit liability	-	1,136,607	1,136,607
Lease obligation	-	31,362	31,362
Net pension liability	-	4,117,754	4,117,754
Bonds, loans and notes payable	3,990,000	9,826,278	13,816,278
Total noncurrent liabilities	<u>3,990,000</u>	<u>15,981,844</u>	<u>19,971,844</u>
Total liabilities	<u>4,545,007</u>	<u>25,476,140</u>	<u>30,021,147</u>
Deferred inflows of resources			
Deferred rent revenue	6,880,754	-	6,880,754
Deferred pension expense	-	624,671	624,671
Deferred other postemployment benefits expense	-	175,216	175,216
Total deferred inflows of resources	<u>6,880,754</u>	<u>799,887</u>	<u>7,680,641</u>
Net position:			
Net investment in capital assets	28,930,856	30,719,914	59,650,770
Restricted for:			
Debt service	513,638	-	513,638
Foundation for Reading Area Community College	-	19,245,367	19,245,367
Unrestricted net position	<u>1,969,060</u>	<u>18,830,403</u>	<u>20,799,463</u>
Total net position	<u>\$ 31,413,554</u>	<u>\$ 68,795,684</u>	<u>\$ 100,209,238</u>

* Presented as of June 30, 2019

** Presented as of September 30, 2019

See accompanying notes to the financial statements.

Statement of Activities/Revenues, Expenses and Changes in Net Position (Deficits)
 Component Units
 Year ended December 31, 2019

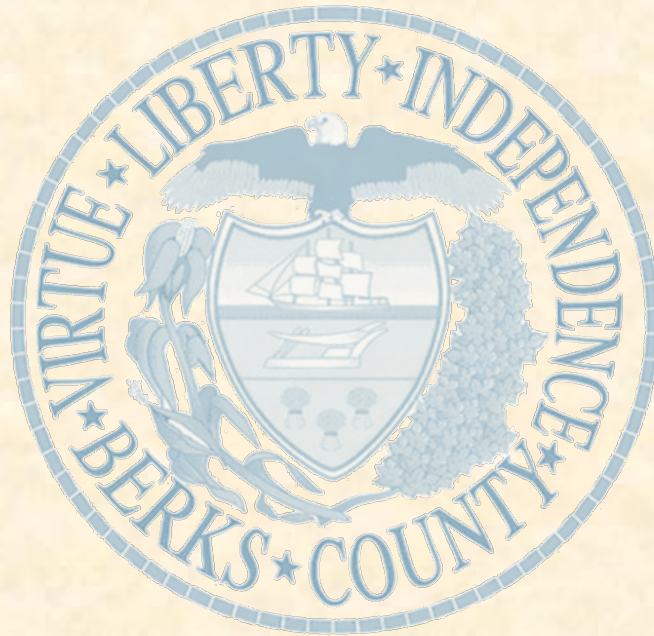
County of Berks
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	Reading Regional Airport Authority **	Reading Area Community College *	Total
Operating revenues			
Charges for services	\$ 2,289,936	\$ 6,317,011	\$ 8,606,947
Operating grants and contributions	1,039,026	14,927,328	15,966,354
Investment earnings	-	603,203	603,203
Other revenues	-	2,691,244	2,691,244
Total operating revenues	<u>3,328,962</u>	<u>24,538,786</u>	<u>27,867,748</u>
Total operating expenses	<u>4,081,326</u>	<u>35,606,387</u>	<u>39,687,713</u>
Operating income (loss)	<u>(752,364)</u>	<u>(11,067,601)</u>	<u>(11,819,965)</u>
Nonoperating revenues (expenses)			
Payments from County of Berks	-	3,250,000	3,250,000
Payments from other governments	-	9,031,894	9,031,894
Investment income	4,291	646,858	651,149
Tapping fee income	5,975	-	5,975
Debt issuance costs	-	(5,500)	(5,500)
Interest expense	(121,740)	(337,471)	(459,211)
Gain (loss) on disposal of capital assets	43,000	(9,576)	33,424
Total nonoperating revenues (expenses)	<u>(68,474)</u>	<u>12,576,205</u>	<u>12,507,731</u>
Other revenues (expense):			
Payments from County of Berks	-	250,000	250,000
Payments from other governments	-	1,549,332	1,549,332
Long-term gifts and grants	-	1,104,225	1,104,225
Total other revenues (expense)	<u>-</u>	<u>2,903,557</u>	<u>2,903,557</u>
Change in net position (deficit)	<u>(820,838)</u>	<u>4,412,161</u>	<u>3,591,323</u>
Net position, beginning	<u>32,234,392</u>	<u>64,383,523</u>	<u>96,617,915</u>
Total net position, ending	<u>\$ 31,413,554</u>	<u>\$ 68,795,684</u>	<u>\$ 100,209,238</u>

* Presented for the year ended June 30, 2019

** Presented for the year ended September 30, 2019

See accompanying notes to the financial statements.



NOTES TO FINANCIAL STATEMENTS

The Notes to Financial Statements complete the core of the Annual Financial Report's financial section. They are intended to provide a more complete disclosure of relevant information than can be presented in the numeric format of the financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the County of Berks (the County) were prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”), consistently applied, applicable to governmental units, as prescribed by the Governmental Accounting Standards Board (“GASB”).

A. The financial reporting entity

The County of Berks, Pennsylvania, was formed on March 11, 1752. The County is a political subdivision of the Commonwealth of Pennsylvania. The County is a Third-Class county based on population. The County operates under the direction of an elected Board of Commissioners consisting of three members. The County provides the following services: general administrative services, tax assessment and collection, judicial system, public improvements, public safety, conservation and development, and human services programs.

Accounting principles generally accepted in the United States of America require that the reporting entity consists of the primary government and organizations for which the primary government is financially accountable. In addition, the primary government may determine through the exercise of management’s professional judgment that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity’s financial statements from being misleading. In such instances, that organization should be included as a component unit if the nature and significance of their relationship with the primary government or other component units are such that the exclusion from the financial reporting entity would render the financial reporting entity’s financial statements incomplete or misleading. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made based upon the above criteria.

Since the County’s component units report on a fiscal year end and are included in the County’s calendar year financial statement, amounts due to/from component units/primary government may not net to zero. The County has elected to include the following discretely presented component units in the financial reporting entity:

- The Reading Regional Airport Authority (the “Authority”) is a public authority created under the Pennsylvania Municipal Authorities Act of 1935 and 1945 and is responsible for the operations of the Reading Regional Airport. The governing body of the Reading Regional Airport Authority is a Board consisting of seven directors who are appointed by the Board of County Commissioners. The Reading Regional Airport Authority operates on a fiscal year ending September 30.
- Reading Area Community College is a publicly supported comprehensive community college, serving primarily Berks County. The Trustees of the governing board of Reading Area Community College are appointed by the Board of County Commissioners. The County sponsors the College and supports its capital expansion initiatives. The Reading Area Community College operates on a fiscal year ending June 30.

Complete and detailed financial statements for the individual component units can be obtained from their administrative offices:

Reading Regional Airport Authority
2385 Bernville Road
Reading, PA 19605

Reading Area Community College
10 South Second Street, P.O. Box 1706
Reading, PA 19603-1706

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 generally does not extend beyond making the appointments. These organizations include:

- Berks Area Regional Transportation Authority
- Berks County Conservation District
- Berks County Housing Authority
- Berks County Industrial Development Authority
- Berks County Municipal Authority
- Berks County Solid Waste Authority
- Berks County Convention Center Authority
- Council on Chemical Abuse, Inc.
- Redevelopment Authority of the County of Berks

B. Measurement focus, basis of accounting, and financial statement presentation

The basic financial statements of the County are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to financial statements

1. Government-wide financial statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government, as well as its discretely presented component units. 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 fees and charges for support. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting

from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, “*Accounting and Financial Reporting for Nonexchange Transactions.*”

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government’s citizenry, if that money is restricted to a program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. 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 as an expenditure.

As a rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are the yearly contributions made to the component units from the County’s governmental funds and transfers between governmental funds and business-type and fiduciary funds. Elimination of these contributions would distort the direct costs and program revenues reported for the various functions concerned. The County chooses to allocate indirect costs in a separate column in the government-wide financial statements.

2. Fund financial statements

The underlying accounting system of the County is organized and operated based on separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The financial statements for governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds. The fiduciary statements include financial information for the agency fund and the retirement fund. The agency fund primarily represents assets held by the County in a custodial capacity for other individuals or governments and does not involve the measurement of results of operations. Agency funds do not have a measurement focus, but assets and liabilities are reported using the accrual basis of accounting. The Berks County Employees’ Retirement Fund accounts for the additions and deductions to the County’s defined benefit plan in a manner like a proprietary fund.

When both restricted and unrestricted resources are combined in a fund, expenses are paid first from restricted resources, and then from unrestricted resources.

- **Governmental funds**

Governmental fund financial statements are reported using the current financial resources 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 collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues, except property taxes, to be available if they are collected within 180 days of the end of the current fiscal period. Property taxes are deemed available if collected within 60 days of the end of the current fiscal period. Licenses, operating and capital grants, and interest associated with the current fiscal period are all 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 cash is received by the County. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Under the current financial resource's measurement focus, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is 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 net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets despite their spending measurement focus.

Non-current portions of other long-term receivables are offset by fund balance reserve accounts.

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 other financing sources rather than as a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

- **Proprietary funds**

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

Proprietary fund operating revenues and expenses, such as charges for services, program services and administrative expenses, 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. Non-operating revenues and expenses, such as operating grants, subsidies, investment earnings, interest expense and bond issuance costs, result from nonexchange transactions or ancillary activities.

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

C. Basis of presentation

The determination of major funds is based on minimum criteria as set forth in GASB Statement No. 34, “*Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*”. The non-major funds are combined in a column in the fund financial statements. The following are the County’s major funds for 2019:

1. Governmental fund types

- **General**
The General Fund accounts for all financial resources except those 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, the judicial system, public safety, culture and recreation, and some community and economic development and human services.
- **Children and Youth Services**
The Children and Youth Services Fund accounts for financial resources related to the provision of services to children and youth. Revenues of this fund are derived from federal and state grants. Expenditures are restricted to provision of the program.
- **Health Choices**
The Health Choices Fund accounts for financial resources related to the provision of a behavioral health managed care program for medical assistance recipients. Revenues of this fund are derived from state grants. Expenditures are restricted to provision of the program.

2. Proprietary fund types

- **Enterprise: Berks County Residential Center**
The Berks County Residential Center Fund accounts for the operations of the County’s family shelter for immigrants placed by the Federal Government, financed and operated in a manner similar to private business enterprise – where the intent of the governing body is that the cost of providing service to the Federal Government on a continuing basis be financed or recovered primarily through cost reimbursement plans.
- **Enterprise: Berks County Home - Berks Heim**
The Berks County Home – Berks Heim Fund accounts for operations of the long-term care facility financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges and cost reimbursement plans.

3. Other fund types

- **Retirement Trust**
The Berks County Employees’ Retirement Trust Fund accounts for the revenue (i.e., member contributions, County appropriations, and net investment income) and the expenditures (i.e., allowance contributions refunded, retirement allowances, and death benefits paid) of the County’s defined benefit retirement plan.

- Custodial
Custodial funds consist of restricted assets of the various row offices and other fiduciary accounts of the County. Row office funds for bail posted, sheriff's sales, realty transfer taxes held and owed to other governmental entities, and other funds reserved for disposition of legal actions, by Berks Heim for residents and by the prison for inmates, are mainly escrow funds.

D. Investments

Investments of all funds are stated at fair value based on quoted market values.

E. Cash and cash equivalents

The County considers all unrestricted highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

F. Receivables

All property taxes receivable, accounts receivable, interest and liens receivable are shown net of an allowance for uncollectible amounts. The allowance for property taxes is equal to .09 percent of the 2019 property tax levy outstanding at December 31, 2019. The allowance for court fines, fees and costs is equal to 90 percent of the outstanding accounts receivable at December 31, 2019. The allowance for district justices' fines and court costs is equal to 40 percent of the outstanding accounts receivable at December 31, 2019. The allowance for liens for the closing cost assistance program is equal to 100 percent of the outstanding balance at December 31, 2019. The allowance for liens and interest for property rehabilitation and certain mortgage programs is equal to 20 percent of the outstanding balance at December 31, 2019.

G. Interfund transactions

As a result of its operations, the County affects a variety of transactions between funds to finance operations. Accordingly, to the extent that certain interfund transactions have not been paid or received, appropriate interfund receivables or payables have been established.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

H. Inventories and prepaid items

Inventories are valued at cost using the first-in, first-out method. Inventories more than \$25,000 for governmental funds are recorded as expenditures when consumed rather than when purchased. Office supplies such as paper and copier supplies are not considered inventory and are recorded as expenditures/expenses when purchased. In governmental fund types, there is a reservation of fund balance equal to the inventory balance as these amounts are not available for appropriation.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements, using the consumption method. In governmental fund types, there is a reservation of fund balance equal to the prepaid items as these amounts are not available for appropriation.

I. Restricted assets

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

J. Capital assets

Capital assets, which include property, equipment and infrastructure (bridges acquired, reconstructed or significantly improved in years ending after December 31, 1980), are reported in the applicable governmental or business-type activities columns on the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual or system (multiple items that rely on each other to function) cost of \$5,000 (\$75,000 for infrastructure assets) and an estimated useful life exceeding one year. Such assets are recorded at historical costs. Donated capital assets, donated works of art and similar items received in a service concession arrangement should be reported at acquisition value rather than fair value.

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 constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

In order to preserve farmland and open space, the County purchases agricultural easements. An agricultural easement restricts the use of land from commercial development in perpetuity and encourages the continued agricultural use of land. An easement is thus considered an intangible asset of the County and recorded in the government-wide financial statements.

The capital assets (see Note 6) of the County are depreciated/amortized using the straight-line method over the following estimated useful lives:

Land improvements	5 – 40 years
Buildings and improvements	5 - 45 years
Machinery and equipment	5 – 11 years
Motor vehicles	5 years
Computer equipment	3 -5 years
Infrastructure	20 – 40 years

K. Deferred outflows/inflows of resources

A deferred outflow of resources represents a consumption of net position that applies to a future period not recognized as an outflow of resources until that future period. A deferred inflow of resources represents an acquisition of net position that applies to a future period not recognized as an inflow of resources until that future period.

L. Fund balance

In the fund financial statements, the County has established and will maintain reservations of fund balance in accordance with GASB Statement No. 54 (“GASB 54”), “*Fund Balance Reporting and Governmental Fund Type Definitions.*” GASB 54 establishes criteria to report fund balance as non-spendable, restricted, committed, assigned or unassigned based on the required restraints on the resource. This policy applies to the County’s General Fund and all governmental funds. Fund balance information is used to identify the available resources to repay long-term debt, reduce property taxes,

add new governmental programs, expand existing programs or enhance the financial position of the County in accordance with policies established by the Board of Commissioners. Please refer to Note 11 for more information on fund balance.

M. Net Position

GASB Statement No. 63 (“GASB 63”), “*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*,” requires the classification of net position into the three components shown below, which are defined as follows:

Net Investment in capital assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted net position – This category presents external restrictions imposed by creditors, grantors, contributors, 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, which are not restricted for any project or other purpose.

N. Indirect costs, maintenance in lieu of rent, allocated costs

Indirect costs, maintenance in lieu of rent, and allocated costs are charged to various state and federal programs based on a formal plan developed annually by the County. These costs are reflected in the fund financial statements as expenditures/expenses in those funds benefiting from the services provided and as a reduction of expenditures in the general fund, which provides the services. These costs are recorded on a full absorption basis in order to reflect the total cost of operations of the various funds. The government-wide financial statements contain a separate column for the allocation of these costs to various functions.

O. Compensated absences

The County follows the provisions of GASB Statement No. 16, “*Accounting for Compensated Absences*.” Calculation of the liability amount is determined by the appropriate vacation and sick payments which would be available to employees if they would leave or retire from the County. The County accrues accumulated unpaid vacation and sick leave when earned by the employee in the government-wide financial statements. All accumulated vacation and vested sick leave pay is recorded as an expense and a liability in the proprietary fund types at the time the liability is accrued. Governmental fund types record accumulated vacation and vested sick leave pay as an expenditure in the current year to the extent it is paid during the year.

P. Pension

For measurement purposes, the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Berks County Employees’ Pension Plan (“BCEPP”) and additions to/deductions from BCEPP’s fiduciary net position have been determined on the same basis as reported by BCEPP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Q. Self-insurance

The County is self-insured for the risk of loss related to workers compensation and healthcare insurance claims. Self-insurance for workers compensation began in 2002, and healthcare insurance began in 2006. Details of the County's self-insurance activities are included in Note 9 on Risk Management.

R. Estimates

The preparation of the financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results may differ from the estimates.

S. Long-term obligations

Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are expensed when incurred. Bonds payable are reported net of the applicable bond premium or discount. Derivatives, or swaps, may be entered into at the discretion of the County, to take advantage of favorable prevailing interest rates with respect to its general obligation bonds. In cases where it is more advantageous to terminate an existing swap, termination fees are expensed in the period that the termination is executed and reported as a Special Item.

In accordance with GASB Statement No. 23, "*Accounting and Financial Reporting for Refunding's of Debt Reported by Proprietary Activities*," the County has adopted the following policy for current refunding's and advance refunding's resulting in the defeasance of debt reported in proprietary funds. The difference between the reacquisition price and the net carrying amount of the old debt, will be deferred and amortized in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter. On the statement of net position, the deferred amount is reported as a deduction from or an addition to the new debt liability.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

T. Intergovernmental revenues

Intergovernmental revenues represent revenues received from the Commonwealth of Pennsylvania and federal agencies generally to fund specific programs. Awards made based on entitlement periods are recorded as intergovernmental revenues when entitlement occurs. Reimbursement type grants are recorded as revenues when the related expenditures are incurred. In the governmental fund financial statements, grants are recorded when revenues are also measurable and available.

U. Allowable Expenses under Grants

Under the terms of federal and state grants, periodic audits are required, and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead

to reimbursement to the grantor agencies. County management believes disallowances, if any, will be immaterial.

V. Restatement of Financial Statements

The County’s beginning fund balances in governmental funds has been restated to properly reflect the effect of prior period adjustments as follows:

General Fund

Fund balance, beginning, as previously reported	\$ 154,428,561
Prior period adjustments	<u>(400,741)</u>
Fund balance, beginning, as restated	<u>\$ 154,027,820</u>

Prior period adjustment in the General Fund in order to correct errors in CYS, JPO, Parks, and Aging.

Non-Major Governmental Funds

Fund balance, beginning, as previously reported	\$ 14,014,961
Prior period adjustments	<u>5,506,079</u>
Fund balance, beginning, as restated	<u>\$ 19,521,040</u>

Prior period adjustment in the Domestic Relations, Liquid Fuels and County Capital Projects Special Revenue Funds, included in Nonmajor Governmental Funds in order to correct errors made and to agree the fund balance to external grant reporting.

The County’s beginning net position in entity wide governmental funds has been restated to properly reflect the effect of a prior period adjustment as follows:

Governmental Funds

Fund balance, beginning, as previously reported	\$ 279,642,025
Prior period adjustments	<u>5,105,049</u>
Fund balance, beginning, as restated	<u>\$ 284,747,074</u>

Prior period adjustment in the Entity Wide Governmental Funds due to reasons and amounts stated above under governmental funds.

W. Pending and Adopted Accounting Pronouncements

In January 2017, the GASB issued Statement No. 84, “*Fiduciary Activities.*” The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2019. The County has implemented the effects of this Statement for the reporting period ended December 31, 2019.

In June 2017, the GASB issued Statement No. 87, “*Leases.*” The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2021. The County is currently evaluating the effect of implementation of this Statement.

In June 2018, the GASB issued Statement No. 89, “*Accounting for Interest Cost Incurred before the End of a Construction Period.*” The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2020. The County is currently evaluating the effect of implementation of this Statement.

In May 2019, the GASB issued Statement No. 91, “*Conduit Debt Obligations.*” The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2021. The County is currently evaluating the effect of implementation of this Statement.

In January 2020, the GASB issued Statement No. 92, “*Omnibus 2020.*” The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2021. The County is currently evaluating the effect of implementation of this Statement.

In March 2020, the GASB issued Statement No. 93, “*Replacement of Interbank Offered Rates.*” The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2021. The County is currently evaluating the effect of implementation of this Statement.

In March 2020, the GASB issued Statement No. 94, “*Public-Private and Public-Public Partnerships and Availability Payment Arrangements.*” The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2022. The County is currently evaluating the effect of implementation of this Statement.

In May 2020, the GASB issued Statement No. 95, “*Postponement of the Effective Dates of Certain Authoritative Guidance.*” The requirements of this Statement are effective for financial statements for periods beginning after May 31, 2020. The County is currently evaluating the effect of implementation of this Statement.

In May 2020, the GASB issued Statement No. 96, “*Subscription-Based Information Technology Arrangements.*” The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2022. The County is currently evaluating the effect of implementation of this Statement.

In June 2020, the GASB issued Statement No. 97, “*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.*” The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2021. The County is currently evaluating the effect of implementation of this Statement.

NOTE 2: CASH AND INVESTMENTS

A. Primary government

Interest rate risk: The County of Berks has a formal investment policy for General Operating Funds that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, except for the Retirement Fund which has an official investment policy. The maximum remaining maturity of any individual security is 5 years or less at the time of purchase. The average duration of the Portfolio shall be 3 years or less. All investments will be actively traded in a

secondary market to ensure liquidity. The County investment policy follows Section 1706 of the County Code of the Commonwealth of Pennsylvania.

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

- United States Treasury Bills.
- Short-term obligations of the United States government or its agencies or instrumentalities.
- Deposits in 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 and insured by the Federal Deposit Insurance Corporation (“FDIC”) or other like insurance.
- 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 of Pennsylvania, or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth of Pennsylvania, or of any political subdivision of the Commonwealth of Pennsylvania, or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.
- Shares of an investment company registered under the Investment Company Act of 1940; whose shares are registered under the Securities Act of 1933.
- Certificates of deposit purchased from institutions having their principal place of business in or outside the Commonwealth of Pennsylvania that are insured by the FDIC or other like insurance. For any amounts in excess of the insured maximum, such 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.
- Commercial paper and prime commercial paper meeting certain requirements.
- Repurchase agreements that are fully collateralized by obligations of the United States of America.

In addition, the County Code provides that the Retirement Trust Fund may make any investment authorized by 20 P.A.A. Ch. 7302b (relating to fiduciaries' investments).

The carrying amounts of the cash and investments at December 31, 2019 consist of the following:

Cash and cash equivalents	\$ 82,886,267
Petty cash	17,511
Investments	618,622,708
	<u>\$ 701,526,486</u>

Financial statement classification:

Statement of net position:

Current assets, cash and cash equivalents	\$ 30,536,897
Current assets, cash and cash equivalents, restricted	44,155,660
Current assets, investments	42,610,590
Current assets, investments, restricted	4,320,107
Noncurrent assets, investments	77,230,961
noncurrent assets, investments, restricted	5,613,000

Statement of fiduciary net position:

Berks County Employees' Retirement Trust Fund:

Cash and cash equivalents	121,755
Investments	483,711,439

Agency fund:

Cash and cash equivalents	8,089,466
Investments	5,136,611

\$ 701,526,486

Cash and cash equivalents

The County's available cash and cash equivalents are invested in demand deposit accounts, repurchase agreements, certificates of deposit, money market funds, mutual funds, and securities backed by the full faith and credit of the United States government.

The County has custodial credit risk on cash deposits. This is the risk that in the event of a financial institution failure, the County's deposits may not be returned. The County has a deposit policy for custodial risk that requires depository institutions to pledge securities as collateral for deposits that exceed depository insurance.

At December 31, 2019, the carrying amounts of the County's bank deposits were \$82,886,267 and the bank balances were \$90,746,444, of which \$510,841 was covered by Federal Depository Insurance, \$49,091,254 was collateralized under Act No. 72 of the 1971 Session of the Pennsylvania General Assembly, in which financial institutions were granted the authority to secure deposits of public bodies by pledging a pool of assets, as defined by the Act, to cover all public funds deposited in excess of federal depository insurance limits, \$26,637,941 was invested in an external investment pool, described in more detail below, \$2,910,042 was invested in money market funds, and the remaining balance of \$11,596,366 was invested in U.S. Gov't Debt Securities.

The County invests in PLGIT, an external investment pool, to ensure safety and maximize efficiency, liquidity, and yield for County funds. PLGIT issues separately audited financial statements which are available to the public. The Commonwealth of Pennsylvania provides external regulatory oversight for the external investment pool. At December 31, 2019, PLGIT carried a AAA rating and had an average maturity of less than one year. While the PLGIT portfolios seek to maintain a stable net asset value of \$1.00 per share, it is possible to lose money investing in PLGIT. An investment in PLGIT is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Securities held in PLGIT accounts owned by the County are stated at amortized cost, which approximates market value.

The County invests in various money market funds, in the amount of \$2,910,042, which have been classified as cash and cash equivalents in the statement of net position. These money market funds are unrated and have an average maturity of less than one year.

The County's funds are invested in various types of financial instruments. This diversification of the investment portfolio serves to assist in mitigating the various types of risks associated with different types of financial instruments. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments could occur in the near term and that such a change could materially affect the amount reported on the statement of fiduciary net position.

Core Trust Property Collective Trust: Valued at the Trust's proportionate interest in the net assets of the SEI Core Property Fund, LP (the "Fund"). The Trust is part of a "master feeder fund" complex, by which the Trust invests substantially all its assets in the Fund. The Net Asset Value ("NAV"), as provided by the trustee of the Fund, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchased and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment adviser reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

Energy Debt Collective Investment Trust: Valued at NAV of units of a collective trust of the Plan's interests in the Investment Funds and not the underlying holdings of such Investment Funds. The NAV, as provided by the trustee, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV. Participant transactions (purchased and sales) may occur daily. Were the Plan to initiate a full redemption of the collective trust, the investment adviser reserves the right to temporarily delay withdrawal from the trust in order to ensure that securities liquidations will be carried out in an orderly business manner.

As of December 31, 2019, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Investment Maturities (in Years)</u>				
	<u>Fair Value</u>	<u><1</u>	<u>1 - 5</u>	<u>6 - 10</u>	<u>> 10</u>
Governmental Funds					
General Fund					
Negot. Certif. of deposit	\$ 42,063,087	\$ 33,637,644	\$ 8,425,443	\$ -	\$ -
U.S. Govt agency securities	79,234,069	9,607,511	69,626,558	-	-
Health Choices Fund					
Negot. Certif. of deposit	6,312,107	3,075,107	3,237,000	-	-
Other Governmental Funds					
Negot. Certif. of deposit	1,992,000	498,000	1,494,000	-	-
Total Governmental Funds	<u>\$ 129,601,263</u>	<u>\$ 46,818,262</u>	<u>\$ 82,783,001</u>	<u>\$ -</u>	<u>\$ -</u>
Enterprise Funds					
Berks Heim					
Negot. Certif. of deposit	173,393	112,435	60,958	-	-
Fiduciary Funds					
County Employees' Retirement:					
Collective Trusts					
Core Trust Property	\$ 56,284,418	\$ 56,284,418	\$ -	\$ -	\$ -
Energy Debt	15,524,786	15,524,786	-	-	-
Equity and Other Mutual Funds					
Extended Market Index Fund	14,245,641	14,245,641	-	-	-
S&P 500 500IDX-A	47,679,038	47,679,038	-	-	-
Emerging Markets	14,404,490	14,404,490	-	-	-
World Ex-US	85,823,222	85,823,222	-	-	-
U.S. Equity Factor Allocation	61,542,036	61,542,036	-	-	-
Dynamic Asset Allocation	28,507,953	28,507,953	-	-	-
Fixed Income Mutual Funds					
Core Fixed Income	99,790,726	99,790,726	-	-	-
High Yield Bonds	13,876,285	13,876,285	-	-	-
Opportunistic Income	18,235,599	18,235,599	-	-	-
Emerging Markets Debt	14,007,236	14,007,236	-	-	-
Multi-Asset Real Return	13,790,009	13,790,009	-	-	-
Agency Funds:					
Negot. Certif. of deposit	5,136,611	5,136,611	-	-	-
Total Fiduciary Funds	<u>488,848,050</u>	<u>488,848,050</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Investments	<u>\$ 618,622,706</u>	<u>\$ 535,778,747</u>	<u>\$ 82,843,959</u>	<u>\$ -</u>	<u>\$ -</u>

Credit risk: State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). The County's investments in certificates of deposit at December 31, 2019 were \$55,677,199. Of this total, \$54,432,199 was covered by Federal Depository Insurance, and \$1,245,000 was collateralized under Act No. 72 of the 1971 Session of the Pennsylvania General Assembly, in which financial institutions were granted the authority to secure deposits of public bodies by pledging a pool of assets, as defined by the Act, to cover all public funds deposited in excess of federal depository insurance limits.

The County had the following level of exposure to credit risk as of December 31, 2019:

	<u>Fair Value</u>	<u>Rating</u>
U. S. Govt agency obligations	\$ 79,234,069	AAA
Negotiable certificates of deposit	\$ 55,677,198	Unrated
Mutual funds - Core fixed income	\$ 99,790,726	AA-
Mutual funds - High Yield Bonds	\$ 13,876,285	B+
Mutual funds - Opportunistic Income	\$ 18,235,599	BBB-
Mutual funds - Emerging Mkts Debt	\$ 14,007,236	BBB-
Mutual funds - Multi-Asset Real Return	\$ 13,790,009	Unrated

Concentration in credit risk: The County places no limit on the amount the County may invest in any one issuer, except for its Pension Funds. The County Pension Fund investment managers are authorized by the Retirement Board to invest in marketable debt issues of the U.S. Treasury, U.S. Agencies, U.S. corporations, U.S. banks or other financial institutions, mortgage or asset backed securities, Yankee bonds, and cash equivalents. Investment managers may also invest in mutual funds and other commingled investments.

The Retirement Board has passed a “Statement of Investment Policy” which establishes a target asset allocation for each type of investment as noted below. Several other target allocations exist within each investment type noted below and can be found in the Statement of Investment Policy. The investment guidelines allow for the following types of investments and target allocations:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic equity	22%
International equity	22%
Fixed Income	40%
Real Estate/Alternative	16%
Cash	0%
Total	<u>100%</u>

At December 31, 2019, the pension investment portfolio was in compliance with the County’s investment policy as it relates to pension funds.

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 the possession of an outside party. Although the County’s investment policy does not specifically address the issue of custodial credit risk, it is the practice of the County to hold all investments in the counterparties’ name. As of December 31, 2019, \$618,622,706 of the County’s investments are held by the investment counterparties.

Foreign currency risk: The County does not have a formal policy to limit foreign currency risk with the exception of its Pension Funds. The County Pension Fund Investment policy prohibits the buying and selling of foreign securities not registered through an SEC filing or not denominated in US dollars, except for managers hired specifically for international investments. Risk of loss arises from changes in currency exchange rates. The County had no exposure to foreign currency risk as of December 31, 2019.

Fair Value Measurement: The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy sets out a fair value hierarchy with the highest priority being quoted prices in active markets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurement). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Fair value measurements will be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The following table presents the balances of fair value measurements on a recurring basis by level within the hierarchy as of December 31, 2019:

Investment	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
By fair value level				
Negotiable Certificates of Deposit	\$ 55,677,199	\$ -	\$ -	\$ 55,677,199
U.S. Government Agency notes	79,234,069	-	-	79,234,069
Fixed income mutual funds				
Core Fixed Income	99,790,726	-	-	99,790,726
High Yield Bond	13,876,285	-	-	13,876,285
Opportunistic Income	18,235,599	-	-	18,235,599
Emerging Markets Debt	14,007,236	-	-	14,007,236
Multi-Asset Real Return	13,790,009	-	-	13,790,009
Total fixed income mutual funds	159,699,855	-	-	159,699,855
Equity mutual funds				
Extended Market Index Fund	14,245,641	-	-	14,245,641
S&P 500 500IDX-A	47,679,038	-	-	47,679,038
Emerging Markets	14,404,490	-	-	14,404,490
World Ex-US	85,823,222	-	-	85,823,222
U.S. Equity Factor Allocation	61,542,036	-	-	61,542,036
Dynamic Asset Allocation	28,507,953	-	-	28,507,953
Total equity mutual funds	252,202,380	-	-	252,202,380
Total investments by fair value level	<u>\$ 546,813,503</u>	<u>\$ -</u>	<u>\$ -</u>	<u>546,813,503</u>
Measured at Net Asset Value (NAV)				
Collective Trust Funds				<u>71,809,204</u>
Total investment measured at fair value				<u>\$ 618,622,707</u>
Investment derivative instruments				
Interest Rate Swap		<u>\$ 1,085,721</u>		<u>\$ 1,085,721</u>

Negotiable certificates of deposit, U.S. Treasury and Agency notes, and debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Derivative investments classified in Level 2 of the fair value hierarchy are valued using a market approach that considers benchmark interest rates and foreign exchange rates.

Collective investment funds are valued at net asset value (NAV) of units held. The NAV is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the funds less their liabilities. The following table summarizes investments for which fair value is measured using the NAV per share practical expedient:

	<u>Fair Value</u>	<u>Unfunded Commitment</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Collective Trust Funds				
Core Property	(a) \$ 56,284,418	\$ -	Immediate	None
Energy Debt	(b) <u>15,524,786</u>	<u>-</u>	Immediate	None
Total Collective Trust Funds	<u>\$ 71,809,204</u>	<u>\$ -</u>		

- (a) The Core Property Collective Investment Trust Fund is a “master feeder” complex, by which the Trust invests substantially all of its assets in the SEI Core Property Fund, LP (CPF). This structure provides a means for eligible investors to participate in investments in various private investment funds, many of which will pursue U.S. Core Real Estate Strategies. The CPF invests directly and indirectly in a diversified pool of private investment vehicles that invest in commercial real estate properties. Most properties are owned outright with mortgage debt generally limited to 40% of total value aggregate across the entire portfolio. The CPF seeks both current income and long-term capital appreciation through management of the portfolio. Investments in this Fund can be redeemed daily at the current NAV per share based on the fair value of the underlying investments. The fair value of investments in this Fund has been estimated using the NAV per share of the underlying investments.
- (b) The Energy Debt Collective Investment Trust Fund is a “master feeder” complex, by which the Trust invests substantially all of its assets in the SEI Energy Debt Fund, LP (EDF). This structure provides a means for eligible investors to participate in investments in below investment grade bonds and loans (and other debt and equity instruments) of U.S. and international energy companies. The EDF seeks to achieve high total returns. Investments in this Fund can be redeemed daily at the current NAV per share based on the fair value of the underlying investments. The fair value of investments in this Fund has been estimated using the NAV per share of the underlying investments.

B. Component units

1. Reading Regional Airport Authority

The Authority is permitted to invest in the following types of investments:

Obligations of (a) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or (c) any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.

Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation to the extent that such accounts are so insured and for any amounts above the insured maximum, provided that approved collateral as provided by law, therefore, shall be pledged by the depository.

Pennsylvania Act 10 of 2016 became effective May 25, 2016 and expended the permitted investment types to include commercial paper, bankers' acceptances, negotiable certificates of deposit, and insured bank deposit reciprocals as long as certain safeguards related to credit quality and maturity are met.

The Authority's cash and cash equivalents consist of the following at September 30, 2019:

	2019
Petty cash	\$ 250
Unrestricted cash	1,158,828
Restricted Cash:	
Debt service funds	513,638
Escrow deposits	9,378
	\$ 1,682,094

Custodial credit risk – deposit: Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a policy for custodial credit risk. At September 30, 2019, \$1,440,830 of the Authority's bank balance of \$1,690,830 was exposed to custodial credit risk, but covered by collateralization requirements in accordance with Act 72 of the 1971 Session of the Pennsylvania General Assembly.

Investment Policies: The Authority does not currently have a formal investment policy establishing interest rate risk, credit risk, and concentrations of credit risk as it currently has all deposits with financial institutions which are classified as cash on the accompanying financial statements.

2. Reading Area Community College

The deposit and investment policy of the College adheres to state statutes. There were no deposits or investment transactions during the year that were in violation of either the state statutes or the policy of the College.

Cash and cash equivalents at June 30, 2019 consist of the following:

Cash on hand	\$ 3,675
Cash	6,233,411
Investments	15,814,132
	\$ 22,051,218

Custodial credit risk – deposits: Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned. The College has adopted a policy for custodial credit risk, which includes monthly monitoring of the assets and annual verification. At June 30, 2019, the carrying amount of the College's deposits was \$6,233,411 and the bank balance was \$6,440,123. Of the bank balance, \$250,000 was covered by federal depository insurance and \$6,190,123 was exposed to custodial credit risk because it was uninsured, and the collateral held by the depository's agent was not in the College's name. At June 30, 2019, the cash and cash equivalents for the College Foundation was \$944,273. All balances above federal depository insurance limits and exposed to custodial credit risk were covered by the collateralization requirements in accordance with Act 72 of the 1971 Session of the General Assembly.

Investments: The College authorizes the following investment instruments which are allowable under PA Law including Act 72 of 1971:

- Direct obligations of the United States of America (USA), i.e., US Treasury Obligations
- Obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the USA.
- Obligations of government sponsored agencies which are not backed by the full faith and credit of the USA including Federal Home Loan Mortgage Corporation (FHLMC), Farm Credit System (FCS), Federal Home Bank Loans (FHLB), and Federal National Mortgage Associations (FNMA) excluding “stripped mortgage securities” purchase at proceeds exceeding their principal amounts.
- Deposits in savings accounts or time deposits in certificates of deposit insured by the Federal Deposit Insurance Company or other like insurance and for any amounts above the insured maximum, provided that approved collateral is provided by law, therefore shall be pledged by the depository.
- Repurchase agreements that are fully collateralized by obligation of the USA. Monthly statements of deposit collateral shall be obtained from the authorized depository.

Pennsylvania Act 10 of 2016 became effective May 25, 2016 and expanded the permitted investment types to include commercial paper, bankers’ acceptances, negotiable certificates of deposit, and insured bank deposit reciprocals as long as certain safeguards related to credit quality and maturity are met.

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

The College’s entire investment fair value of \$15,814,132 is valued using bid prices for comparable securities (Level 2 input).

The fair value of investments for the College is presented below as of June 30, 2019:

Investment	Interest Rates	Total	< 1 year	> 1 year
Certificates of Deposit	2.300% - 2.600%	\$ 3,984,000	\$ 3,984,000	\$ -
FHLB	1.875% - 2.500%	1,362,972	693,834	669,138
FNMA	1.375% - 2.000%	2,529,268	368,264	2,161,004
FHLMC	1.375% - 2.375%	999,410	745,717	253,693
US Treasury Note	1.125% - 2.875%	6,938,482	372,702	6,565,780
Total Investments		\$ 15,814,132	\$ 6,164,517	\$ 9,649,615

Interest rate risk: The College does have a formal investment policy that limits maturities in certain investments as a means of managing its exposure to fair value losses arising from increasing interest rates. The policy limits investments to no more than a maximum maturity of five years with a focus on ensuring cash flow demands are met beyond one year.

Credit risk and concentration of credit risk: The College does have an investment policy that would limit its investment choices to certain credit ratings. As of June 30, 2019, the College’s investments in FHLB, FNMA, and FHLMC were rated as Aaa by Standard & Poor’s. The College

places no limit on the amount the College may invest in any one issuer. The College's investments in FHLB, FNMA, and FHLMC are all over five percent of total investments.

Custodial credit risk: For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty the College will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The College has no investments subject to custodial credit risk.

The Foundation's investments as of June 30, 2019 are summarized as follows:

<u>Investment</u>	<u>Total</u>
Equity funds	\$ 5,947,053
Fixed income securities	3,768,405
Mutual funds	2,584,649
Cash and equivalents	<u>133,838</u>
 Total Investments	 <u>\$ 12,433,945</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2019:

<u>Category</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Interest	\$ 75,201	\$ 364,835	\$ -	\$ 440,036
Market gains	36,785	184,958	-	221,743
Fees	<u>(58,576)</u>	<u>-</u>	<u>-</u>	<u>(58,576)</u>
 Total Investments	 <u>\$ 53,410</u>	 <u>\$ 549,793</u>	 <u>\$ -</u>	 <u>\$ 603,203</u>

The Foundation has investments in mutual funds consisting primarily of bond and equity securities. Generally accepted accounting principles establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under generally accepted accounting principles are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the College has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets and liabilities in active markets;
- Quoted prices for identical or similar assets and liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2019.

Investments: The investments are held by a trust company. The investments consist of money market funds, fixed income securities, and equity securities. The trust company has rated their holdings in accordance with the fair value hierarchy as noted above with Level 1 consisting of money market funds, fixed income securities, and equity securities.

Beneficial Interests in Perpetual Trusts: The Foundation is the beneficiary of two trusts which are managed by two banks. The banks hold the investments in diversified and balanced portfolios consisting of cash and money market funds and equity securities. These investments are valued by the trust managers based on the quoted market prices for shares held or current bid price of funds held at year end.

Charitable Remainder Trust Receivable: The Foundation is the beneficiary of a charitable remainder trust that is managed by a third party bank. The bank holds the investments in diversified and balanced portfolios. These investments are valued by the trust managers based on the quoted market prices for shares held or current bid price of funds held at year end.

The methods described previously may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of June 30, 2019:

Category	Level 1	Level 2	Level 3	Total
Equity	\$ 5,947,053	\$ -	\$ -	\$ 5,947,053
Fixed income	3,768,405	-	-	3,768,405
Mutual funds	2,584,649	-	-	2,584,649
	12,300,107	-	-	12,300,107
Beneficial interest in perpetual trusts	-	-	7,716,609	7,716,609
Beneficial interest in CRAT	-	-	125,000	125,000
Total assets at fair value	\$ 12,300,107	\$ -	\$ 7,841,609	\$ 20,141,716

The table below sets forth a summary of changes in the fair value of the Foundation’s Level 3 assets for the year ended June 30, 2019:

Balance, beginning of year	\$ 7,250,464
Contributions/purchases	-
Realized and unrealized gains (losses)	<u>591,145</u>
Balance, end of year	<u>\$ 7,841,609</u>

During the year ended June 30, 2016, the Foundation was named the beneficiary of a Charitable Remainder Trust to provide capital for the science center improvements. A Charitable Remainder Trust provides for the payment of distributions to designated beneficiaries over the Trust’s term. Under terms of the Trust agreement dated April 13, 2016, the Foundation is to receive the Trust principal as then constituted and any accrued or undistributed net income upon the death of the surviving beneficiary or the expiration of seven years, whichever comes first. Based on the beneficiary life expectancy and a 6.4 percent discount rate, the present value of future benefit expected to be received by the Foundation was estimated to be \$125,000, as of June 30, 2016, which is recorded as a temporarily restricted contribution and a Charitable Remainder Trust receivable.

The Foundation is a beneficiary of two irrevocable trusts held by various trust departments of financial institutions. The Foundation recorded its proportionate share of the fair market value of the principal of each trust when received. Agreement terms provide that the Foundation receives its proportionate share of the net income earned by the funds held in trust. Distributions from the trusts are recorded as trust income in net assets and amounted to \$438,663 for the year ended June 30, 2019. The value of the trusts recorded is \$7,716,609 at June 30, 2019.

NOTE 3: RESTRICTED ASSETS

Cash and Investments whose use is limited to a specific purpose have been classified as "restricted" in the Statement of Net Assets/Balance Sheet. Restricted assets at December 31, 2019 are composed of the following:

Governmental funds	Cash and Cash equivalents	Investments
General Funds		
Environmental Litigation	\$ 99,861	\$ -
Hazmat Response Fund	899,931	1,245,000
MCT Trust	452,020	-
Inmate Pay	793,330	-
PLGIT	26,637,941	-
Worker's Compensation Trust	4,455	210,607
Health Choices special revenue		
Appendix V-Jumbo Auto Renew CD	-	834,107
Reinvestment	2,392,655	-
Risk and Contingency	2,067,893	5,478,000
Liquid Fuels		
Liquid Fuels- ACT 13	2,146,325	1,992,000
Liquid Fuels- ACT 89	1,281,085	-
Liquid Fuels- Local Use Fund	5,203,285	-
Special Legislation Fund		
Adult Probation Supervision Fund	1,587,124	-
Coroner Record Improvement Fund	187,100	-
Courts Automation Fund	233,255	-
Hotel Tax Fund	4,247	-
Prothonotary Automation Fund	12,969	-
Register of Wills Record Improvement Fund	148,516	-
Total governmental funds	<u>44,151,992</u>	<u>9,759,714</u>
Business Type Activities		
Berks Heim		
Worker's Compensation Trust	<u>3,668</u>	<u>173,393</u>

NOTE 4: REAL ESTATE TAXES AND TAX ABATEMENTS

Real estate taxes attach an enforceable lien on property on January 1. Taxes are billed on or about March, payable under the following terms: 2% discount, March through April 30; face amount, May through June 30, and 10% penalty between July 1 and January 15 of the subsequent year. After January 15 of the subsequent year, the levies are sent to the Berks County Tax Claim Bureau for collection. The County bills these taxes that are collected by elected local tax collectors. The County collects delinquent real estate taxes on behalf of itself and other taxing authorities. The 2019 adopted rate of taxation was 7.657 mills.

County property tax revenues were reduced by approximately \$761,000 because of legislation enacted by the Commonwealth of Pennsylvania under the following programs:

Local Economic Revitalization Tax Assistance (LERTA) Program

The LERTA Program authorizes local taxing authorities within the County to exempt property taxes of new construction in deteriorated areas of economically depressed communities and improvements to certain deteriorated industrial, commercial and other business property. The LERTA tax exemptions are authorized under Act 76 of 1977 (72 P.S. section 4722 et seq.) which was passed by the General Assembly of Pennsylvania. A local taxing authority by ordinance or resolution may exempt from real property taxation the assessed valuation of improvements to deteriorated properties and the assessed valuation of new construction within designated deteriorated areas. The County recognizes, supports and approves the LERTA of any municipality located within the boundaries of the County that has established a LERTA exemption from property tax for certain deteriorated industrial, commercial or other business property. Application to each local taxing authority for a tax exemption under a LERTA ordinance is to be made at the same time a building permit is secured or other official notification is made. A copy of the exemption request shall be forwarded to the County Board of Assessment. The assessment office shall assess separately the new construction or improvement and calculate the amounts of the assessment eligible for tax exemption in accordance with the limits established by the local taxing authorities and notify the taxpayer and the local taxing authorities of the reassessment and amounts of the assessment eligible for exemption. For the first year immediately following the date upon which the improvement become assessable, 100 percent of the assessed valuation of the eligible improvement shall be exempted from real estate tax. In subsequent years, the amount exempted from real estate tax is reduced by 10 percent each year, and after the tenth year, the exemption shall terminate.

The exempted portion of the assessable improvement is not included on the property owner's tax bill. The exemption from taxes is upon the eligible property and does not terminate upon the sale or exchange of the property.

The exemption from real estate taxes provided for herein shall be forfeited by the Applicant and/or any subsequent owner of the real estate upon the occurrence of failure to pay any non-exempt real estate taxes by the last day of the time period to pay such taxes in the penalty period.

The following local taxing authorities within the County have enacted LERTA ordinances or resolutions:

- City of Reading
- Borough of Wyomissing
- Bethel Township

- Borough of Birdsboro
- Bern Township

The County has forgone real estate tax revenue as a result of LERTA tax abatement agreements entered into by the Commonwealth of Pennsylvania which was approximately \$579,500 for the year ended December 31, 2019.

Keystone Opportunity Zone Program (KOZ) Program

The KOZ Program provides 100% abatement of real property taxation on the assessed valuation of deteriorated property in an area designated as a subzone within this Commonwealth. The real property tax abatements under this program are authorized under Act 92 of 1998, P.L. 705, as amended (the “Act”), which was passed by the General Assembly of Pennsylvania.

For a qualified business to qualify each year for property tax abatement under the Act, a business shall own or lease real property in a Subzone from which the business actively conducts a trade, profession or business. The qualified business shall receive certification from the Department that the business is located and is in the active conduct of a trade, profession or business, within the Subzone. The business shall obtain annual renewal of the certification from the Department to continue to qualify as a qualified business. For a property owner to qualify each year for property tax abatement under the Act, the property owner must apply annually to the Department in order to receive approval for property tax abatement, as required by Section 907 of the Act. The deadline to file a KOZ application is December 31st of the year for which benefits are to be received. Applicants must be in full compliance with all state and local tax laws and building and housing code provisions, in order to claim property tax abatements offered in the Act. Compliant applications will receive an approval letter from the Department. The approval letter is verification of eligibility to receive KOZ benefits from state and local entities. Property tax abatement is applied by way of exemption of assessed value. The Pennsylvania Department of Revenue reserves the right to conduct an audit of an applicant for benefits to ensure full compliance with the Act. Any party improperly receiving KOZ tax benefits must return all tax benefits received and will be subject to the applicable interest, civil and criminal penalty provisions in the Act.

The County has forgone real estate tax revenue as a result of KOZ tax abatement agreements entered into by the Commonwealth of Pennsylvania which was approximately \$181,500 for the year ended December 31, 2019.

NOTE 5: INTERFUND BALANCES AND ACTIVITY

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

Interfund receivable and payable balances of each individual fund as of December 31, 2019 are as follows:

	<u>Due from other funds</u>	<u>Due to other funds</u>
Governmental funds:		
General Fund	\$ -	\$ 5,573,431
Children and Youth Services	-	8,235,740
Health Choices	59,384	-
Nonmajor	3,514,797	-
	<u>3,574,181</u>	<u>13,809,171</u>
Proprietary funds:		
Berks County Residential Center	1,938,838	-
Berks Heim	8,296,152	-
	<u>10,234,990</u>	<u>-</u>
Total	<u><u>13,809,171</u></u>	<u><u>13,809,171</u></u>

Transfers represent the settlement of interfund transactions between the general fund and other types of funds. Transfers may cover temporary cash shortfalls or be a permanent allocation of local tax resources.

Transfers of each individual fund in 2019 are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental funds:		
General Fund	\$ 3,560,279	\$ 10,664,482
Children and Youth Services	6,272,424	305,855
Health Choices	-	13,315
Nonmajor	4,428,521	2,188,595
	<u>14,261,224</u>	<u>13,172,247</u>
Proprietary funds:		
Berks County Residential Center	-	1,088,977
Berks Heim	-	-
	<u>-</u>	<u>1,088,977</u>
Total	<u><u>14,261,224</u></u>	<u><u>14,261,224</u></u>

The majority of the amounts noted above are comprised of these transfers:

- Transfers of \$17,506,283 were made from the General Fund to several funds during 2019 to cover deficits in several special revenue funds.

- Transfers of \$1,725,024 were made from the Special Legislation Special Revenue Fund to the General Fund for Adult Probation Office wage reimbursements.
- Transfers of \$1,430,402 were made from the General Fund to the Drug and Alcohol Special Revenue Fund for County contributions to the Council on Chemical Abuse.
- Transfers of \$1,088,977 were made from Berks County Residential Center to the General Fund for rental of space.

NOTE 6: CAPITAL ASSETS

A. Primary government

1. Capital assets

Capital asset activity for the year ended December 31, 2019 was as follows:

- **Governmental activities:**

	Beginning Balance	Additions/ Transfers in	Retirements/ Transfers out	Transfers Between Activities	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 13,525,728	\$ -	\$ -	\$ -	\$ 13,525,728
Historical Treasures	2,279,644	-	-	-	2,279,644
Agricultural Easements	81,438,317	1,096,326	-	-	82,534,643
Software In Progress	5,675,272	2,202,127	-	-	7,877,399
Construction In Progress	6,961,356	5,592,861	-	(4,281,313)	8,272,904
Total capital assets, not being depreciated	<u>109,880,317</u>	<u>8,891,314</u>	<u>-</u>	<u>(4,281,313)</u>	<u>114,490,318</u>
Capital assets, being depreciated:					
Land and Improvements	3,764,671	-	-	-	3,764,671
Bldgs and Improvements	213,392,043	876,208	-	-	214,268,251
Furniture, Fixtures, Equip & Vehicles	82,887,908	4,865,619	(754,869)	851,010	87,849,668
Infrastructure	31,814,683	(12,441)	-	3,429,941	35,232,183
Total capital assets, being depreciated	<u>331,859,305</u>	<u>5,729,386</u>	<u>(754,869)</u>	<u>4,280,951</u>	<u>341,114,773</u>
Total capital assets, historical cost	<u>441,739,622</u>	<u>14,620,700</u>	<u>(754,869)</u>	<u>(362)</u>	<u>455,605,091</u>
Less accumulated depreciation for:					
Land and Improvements	1,798,412	165,221	-	-	1,963,633
Bldgs and Improvements	122,477,461	5,857,811	-	-	128,335,272
Furniture, Fixtures, Equip & Vehicles	30,028,882	5,042,041	(754,869)	-	34,316,054
Infrastructure	4,084,283	893,585	-	-	4,977,868
Total accumulated depreciation	<u>158,389,038</u>	<u>11,958,658</u>	<u>(754,869)</u>	<u>-</u>	<u>169,592,827</u>
Net capital assets, being depreciated	<u>173,470,267</u>	<u>(6,229,272)</u>	<u>-</u>	<u>4,280,951</u>	<u>171,521,946</u>
Total capital assets, net of accumulated depreciation	<u>\$ 283,350,584</u>	<u>\$ 2,662,042</u>	<u>\$ -</u>	<u>\$ (362)</u>	<u>\$ 286,012,264</u>

- **Business-type activities:**

	Beginning Balance	Additions/ Transfers in	Retirements/ Transfers out	Transfers Between Activities	Ending Balance
Capital assets, not being depreciated:					
Construction In Progress	\$ 35,398	\$ 2,232,536	\$ -	\$ -	\$ 2,267,934
Capital assets, being depreciated:					
Buildings and improvements	48,347,546	49,772	-	-	48,397,318
Furniture, fixtures, equipment and vehicles	4,884,648	327,996	-	-	5,212,644
Total capital assets, being depreciated	53,232,194	377,768	-	-	53,609,962
Total capital assets, historical cost	53,267,592	2,610,304	-	-	55,877,896
Less accumulated depreciation for:					
Buildings and improvements	15,943,514	1,271,892	-	-	17,215,406
Furniture, fixtures, equipment and vehicles	4,343,801	148,943	-	-	4,492,744
Total accumulated depreciation	20,287,315	1,420,835	-	-	21,708,150
Net capital assets, being depreciated	32,944,879	(1,043,067)	-	-	31,901,812
Total capital assets, net of accumulated depreciation	\$ 32,980,277	\$ 1,189,469	\$ -	\$ -	\$ 34,169,746

2. Depreciation expense

Depreciation expense was charged to functions/programs of the primary government during 2019 as follows:

- **Governmental activities:**

Judicial	\$ 272,225
Public safety	4,271,984
Public works	1,081,262
General government	5,741,253
Human services	67,162
Community and economic development	53,397
Culture and recreation	471,375
Total	<u>\$ 11,958,658</u>

- **Business-type activities:**

Berks County Residential Center	\$ 318,720
Berks Heim	1,102,115
Total	<u>\$ 1,420,835</u>

3. Capital projects commitments

The County Security project is in the initial phase with expenditures to date totaling \$30,521. The project is scheduled to go out for bid in late spring or early summer 2019. Management anticipates this project to be completed by December 31, 2021 with a projected final cost of approximately \$3.7 million.

The Wastewater Treatment Plant Renovation project is in the construction phase with expenditures to date totaling \$1,714,549. Management anticipates this project to be completed by December 31, 2020 with a projected final cost of approximately \$3.2 million.

The Agricultural Center Renovation project is in the construction phase with expenditures to date totaling \$74,757. Management anticipates this project to be completed by December 31, 2021 with a projected final cost of approximately \$2.0 million.

The Department of Emergency Services GPS project is in the construction phase with expenditures to date totaling \$1,150,000. Management anticipates this project to be completed by December 31, 2020 with a projected final cost of approximately \$2.3 million.

The Department of Emergency Services Mount Penn Tower Redevelopment project is in the construction phase with expenditures to date totaling \$727,450. Management anticipates this project to be completed by December 31, 2020 with a projected final cost of approximately \$1.7 million.

The Dreibelbis Station Bridge project is in the construction phase with expenditures to date totaling \$2,359,564. Management anticipates this project to be completed by December 31, 2020 with a projected final cost of approximately \$5.2 million.

The Zettlemoyer's Bridge project is in the construction phase with expenditures to date totaling \$685,849. Management anticipates this project to be completed by December 31, 2020 with a projected final cost of approximately \$2.0 million.

The Althouse Mill Bridge project is in the design phase with expenditures to date totaling \$16,745. Management anticipates this project to be completed by December 31, 2022 with a projected final cost of approximately \$.1 million.

The Ebling Memorial Bridge project is in the design phase with expenditures to date totaling \$163,685. Management anticipates this project to be completed by December 31, 2021 with a projected final cost of approximately \$1.7 million.

The Peach Street Bridge project is in the design phase with expenditures to date totaling \$22,550. Management anticipates this project to be completed by December 31, 2021 with a projected final cost of approximately \$.2 million.

The Glendale Bridge project is in the design phase with expenditures to date totaling \$126,153. Management anticipates this project to be completed by December 31, 2021 with a projected final cost of approximately \$.6 million.

The Pinnacle View Bridge project is in the design phase with expenditures to date totaling \$49,293. Management anticipates this project to be completed by December 31, 2021 with a projected final cost of approximately \$1.0 million.

The Parks Department is undertaking several projects at various locations throughout the County with expenditures to date totaling \$228,907. Management anticipates these projects to be completed by December 31, 2023 with a projected final cost of approximately \$1.7 million.

B. Component units

1. Reading Regional Airport Authority

Capital asset activity for the year ended September 30, 2019 was as follows:

Depreciation expense for the Authority for the year ended September 30, 2019 was \$2,334,095.

	Balance October 1, 2018	Additions	Deletions (Reclass)	Balance September 30, 2019
Capital assets not being depreciated:				
Land	\$ 4,636,399	\$ -	\$ -	\$ 4,636,399
Air easement rights	103,002	-	-	103,002
Construction in progress	<u>2,516,813</u>	<u>1,404,003</u>	<u>(410,428)</u>	<u>3,510,388</u>
Total not being depreciated	7,256,214	1,404,003	(410,428)	8,249,789
Capital assets being depreciated:				
Terminal building	8,191,642	-	-	8,191,642
Other buildings and related improvements	11,460,286	4,981,163	-	16,441,449
Sanitary sewer system	5,025,489	-	80,740	5,106,229
Land improvements	9,305,878	-	-	9,305,878
Runway improvements	36,977,307	-	329,688	37,306,995
Machinery and equipment	<u>3,810,339</u>	<u>-</u>	<u>-</u>	<u>3,810,339</u>
Total being depreciated	74,770,941	4,981,163	410,428	80,162,532
Less accumulated depreciation:				
Terminal building	3,793,741	137,720	-	3,931,461
Other buildings and related improvements	9,517,386	389,309	-	9,906,695
Sanitary sewer system	1,476,237	133,038	-	1,609,275
Land improvements	7,653,361	229,079	-	7,882,440
Runway improvements	20,459,066	1,344,499	-	21,803,565
Machinery and equipment	<u>3,231,825</u>	<u>100,450</u>	<u>-</u>	<u>3,332,275</u>
Total accumulated depreciation	46,131,616	2,334,095	-	48,465,711
 Total capital assets being depreciated, net	 <u>28,639,325</u>	 <u>2,647,068</u>	 <u>410,428</u>	 <u>31,696,821</u>
Total Capital Assets, Net	<u>\$ 35,895,539</u>	<u>\$ 4,051,071</u>	<u>\$ -</u>	<u>\$ 39,946,610</u>

For the year ended September 30, 2019, the \$4,981,163 addition to other buildings and related improvements was the cost a lessee paid to construct a new hangar which was capitalized and is being depreciated.

B. Component units (continued)

1. Reading Regional Airport Authority (Continued)

Construction in progress/commitments

Construction projects in progress at September 30, 2019 consist of the following:

Airport Security Fence	\$ 2,313,254
Rehab West/North Apron	232,117
Terminal HVAC Upgrade	<u>965,017</u>
	<u>\$ 3,510,388</u>

At September 30, 2019, the Authority has \$1,969,417 in contracts relating to the West & North Apron Rehab projects, with \$1,969,417 of outstanding commitments remaining.

Related to the construction in progress and operations, the Authority has been awarded grants to fund approved outstanding capital improvement projects. The following are the amounts remaining on the grants and the local match commitment at September 30, 2019:

	<u>Federal Grant</u>	<u>State Grant</u>	<u>Local Match</u>	<u>Totals</u>
Obstruction Removal	\$ 810	\$ 46	\$ 46	\$ 902
Rehab West/North Apron	2,116,375	-	235,153	2,351,528
Runway 13-31 Surface Sensor	31,661	1,759	1,759	35,179
Terminal HVAC Upgrade	<u>-</u>	<u>31,612</u>	<u>31,612</u>	<u>63,224</u>
Total Grants	<u>\$ 2,148,846</u>	<u>\$ 33,417</u>	<u>\$ 268,570</u>	<u>\$ 2,450,833</u>

2. Reading Area Community College

Capital asset activity for the year ended June 30, 2019 is as follows:

Depreciation expense for the College for the year ended June 30, 2019 was \$2,312,246.

	Balance July 1, 2018	Additions	Deletions (Reclass)	Balance June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 1,081,556	\$ -	\$ -	\$ 1,081,556
Construction in progress	716,884	1,627,442	(1,075,186)	1,269,140
Total capital assets, not being depreciated	<u>1,798,440</u>	<u>1,627,442</u>	<u>(1,075,186)</u>	<u>2,350,696</u>
Capital assets, being depreciated:				
Buildings and improvements	68,960,949	51,577	1,071,728	70,084,254
Equipment, furnishings and library books	10,496,728	568,172	(98,334)	10,966,566
Total capital assets, being depreciated	<u>79,457,677</u>	<u>619,749</u>	<u>973,394</u>	<u>81,050,820</u>
Total capital assets, historical cost	<u>81,256,117</u>	<u>2,247,191</u>	<u>(101,792)</u>	<u>83,401,516</u>
Less accumulated depreciation for:				
Buildings and improvements	31,007,134	1,749,921	(3,458)	32,753,597
Equipment, furnishings and library books	8,223,504	562,325	(93,450)	8,692,379
Total accumulated depreciation	<u>39,230,638</u>	<u>2,312,246</u>	<u>(96,908)</u>	<u>41,445,976</u>
Total capital assets being depreciated, net	<u>40,227,039</u>	<u>(1,692,497)</u>	<u>1,070,302</u>	<u>39,604,844</u>
Total capital assets, net of accumulated depreciation	<u>\$ 42,025,479</u>	<u>\$ (65,055)</u>	<u>\$ (4,884)</u>	<u>\$ 41,955,540</u>

NOTE 7: RETIREMENT PLANS

A. Primary government

1. General information about the Plan

Plan description. The County provides a single-employer defined benefit pension plan, the Berks County Employees' Pension Plan ("BCEPP") that covers all employees of the County. All employees expected to work over 1,000 hours per year are required to enter the plan, and County elected officials have the option of enrolling in the plan. The plan is included in the financial statements of the County as a retirement trust fund and does not issue a separate financial statement. The plan provides retirement, disability and death benefits to plan members and their beneficiaries pursuant to Act 96 of 1971 of the Commonwealth of Pennsylvania (County Pension Law), which may be amended by the General Assembly of the Commonwealth of Pennsylvania. BCEPP is administered by the Berks County Employees' Retirement Fund Board ("Board"). Management of BCEPP is vested in the Board, which consists of five members – three elected County Commissioners, the County Controller, and the County Treasurer.

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

On an ad hoc basis, cost-of-living adjustments to each member's retirement allowance shall be reviewed at least once in every three years subsequent to the member's retirement date. The adjustment, should the County elect to give one, is a percentage of the change in the Consumer Price Index.

Employees covered by benefit terms. At December 31, 2019, the following employees were covered by benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	1,340
Inactive plan members entitled to but not yet receiving benefits	284
Active plan members	1,950
Total members	<u>3,574</u>

Contributions. An actuarially determined contribution is recommended by the plan actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with additional amount to finance an unfunded accrued liability. For the 2019 measurement period, the active member contribution rate was 5.0 percent of annual pay, and the County average contribution rate was 4.05 percent of annual payroll.

2. Net Pension (Asset) Liability

The County's net pension (asset) liability was measured as of December 31, 2019, and the total pension asset used to calculate the net pension (asset) liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension asset in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: 3.0 percent
- Salary increase: 3.5 percent, average, including inflation
- Investment rate of return: 7.5 percent, net of pension plan investment expense, including inflation.

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

The actuarial assumptions used in the valuation for the 2019 measurement period were based on past experience under the plan and reasonable future expectations which represent our best estimate of anticipated experience under the plan. An actuarial experience study was performed during 2016; however, no modifications to assumptions were made as a result.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation for the 2019 measurement period (see pension plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic equity	5.4-6.4%
International equity	5.5-6.5%
Fixed income	1.3-3.3%
Real estate	4.5-5.5%
Cash	0.0-1.0%

Discount rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (i.e. no depletion date is projected to occur). See pages RSI 7 and 8 for further information.

Changes in Net Pension Asset (Liability)

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Asset (Liability) (b)-(a)
Balance at December 31, 2018	\$ 453,333,001	\$ 429,345,862	\$ (23,987,139)
Changes for the year:			
Service cost	9,947,632	-	(9,947,632)
Interest cost	34,184,164	-	(34,184,164)
Difference between expected and actual experience	3,992,429	-	(3,992,429)
Changes of Assumptions	-	-	-
Contributions - County	-	4,411,739	4,411,739
Contributions - member	-	7,347,118	7,347,118
Net investment income	-	66,553,930	66,553,930
Benefit payments, including refunds of member contributions	(23,391,279)	(23,391,279)	-
Administrative expense	-	(69,133)	(69,133)
Net changes	<u>24,732,946</u>	<u>54,852,375</u>	<u>30,119,429</u>
Balance at December 31, 2019	<u>\$ 478,065,947</u>	<u>\$ 484,198,237</u>	<u>\$ 6,132,290</u>

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

Discount rate	Net Pension Asset (Liability)
1% decrease (6.5%)	\$ (47,828,194)
Current Discount Rate (7.5%)	\$ 6,132,290
1% increase (8.5%)	\$ 39,611,731

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available on pages FS 13 and FS 14 of this financial statement.

3. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

At December 31, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Total Pension Liability		Plan Fiduciary Net Position		Assumptions	Total
	(Outflow)	Inflow	(Outflow)	Inflow	(Outflow)	
Deferred Inflow/(Outflow) of Resources as of January 1, 2019	\$ (3,882,409)	\$ 4,725,812	\$ (52,894,719)	\$ 16,469,617	\$ (4,501,618)	\$(40,083,317)
Differences Between Expected and Actual Experience for 2019	(3,992,429)	-	-	34,782,735	-	30,790,306
Portion Recongnized in 2019 Pension Expense	<u>(1,806,219)</u>	<u>1,498,138</u>	<u>(18,252,147)</u>	<u>12,446,420</u>	<u>(1,097,955)</u>	<u>(7,211,763)</u>
Deferred (Inflow)/Outflow of Resources as of December 31,2019 :(1)+(2)-(3)	(6,068,619)	3,227,674	(34,642,572)	38,805,932	(3,403,663)	\$ (2,081,248)
Change in Deferred (Inflow)/Outflow of Resources as of December 31, 2019:						\$ 38,002,069

**Determined as follows:*

Projected Earnings on Plan Investments for 2019	\$ 31,771,195
Actual Earnings on Plan Investments fro 2019	<u>66,553,930</u>
Difference Between Expected and Actual Exp.	<u>\$ 34,782,735</u>

For the 2019 year, the County recognized pension expense of \$12,294,379. Amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended:	
2020	\$ (539,630)
2021	(584,287)
2022	(6,954,679)
2023	5,997,348
2024	-
Thereafter	-
Total:	<u>\$ (2,081,248)</u>

4. Payable to the Pension Plan

For the year ended December 31, 2019, the County had no outstanding amount of contributions to the pension plan required for the year ended December 31, 2019.

B. Component units

1. Reading Regional Airport Authority

The Authority contributes to the Central Pennsylvania Teamsters Pension Fund (CPTPF), a Multi-Employer Defined Contribution Pension Plan on behalf of the employees covered by the collective bargaining unit.

In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. Employees are eligible for participation in the Plan after they have been employed by the Authority for 13 weeks. The collective bargaining agreement requires the Authority to contribute a fixed amount per employee each month; this contribution amount was \$486 at September 30, 2019. The Authority's contributions for each employee are fully vested when made. The pension contribution for the year ended September 30, 2019 was \$46,580.

Employees not covered by the CPTPF receive an amount not in excess of five percent of their base salary, which is contributed to their respective 403(b) account. The Authority's contribution for the year ended September 30, 2019 was \$12,994.

2. Reading Area Community College

Retirement Plans

Employees of the College are enrolled in one of three retirement plans. The Pennsylvania State Employees' Retirement System ("SERS") and the Public School Employees' Retirement System ("PSERS") each administer a cost-sharing, multiple employer defined benefit plan. The Teachers Insurance and Annuity Association/College Retirement and Equity Fund ("TIAA/CREF") administers a multiple employer defined contribution plan. Employees who were previously a member of SERS or PSERS and have not withdrawn their funds in full are automatically enrolled in SERS or PSERS upon employment with the College; otherwise, only the TIAA/CREF is available to new employees.

Employee Defined Benefit Pension Plans

Summary of Significant Accounting Policies

Pension Plans

The college accounts for the SERS and PSERS plans under the provisions of GASB Statement No. 68, which establishes standards for the measurement, recognition, and display of pension expense and related liabilities, deferred outflows and deferred inflows of resources related to pension, certain required supplementary information, and note disclosures.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of PSERS and SERS and additions to/deductions from PSERS and SERS fiduciary net position have been determined on the same basis as they are reported by PSERS and SERS. For the purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments from these are reported at fair value.

General Information about the Pension Plan

Plan descriptions

SERS is a governmental cost-sharing multi-employer defined benefit pension plan established by the Commonwealth of Pennsylvania to provide pension benefits for employees of state

government and certain independent agencies. SERS is a component unit of the Commonwealth and is included in the Commonwealth's financial report as a pension trust fund.

PSERS is a governmental cost-sharing multi-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania under Title 24 Part IV of the Pennsylvania General Assembly. The members eligible to participate in the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.psers.pa.gov.

Benefits provided

SERS provides retirement, death, and disability benefits. Cost of Living Adjustments (COLA) are provided ad hoc at the discretion of the General Assembly. Article II of the Commonwealth of Pennsylvania's Constitution assigns the authority to establish and amend the benefit provision of the plan to the General Assembly. Member retirement benefits are determined by taking years of credited service times final average salary times two percent times class of service multiplier. According to the State Employees' Retirement Code (retirement code), all obligations of SERS will be assumed by the Commonwealth should SERS terminate.

Prior to Act 2010-120, employees who retire at age 60 with three years of service, or with 35 years of service if under age 60, are entitled to a normal annual retirement benefit. Members of the General Assembly and certain employees classified in hazardous duty positions can retire with full benefits at age 50, with at least three years of service. Act 2010-120 preserved all benefits in place for members, but mandated a number of benefit reductions for new members effective January 1, 2011. The benefit reduction included a new class of membership that accrues benefits at 2 percent of their final average salary instead of the previous 2.5 percent. The new vesting period changed from five to ten years of credited service, and the option to withdraw lump-sum accumulated benefits.

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least one year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who became new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of three years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service. Benefits are generally equal to 2 percent or 2.5 percent, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

PSERS participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2 percent or 2.5 percent, depending

upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits.

Death benefits are payable upon the death of an active PSERS member who has reached age 62 with at least one year of credited service (age 65 with at least three years of credited service for Class T-E and Class T-F members) or who has at least five years of credited service (ten years for Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member has retired on the day before death.

Contributions

Pursuant to Section 5507 of the SERC (71 PA. C.S. section 5507) requires the Commonwealth and other employers whose employees are SERS members to make contributions to the fund on behalf of all active members and annuitants necessary to fund the liabilities and provide the annuity reserves required to pay benefits. SERS funding policy, as set by the board, provides for periodic active member contributions at statutory rates. The SERS funding policy, as set by the board, provides for periodic active member contributions at statutory rates. The SERS funding policy also provides for periodic employer contributions at actuarially determined rates based on SERS funding valuation, expressed as a percentage of annual retirement covered payroll, such that they, along with employee contributions and an actuarially determined rate of investment return, are adequate to accumulate assets to pay benefits when due. However, Act 2010-120 imposes rate increase collars (limits on annual rate increases) on employer contributions that keep the employer contribution rate below the rates established in accordance with the actuarial parameters. The collar of the Commonwealth fiscal year 2015-2016 was 4.5 percent and no longer applied effective July 1, 2017.

SERS Member Contributions:

The general membership contribution rate for all Class A and Class AA members is 5 percent and 6.25 percent of salary, respectively. The general membership contribution rate under Act 2010-120 for A-3 and A-4 members is 6.25 percent and 9.3 percent of salary, respectively. The contribution rate for Class D-4 members is 7.5 percent. All employee contributions are recorded in individually identified accounts that are credited with interest, calculated at 4 percent per annum, as mandated by statute.

SERS Employer Contributions:

Participating employer contributions for SERS are based upon an actuarially determined percentage of gross pay that is necessary to provide SERS with assets sufficient to meet the benefits to be paid to members. The College contribution rate at June 30, 2019 ranged between 27.55 percent and 34.44 percent of gross pay depending on the class of the employee. Contributions to the pension plan from the College were \$19,593 for the year ended June 30, 2019. The contribution policy is set by state statute and requires contributions by active members, employees and the Commonwealth of Pennsylvania.

PSERS Member Contributions:

Active members who joined the System prior to July 22, 1983, contribute at 5.25 percent (Membership Class T-C) or at 6.50 percent (Membership Class T-D) of the member's qualifying compensation.

Members who joined the System on or after July 22, 1983, and who were active or inactive as of July 1, 2001, contribute at 6.25 percent (Membership Class T-C) or at 7.50 percent (Membership Class T-D) of the member's qualifying compensation.

Members who joined the System after June 30, 2001 and before July 1, 2011, contribute at 7.50 percent (automatic Membership Class T-D). For all new hires and for members who elected Class T-D membership, the higher contribution rates began with service rendered on or after January 1, 2002.

Members who joined the System after June 30, 2011 automatically contribute at the Membership Class T-E rate of 7.5 percent (base rate) of the member's qualifying compensation. All new hires after June 30, 2011, who elect Class T-F membership, contribute at 10.3 percent (base rate) of the member's qualifying compensation. Membership Class T-E and Class T-F are affected by a "shared risk" provision in Act 120 of 2010 that in future fiscal years could cause the Membership Class T-E contribution rate to fluctuate between 7.5 percent and 9.5 percent and Membership Class T-F contribution rate to fluctuate between 10.3 percent and 12.3 percent.

PSERS Employer Contributions:

The College's contractually required contribution rate for fiscal year ended June 30, 2019 was 32.60 percent of covered payroll of which the Commonwealth of Pennsylvania contributes 50 percent of the College's contractually required contributions. The contractually required contribution is actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The rate was certified by the PSERS Board of Trustees. Contributions to the pension plan from the College were \$407,862 for the year ended June 30, 2019.

PSERS State Contributions:

Pursuant to Section 8327 of the PSERS Retirement Code, the Commonwealth of Pennsylvania funds 50 percent of the College's retirement expense directly to the plan. This arrangement does meet the criteria of a special funding situation in accordance with GASB standards. Therefore, the net pension liabilities and related pension expense represent 50 percent of the College's share of these amounts.

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions

The College reported a net pension liability of \$4,117,754 for the year ended June 30, 2019, consisting of \$229,754 related to SERS and \$3,888,000 related to PSERS.

At June 30, 2019, the College reported a liability of \$229,754 for its proportionate share of the SERS net pension liability. The SERS net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of December 31, 2017 to December

31, 2018. The College's proportion of the SERS net pension liability was calculated utilizing the projected employer's contributions for the following year as it relates to the total projected employer's contributions for the following year. At December 31, 2018, the College's proportion was 0.0011 percent, which is unchanged from its proportion measured as of December 31, 2017.

At June 30, 2019, the College reported a liability for its proportionate share of the PSERS net pension liability that reflected a reduction for Commonwealth of Pennsylvania pension support provided to the College. The amount recognized by the College as its proportionate share of the net pension liability, the related Commonwealth support, and the total portion of the net pension liability that was associated with the College are as follows:

College's proportional share of the net pension liability	\$ 3,888,000
Commonwealth's proportional share of the net pension liability	<u>3,888,000</u>
 Total proportionate share of the net pension liability	 <u>\$ 7,776,000</u>

The PSERS net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2017 to June 30, 2018. The College's proportion of the PSERS net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2019, the College's proportion was 0.0081 percent, which was a decrease of 0.0008 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the College recognized total pension expense from the two plans of \$255,251. At June 30, 2019, the College 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>
Net difference between projected and actual investment earnings	\$ 41,354	\$ -
Change of assumptions	78,121	-
Difference between expected and actual experience	34,448	62,490
Changes in proportions	15,547	557,711
Difference between employer contributions and proportionate share of total contributions	2,778	4,470
Contributions subsequent to the measurement date	<u>407,862</u>	<u>-</u>
	<u>\$ 580,110</u>	<u>\$ 624,671</u>

The \$407,862 reported as deferred outflows of resources resulting from College pension contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the years ending June 30:

2020	\$	(121,992)
2021		(154,683)
2022		(169,360)
2023		(6,329)
2024		<u>(59)</u>
	\$	<u>(452,423)</u>

SERS Actuarial Assumptions

The actuarial valuation uses assumptions regarding future rates of investment return and rates of retirement, withdrawal, death, and disability among SERS members and their beneficiaries. The current set of assumptions used in the December 31, 2018 actuarial valuation, with the exception of the discount rate assumption, was adopted by the State Employees' Retirement Board based upon actual experience of SERS during the years 2011 through 2015. Based upon subsequent review of SERS investment data and results, the Board approved a reduction in the assumed discount rate from 7.50 percent to 7.25 percent effective as of the December 31, 2011 actuarial valuation and most recently approved a reduction in the discount rate from 7.50 percent to 7.25 percent effective as of the December 31, 2016 actuarial valuation. In addition, the SERS Board approved a reduction in the inflation rate from 2.75 percent to 2.60 percent effective as of the December 31, 2016 actuarial valuation. The change in inflation rate also impacted the general salary growth rate, which was lowered to 2.90 percent for the 2016 actuarial valuation from 3.05 percent used for the 2015 actuarial valuation based on the experience study. The following actuarial assumptions applied to all periods included in the measurement:

- Actuarial cost method: Entry Age Normal.
- Investment return: 7.25 percent, includes inflation at 2.60 percent.
- Salary increases: Effective average of 5.60 percent, with a range of 3.70 percent and 8.90 percent including inflation at 2.60 percent.
- Mortality rates were based on the RP-2000 Mortality Tables adjusted for actual plan experience and future improvement.

PSERS Actuarial Assumptions

The total pension liability as of June 30, 2018 was determined by rolling forward the System's total pension liability as of the June 30, 2017 actuarial valuation to June 30, 2018 using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method: Entry Age Normal - level of percent pay
- Investment return: 7.25 percent, includes inflation at 2.75 percent.
- Salary growth: Effective average of 5.00 percent, comprised of inflation of 2.75 percent and 2.25 percent for real wage growth and merit or seniority increases
- Mortality rates were based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience, and projected using a modified version of the MP-2015 Mortality Improvement Scale.

The long-term expected rate of return on both pension plans' investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The SERS pension plan's policy in regard to the allocation of invested plan assets is established and may be amended by the board. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension. The below was the SERS board's adopted asset allocation policy and best estimates of arithmetic real rates of return for each major asset class as of December 31, 2018.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Private equity	16.0%	7.25%
Global public equity	48.0%	5.15%
Real estate	12.0%	5.26%
Multi-strategy	10.0%	4.44%
Fixed income	11.0%	1.26%
Cash	3.0%	0.00%
	100.0%	

The PSERS pension plan's policy in regard to the allocation of invested plan assets is established and may be amended by the PSERS board. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension. The below was the PSERS board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2018.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global public equity	20.0%	5.2%
Fixed income	36.0%	2.2%
Commodities	8.0%	3.2%
Absolute return	10.0%	3.5%
Risk parity	10.0%	3.9%
Infrastructure/MLP's	8.0%	5.2%
Real estate	10.0%	4.2%
Alternative investments	15.0%	6.7%
Cash	3.0%	0.4%
Financing (LIBOR)	-20.0%	9.0%
	<u>100.0%</u>	

Discount Rate: SERS and PSERS

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the College's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 7.25 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.25%) or 1-percentage point higher (8.25%) than the current rate:

	<u>1% Decrease 6.25%</u>	<u>Current Discount Rate 7.25%</u>	<u>1% Increase 8.25%</u>
College's proportionate share of the SERS net pension liability	\$ 282,119	\$ 229,754	\$ 184,880
College's proportionate share of the PSERS net pension liability	4,820,000	3,888,000	3,101,000

Pension Plan Fiduciary Net Position

Detailed information about PSERS' fiduciary net position is available in PSERS Comprehensive Annual Financial Report which can be found on the System's website at www.psers.pa.gov.

Detailed information about SERS' fiduciary net position is available in SERS Comprehensive Annual Financial Report which can be found on the System's website at www.sers.pa.gov.

Payable to the Pension Plan

At June 30, 2019, the College had an accrued balance due to PSERS, including contributions related to pension and OPEB liabilities of \$104,987. This amount represents the College's contractually obligated contributions for wages earned in April 2019 through June 2019. The balance was paid in September 2019.

Employee Defined Contribution Pension Plan

TIAA-CREF is a cost-sharing multi-employer defined contribution plan and an option to employees who wish to participate in a program whose benefits depend solely on amounts contributed plus investment earnings. Employees who elect to participate in this plan are required to make a contribution of 6.25 percent (5% if enrolled before 1983) of their gross pay. The College contribution rate at June 30, 2018 was between 6.00 percent and 9.00 percent of gross pay depending on the class of employee. Beyond that salary-based contribution, the College bears no responsibility for any liabilities, funded or unfunded, of TIAA/CREF. Contributions are immediately and fully vested. The contributions to TIAA-CREF for the year ended June 30, 2019 was \$1,944,685, which consisted of \$1,131,933 from the College and \$812,752 from employees.

403(b) Tax Shelter Plan

The College has established a 403(b) tax shelter plan permitting the establishment of accounts for college employees to voluntarily set aside monies to supplement their retirement income. All college employees are eligible to participate. The College does not contribute to the Plan.

NOTE 8: FUTURE LEASE RENTALS RECEIVABLE AND RELATED DEBT

A. Component units

1. Reading Regional Airport Authority

The majority of rental agreements currently in effect for airport facilities are multi-year leases, subject to renewal. At September 30, 2019, future minimum lease payments receivable under significant noncancelable long-term operating leases are as follows for each year ending September 30:

2020	\$	1,186,537
2021		1,039,344
2022		776,279
2023		687,101
2024		643,239
2025-2029		2,569,251
2030-2033		<u>767,678</u>
	\$	<u>7,669,429</u>

NOTE 9: RISK MANAGEMENT

A. Primary government

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. The risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past five years.

1. Self-insured workers' compensation

Since 2002, the County is exposed to risk of loss related to self-insurance activities for workers' compensation. The County has excess workers' compensation insurance with a self-insured retention per occurrence of \$600,000.

The County maintains workers' compensation reserves for claims incurred and claims incurred but not reported in the funds to which, per the County's estimate, they apply. Liabilities are reported on the government-wide and proprietary fund statements. Based on history of claims paid and the County's Aa1 Moody's rating, the required balance in the Workers' Compensation Trust Fund maintained by the County is \$325,778 for 2019.

The accrued liability for workers' compensation is determined by an actuary in accordance with actuarial principles; such claims are not discounted. There have been no changes in insurance coverage, retention limits or excess loss policies from the prior year. The amounts of settlements for the past three fiscal years did not exceed excess loss insurance coverage.

All discounted accrued workers' compensation self-insurance liabilities at December 31, 2019, are summarized as follows:

Governmental Activities	\$ 1,421,313
Business-type Activities	<u>1,062,600</u>
Total	<u>\$ 2,483,913</u>

The following summary provides aggregate information on workers' compensation self-insurance liabilities; incurred claims and payments during the years ended December 31, 2017, 2018 and 2019.

Year	January 1 Liability	Incurred Claims	Payments	December 31 Liability
2017	\$ 3,163,574	\$ 695,122	\$ 955,395	\$ 2,903,301
2018	\$ 2,903,301	\$ 630,373	\$ 880,097	\$ 2,653,577
2019	\$ 2,653,577	\$ 553,087	\$ 722,751	\$ 2,483,913

3. Self-insured healthcare

In addition to those risks noted above, the County is exposed further to risk of loss related to claims' activities for employees' healthcare. The County elected to self-insure for employee healthcare insurance beginning in 2006, and maintains healthcare reserves for claims incurred, and claims incurred but not reported, in the funds to which, per the County's estimate, they apply. Liabilities are reported on the government-wide and proprietary fund statements.

The accrued healthcare claims' liability is based on the requirements of GASB Statement 10, as amended by GASB Statement 30, which requires that a liability for claims, reported and unreported, be recorded, if information prior to the issuance of financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements, and the amount of the loss can be reasonably determined. This determination has been made by the County, to be conservative in its provisions for healthcare reserves, along with the assistance of its healthcare insurance advisor.

The County has contracted with a third party administrator to process claims which are paid from the General Fund on a monthly basis. During 2019, the County has incurred and processed healthcare claims of \$33.6 million.

All accrued incurred but not recorded (IBNR) healthcare claims liabilities at December 31, 2019, are summarized as follows:

Governmental Activities	\$ 1,335,197
Business-type Activities	<u>323,499</u>
Total	<u>\$ 1,658,696</u>

The following summary provides aggregate information on healthcare self-insurance liabilities, incurred claims and payments during the years ended December 31, 2017, 2018 and 2019.

Year	January 1 Liability	Incurred Claims	Payments	December 31 Liability
2017	\$ 1,998,116	\$ 31,678,832	\$ 31,877,983	\$ 1,798,965
2018	\$ 1,798,965	\$ 32,020,106	\$ 32,010,949	\$ 1,808,122
2019	\$ 1,808,122	\$ 33,458,933	\$ 33,608,359	\$ 1,658,696

3. Health Choices self-insured healthcare

During 1997, the Commonwealth of Pennsylvania's Department of Human Services (DHS) implemented a managed care program for the Medicaid population in Pennsylvania. This program, called the Health Choices Program, was developed and implemented in stages with the County being part of the third implementation.

The County has contracted with a behavioral health managed care organization, Community Care Behavioral Health Organization (Community Care), which is responsible for most of the day to day functions including care management, establishment of the provider network, and claims payments to providers. Community Care accrues an estimate of its healthcare cost liability at the end of each accounting period. All monthly incurred claims' estimates are calculated by Community Care's actuary. The actuary uses a multitude of items in the calculation of incurred claims. Such items include authorizations, paid claims, historical trends, completion factors, provider issues, etc. Incurred claims are accrued on a monthly basis in Community Care's general ledger. Community Care and the actuary continuously monitor prior month's incurred amounts and regularly make contract year to date adjustments to Community Care's incurred balances.

Medical liability is composed of two parts: Received but Unpaid Claims (RBUCs) and IBNR. Community Care generates its estimate of RBUCs by using all claims that were actually entered into the claims' processing system using a hierarchy of paid amount, allowed amount, or billed amount to calculate the RBUCs amount. IBNR is the difference between the total estimated medical liability and the RBUCs. These are reported on the DHS Financial Report 6, Claims Payable (RBUCs and IBNRs).

The actuary issued a Statement of Actuarial Opinion certifying the total June 30, 2019 RBUC and IBNR. The County contracts with an independent actuary to review the medical expense amounts reported by Community Care to ensure the amounts are actuarially sound.

The amount of accrued incurred but not recorded (IBNR) healthcare claims' liabilities at December 31, 2019, is \$8,456,176, and is included in accrued claims health insurance in the accompanying governmental funds balance sheet.

The following summary provides aggregate information on Health Choice's self-insured healthcare liabilities, incurred claims' and payments during the years ended December 31, 2017, 2018 and 2019.

Year	January 1 Liability	Incurred Claims	Payments	December 31 Liability
2017	\$ 6,679,266	\$ 81,042,329	\$ 79,406,988	\$ 8,314,607
2018	\$ 8,314,607	\$ 84,650,922	\$ 85,297,562	\$ 7,667,967
2019	\$ 7,667,967	\$ 85,594,415	\$ 84,806,206	\$ 8,456,176

B. Component units

1. Reading Area Community College

The College is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs except for health insurance, for which the College retains partial risk of loss. For insured programs there were no significant reductions in insurance coverages of the 2018/2019 year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The College funds health insurance claims up to \$65,000 individually for the year ended June 30, 2019. Stop gap insurance is in place for claims in excess of the threshold. Included in the financial statement is a liability for \$400,000 for outstanding estimated claims at June 30, 2019. This liability is entirely funded. Activity in the liability for outstanding claims and claim adjustment expenses is summarized as follows for the period ending June 30, 2019:

Balance at July 1	\$ 400,000
Claims incurred	2,787,714
Claims paid	<u>(2,787,714)</u>
Balance at June 30	<u>\$ 400,000</u>

NOTE 10: LONG-TERM DEBT

A. Primary government

1. General obligation bonds

Governmental activities

During 2019, the County issued General Obligation Bond Series 2019 in the amount of \$57,335,000. The 2019 Series Bonds were issued at a premium of \$11,079,088 (\$11,033,664 for governmental activities and \$45,424 for business type activities). The proceeds of the bonds were used to advance refund the 2009 General Obligation Bonds Series B and the 2010 General Obligation Bonds Series C, and also as a current refunding for the 2012 General Obligation Bonds and also to pay for costs of issuance for the bond. The bond proceeds of \$57,335,000 (\$57,099,927 for governmental activities and \$235,073 for business type activities) were used to pay bond issuance costs of \$726,264 and to transfer \$68,587,824 (\$68,306,614 for governmental activities and \$281,210 for business type activities) to an escrow agent for the refunded bonds. The County contributed \$900,000 to the refinancing to reduce the amount of refinanced debt. The aggregate difference in debt service between the 2019 Series Bonds and the 2009B, 2010C, and 2012 Series Bonds totaled \$6,362,889. The economic gain on the transaction (difference between the present values of the old and new debt service payments less the County contribution) was \$4,739,317. Due to this transaction, a refunding loss is recognized in the funds where the bonds are recorded. The refunding loss will be amortized over the life of the 2019 Series Bonds.

During 2019, the County issued General Obligation Bond Series 2019A in the amount of \$8,555,000. The 2019A Series Bonds were issued at a premium of \$1,608,032. The proceeds of the bonds were used to currently refund the 2014 General Obligation Bonds and to pay for costs of issuance for the bond. The bond proceeds of \$8,555,000 were used to pay bond issuance costs of \$67,352 and to transfer \$10,095,680 to an escrow agent for the refunded bonds. The aggregate difference in debt service between the 2019A Series Bonds and the 2014 Series Bonds totaled \$1,028,539. The economic gain on the transaction (difference between the present values of the old and new debt service payments) was \$901,272. Due to this transaction, a refunding loss is recognized in the funds where the bonds are recorded. The refunding loss will be amortized over the life of the 2019A Series Bonds.

During 2019, the County issued General Obligation Bond Series 2019B in the amount of \$28,225,000. The proceeds of the bonds were used to advance refund a portion of the 2012 General Obligation Bonds Series A and to pay for costs of issuance for the bond. The bond proceeds of \$28,225,000 (\$23,678,432 for governmental activities and \$4,546,568 for business type activities) were used to pay bond issuance costs of \$223,319 and to transfer \$28,001,681 (\$23,491,086 for governmental activities and \$4,510,595 for business type activities) to an escrow agent for the refunded bonds. The aggregate difference in debt service between the 2019B Series Bonds and the 2012 Series A Bonds totaled \$2,032,189. The economic gain on the transaction (difference between the present values of the old and new debt service payments) was \$1,789,222. Due to this transaction, a refunding loss is recognized in the funds where the bonds are recorded. The refunding loss will be amortized over the life of the 2019 Series B Bonds.

At December 31, 2019, general obligation bonds consisted of the following:

	Balance outstanding January 1, 2019	Additions/ Transfers	Accretion in capital appreciation bonds	Reductions	Balance outstanding December 31, 2019	Due within one year
1993 Second Series General Obligation Bonds, \$43,057,830, varying interest rates ranging from 2.50% to 5.00% through 2020, including current interest bonds and capital appreciation bonds to advance refund a portion of the 1992 Second Series General Obligation Bonds.	\$ 28,309,526	\$ -	\$ 1,199,463	\$ 14,960,000	\$ 14,548,989	\$ 14,548,989
2005 General Obligation Bonds, \$9,415,000, varying interest rates ranging from 5.10% to 5.90% through 2021, to refund a portion of principal and interest on the Series 1995 General Obligation Bonds.	3,925,000	-	-	1,235,000	2,690,000	1,310,000
2009 General Obligation Bonds Series B Build America, \$15,050,000 (governmental activities \$14,823,000; business-type activities \$227,700), varying interest rates ranging from 1.234% to 6.133% through 2029, to fund County Capital Projects.	13,069,060	-	-	13,069,060	-	-
2010 General Obligation Bonds Series B, Recovery Zone Economic Development Bonds, \$7,790,000, varying interest rates ranging from 4.27% to 5.485% through 2025, to fund County Capital Projects.	6,185,000	-	-	785,000	5,400,000	840,000
2010 General Obligation Bonds Series C, Build America Bonds, \$42,405,000, varying interest rates ranging from 2.35% to 5.8% through 2030, to fund County Capital Projects.	42,360,000	-	-	42,360,000	-	-
2010 General Obligation Bonds Series D, \$6,550,000, varying interest rates ranging from .87% to 4.16% through 2020, to fund County Capital Projects.	1,490,000	-	-	730,000	760,000	760,000
2012 General Obligation Bonds, \$9,870,000, varying interest rates ranging from .29% to 3.125% through 2030, to refund the Second Series of 2002 General Obligation Bonds, and to fund County Capital Projects.	9,235,000	-	-	9,235,000	-	-
2012 Federally Taxable General Obligation Bonds Series A, \$37,280,000 (governmental activities \$29,940,942; business-type activities \$7,339,058), varying interest rates ranging from .382% to 3.328% through 2037 to fund County Pension Liabilities, and to fund County Capital Projects.	25,381,374	-	-	23,288,337	2,093,037	1,036,063

2013 General Obligation Bonds, \$17,785,000, varying interest rates ranging from 1% to 5% through 2033, to fund County Capital Projects.	13,910,000	-	-	665,000	13,245,000	695,000
2014 General Obligation Bonds, \$10,000,000, varying interest rates ranging from .25% to 3.0% through 2029, to advance refund a portion of the 2010 General Obligation Bonds Series A and to pay for the issuance costs associated with the bonds.	9,980,000	-	-	9,980,000	-	-
2015 General Obligation Bonds, \$44,030,000 (governmental activities \$24,656,800; business-type activities \$19,373,200), varying interest rates ranging from .18% to 5.0% through 2028, to advance refund the Series 2008 General Obligation Bonds and to advance refund the remaining portion of the 2010 Series A General Obligation Bonds.	23,240,000	-	-	302,400	22,937,600	305,200
2016 General Obligation Bonds, \$9,790,000, varying interest rates ranging from .43% to 4.0% through 2029, to advance refund the 2009 Series A General Obligation Bonds.	7,920,000	-	-	630,000	7,290,000	655,000
2019 General Obligation Bonds, \$57,335,000 (governmental activities \$57,099,927; business-type activities \$235,073), varying interest rates ranging from 2% to 5% through 2030, to advance refund the 2009 Series A General Obligation Bonds, to advance refund the 2010 Series C General Obligation Bonds and to currently refund the 2012 Series General Obligation Bonds.	-	57,099,927	-	1,080,552	56,019,375	4,980
2019 General Obligation Bonds Series A, \$8,555,000, varying interest rates ranging from 1.05% to 4.00% through 2029, to currently refund the 2014 General Obligation Bonds.	-	8,555,000	-	55,000	8,500,000	5,000
2019 Federally Taxable General Obligation Bonds Series B, \$28,225,000 (governmental activities \$23,678,432; business-type activities \$4,546,568), varying interest rates ranging from 1.717% to 2.686% through 2037, to advance refund a portion of the 2012 Series A General Obligation Bonds.	-	23,678,432	-	201,340	23,477,092	142,616
	\$ 185,004,960	\$ 89,333,359	\$ 1,199,463	\$ 118,576,689	\$ 156,961,093	\$ 20,302,848
Unamortized discount 2012	(56,861)	-	-	(56,861)	-	-
Unamortized premium 2013	2,043,401	-	-	136,226	1,907,175	-
Unamortized premium 2014	56,520	-	-	56,520	-	-
Unamortized premium 2015	2,676,811	-	-	267,681	2,409,130	-
Unamortized premium 2016	164,960	-	-	14,996	149,964	-
Unamortized premium 2019	-	11,033,664	-	919,472	10,114,192	-
Unamortized premium 2019A	-	1,608,032	-	146,185	1,461,847	-
Total	\$ 189,889,791	\$ 101,975,055	\$ 1,199,463	\$ 120,060,908	\$ 173,003,401	
Less: Current Maturities					(20,302,848)	
					<u>\$ 152,700,553</u>	

The 1993 Second Series General Obligation Bonds contain capital appreciation bonds. Each year, a portion of the principal is accreted. The full amount of the maturity value on these funds is included in the principal column of the following table, which discloses future debt service requirements:

Years ending	Principal	Interest	Total Debt Service
2020	\$ 20,302,847	\$ 5,951,769	\$ 26,254,616
2021	11,492,527	5,717,230	17,209,757
2022	11,205,693	5,211,574	16,417,267
2023	12,664,213	4,718,201	17,382,414
2024	11,605,055	4,141,856	15,746,911
2025-2029	67,498,656	13,087,644	80,586,300
2030-2034	17,120,848	2,203,695	19,324,543
2035-2037	5,071,254	303,710	5,374,964
	\$ 156,961,093	\$ 41,335,679	\$ 198,296,772
Unamortized premium	16,042,308		
Bonds and notes payable at December 31, 2019	<u>\$ 173,003,401</u>		

Business-type activities

	Balance outstanding January 1, 2019	Additions/ Transfers	Accretion in capital appreciation bonds	Reductions	Balance outstanding December 31, 2019	Due within one year
2009 General Obligation Bonds Series B Build America, \$15,050,000 (governmental activities \$14,823,000; business-type activities \$227,700), varying interest rates ranging from 1.234% to 6.133% through 2029, to fund County Capital Projects.	\$ 205,940	\$ -	\$ -	\$ 205,940	\$ -	\$ -
2012 Federally Taxable General Obligation Bonds Series A, \$37,280,000 (governmental activities \$29,940,942; business-type activities 7,339,058), varying interest rates ranging from .382% to 3.328% through 2037 to fund County Pension Liabilities, and to fund County Capital Projects.	4,873,628	-	-	4,471,665	401,963	198,938
2015 General Obligation Bonds, \$44,030,000 (governmental activities \$24,656,800; business-type activities \$19,373,200), varying interest rates ranging from .18% to 5.0% through 2028, to advance refund the Series 2008 General Obligation Bonds and to advance refund the remaining portion of the 2010 Series A General Obligation Bonds.	18,260,000	-	-	237,600	18,022,400	239,800
2019 General Obligation Bonds, \$57,335,000 (governmental activities \$57,099,927; business-type activities \$235,073), varying interest rates ranging from 2% to 5% through 2030, to advance refund the 2009 Series A General Obligation Bonds, to advance refund the 2010 Series C General Obligation Bonds and to currently refund the 2012 Series General Obligation Bonds.	-	235,073	-	4,448	230,625	20
2019 Federally Taxable General Obligation Bonds Series B, \$28,225,000 (governmental activities \$23,678,432; business-type activities \$4,546,568), varying interest rates ranging from 1.717% to 2.686% through 2037, to advance refund a portion of the 2012 Series A General Obligation Bonds.	-	4,546,568	-	38,660	4,507,908	27,384
	\$ 23,339,568	\$ 4,781,641	\$ -	\$ 4,958,313	\$ 23,162,896	\$ 466,142
Unamortized premium 2015	2,103,208	-	-	210,321	1,892,887	
Unamortized premium 2019	-	45,424	-	3,785	41,639	
Total	\$ 25,442,776	\$ 4,827,065	\$ -	\$ 5,172,419	\$ 25,097,422	
Less: Current Maturities					(466,142)	
					\$ 24,631,280	

Debt service requirements to maturity are as follows:

Years ending	Principal	Interest	Total Debt Service
2020	\$ 466,142	\$ 957,194	\$ 1,423,336
2021	3,087,474	947,680	4,035,154
2022	3,749,306	799,504	4,548,810
2023	830,787	619,550	1,450,337
2024	2,364,945	585,650	2,950,595
2025-2029	10,211,342	1,280,473	11,491,815
2030-2034	1,479,154	261,870	1,741,024
2035-2037	973,746	58,317	1,032,063
	\$ 23,162,896	\$ 5,510,238	\$ 28,673,134
Unamortized premium	1,934,526		
Bonds and notes payable at December 31, 2019	\$ 25,097,422		

2. Derivatives

In September 2016, the County entered into an interest rate basis swap agreement with a financial institution in connection with the Series C of 2010 General Obligation Bonds. The agreement effective date is November 15, 2020 and terminates automatically on the same date.

The County entered into an agreement to terminate the swap on March 20, 2019 and received a termination payment in the amount of \$900,000.

Through the use of derivative instruments, the County is exposed to a variety of risks, including credit risk, interest rate risk, termination risk, market-access risk, and basis risk. The County has diversified this risk by using various financial institutions selected via a competitive bidding process.

Basis Risk / Interest Rate Risk: – is the risk that interest rates move such that the percentage of the 1 Month LIBOR rate or 5 year ISDA rate plus fixed spread received by the County is lower than the variable rate paid by the County to the counterparty. If the percentage of the 1 Month LIBOR rate plus fixed spread received by the County is lower than the variable rate the County is paying to the counterparty under the terms of the swap, the County would be obligated to make a periodic net swap payment to the counterparty – based on market conditions, the net swap payments due by the County to the counterparty could be significant.

Tax Risk: - is the risk that the tax laws change (such as adoption of a National Flat Tax or a reduction in the marginal income tax rates) would cause a reduction or elimination of the benefits of issuing tax-exempt debt and, in this event, the percentage of the taxable (1-Month LIBOR or 5 year ISDA) market would not correlate to the tax-exempt market (SIFMA Index) on the same historic basis and the estimated benefit to the County would be significantly reduced or eliminated.

Counterparty Risk: – is the risk that the counterparty will default on their swap payments under the interest rate swap agreement to the County.

Termination Risk: – the risk that the County decides to terminate the Swap or a termination event occurs and the County is obligated to terminate the Swap and market conditions are such that the County is “out of the money.” In an “out of the money” scenario, the County would have to pay termination payment to the counterparty to terminate the Swap which could be significant.

Rollover Risk: – is the risk that the County is obligated to terminate or amend the Swap if it decides to refinance its Federally Taxable General Obligation Bonds, Series C of 2010.

Credit (Default) Risk: – is the risk that the County’s long-term credit rating is downgraded in the future, giving the counterparties an additional termination event if the County does not post the amount of collateral needed to secure its obligations under the terms of the Swap. In the event that the County cannot post an amount of collateral required, the counterparty will have the ability to obligate the County to terminate the swap at the then current market rate.

3. Letter of Credit

The County has a standby letter of credit in the amount of \$50,000 at December 31, 2019. The letter of credit was issued to act as security for the County’s pre-self-insurance claims for worker’s compensation prior to 2002.

4. Defeasance of debt

In prior years, the County defeased certain general obligation bonds by placing the proceeds of new bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements. At December 31, 2019, \$52,835,000 of bonds outstanding is considered defeased.

During 2016, the County defeased its Series A of 2009 General Obligation Bonds by placing proceeds from its 2016 General Obligation Bonds and by separately contributing County funds into an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements. At December 31, 2019, \$17,390,000 of bonds outstanding is considered defeased.

During 2019, the County defeased the entirety of its Series B of 2009 General Obligation Bonds, its Series C of 2010 General Obligation Bonds, and 2012 General Obligation Bonds by placing proceeds from its 2019 General Obligation Bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements. At December 31, 2019, \$64,510,000 of bonds outstanding is considered defeased.

During 2019, the County defeased the entirety of its 2014 General Obligation Bonds by placing proceeds from its Series A of 2019 General Obligation Bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements. At December 31, 2019, \$9,975,000 of bonds outstanding is considered defeased.

During 2019, the County defeased a portion of its Series A of 2012 Federally Taxable General Obligation Bonds by placing proceeds from its Series B of 2019 Federally Taxable General Obligation Bonds into an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements. At December 31, 2019, \$29,040,000 of bonds outstanding is considered defeased.

5. Reimbursement agreement

In connection with the issuance of the 1995 General Obligation Bonds in the amount of \$9,840,000, the County entered into a reimbursement agreement with the Greater Berks Development Fund. Under the terms of the agreement, the County is reimbursed for the debt service requirements of the 1995 General Obligation Bonds. The 2005 General Obligation Bonds in accordance with the negotiated Option Agreement of September 2002 refunded the 1995 General Obligation bonds in November 2005. The reimbursement agreement with the Greater Berks Development Fund remains in place as of December 31, 2019.

6. Federal arbitrage regulations

The County is subject to federal arbitrage regulations on its non-taxable general obligation bonds and notes. There was no outstanding liability for federal arbitrage due and payable in the governmental funds or the accrual-based government wide financial statements at December 31, 2019.

7. Other changes in long term liabilities

The following represents changes in long-term liabilities, other than bond issues:

	Balance January 1, 2019	Additions	Reductions	Balance December 31, 2019	Due within one year
Governmental activities:					
Agricultural easement installment purchases	\$ 191,379	\$ 286,705	\$ 117,407	\$ 360,677	\$ 161,968
Workers compensation accrued liabilities	1,582,024	348,343	509,055	1,421,312	198,037
Compensated absences payable	6,596,241	8,487,486	8,398,205	6,685,522	1,360,457
Total governmental activities	<u>\$ 8,369,644</u>	<u>\$ 9,122,534</u>	<u>\$ 9,024,667</u>	<u>\$ 8,467,511</u>	<u>\$ 1,720,462</u>
Business-type activities:					
Workers compensation accrued liabilities	\$ 1,071,553	\$ 204,744	\$ 213,697	\$ 1,062,600	\$ 148,055
Compensated absences payable	1,062,309	2,024,231	1,987,084	1,099,456	364,089
Total business-type activities	<u>\$ 2,133,862</u>	<u>\$ 2,228,975</u>	<u>\$ 2,200,781</u>	<u>\$ 2,162,056</u>	<u>\$ 512,144</u>

For governmental activities, agricultural easement installment purchases are liquidated by the land preservation fund. Workers' compensation accrued liabilities and compensated absences payable are liquidated by the general fund and special revenue funds.

A. Component units

Revenue bonds payable and notes payable

- Reading Area Community College

Bonds and notes payable on June 30, 2019 consist of several outstanding tax-exempt revenue bonds and notes series issued by the College through either the Redevelopment Authority of the County of Berks or the State Public School Building Authority (SPSBA). The College has pledged its full faith and credit for the repayment of the bonds and notes issued. The College Revenue Bonds Series of 2012 are guaranteed by the County of Berks. The bonds were issued to provide funds to undertake various capital projects at the College or to advance refund certain previously issued bonds. Activity for the various bond and note series for the year ended June 30, 2019, was as follows:

	Balance outstanding July 1, 2018	Bonds Issued	Redeemed/ Refunded	Balance outstanding June 30, 2019	Current Portion
College Revenue Note, Series of 2004, original issue \$2,500,000, interest rate 1.79%, final maturity April 2020.	\$ 698,000	\$ -	\$ 342,000	\$ 356,000	\$ 356,000
College Revenue Bonds, Series of 2012, original issue \$9,995,000, interest rate 2.00% - 3.35%, final maturity April 2029.	1,470,000	-	725,000	745,000	745,000
College Revenue Note, Series A of 2016, original issue \$3,355,738, interest rate 2.30%, final maturity April 2036.	3,355,738	-	1,680,738	1,675,000	88,000
College Revenue Note, Series B of 2017, original issue \$8,066,000, interest rate 2.50%, final maturity April 2029.	8,066,000	-	38,000	8,028,000	39,000
	<u>\$ 13,589,738</u>	<u>\$ -</u>	<u>\$ 2,785,738</u>	<u>\$ 10,804,000</u>	<u>\$ 1,228,000</u>
Less: Current maturities				<u>(1,228,000)</u>	
				<u>\$ 9,576,000</u>	

Principal and interest requirements to maturity are as follows:

Year Ending June 30	Principal	Interest	Total Debt Service
2020	\$ 1,228,000	\$ 279,428	\$ 1,507,428
2021	895,000	236,226	1,131,226
2022	916,500	214,031	1,130,531
2023	937,500	191,303	1,128,803
2024	961,500	168,055	1,129,555
2025-2029	5,118,500	521,666	5,640,166
2030-2034	509,500	124,245	633,745
2035-2036	237,500	16,155	253,655
	<u>\$ 10,804,000</u>	<u>\$ 1,751,109</u>	<u>\$ 12,555,109</u>

The County’s guarantee of the College’s Revenue Bonds, Series of 2012

The County of Berks has entered into a Guaranty Agreement in April 2012 in accordance with an Act of the General Assembly of the Commonwealth, known as the Local Government Unit Debt Act, 53 Pa.C.S. Chapters 80-82, as amended and supplemented from time to time whereas the County guarantees full and prompt payment of the College’s debt service on their College Revenue Bonds, Series of 2012. The Guaranty Agreement was entered into by the County with the Redevelopment Authority of the County of Berks (“Redevelopment Authority”) and Reading Area Community College (“College”). In 2012, the Authority authorized and issued its County Guaranteed College Revenue Bonds (Reading Area Community College Project) Series of 2012 in the aggregate principal amount of \$9,995,000. The Redevelopment Authority is a related organization to the County. The College is a discretely-presented component unit of the County. The obligations of the County under this Guaranty Agreement are absolute, irrevocable and unconditional and shall remain in full force and effect until all Debt Service during each fiscal year in which the 2012 Bonds remain outstanding shall have been paid.

The County and the College entered into a Reimbursement Agreement in April 2012. This agreement requires the College to pay to the County, on demand, an amount equal to any amount paid by the County plus an additional amount equal to any and all reasonable charges and expenses which the County may pay or incur in connection with making payments under the Guaranty Agreement or enforcing reimbursement hereunder plus interest on any such amounts from the date which such amounts accrue until payment in full, at an interest rate of 10% per annum. The College’s outstanding balance on the 2012 Bonds is \$745,000 as of June 30, 2019 (the College’s most recent financial statements). The College paid the remaining \$745,000 in April 2020. The County has not been called upon to make any payments on behalf of the College on the 2012 Bonds.

• Reading Regional Airport Authority

Notes	September 30, 2019
<p>Revenue Note, Series A of 2008 - On November 20, 2008, the Authority issued the Guaranteed Revenue Note, Series A of 2008 (AMT) in the amount \$3,705,000. The proceeds were used to currently refund the 2004A Bonds. The Note will mature on April 1, 2026. The Note bears interest at fixed rate of 2.80% through October 1, 2021. Thereafter, the interest rate shall be adjusted from time to time to equal the 1-Month London Interbank Offered Rate, plus 150 basis points. However, the maximum interest rate on the Note shall never exceed 4.50% per annum. Principal and interest are payable semi-annually. The Authority has made prepayments in the amount of \$1,855,000, which satisfied principal payments through October 2018.</p>	\$ 1,565,000
<p>Revenue Note, Series B of 2008 - On November 20, 2008, the Authority issued the Guaranteed Revenue Note, Series B of 2008 (non-AMT) in the amount \$3,850,000. The proceeds were used to currently refund the 2004B Bonds. The Note will mature on October 1, 2033. The Note bears interest at fixed rate of 2.80% through October 1, 2021. Thereafter, the interest rate shall be adjusted from time to time to equal the 1-Month London Interbank Offered Rate, plus 150 basis points. However, the maximum interest rate on the Note shall never exceed 5.50% per annum. Principal and interest are payable semi-annually. The Authority has made prepayments in the amount of \$1,280,000, which satisfied principal payments through October 2025.</p>	<u>2,570,000</u>
	Total \$ 4,135,000
Less: Amount due within one year and classified as current	<u>(145,000)</u> <u>\$ 3,990,000</u>

The County of Berks guaranteed the \$3,705,000 and the \$3,850,000 Revenue Notes, Series A of 2008 and Series B of 2008 issuances, respectively, of Reading Regional Airport Authority where the County of Berks guaranteed full and prompt payment of the debt service on the 2008 Revenue Notes when they become due and payable, pursuant to a guaranty agreement dated June 23, 2004, between the County of Berks and Reading Regional Airport Authority. In the event that Reading Regional Airport Authority is unable to make a payment, the County of Berks will be required to make that payment. The County has not been called upon to make any payments related to this debt.

The following schedule summarizes long-term debt activity for the year:

	Beginning Balance	Additions	Reductions/ Refunding	Ending Balance	Amount Due Within One Year
Revenue Notes:					
Series A of 2008	\$ 1,850,000	\$ -	\$ (285,000)	\$ 1,565,000	\$ 145,000
Series B of 2008	<u>2,570,000</u>	<u>-</u>	<u>-</u>	<u>2,570,000</u>	<u>-</u>
	<u>\$ 4,420,000</u>	<u>\$ -</u>	<u>\$ (285,000)</u>	<u>\$ 4,135,000</u>	<u>\$ 145,000</u>

The following schedule summarizes debt service requirements to maturity. Interest for the variable portion of the notes is calculated at the interest rate in effect at year end:

<u>Revenue Notes, Series A and B of 2008</u>			
Year Ending September 30	Principal	Interest	Total Debt Service
2020	\$ 145,000	\$ 93,870	\$ 238,870
2021	295,000	109,690	404,690
2022	260,000	101,360	361,360
2023	225,000	94,640	319,640
2024	240,000	88,200	328,200
2025-2029	1,380,000	332,850	1,712,850
2030-2034	<u>1,590,000</u>	<u>114,870</u>	<u>1,704,870</u>
	<u>\$ 4,135,000</u>	<u>\$ 935,480</u>	<u>\$ 5,070,480</u>

A. Lines of Credit

- **Reading Regional Airport Authority**

In August 2015, the Authority obtained a revolving line of credit available with a local financial institution. The line of credit has a maximum borrowing limit of \$1,000,000 and an interest rate at the Wall Street Journal prime rate. Interest only payments are due monthly with principal due on April 30, 2020. There was no balance on the line of credit at September 30, 2019.

- **Reading Area Community College**

At June 30, 2019, the College has an unsecured bank line of credit with maximum borrowings of \$5,000,000. The maximum borrowings will be reduced to \$2,500,000 from July 1 to December 31 of each year during the term of the loan. The line requires monthly interest payments at the rate of the Wall Street prime rate minus 0.50 percent and expires on February 28, 2020. There is no outstanding balance on this line of credit at June 30, 2019.

B. Loans Payable and long-term liabilities

- **Reading Area Community College**

	Balance outstanding June 30, 2019
The College entered into loan agreements with the Pennsylvania State Public School Building Authority (SPSBA):	
On March 15, 2014, the College entered into an agreement to borrow up to \$1,167,000 to finance the energy Conservation Window Replacement and Exterior Factor Insulation system Project to one building of the College. The agreement requires semiannual payments of \$123,017, including interest at 2.00% per annum. Final payment was due in March 2019. The College has pledged its full faith and credit for the repayment of the loan.	\$ -
On January 1, 2018, the College entered into an agreement to borrow up to \$500,000 to finance the Card Access System Project to the buildings of the College. The agreement requires semiannual payments of \$52,795, including interest at 2.25% per annum. Final payment is due in December 2022. The College has pledged its full faith and credit for the repayment of the loan.	348,552
	\$ 348,552
Portion payable within one year and classified as current	(98,274)
Total long term debt	\$ 250,278

The following schedule summarizes the principal and interest maturities for the years ended June 30:

	Principal	Interest
2020	\$ 98,274	\$ 7,427
2021	100,403	5,187
2022	102,675	2,915
2023	47,200	592
	\$ 348,552	\$ 16,121

Accrued compensated absences for the year ending June 30, 2019 was \$851,376, with \$381,533 due within one year.

NOTE 11: FUND BALANCE POLICY

A. Primary government

Governmental funds report fund balance in classifications prescribed by GASB 54 primarily based on the extent to which the County is required to use resources in accordance with specific purposes. The classifications created by GASB 54 and used by the County are as follows, with specific County information included herein:

Nonspendable – This classification consists of amounts that cannot be spent because they are either not in spendable form or are legally required to be maintained intact. The County is obligated to restore operating deficits or receive prior amounts paid for this classification.

Restricted – This classification consists of amounts that are restricted to specific purposes either by (1) external groups such as creditors, grantors, contributors or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation. The restriction is binding unless removed with the consent of the resource provider.

Committed - This classification consists of amounts used for specific purposes imposed by formal action of the County's highest level of decision-making authority, the Board of Commissioners. The commitment is binding unless removed in the same manner imposed. Formal action must occur prior to year-end; however, the amount may be determined subsequent to year end. The County has not formally adopted a policy as to the formal action required to be taken to establish, modify, or rescind a fund balance commitment.

Assigned – This classification consists of amounts constrained by the County's intent to be used for specific purposes that are neither restricted nor committed. The County has not formally adopted a policy regarding the body or official authorized to assign amounts to a specific purpose and the policy established by the governing body pursuant to which that authorization is given.

Unassigned – This classification consists of amounts that have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance.

When more than one classification of fund balance is available for a particular purpose, the County's spending policy is to apply disbursements of fund balance in this classification order: restricted, committed, assigned, and unassigned fund balance. Disbursements are approved by the Board of Commissioners at the weekly meeting, by inclusion in the annual budget and amendments thereto.

Compliance with provisions of this policy is reviewed as a part of the annual budget adoption process, and the amounts of nonspendable, restricted, committed, assigned and the minimum level of assigned fund balance is determined during this process.

The County has not formally adopted a minimum fund balance policy.

Fund balances of the County's governmental funds at December 31, 2019 consist of the following:

	General Fund	Children and Youth Services	Health Choices	Nonmajor	Total Governmental
Nonspendable:					
Employee pay advance	\$ 39,866	\$ 3,724	\$ -	\$ 2,262	\$ 45,852
Inventories and prepaid expenses	1,337,091	-	-	2,765,471	4,102,562
Total Nonspendable	<u>1,376,957</u>	<u>3,724</u>	<u>-</u>	<u>2,767,733</u>	<u>4,148,414</u>
Restricted:					
Gift fund	-	20,326	-	-	20,326
Hazmat Response	2,044,215	-	-	-	2,044,215
Act 198 - Courts	295,679	-	-	-	295,679
Workers' compensation	215,062	-	-	-	215,062
Special revenue funds	-	44,616	-	17,313,176	17,357,792
Act 13 Marcellus Shale	945,121	-	-	-	945,121
Total Restricted	<u>3,500,077</u>	<u>64,942</u>	<u>-</u>	<u>17,313,176</u>	<u>20,878,195</u>
Committed:					
Farmland preservation	1,367,472	-	-	-	1,367,472
Services Center Parking Garage	375,773	-	-	-	375,773
2020 Capital Projects	29,051,341	-	-	-	29,051,341
Defeasement of 2013 Bond Issue	12,550,000	-	-	-	12,550,000
Total Committed	<u>43,344,586</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,344,586</u>
Assigned:					
Divorce Masters	13,727	-	-	-	13,727
Health care self insurance	4,000,000	-	-	-	4,000,000
Total Assigned	<u>4,013,727</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,013,727</u>
Unassigned	<u>104,739,173</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,739,173</u>
Total Governmental Fund Balance	<u>\$ 156,974,520</u>	<u>\$ 68,666</u>	<u>\$ -</u>	<u>\$ 20,080,909</u>	<u>\$ 177,124,095</u>

The County's Board of Commissioners hereby establish the following fund balance reserves in the classification and amounts shown in the above table:

- Employee pay advance – this reservation represents long-term receivable from employees resulting from a change in payroll records. The receivable is not available to meet current expenditures.
- Inventories and prepaid expenses – this reservation represents recorded assets for inventories and prepaid expenses. These items are not available to meet current expenditures.
- Gift fund – this restriction represents donations to be used for program purposes.
- Hazmat response – this restriction represents fees and other charges to be used to fund the cleanup of hazardous materials incidents in the General Fund.
- Act 198 – Courts – this restriction represents fines and costs collected by the Clerk of Courts from defendants in Drug & Alcohol court cases, and can only be spent on drug and alcohol prevention programs in the General Fund.
- Workers' compensation – this restriction represents funds restricted to pay future workers' compensation claims in the General Fund.
- Special revenue funds – this restriction represents amounts restricted by law or external parties to fund the operations of certain special revenue funds.
- Act 13 Marcellus Shale Money – this restriction represents amounts restricted to fund improvements to the County's park system.
- Farmland preservation – this commitment represents funds raised to purchase farmland as part of the agricultural preservation program in the General Fund.

- Services Center Parking Garage – this commitment represents amounts restricted to fund any necessary repairs to the Services Center Parking Garage.
- 2020 Capital Projects – this commitment represents amounts to be used for 2020 capital projects.
- Defeasement of 2013 Bond Issue – this commitment represents amounts to be used to satisfy the 2013 bond issue.
- Divorce Masters – this assignment represents a commitment to this program.
- Health care self-insurance – this assignment represents the estimated obligation in excess of stop loss insurance for the health care self-insurance program due within the 2019 year.

NOTE 12: OBLIGATIONS UNDER CAPITAL LEASES

A. Component units

1. Reading Area Community College

Following is a summary of property held under capital leases at June 30, 2019:

Computer equipment and copiers	\$ 164,576
Less: Accumulated depreciation	<u>(75,638)</u>
	<u>\$ 88,938</u>

Minimum future lease payments under capital leases as of June 30 are as follows:

2020	\$ 54,945
2021	32,701
Less: amount representing interest	<u>(4,572)</u>
Present value of lease payments	<u>\$ 83,074</u>

The interest rates on the capitalized leases range from 3.75% to 6.29% and are imputed based on the lower of the College's incremental borrowing rate at the inception of the lease or the lessor's implicit rate of return.

NOTE 13: COMMITMENTS AND CONTINGENCIES

A. Primary government

Approximately 66.7% of the County’s employees are covered by collective bargaining agreements as of December 31, 2019. Two AFSCME unions and the Teamster union contract all expire December 31, 2020. The Fraternal Order of Police contract expires December 31, 2020. Both the United Food & Commercial Workers and the Service Employees International Union contracts expire on December 31, 2024. The Deputy Sheriff’s Association union contract expires December 31, 2020.

The County leases building space for certain County and District Justice Offices. The County has also entered into an operating lease for equipment. These leases have expiration dates extending through 2024. Total expenses for all operating leases were \$1,381,574 for the year ended December 31, 2019.

The following is a schedule of future minimum lease payments under the above operating leases:

2020	\$	817,027
2021		475,411
2022		448,388
2023		417,494
2024		1,226,773
Total	\$	<u>3,385,093</u>

The County participates in a number of grant programs funded, in whole or part, by federal, state and other sources. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for or including the fiscal year ended December 31, 2019 have not yet been conducted. Additionally, certain audits related to prior fiscal years have not been finalized. Accordingly, the County’s compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

The County is involved in various lawsuits arising in the ordinary course of its municipal activities. The County Solicitor and County management believe that the resolution of these actions is not expected to have an unfavorable outcome or have a materially adverse effect on the financial statements of the County, with the exception of one matter, depending on the outcome of the trial, could have a substantial impact on the County if the plaintiff is successful. In addition, we have no knowledge of any unasserted claims and assessments (considered to be probable of assertion), that if asserted, would have a reasonable possibility of an unfavorable outcome.

B. Component units

1. Reading Regional Airport Authority

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs. There were

no significant reductions in insurance coverage for the year ended September 30, 2019. Settlement amounts have not exceeded insurance coverage for the current year or three prior years.

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. This amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Authority expects such amounts, if any, to be immaterial.

The Authority is involved in routine litigation incidental to the conduct of its business. The results, in the opinion of management, are not likely to affect the Authority's financial condition, results of operations, or cash flows.

2. Reading Area Community College

Federal and State revenues

Revenues reflected by the College from federal and state government organizations are subject to audit and verification by the applicable organization. Any disallowed claims, including amounts already collected, may constitute a liability of applicable funds. The amount, if any, of expenditures which may be disallowed or claims that may be disallowed cannot be determined by the College at this time, although the College expects such amount, if any, to be immaterial.

Operating lease commitments

The College has entered into several lease agreements for the rental of parking space and certain equipment. Rent expense for the year ended June 30, 2019 approximated \$603,028. Minimum future rental payments under noncancelable operating leases as of June 30 are as follows:

2020	\$ 417,284
2021	<u>134,103</u>
Total	<u>\$ 551,387</u>

NOTE 14: CONTRACTUAL AGREEMENT REVENUE

Component unit

Reading Area Community College

The College entered into a five-year contract with Barnes & Noble College Booksellers, LLC, effective December 2017 to operate the College's bookstore. Terms of the contract require Barnes & Noble to pay the College 14 percent of sales up to \$2,500,000, 15.5 percent of sales from \$2,500,000 to \$3,000,000 and 17 percent of sales over \$3,000,000.

In addition, the contract stated that Barnes & Noble will renovate and move the bookstore facility for a cost up to \$165,000. The actual total cost of renovations at June 30, 2018 was \$107,604. Per the agreement, any early termination of the contract before the five years have been reached will result in the College paying Barnes & Noble the book value of the renovations put in service by Barnes & Noble depreciated over the contract life. The College recognized the building improvement for the renovations and is recognizing the contribution from Barnes & Noble over the life of the contract. Unearned revenue from the renovations is \$73,530 as of June 30, 2019.

Prior to December 2017, the College contracted with Follett Higher Education Group, Inc., to operate the College's bookstore. Terms of the contract required Follett to pay the College 9 percent of sales up to \$2,500,000, 11 percent of sales from \$2,500,000 to \$5,000,000 and 13 percent of sales over \$5,000,000. The contract expired November 2017.

Total revenues from these agreements, including the amortization of the bookstore renovations, was \$426,269 for the year ended June 30, 2019 and is included in other revenues on the statement of revenues, expenses and changes in net position.

NOTE 15: POST EMPLOYMENT BENEFIT PLANS OTHER THAN PENSIONS

A. Component units

Reading Area Community College

Health Insurance Premium Assistance Program

Employee Defined Benefit Other Postemployment Benefit Plans

The College has other postemployment benefits (OPEB) under two different plans: (1) a cost sharing, multiple employer, employee defined benefit other postemployment benefits plan administered through PSERS (PSERS OPEB Plan) and (2) a single employer defined benefit healthcare plan (College OPEB Plan). The College’s aggregate net OPEB liability and deferred outflows and inflows of resources related to OPEB at June 30, 2019 are as follows:

<u>Plan</u>	<u>Net OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
PSERS OPEB Plan	\$ 169,000	\$ 14,384	\$ 27,000
College OPEB Plan	967,607	164,586	148,216
	<u>\$ 1,136,607</u>	<u>\$ 178,970</u>	<u>\$ 175,216</u>

General Information About the PSERS OPEB Plan

Health Insurance Premium Assistance Program

The System provides Premium Assistance which, is a governmental, cost sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002, under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer of the PSERS’ Health Options Program. As of June 30, 2018, there were no assumed future benefit increases to participating eligible retirees.

Premium Assistance Eligibility Criteria

Retirees of the System can participate in the Premium Assistance Program if they satisfy the following criteria:

- Have 24 ½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age, and
- Participate in the Health Option Program or employer-sponsored health insurance program.

Pension Plan Description

PSERS is a governmental cost-sharing multiple-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.psers.pa.gov.

Benefits Provided

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2018, there were no assumed future benefit increases to participating eligible retirees.

Contributions

The College's contractually required contribution rate for the fiscal year ended June 30, 2019, was 0.83% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the College were \$10,384 for the year ended June 30, 2019.

PSERS State Contributions:

Pursuant to Section 8327 of the PSERS Retirement Code, the Commonwealth of Pennsylvania funds 50 percent of the College's retirement expense directly to the plan. This arrangement does meet the criteria of a special funding situation in accordance with GASB standards. Therefore, the net other postemployment benefit liabilities and related other postemployment benefit expense represent 50 percent of the College's share of these amounts.

PSERS OPEB Plan Liability, Expense, and Deferred Outflows and Inflows of Resources Related to OPEB

At June 30, 2019, the College reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for Commonwealth of Pennsylvania pension support provided to the College. The amount recognized by the College as its proportionate share of net pension liability, the related Commonwealth support, and the total portion of the net pension liability that was associated with the College are as follows:

College's proportional share of the net pension liability	\$ 169,000
Commonwealth's proportional share of the net pension liability	<u>169,000</u>
Total proportionate share of the net pension liability	<u>\$ 338,000</u>

The net OPEB obligation was measured as of June 30, 2018, and the total OPEB obligation used to calculate the net OPEB obligation was determined by rolling forward the System's total OPEB obligation as of June 30, 2017 to June 30, 2018. The College's proportion of the net OPEB obligation was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2019, the College's proportion was 0.0081 percent, which was a decrease of 0.0007 percent from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the College recognized OPEB expense of \$4,930. At June 30, 2019, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,000	\$ -
Changes in assumptions	3,000	6,000
Changes in proportion	-	21,000
Contributions made subsequent to the measurement date	<u>10,384</u>	<u>-</u>
	<u>\$ 14,384</u>	<u>\$ 27,000</u>

The \$10,384 reported as deferred outflows of resources related to OPEB resulting from College contributions made subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows for the years ending June 30:

2020	\$ (4,000)
2021	(4,000)
2022	(4,000)
2023	(4,000)
2024	(4,000)
Thereafter	<u>(3,000)</u>
	<u>\$ (23,000)</u>

Actuarial Assumptions

The total OPEB obligation as of June 30, 2018, was determined by rolling forward the System's total OPEB obligation as of June 30, 2017 to June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – Entry Age Normal – level percent of pay
- Investment return – 2.98 percent – S&P 20 Year Municipal Bond Rate
- Salary growth – Effective average of 5 percent, comprised of inflation of 2.75 percent and 2.25 percent for real wage growth and for merit of seniority increases
- Premium Assistance reimbursement is capped at \$1,200 per year

- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale
- Participation rate:
 - Eligible retirees will elect to participate Pre-age 65 at 50%
 - Eligible retirees will elect to participate Post-age 65 at 70%

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2016, determined the employer contribution rate for fiscal year 2018.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market value
- Participation rate: 63% of eligible retirees are assumed to elect premium assistance.
- Mortality rates were based on the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale

Investments consist primarily of short-term assets designed to protect the principal of the plan assets. The expected rate of return on OPEB plan investments was determined using the OPEB asset allocation policy and best estimates of geometric real rates of return for each asset class.

The OPEB plan's policy in regard to the allocation of invested plan assets is established and may be amended by the Board. Under the program, as defined in the retirement code employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance for each succeeding year.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.9%	0.3%
US core fixed income	92.8%	1.2%
Non-US developed fixed	<u>1.3%</u>	4.0%
	<u>100.0%</u>	

The above was the PSERS Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2018.

Discount Rate

The discount rate used to measure the total OPEB obligation was 2.98 percent. Under the plan's funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The

Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 2.98% which represents the S&P 20-year Municipal Bond Rate at June 30, 2018, was applied to all projected benefit payments to measure the total OPEB liability.

Sensitivity of the College's Proportionate Share of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2018, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. As of June 30, 2017, 93,380 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2017, 1,077 members were receiving less than the maximum amount allowed of \$1,200 per year. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on Healthcare Cost Trends as depicted below.

The following presents the College's proportionate share of the net OPEB liability for the June 30, 2018 measurement date, calculated using current Healthcare cost trends as well as what the College's proportionate share of the net OPEB liability would be if the health cost trends were one-percentage point lower or one-percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
College's proportionate share of the net OPEB liability	\$ 169,000	\$ 169,000	\$ 169,000

Sensitivity of the College's Proportionate Share of the Net OPEB Liability to Changes in Discount Rate

The following presents the net OPEB liability, calculated using the discount rate of 2.98 percent, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.98%) or 1-percentage point higher (3.98%) than the current rate:

	<u>1% Decrease 1.98%</u>	<u>Current Rate 2.98%</u>	<u>1% Increase 3.98%</u>
College's proportionate share of the net OPEB liability	\$ 192,000	\$ 169,000	\$ 150,000

OPEB Plan Fiduciary Net Position

Detailed information about PSERS' fiduciary net position is available in PSERS Comprehensive Annual Financial Report which can be found on the System's website at www.psers.pa.gov.

Payables Related to the Plan

At June 30, 2019, the College had an accrued balance due to PSERS including contributions related to pension and OPEB liabilities of \$104,987. This amount represents the College's contractually obligated contributions for wages earned in April 2019 through June 2019. The balance was paid in September 2019.

College OPEB Plan

General Information About the College OPEB Plan

Plan description

Reading Area Community College administers a single-employer, defined benefit plan (the Postemployment Benefit Plan). The Plan provides life insurance and medical, dental, and prescription benefits for eligible retirees through the College's plan, which covers both active and retired members. Benefit provisions are established through negotiation with the College and the unions representing the College's employees. The OPEB Plan does not issue a publicly available financial report and no assets are accumulated in a trust that meets the criteria in Governmental Accounting Standards Board Statement No. 75 to pay related benefits.

Benefits Provided

Benefit A – Life Insurance

Retirees are provided with life insurance policies as follows: \$5,000 for individuals who retired before 2003, \$6,250 for individuals who retired before July 1, 2008, \$7,500 for individuals who retired before July 1, 2012, and \$10,000 for individuals retired after July 1, 2012. Employees hired on or after July 1, 2017 are not eligible for this benefit.

Benefit B – Medical, Prescription Drug, Vision and Dental

Eligible retirees may elect to remain in the College's self-insured plans based on the following options: B1 – Medical, Prescription Drug, and Vision; B2 – Dental; B3 – Medical, Prescription Drug, Vision, and Dental. The medical and prescription drug PPO plan is administered by Loomis. The vision plan is administered by Vision Benefits of America. The dental plan is administered by United Concordia. Benefits provided for the retiree only and will be provided for life or until the retiree opts out. The retiree is responsible for paying 102% of the premium rate for this coverage.

Benefit C – Early Retirement Lump Sum Payment

Eligible retirees are provided with one-time lump-sum payment of \$12,500 (option C1) or \$6,250 (option C2). The lump-sum payment may be divided into three installments.

Benefit D – COBRA Reimbursement

Retirees have the option of purchasing their own health insurance policy or participating in the benefits provided by the College. Eligible retirees will be reimbursed up to 100% (option D1) or 50% (option D2) of the College's COBRA rate for individual coverage. As of July 1, 2017, the new contract states that the benefit is to be provided to eligible retirees for two years, regardless of age.

Eligibility

The eligibility for retiree medical benefits differs by service and age. Below is a summary of the eligibility levels and the benefits provided within each level:

Retirement Level 1

A retiree is eligible for postretirement benefits offered under Retirement Level 1 provided they have completed at least 10 years of continuous full-time service with the College and have reached age 55. Retirees who are eligible for Retirement Level 1 are provided with Benefit A.

Retirement Level 2

A retiree is eligible for postretirement benefits offered under Retirement Level 2 provided they have completed at least 15 years of continuous full-time service with the College and have reached age 55. Retirees who are eligible for Retirement Level 2 are provided with Benefit A, a choice between Benefits B1, B2 and B3, and either Benefit C2 or D2.

Retirement Level 3

A retiree is eligible for postretirement benefits offered under Retirement Level 3 provided they have completed at least 20 years of continuous full-time service with the College and have reached age 59.5. Retirees who are eligible for Retirement Level 3 are provided with Benefit A, a choice between Benefits B1, B2 and B3, and either Benefit C1 or D1.

Employees Covered by Benefit Terms

At July 1, 2017, the date of the most recent actuary valuation, the following employees were covered by the benefit terms:

Active participants	185
Retired participants	<u>117</u>
	<u>302</u>

OPEB Liability

Actuarial Assumptions and Other Inputs

The total OPEB liability as of July 1, 2018, was determined by rolling forward the College's total OPEB liability as of July 1, 2017 to July 1, 2018, using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

- Actuarial cost method – Entry Age Normal as a level percentage of pay
- Inflation rate – 3 percent
- Salary increases –2.50 percent
- Discount rate – 3.87 percent, based on the Bond Buyers 20-Bond Index
- Mortality rates were based on the RPH-2014 Total Dataset Mortality Table projected using Scale MP-2017
- Healthcare cost trend rates – 7 percent for 2018, decreasing between .25 percent and .50 percent per year to an ultimate rate of 4.50 percent for years ending June 30, 2025 and later

The actuarial assumptions were selected using input from the College based on actual experience:

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at July 1, 2018	<u>\$ 957,850</u>
Changes for the year:	
Service cost	39,943
Interest	34,291
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	(43,854)
Benefit payments	<u>(20,623)</u>
Net changes	<u>9,757</u>
Balance at June 30, 2019	<u>\$ 967,607</u>

Changes of assumptions or other inputs reflect the following changes:

- The increase in the discount rate from 3.58 percent in 2018 to 3.87 percent in 2019
- A change in the Mortality Improvement Projection Scale to MP-2017

Changes in benefit terms:

- As of July 1, 2017, eligible retirees are able to continue medical coverage for two years regardless of their age.
- As of July 1, 2017, employees hired after July 1, 2017, will not be eligible for retiree life insurance coverage.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the College, as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.87%) or 1-percentage point higher (4.87%) than the current discount rate:

	<u>1% Decrease 2.87%</u>	<u>Current Rate 3.87%</u>	<u>1% Increase 4.87%</u>
OPEB Plan - Total OPEB Liability	\$ 1,134,207	\$ 967,607	\$ 833,426

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the College, as well as what the College's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one-percentage point lower or one-percentage point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
OPEB Plan - Total OPEB Liability	\$ 958,746	\$ 967,607	\$ 977,649

For the year ended June 30, 2019, the College recognized OPEB expense of \$72,774. At June 30, 2019, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 133,976	\$ 38,372
Net difference between projected and actual experience	-	109,844
Benefit payments made subsequent to the measurement date	<u>30,610</u>	<u>-</u>
	<u>\$ 164,586</u>	<u>\$ 148,216</u>

The \$30,610 reported as deferred outflows of resources related to OPEB liabilities resulting from benefit payments made subsequent to the measurement date will be recognized as a reduction of the net OPEB obligation in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows for the years ending June 30:

2020	\$ (1,460)
2021	(1,460)
2022	(1,460)
2023	(1,460)
2024	(1,460)
Thereafter	<u>(6,940)</u>
Total	<u>\$ (14,240)</u>

NOTE 16: SUBSEQUENT EVENTS

A. Primary government

The County has evaluated subsequent events through June 30, 2020. This date is the date that the financial statements were available to be issued. No material events subsequent to December 31, 2019 were noted as a result of this evaluation, except as follows:

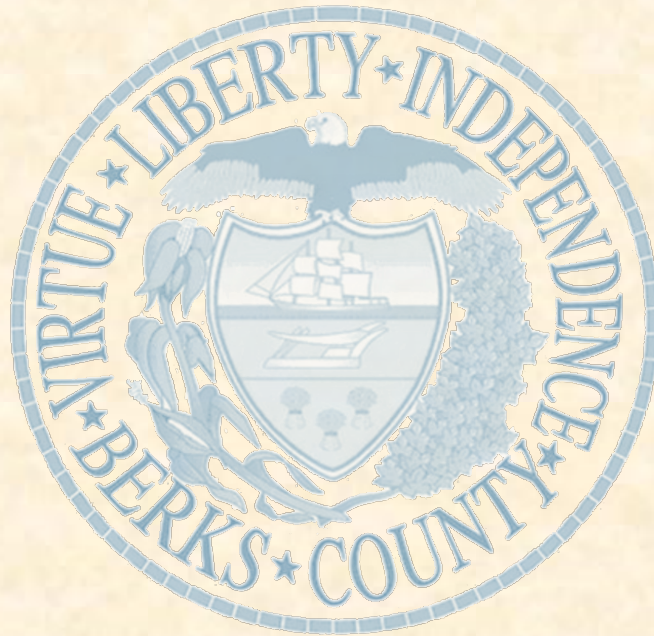
- Subsequent to year end, a global pandemic due to the spread of the Covid-19 coronavirus (COVID-19) caused the United States government to declare a national emergency. The pandemic has led to widespread voluntary and involuntary (government-mandated) closings of many local businesses, which has resulted in significant job losses and layoffs. These job losses and layoffs have the potential to significantly impact all aspects of the County's operations. In addition, due to the temporary closure of all businesses that were not deemed life sustaining, Federal and State revenues will be significantly decreased. This decrease could result in less funding that is relied upon by the County to fund specific projects and programs. In addition, the County's own source revenue or derived revenues could be negatively affected. Overall, a decrease in funding could result in the County having to reduce or eliminate some services.

Additionally, it is reasonable that estimates made in the financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions.

B. Reading Regional Airport Authority

The Authority has evaluated subsequent events through February 7, 2020. This date is the date that the Authority's financial statements were available to be issued. The following event subsequent to September 30, 2019 were noted as a result of this evaluation:

The Authority is realizing cash flow concerns. Due to pending cash flow concerns, the Authority is continuously looking for additional sources of revenue to help facilitate airport operations. Ongoing efforts include outsourcing water management, review of tenant leases and evaluation of sewer rate structures. In addition, the Authority continues to negotiate tenant agreements that not only support aviation and local business, but also generate additional operating revenue going forward.



REQUIRED SUPPLEMENTAL INFORMATION

The Required Supplemental Information represents prescribed financial information that addresses retirement fund data and budgetary comparisons for the general fund and major individual special revenue funds.

Schedule of Revenues, Expenditures and Changes in Fund Balances
 General Fund - Budget and Actual
 Year ended December 31, 2019

County of Berks
 2019 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Property taxes	\$ 143,692,349	\$ 143,692,349	\$ 145,321,065	\$ 1,628,716
Court costs, fines and forfeitures	2,691,525	2,691,525	2,686,290	(5,235)
Investment earnings	2,079,169	2,079,169	5,028,222	2,949,053
Intergovernmental revenue	12,430,925	13,640,294	14,516,303	876,009
Departmental charges and reimbursements	56,141,769	56,132,354	54,392,773	(1,739,581)
Payments in lieu of taxes	218,083	218,083	236,984	18,901
Rentals	322,915	322,915	340,134	17,219
Sale of property, supplies and equipment	-	-	4,168	4,168
Miscellaneous	9,132,432	9,134,622	9,183,156	48,534
Total revenues	<u>226,709,167</u>	<u>227,911,311</u>	<u>231,709,095</u>	<u>3,797,784</u>
Expenditures				
General government, administrative:				
Commissioners	1,426,928	1,454,685	1,370,619	84,066
Solicitors	1,909,702	2,941,302	2,715,337	225,965
Facilities	11,784,384	16,947,879	11,457,933	5,489,946
Courthouse Security	1,266,419	1,264,326	1,210,260	54,066
Election Services	6,143,293	6,910,670	6,294,457	616,213
Real Estate Assessment	5,931,460	6,387,376	4,069,155	2,318,221
Treasurer	1,015,451	1,035,618	936,084	99,534
Tax Collectors	415,345	415,345	411,063	4,282
Tax Claim Bureau	955,520	967,866	895,784	72,082
Controller	2,196,294	2,260,330	2,130,339	129,991
Recorder of Deeds	1,165,935	1,188,918	1,072,777	116,141
Mailroom/Printing	507,198	514,940	503,167	11,773
Information Systems	8,604,513	7,023,838	5,647,141	1,376,697
Purchasing	822,374	842,959	795,340	47,619
Archives	308,476	322,940	287,493	35,447
Budget	1,695,055	1,770,235	1,661,517	108,718
Human Resources	3,491,439	3,549,085	3,641,753	(92,668)
Insurance	1,949,689	1,949,689	1,422,231	527,458
Telecommunications	237,767	189,518	183,372	6,146
Veterans Affairs	626,742	640,597	624,018	16,579
Total general government, administrative	<u>52,453,984</u>	<u>58,578,116</u>	<u>47,329,840</u>	<u>11,248,276</u>
General government, judicial:				
Register of Wills	1,074,271	1,089,776	1,041,064	48,712
Sheriff	9,815,126	9,976,742	10,344,897	(368,155)
Coroner	1,671,790	1,716,359	1,675,964	40,395
Prothonotary	2,571,353	2,630,741	2,480,929	149,812
Clerk of Courts	2,748,212	2,786,659	2,712,442	74,217
Public Defender	3,543,334	3,583,464	3,412,535	170,929
District Attorney	11,650,486	11,934,212	11,775,845	158,367
Law Library	665,247	678,407	665,709	12,698
Court Administration	10,043,446	10,330,338	9,949,929	380,409
District Justices	9,107,252	9,759,585	9,154,663	604,922
Court Reporters	2,404,921	2,432,893	2,684,627	(251,734)
Total general government, judicial	<u>55,295,438</u>	<u>56,919,176</u>	<u>55,898,604</u>	<u>1,020,572</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 General Fund - Budget and Actual
 Year ended December 31, 2019

County of Berks
 2019 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Public Safety:				
Adult Probation	\$ 9,098,117	\$ 9,393,760	\$ 9,243,802	\$ 149,958
Juvenile Probation	14,618,659	15,745,588	15,135,985	609,603
Prison	40,600,091	42,378,800	40,676,281	1,702,519
Community Corrections	2,426,841	2,571,631	3,146,069	(574,438)
Emergency Services Non Communications	2,063,754	2,279,092	1,786,684	492,408
Total public safety	<u>68,807,462</u>	<u>72,368,871</u>	<u>69,988,821</u>	<u>2,380,050</u>
Culture and Recreation:				
Berks County Public Libraries	3,597,071	3,605,172	3,572,364	32,808
Parks	3,920,589	4,226,881	3,260,750	966,131
Total culture and recreation	<u>7,517,660</u>	<u>7,832,053</u>	<u>6,833,114</u>	<u>998,939</u>
Community and Economic Development:				
Planning	1,830,368	1,933,721	1,913,196	20,525
Agricultural Extension Service	585,975	585,975	582,681	3,294
Agland Preservation	1,389,002	1,399,986	1,323,759	76,227
Total community and economic development	<u>3,805,345</u>	<u>3,919,682</u>	<u>3,819,636</u>	<u>100,046</u>
Public Works:				
Recycling	14,476	14,476	14,699	(223)
Community Support:				
Contributions:				
Community Bail Program	731,695	741,839	733,442	8,397
Berks Economic Partnership	500,000	500,000	500,000	-
Libraries	900,000	900,000	900,000	-
Miscellaneous Contributions	224,497	247,997	247,397	600
Berks Heim	7,529,564	7,529,564	7,529,564	-
Reading Area Community College	3,250,000	3,250,000	3,250,000	-
Total community support	<u>13,135,756</u>	<u>13,169,400</u>	<u>13,160,403</u>	<u>8,997</u>
Contingency:				
Contingency general	4,320,000	-	-	-
Debt Service:				
Principal, interest and fiscal charges	16,182,708	24,380,173	23,443,264	936,909
Debt issuance costs	-	-	900,000	(900,000)
Administrative expenses	23,875	23,875	19,091	4,784
Total debt service	<u>16,206,583</u>	<u>24,404,048</u>	<u>24,362,355</u>	<u>41,693</u>
Intergovernmental:				
Solid Waste debt service	278,684	278,720	250,720	28,000
Total expenditures for general fund	<u>221,835,388</u>	<u>237,484,542</u>	<u>221,658,192</u>	<u>15,826,350</u>
Excess (deficiency) of revenue over (under) expenditures	<u>4,873,779</u>	<u>(9,573,231)</u>	<u>10,050,903</u>	<u>19,624,134</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 General Fund - Budget and Actual
 Year ended December 31, 2019

County of Berks
 2019 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Other financing sources (uses):				
Transfers in	\$ 3,906,838	\$ 3,958,824	\$ 3,560,279	\$ (398,545)
Transfers out	<u>(15,359,339)</u>	<u>(16,304,755)</u>	<u>(10,664,482)</u>	<u>5,640,273</u>
Total other financing sources (uses)	<u>(11,452,501)</u>	<u>(12,345,931)</u>	<u>(7,104,203)</u>	<u>5,241,728</u>
Net change in fund balances	(6,578,722)	(21,919,162)	2,946,700	24,865,862
Fund balances, beginning, as restated	<u>154,027,820</u>	<u>154,027,820</u>	<u>154,027,820</u>	<u>-</u>
Fund balances, ending	<u><u>\$ 147,449,098</u></u>	<u><u>\$ 132,108,658</u></u>	<u><u>\$ 156,974,520</u></u>	<u><u>\$ 24,865,862</u></u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Children and Youth Services Special Revenue Fund - Budget and Actual
 Year ended December 31, 2019

County of Berks
 2019 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 40,769,594	\$ 40,355,870	\$ 36,177,787	\$ (4,178,083)
Departmental charges and reimbursements	881,900	881,900	753,147	(128,753)
Investment earnings	-	-	246	246
Miscellaneous	4,000	5,970	7,710	1,740
Total revenues	<u>41,655,494</u>	<u>41,243,740</u>	<u>36,938,890</u>	<u>(4,304,850)</u>
Expenditures				
Current:				
Human services	<u>48,728,469</u>	<u>47,918,861</u>	<u>42,903,684</u>	<u>5,015,177</u>
Total expenditures	<u>48,728,469</u>	<u>47,918,861</u>	<u>42,903,684</u>	<u>5,015,177</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(7,072,975)</u>	<u>(6,675,121)</u>	<u>(5,964,794)</u>	<u>710,327</u>
Other financing sources (uses):				
Transfers in	7,401,442	6,997,346	6,272,424	(724,922)
Transfers out	<u>(328,467)</u>	<u>(325,019)</u>	<u>(305,855)</u>	<u>19,164</u>
Total other financing sources (uses)	<u>7,072,975</u>	<u>6,672,327</u>	<u>5,966,569</u>	<u>(705,758)</u>
Net change in fund balances	-	(2,794)	1,775	4,569
Fund balances, beginning	<u>66,891</u>	<u>66,891</u>	<u>66,891</u>	<u>-</u>
Fund balances, ending	<u>\$ 66,891</u>	<u>\$ 64,097</u>	<u>\$ 68,666</u>	<u>\$ 4,569</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Health Choices Special Revenue Fund - Budget and Actual
 Year ended December 31, 2019

County of Berks
 2019 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 129,000,000	\$ 129,000,000	\$ 121,826,545	\$ (7,173,455)
Investment earnings	150,000	150,000	325,333	175,333
Total revenues	<u>129,150,000</u>	<u>129,150,000</u>	<u>122,151,878</u>	<u>(6,998,122)</u>
Expenditures				
Current:				
Human services	129,136,073	129,136,073	122,138,563	6,997,510
Total expenditures	<u>129,136,073</u>	<u>129,136,073</u>	<u>122,138,563</u>	<u>6,997,510</u>
Excess (deficiency) of revenue over (under) expenditures	<u>13,927</u>	<u>13,927</u>	<u>13,315</u>	<u>(612)</u>
Other financing uses:				
Transfers out	(13,927)	(13,927)	(13,315)	612
Total other financing sources (uses)	<u>(13,927)</u>	<u>(13,927)</u>	<u>(13,315)</u>	<u>612</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note 1: Budgets and budgetary accounting

Annual budgets are adopted by the County on a basis consistent with accounting principles generally accepted in the United States of America for all governmental fund types.

On or before June 30, all County departments and agencies submit requests for appropriations for the following year to the Office of Budget and Finance, which compiles the requests and submits a comprehensive budget to the Board of Commissioners. The Board of Commissioners makes the proposed budget available for public inspection at least twenty days prior to the date of adoption. On or before December 31, the budget is adopted by the Board of Commissioners. Subsequent to the budget approval, the Board of Commissioners adopts the appropriation measures required to put the budget into effect and fixes the rate of taxation.

The County maintains budgetary control at the line item level of expenditures as authorized by resolution of the Board of Commissioners. The Chief Financial Officer may make transfers between accounts under \$5,000, while transfers of \$5,000 or greater require approval by the Board of Commissioners. Any supplemental appropriations to the Budget require approval by the Board of Commissioners.

Encumbrance accounting is employed in governmental fund types. Encumbrances, which represent commitments for goods and services not yet received, are reported as assigned fund balance, and do not constitute expenditures or liabilities, because the commitments will be re-appropriated and honored during the subsequent year.

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability						
Service cost	\$ 9,947,632	\$ 9,849,878	\$ 11,027,621	\$ 10,623,914	\$ 10,332,061	\$ 10,035,976
Interest	34,184,164	32,446,090	30,192,609	29,071,529	27,673,435	25,973,019
Differences between expected and actual experience	3,992,429	2,596,591	(5,056,232)	(501,667)	3,789,345	(3,642,225)
Changes of Assumptions (1)	-	5,599,573				
Benefit payments, including refunds of employee contributions	<u>(23,391,279)</u>	<u>(23,038,743)</u>	<u>(20,418,548)</u>	<u>(19,382,776)</u>	<u>(18,690,853)</u>	<u>(16,016,484)</u>
Net change in total pension liability	24,732,946	27,453,389	15,745,450	19,811,000	23,103,988	16,350,286
Total pension liability, beginning	<u>453,333,001</u>	<u>425,879,612</u>	<u>410,134,162</u>	<u>390,323,162</u>	<u>367,219,174</u>	<u>350,868,888</u>
Total pension liability, ending	<u>\$ 478,065,947</u>	<u>\$ 453,333,001</u>	<u>\$ 425,879,612</u>	<u>\$ 410,134,162</u>	<u>\$ 390,323,162</u>	<u>\$ 367,219,174</u>
Plan fiduciary net position						
Contributions-employer	\$ 4,411,739	\$ 3,648,063	\$ 2,601,477	\$ 2,088,776	\$ 1,408,537	\$ 233,518
Contributions-member	7,347,118	7,119,321	6,900,703	6,500,174	6,256,829	6,074,679
Net investment income	66,553,930	(23,240,032)	58,362,251	29,291,596	(2,797,938)	23,044,386
Other additions/deductions	(30,718)	-	-	-	5,708	27,002
Benefit payments, including refunds of member contributions	(23,391,279)	(23,038,743)	(20,418,548)	(19,382,777)	(18,690,853)	(16,016,484)
Administrative expense	<u>(38,415)</u>	<u>(71,124)</u>	<u>(67,535)</u>	<u>(71,068)</u>	<u>(72,490)</u>	<u>(63,898)</u>
Net change in plan fiduciary net position	54,852,375	(35,582,515)	47,378,348	18,426,701	(13,890,207)	13,299,203
Plan fiduciary net position, beginning	<u>429,345,862</u>	<u>464,928,377</u>	<u>417,550,029</u>	<u>399,123,328</u>	<u>413,013,535</u>	<u>399,714,332</u>
Plan fiduciary net position, ending	<u>\$ 484,198,237</u>	<u>\$ 429,345,862</u>	<u>\$ 464,928,377</u>	<u>\$ 417,550,029</u>	<u>\$ 399,123,328</u>	<u>\$ 413,013,535</u>
County of Berks' net pension (liability) asset	<u>\$ 6,132,290</u>	<u>\$ (23,987,139)</u>	<u>\$ 39,048,765</u>	<u>\$ 7,415,867</u>	<u>\$ 8,800,166</u>	<u>\$ 45,794,361</u>
Plan fiduciary net position as a percentage of total pension (liability) asset	101.28%	94.71%	109.17%	101.81%	102.25%	112.47%
Covered-employee payroll	\$ 108,888,713	\$ 108,798,581	\$ 104,729,710	\$ 103,847,803	\$ 100,988,654	\$ 98,776,314
County of Berks' net pension (liability) asset as a percentage of covered-employee payroll	5.6%	-22.0%	37.3%	7.1%	8.7%	46.4%

(1) Effective January, 2018 the mortality table used in the valuation has changed to the RP 2013 table. The effect of this change is an increase in the actuarial accrued liability of \$5,599,573. The increase in the actuarially determined contribution is \$634,360

Note to Schedule:

This schedule is to present the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is shown.

Schedule of County Contributions
Berks County Employees' Retirement Fund
Last 10 Fiscal Years

County of Berks
2019 Comprehensive Annual Financial Report

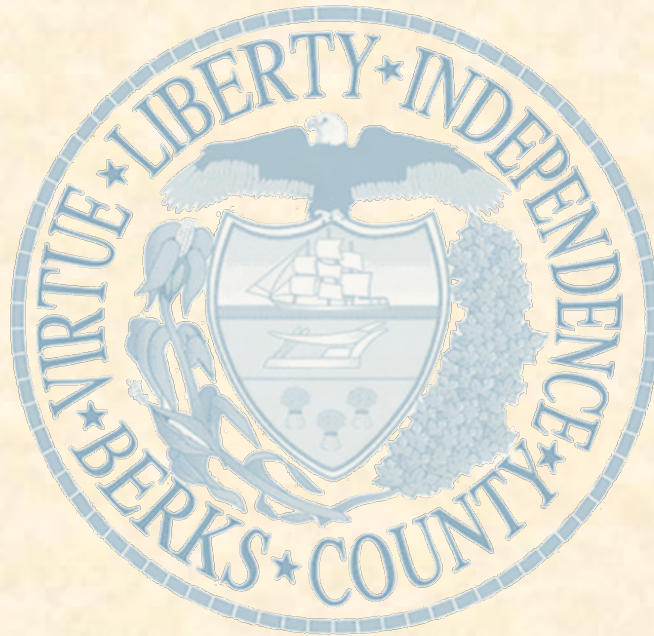
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially determined contributions	\$ 4,411,739	\$ 3,648,063	\$ 2,601,477	\$ 2,088,776	\$ 1,408,537	\$ 233,518	\$ 2,665,246	\$ 9,796,229	\$ 8,002,599	\$ 11,599,747
Pension prefunding	-	-	-	-	-	-	-	63,144,061	-	-
Contributions in relation to the actuarially determined contribution	<u>4,411,739</u>	<u>3,648,063</u>	<u>2,601,477</u>	<u>2,088,776</u>	<u>1,408,537</u>	<u>233,518</u>	<u>2,665,246</u>	<u>9,796,229</u>	<u>8,002,599</u>	<u>11,599,747</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (63,144,061)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 108,888,713	\$ 108,798,581	\$ 104,729,710	\$ 103,847,803	\$ 100,988,654	\$ 98,776,314	\$ 99,233,198	\$ 98,644,764	\$ 96,728,405	\$ 93,697,475
Contributions as a percentage of covered-employee payroll	4.05%	3.35%	2.48%	2.01%	1.39%	0.24%	2.69%	9.93%	8.27%	12.38%
Annual money-weighted rate of return, net of investment expense	15.68%	-4.75%	13.80%	7.89%	-0.51%	5.75%				

Notes to Schedule:

- Valuation date: January 1 of each year
- Actuarially determined contributions rates are calculated as of January 1, one year prior to the end of the fiscal year in which contributions are reported.
- Methods and assumptions used to determine contribution rates:
 - Actuarial cost method: Entry age
 - Amortization method: Level dollar
 - Remaining amortization period: 15 years
 - Asset valuation method: The Method that is prescribed by Pennsylvania State Law, Act 44
 - Inflation: 3.0%
 - Salary increase: 3.5%, average, including inflation
 - Investment rate of return: 7.5%, net of pension plan investment expense, including inflation
 - Retirement age: Age 60 or 55 with 20 years' service
 - Mortality: 2013 RP Annuitant and Non-Annuitant Mortality Tables for males and females with no projected improvement

Other information:

In 2012, the County prefunded the pension plan with cash and pension bonds.
Annual money-weighted rate of return, net of investment expense not computed before GASB 68 implementation in 2014.



OTHER SUPPLEMENTAL INFORMATION

Other Supplemental Information provides combining financial statements for non-major governmental funds, plus budgetary comparisons for these non-major funds, other Enterprise funds (business-type activities) and Agency funds.



	Special Revenue			
	Liquid Fuels	Domestic Relations	Employment & Training	Office of Aging
Assets				
Cash and cash equivalents	\$ 2,776,819	\$ 250	\$ 100	\$ 225
Cash and cash equivalents, restricted	8,630,695	-	-	-
Investments	498,000	-	-	-
Taxes receivable	-	-	-	-
Accounts receivable	11,000	16,209	86,027	7,028
Accrued interest receivable	-	-	-	-
Due from other governments	1,077,458	1,483,348	436,776	-
Due from other funds	-	-	1,600,995	3,199,285
Prepaid expenses	-	-	23,493	-
Loans receivable	-	-	-	-
Investments, non-current	1,245,000	-	-	-
Total assets	<u>\$ 14,238,972</u>	<u>\$ 1,499,807</u>	<u>\$ 2,147,391</u>	<u>\$ 3,206,538</u>
Liabilities				
Accounts payable	\$ 594,642	\$ 5,484	\$ 316,901	\$ 459,587
Accrued liabilities	1,334	299,377	27,565	136,891
Unearned revenue	-	-	-	1,957,473
Due to other funds	728,487	1,193,753	-	-
Due to third parties	-	-	-	-
Payable from restricted assets	-	-	-	419,253
Total liabilities	<u>1,324,463</u>	<u>1,498,614</u>	<u>344,466</u>	<u>2,973,204</u>
Deferred inflows of resources				
Other unavailable	-	-	457,428	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>457,428</u>	<u>-</u>
Fund balances				
Nonspendable	-	1,193	21,002	-
Restricted	12,914,509	-	1,324,495	233,334
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>12,914,509</u>	<u>1,193</u>	<u>1,345,497</u>	<u>233,334</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,238,972</u>	<u>\$ 1,499,807</u>	<u>\$ 2,147,391</u>	<u>\$ 3,206,538</u>

	Special Revenue			
	Special Legislation	Mental Health/ Developmental Disabilities	Human Services	Drug and Alcohol
Assets				
Cash and cash equivalents	\$ 20,640	\$ -	\$ -	\$ -
Cash and cash equivalents, restricted	2,173,210	-	-	-
Investments	-	-	-	-
Taxes receivable	-	-	-	-
Accounts receivable	-	-	-	-
Accrued interest receivable	-	-	-	-
Due from other governments	732,482	440,402	46,868	-
Due from other funds	255,867	2,385,097	35,989	-
Prepaid expenses	-	-	-	-
Loans receivable	-	-	-	-
Investments, non-current	-	-	-	-
Total assets	<u>\$ 3,182,199</u>	<u>\$ 2,825,499</u>	<u>\$ 82,857</u>	<u>\$ -</u>
Liabilities				
Accounts payable	\$ 621,478	\$ 1,601,512	\$ 58,596	\$ -
Accrued liabilities	-	24,086	1,402	-
Unearned revenue	-	1,186,372	7,692	-
Due to other funds	-	-	-	-
Due to third parties	-	-	-	-
Payable from restricted assets	-	13,529	-	-
Total liabilities	<u>621,478</u>	<u>2,825,499</u>	<u>67,690</u>	<u>-</u>
Deferred inflows of resources				
Other unavailable	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Nonspendable	61,924	-	-	-
Restricted	2,498,797	-	15,167	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>2,560,721</u>	<u>-</u>	<u>15,167</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,182,199</u>	<u>\$ 2,825,499</u>	<u>\$ 82,857</u>	<u>\$ -</u>

	Special Revenue			Total
	Department of Emergency Services	Community Development	Capital Projects	
Assets				
Cash and cash equivalents	\$ 1,127,143	\$ 54,019	\$ -	\$ 3,979,196
Cash and cash equivalents, restricted	4,460	-	-	10,808,365
Investments	-	-	-	498,000
Taxes receivable	-	-	-	-
Accounts receivable	1,980,504	65,722	-	2,155,490
Accrued interest receivable	-	-	-	-
Due from other governments	-	4,696	-	4,233,032
Due from other funds	-	-	-	7,477,233
Prepaid expenses	2,274,006	-	-	2,297,499
Loans receivable	-	-	-	-
Investments, non-current	-	-	-	1,244,999
Total assets	<u>\$ 5,386,113</u>	<u>\$ 124,437</u>	<u>\$ -</u>	<u>\$ 32,693,814</u>
Liabilities				
Accounts payable	\$ 4,518	\$ 53,925	\$ -	\$ 3,716,644
Accrued liabilities	341,353	-	-	832,008
Unearned revenue	-	-	-	3,608,965
Due to other funds	1,969,684	70,512	-	3,962,436
Due to third parties	-	-	-	-
Payable from restricted assets	-	-	-	432,782
Total liabilities	<u>2,315,555</u>	<u>124,437</u>	<u>-</u>	<u>12,552,835</u>
Deferred inflows of resources				
Other unavailable	60,070	-	-	60,070
Total deferred inflows of resources	<u>60,070</u>	<u>-</u>	<u>-</u>	<u>60,070</u>
Fund balances				
Nonspendable	2,683,614	-	-	2,767,733
Restricted	326,874	-	-	17,313,176
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>3,010,488</u>	<u>-</u>	<u>-</u>	<u>20,080,909</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,386,113</u>	<u>\$ 124,437</u>	<u>\$ -</u>	<u>\$ 32,693,814</u>

	Special Revenue			
	Liquid Fuels	Domestic Relations	Employment & Training	Office of Aging
Revenues				
Intergovernmental revenue	\$ 3,896,018	\$ 4,655,882	\$ 4,697,921	\$ 8,282,322
Hotel tax	-	-	-	-
Departmental charges and reimbursements	2,032,415	180,182	-	190,836
Investment earnings	161,058	-	28,117	16,695
Rental	11,100	-	-	-
Miscellaneous	11,000	-	255,572	5,493
Total revenues	<u>6,111,591</u>	<u>4,836,064</u>	<u>4,981,610</u>	<u>8,495,346</u>
Expenditures				
Current:				
General government, administrative	-	-	-	-
General government, judicial	-	-	-	-
Public safety	-	-	-	-
Human services	-	6,731,585	4,946,882	8,386,825
Capital outlay	-	-	-	-
Community and economic development	-	-	-	-
Public works	4,192,449	-	-	-
Total expenditures	<u>4,192,449</u>	<u>6,731,585</u>	<u>4,946,882</u>	<u>8,386,825</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,919,142</u>	<u>(1,895,521)</u>	<u>34,728</u>	<u>108,521</u>
Other financing sources (uses)				
Transfers in	10,290	2,014,577	-	-
Transfers out	<u>(2,699)</u>	<u>(119,056)</u>	<u>(15,725)</u>	<u>(79,482)</u>
Total other financing sources (uses)	<u>7,591</u>	<u>1,895,521</u>	<u>(15,725)</u>	<u>(79,482)</u>
Net changes in fund balances	1,926,733	-	19,003	29,039
Fund balances, beginning, as restated	<u>10,987,776</u>	<u>1,193</u>	<u>1,326,494</u>	<u>204,295</u>
Fund balances, ending	<u>\$ 12,914,509</u>	<u>\$ 1,193</u>	<u>\$ 1,345,497</u>	<u>\$ 233,334</u>

	Special Revenue			
	Special Legislation	Mental Health/ Development Disabilities	Human Services	Drug and Alcohol
Revenues				
Intergovernmental revenue	\$ 1,021,109	\$ 17,951,844	\$ 1,109,536	\$ 5,851,850
Hotel tax	2,447,014	-	-	-
Departmental charges and reimbursements	1,117,912	-	-	-
Investment earnings	33,912	21,611	1,761	-
Rental	-	-	-	-
Miscellaneous	452	-	-	-
Total revenues	<u>4,620,399</u>	<u>17,973,455</u>	<u>1,111,297</u>	<u>5,851,850</u>
Expenditures				
Current:				
General government, administrative	2,713,556	-	-	-
General government, judicial	380,233	-	-	-
Public safety	-	-	-	-
Human services	-	18,895,179	1,112,424	7,282,252
Capital outlay	-	-	-	-
Community and economic development	-	-	-	-
Public works	-	-	-	-
Total expenditures	<u>3,093,789</u>	<u>18,895,179</u>	<u>1,112,424</u>	<u>7,282,252</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,526,610</u>	<u>(921,724)</u>	<u>(1,127)</u>	<u>(1,430,402)</u>
Other financing sources (uses)				
Transfers in	-	936,513	-	1,430,402
Transfers out	(1,737,363)	(14,789)	(842)	-
Total other financing sources (uses)	<u>(1,737,363)</u>	<u>921,724</u>	<u>(842)</u>	<u>1,430,402</u>
Net changes in fund balances	(210,753)	-	(1,969)	-
Fund balances, beginning	2,771,474	-	17,136	-
Fund balances, ending	<u>\$ 2,560,721</u>	<u>\$ -</u>	<u>\$ 15,167</u>	<u>\$ -</u>

Special Revenue

	Department of Emergency Services	Community Development	Capital Projects	Total
Revenues				
Intergovernmental revenue	\$ 11,700	\$ 2,681,189	\$ -	\$ 50,159,371
Hotel tax	-	-	-	2,447,014
Departmental charges and reimbursements	11,414,220	567,893	-	15,503,458
Investment earnings	14,993	-	15,433	293,580
Rental	53,967	-	-	65,067
Miscellaneous	241,834	-	-	514,351
Total revenues	<u>11,736,714</u>	<u>3,249,082</u>	<u>15,433</u>	<u>68,982,841</u>
Expenditures				
Current:				
General government, administrative	-	-	-	2,713,556
General government, judicial	-	-	-	380,233
Public Safety	12,318,477	-	-	12,318,477
Human services	-	-	-	47,355,147
Capital outlay	-	-	453,954	453,954
Community and economic development	-	3,249,082	-	3,249,082
Public works	-	-	-	4,192,449
Total expenditures	<u>12,318,477</u>	<u>3,249,082</u>	<u>453,954</u>	<u>70,662,898</u>
Excess (deficiency) or revenues over (under) expenditures	<u>(581,763)</u>	<u>-</u>	<u>(438,521)</u>	<u>(1,680,057)</u>
Other financing sources (uses)				
Transfers in	36,739	-	-	4,428,521
Transfers out	(218,639)	-	-	(2,188,595)
Total other financing sources (uses)	<u>(181,900)</u>	<u>-</u>	<u>-</u>	<u>2,239,926</u>
Net changes in fund balances	(763,663)	-	(438,521)	559,869
Fund balances, beginning, as restated	3,774,151	-	438,521	19,521,040
Fund balances, ending	<u>\$ 3,010,488</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,080,909</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Liquid Fuels Special Revenue Fund - Budget and Actual
 Year ended December 31, 2019

County of Berks
 2019 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 6,202,055	\$ 6,525,261	\$ 3,896,018	\$ (2,629,243)
Departmental charges and reimbursements	1,600,000	1,600,000	2,032,415	432,415
Investment earnings	70,700	90,892	161,058	70,166
Rental	11,100	11,100	11,100	-
Miscellaneous	-	-	11,000	11,000
Total revenues	<u>7,883,855</u>	<u>8,227,253</u>	<u>6,111,591</u>	<u>(2,115,662)</u>
Expenditures				
Current:				
Public works	<u>9,142,142</u>	<u>10,201,890</u>	<u>4,192,449</u>	<u>6,009,441</u>
Total expenditures	<u>9,142,142</u>	<u>10,201,890</u>	<u>4,192,449</u>	<u>6,009,441</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(1,258,287)</u>	<u>(1,974,637)</u>	<u>1,919,142</u>	<u>3,893,779</u>
Other financing sources (uses):				
Transfers in	-	10,290	10,290	-
Transfers out	<u>(6,938)</u>	<u>(6,938)</u>	<u>(2,699)</u>	<u>4,239</u>
Total other financing sources (uses)	<u>(6,938)</u>	<u>3,352</u>	<u>7,591</u>	<u>4,239</u>
Net change in fund balances (deficits)	<u>(1,265,225)</u>	<u>(1,971,285)</u>	<u>1,926,733</u>	<u>3,898,018</u>
Fund balances, beginning, as restated	<u>10,987,776</u>	<u>10,987,776</u>	<u>10,987,776</u>	<u>-</u>
Fund balances, ending	<u>\$ 9,722,551</u>	<u>\$ 9,016,491</u>	<u>\$ 12,914,509</u>	<u>\$ 3,898,018</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Domestic Relations Special Revenue Fund - Budget and Actual
 Year ended December 31, 2019

County of Berks
 2019 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 4,905,663	\$ 4,914,655	\$ 4,655,882	\$ (258,773)
Departmental charges and reimbursements	159,983	159,983	180,182	20,199
Investment earnings	-	-	-	-
Total revenues	<u>5,065,646</u>	<u>5,074,638</u>	<u>4,836,064</u>	<u>(238,574)</u>
Expenditures				
Current:				
Human services	<u>6,986,865</u>	<u>7,004,993</u>	<u>6,731,585</u>	<u>273,408</u>
Total expenditures	<u>6,986,865</u>	<u>7,004,993</u>	<u>6,731,585</u>	<u>273,408</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(1,921,219)</u>	<u>(1,930,355)</u>	<u>(1,895,521)</u>	<u>34,834</u>
Other financing sources (uses):				
Transfers in	2,057,055	2,066,191	2,014,577	(51,614)
Transfers out	<u>(135,836)</u>	<u>(135,836)</u>	<u>(119,056)</u>	<u>16,780</u>
Total other financing sources (uses)	<u>1,921,219</u>	<u>1,930,355</u>	<u>1,895,521</u>	<u>(34,834)</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning, as restated	<u>1,193</u>	<u>1,193</u>	<u>1,193</u>	<u>-</u>
Fund balances, ending	<u>\$ 1,193</u>	<u>\$ 1,193</u>	<u>\$ 1,193</u>	<u>\$ -</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Employment and Training Special Revenue Fund - Budget and Actual
 Year ended December 31, 2019

County of Berks
 2019 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 4,943,775	\$ 6,622,215	\$ 4,697,921	\$ (1,924,294)
Departmental charges and reimbursements	-	-	-	-
Investment earnings	-	-	28,117	28,117
Miscellaneous	271,079	266,941	255,572	(11,369)
Total revenues	<u>5,214,854</u>	<u>6,889,156</u>	<u>4,981,610</u>	<u>(1,907,546)</u>
Expenditures				
Current:				
Human services	5,198,684	6,905,802	4,946,882	1,958,920
Total expenditures	<u>5,198,684</u>	<u>6,905,802</u>	<u>4,946,882</u>	<u>1,958,920</u>
Excess (deficiency) of revenue over (under) expenditures	<u>16,170</u>	<u>(16,646)</u>	<u>34,728</u>	<u>51,374</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(16,170)	(16,170)	(15,725)	445
Total other financing sources (uses)	<u>(16,170)</u>	<u>(16,170)</u>	<u>(15,725)</u>	<u>445</u>
Net change in fund balances (deficits)	-	(32,816)	19,003	51,819
Fund balances, beginning	1,326,494	1,326,494	1,326,494	-
Fund balances, ending	<u>\$ 1,326,494</u>	<u>\$ 1,293,678</u>	<u>\$ 1,345,497</u>	<u>\$ 51,819</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
Office of Aging Special Revenue Fund - Budget and Actual
Year ended December 31, 2019

County of Berks
2019 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 7,485,997	\$ 10,308,403	\$ 8,282,322	\$ (2,026,081)
Departmental charges and reimbursements	220,775	220,775	190,836	(29,939)
Investment earnings	12,900	12,900	16,695	3,795
Miscellaneous	2,400	2,400	5,493	3,093
Total revenues	<u>7,722,072</u>	<u>10,544,478</u>	<u>8,495,346</u>	<u>(2,049,132)</u>
Expenditures				
Current:				
Human services	<u>7,638,669</u>	<u>10,461,078</u>	<u>8,386,825</u>	<u>2,074,253</u>
Total expenditures	<u>7,638,669</u>	<u>10,461,078</u>	<u>8,386,825</u>	<u>2,074,253</u>
Excess (deficiency) of revenue over (under) expenditures	<u>83,403</u>	<u>83,400</u>	<u>108,521</u>	<u>25,121</u>
Other financing sources (uses):				
Transfers in	761,077	-	-	-
Transfers out	<u>(844,480)</u>	<u>(83,403)</u>	<u>(79,482)</u>	<u>3,921</u>
Total other financing sources (uses)	<u>(83,403)</u>	<u>(83,403)</u>	<u>(79,482)</u>	<u>3,921</u>
Net change in fund balances (deficits)	-	(3)	29,039	29,042
Fund balances, beginning	204,295	204,295	204,295	-
Fund balances, ending	<u>\$ 204,295</u>	<u>\$ 204,292</u>	<u>\$ 233,334</u>	<u>\$ 29,042</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Special Legislation Special Revenue Fund - Budget and Actual
 Year ended December 31, 2019

County of Berks
 2019 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 800,000	\$ 800,000	\$ 1,021,109	\$ 221,109
Hotel tax	2,500,000	2,500,000	2,447,014	(52,986)
Departmental charges and reimbursements	1,135,028	1,135,028	1,117,912	(17,116)
Investment earnings	15,761	15,761	33,912	18,151
Miscellaneous	-	-	452	452
Total revenues	<u>4,450,789</u>	<u>4,450,789</u>	<u>4,620,399</u>	<u>169,610</u>
Expenditures				
Current:				
General government, administrative	2,696,888	2,712,523	2,713,556	(1,033)
General government, judicial	126,750	146,820	380,233	(233,413)
Total expenditures	<u>2,823,638</u>	<u>2,859,343</u>	<u>3,093,789</u>	<u>(234,446)</u>
Excess (deficiency) of revenue over (under) expenditures	<u>1,627,151</u>	<u>1,591,446</u>	<u>1,526,610</u>	<u>(64,836)</u>
Other financing uses:				
Transfers out	<u>(1,870,896)</u>	<u>(1,922,882)</u>	<u>(1,737,363)</u>	<u>185,519</u>
Total other financing sources (uses)	<u>(1,870,896)</u>	<u>(1,922,882)</u>	<u>(1,737,363)</u>	<u>185,519</u>
Net change in fund balances (deficits)	(243,745)	(331,436)	(210,753)	120,683
Fund balances, beginning	2,771,474	2,771,474	2,771,474	-
Fund balances, ending	<u>\$ 2,527,729</u>	<u>\$ 2,440,038</u>	<u>\$ 2,560,721</u>	<u>\$ 120,683</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
Mental Health/Developmental Disabilities Special Revenue Fund - Budget and Actual
Year ended December 31, 2019

County of Berks
2019 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 16,616,101	\$ 18,463,950	\$ 17,951,844	\$ (512,106)
Departmental charges and reimbursements	2,000	2,000	-	(2,000)
Investment earnings	14,600	14,600	21,611	7,011
Miscellaneous	-	-	-	-
Total revenues	<u>16,632,701</u>	<u>18,480,550</u>	<u>17,973,455</u>	<u>(507,095)</u>
Expenditures				
Current:				
Human services	<u>17,423,446</u>	<u>19,425,381</u>	<u>18,895,179</u>	<u>530,202</u>
Total expenditures	<u>17,423,446</u>	<u>19,425,381</u>	<u>18,895,179</u>	<u>530,202</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(790,745)</u>	<u>(944,831)</u>	<u>(921,724)</u>	<u>23,107</u>
Other financing sources (uses):				
Transfers in	805,709	959,795	936,513	(23,282)
Transfers out	<u>(14,964)</u>	<u>(14,964)</u>	<u>(14,789)</u>	<u>175</u>
Total other financing sources (uses)	<u>790,745</u>	<u>944,831</u>	<u>921,724</u>	<u>(23,107)</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Human Services Special Revenue Fund - Budget and Actual
 Year ended December 31, 2019

County of Berks
 2019 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 888,688	\$ 1,127,073	\$ 1,109,536	\$ (17,537)
Investment earnings	2,300	2,300	1,761	(539)
Miscellaneous	-	-	-	-
Total revenues	<u>890,988</u>	<u>1,129,373</u>	<u>1,111,297</u>	<u>(18,076)</u>
Expenditures				
Current:				
Human services	891,074	1,130,981	1,112,424	18,557
Total expenditures	<u>891,074</u>	<u>1,130,981</u>	<u>1,112,424</u>	<u>18,557</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(86)</u>	<u>(1,608)</u>	<u>(1,127)</u>	<u>481</u>
Other financing sources (uses):				
Transfers out	<u>(879)</u>	<u>(879)</u>	<u>(842)</u>	<u>37</u>
Total other financing sources (uses)	<u>(879)</u>	<u>(879)</u>	<u>(842)</u>	<u>37</u>
Net change in fund balances (deficits)	<u>(965)</u>	<u>(2,487)</u>	<u>(1,969)</u>	<u>518</u>
Fund balances, beginning	<u>17,136</u>	<u>17,136</u>	<u>17,136</u>	<u>-</u>
Fund balances, ending	<u>\$ 16,171</u>	<u>\$ 14,649</u>	<u>\$ 15,167</u>	<u>\$ 518</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
Drug and Alcohol Special Revenue Fund - Budget and Actual
Year ended December 31, 2019

County of Berks
2019 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenue				
Intergovernmental revenue	\$ 4,732,060	\$ 6,289,673	\$ 5,851,850	\$ (437,823)
Total revenue	<u>4,732,060</u>	<u>6,289,673</u>	<u>5,851,850</u>	<u>(437,823)</u>
Expenditures				
Current:				
Human services	6,462,462	7,720,075	7,282,252	437,823
Total expenditures	<u>6,462,462</u>	<u>7,720,075</u>	<u>7,282,252</u>	<u>437,823</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(1,730,402)</u>	<u>(1,430,402)</u>	<u>(1,430,402)</u>	<u>-</u>
Other financing sources:				
Transfers in	1,730,402	1,430,402	1,430,402	-
Total other financing sources (uses)	<u>1,730,402</u>	<u>1,430,402</u>	<u>1,430,402</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances, beginning	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Department of Emergency Services Special Revenue Fund - Budget and Actual
 Year ended December 31, 2019

County of Berks
 2019 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ -	\$ 11,700	\$ 11,700	\$ -
Departmental charges and reimbursements	11,424,549	11,424,549	11,414,220	(10,329)
Investment earnings	11,616	11,616	14,993	3,377
Rental	53,965	53,965	53,967	2
Miscellaneous	524,460	524,460	241,834	(282,626)
Total revenues	<u>12,014,590</u>	<u>12,026,290</u>	<u>11,736,714</u>	<u>(289,576)</u>
Expenditures				
Current:				
Public safety	<u>15,769,809</u>	<u>17,419,410</u>	<u>12,318,477</u>	<u>5,100,933</u>
Total expenditures	<u>15,769,809</u>	<u>17,419,410</u>	<u>12,318,477</u>	<u>5,100,933</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(3,755,219)</u>	<u>(5,393,120)</u>	<u>(581,763)</u>	<u>4,811,357</u>
Other financing uses:				
Transfers in	3,260,723	4,736,723	36,739	(4,699,984)
Transfers out	<u>(242,373)</u>	<u>(219,393)</u>	<u>(218,639)</u>	<u>754</u>
Total other financing sources (uses)	<u>3,018,350</u>	<u>4,517,330</u>	<u>(181,900)</u>	<u>(4,699,230)</u>
Net change in fund balances (deficits)	<u>(736,869)</u>	<u>(875,790)</u>	<u>(763,663)</u>	<u>112,127</u>
Fund balances, beginning	<u>3,774,151</u>	<u>3,774,151</u>	<u>3,774,151</u>	<u>-</u>
Fund balances, ending	<u>\$ 3,037,282</u>	<u>\$ 2,898,361</u>	<u>\$ 3,010,488</u>	<u>\$ 112,127</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Community Development Special Revenue Fund - Budget and Actual
 Year ended December 31, 2019

County of Berks
 2019 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Intergovernmental revenue	\$ 3,358,460	\$ 3,520,411	\$ 2,681,189	\$ (839,222)
Departmental charges and reimbursements	550,922	567,894	567,893	(1)
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>3,909,382</u>	<u>4,088,305</u>	<u>3,249,082</u>	<u>(839,223)</u>
Expenditures				
Current:				
Community and economic development	<u>3,909,382</u>	<u>4,088,305</u>	<u>3,249,082</u>	<u>839,223</u>
Total expenditures	<u>3,909,382</u>	<u>4,088,305</u>	<u>3,249,082</u>	<u>839,223</u>
Excess (deficiency) of revenue over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing uses:				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Schedule of Revenues, Expenditures and Changes in Fund Balances
 Capital Projects Special Revenue Fund - Budget and Actual
 Year ended December 31, 2019

County of Berks
 2019 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Revenues				
Investment earnings	\$ -	\$ 12,938	\$ 15,433	\$ 2,495
Expenditures				
Current:				
Capital outlay	921,466	482,298	453,954	28,344
Total expenditures	<u>921,466</u>	<u>482,298</u>	<u>453,954</u>	<u>28,344</u>
Excess (deficiency) of revenue over (under) expenditures and net change in fund balances	<u>(921,466)</u>	<u>(469,360)</u>	<u>(438,521)</u>	<u>30,839</u>
Fund balances, beginning, as restated	438,521	438,521	438,521	-
Fund balances (deficits), ending	<u>\$ (482,945)</u>	<u>\$ (30,839)</u>	<u>\$ -</u>	<u>\$ 30,839</u>

Schedule of Revenues, Expenses and Changes in Net Position
 Berks County Residential Center Enterprise Fund - Budget and Actual
 Year ended December 31, 2019

County of Berks
 2019 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Operating revenues				
Charges for services	\$ 8,315,400	\$ 8,315,400	\$ 7,713,859	\$ (601,541)
Other operating revenues	1,341,704	1,341,704	848,623	(493,081)
Total operating revenues	<u>9,657,104</u>	<u>9,657,104</u>	<u>8,562,482</u>	<u>(1,094,622)</u>
Operating expenses				
Shelter care - Immigration and naturalizations	8,173,309	8,172,722	7,096,524	1,076,198
Depreciation	-	-	318,720	(318,720)
Total operating expenses	<u>8,173,309</u>	<u>8,172,722</u>	<u>7,415,244</u>	<u>757,478</u>
Operating income (loss)	<u>1,483,795</u>	<u>1,484,382</u>	<u>1,147,238</u>	<u>(337,144)</u>
Nonoperating revenues (expenses)				
Interest expense	(138,955)	(138,955)	(130,607)	8,348
Total nonoperating revenues (expenses)	<u>(138,955)</u>	<u>(138,955)</u>	<u>(130,607)</u>	<u>8,348</u>
Income before transfers	1,344,840	1,345,427	1,016,631	(328,796)
Transfers in	-	-	-	-
Transfers out	(1,088,977)	(1,088,977)	(1,088,977)	-
Change in net position	255,863	256,450	(72,346)	(328,796)
Total net position, beginning	6,664,729	6,664,729	6,664,729	-
Total net position, ending	<u>\$ 6,920,592</u>	<u>\$ 6,921,179</u>	<u>\$ 6,592,383</u>	<u>\$ (328,796)</u>

Schedule of Revenues, Expenditures and Changes in Net Position
 Berks Heim Enterprise Fund - Budget and Actual
 Year ended December 31, 2019

County of Berks
 2019 Comprehensive Annual Financial Report

	Original budget	Final budget	Actual	Variance with final budget positive (negative)
Operating expenses				
Operating revenues				
Charges for services	\$ 39,440,876	\$ 39,699,876	\$ 39,242,400	\$ (457,476)
Other operating revenues	13,850,812	14,061,862	14,689,014	627,152
Total operating revenues	<u>53,291,688</u>	<u>53,761,738</u>	<u>53,931,414</u>	<u>169,676</u>
Operating expenses				
Financial administration	3,095,798	3,245,405	3,214,323	31,082
Administrative expenses	2,244,649	2,252,280	3,289,367	(1,037,087)
Special services	180,081	181,231	160,876	20,355
Dietary	4,095,811	4,094,436	3,708,782	385,654
Laundry	811,997	813,278	524,110	289,168
Environmental services	2,151,166	2,151,116	1,992,671	158,445
Plant operations	1,517,736	1,744,757	1,658,551	86,206
Nursing	22,162,085	22,139,029	20,379,248	1,759,781
Physician services	85,577	81,527	71,923	9,604
Pharmacy services	626,444	604,944	559,708	45,236
Medical services	328,475	328,750	299,078	29,672
Therapeutic activity	565,095	565,095	500,045	65,050
Social service	321,867	321,867	297,299	24,568
Physical therapy service	2,205,590	2,312,590	2,310,504	2,086
Staff development	459,701	459,701	379,506	80,195
Materials management	187,549	187,549	192,496	(4,947)
Personnel	148,230	150,930	142,970	7,960
Security	256,222	269,907	271,910	(2,003)
Volunteers	80,293	80,293	78,149	2,144
Nursing administration	1,723,944	1,755,844	1,702,011	53,833
Admissions	252,580	252,580	229,764	22,816
Depreciation	-	-	1,102,115	(1,102,115)
Total operating expenses	<u>43,500,890</u>	<u>43,993,109</u>	<u>43,065,406</u>	<u>927,703</u>
Operating income (loss)	<u>9,790,798</u>	<u>9,768,629</u>	<u>10,866,008</u>	<u>1,097,379</u>
Nonoperating revenues (expenses)				
Grants	10,694	10,694	-	(10,694)
Investment earnings	2,530	2,530	6,013	3,483
Interest Expense	(875,761)	(875,761)	(815,372)	60,389
Contribution to General Fund	(7,530,000)	(7,530,000)	(7,530,000)	-
Total nonoperating revenues (expenses)	<u>(8,392,537)</u>	<u>(8,392,537)</u>	<u>(8,339,359)</u>	<u>53,178</u>
Income before transfers	1,398,261	1,376,092	2,526,649	1,150,557
Transfers in	-	-	-	-
Change in net position	1,398,261	1,376,092	2,526,649	1,150,557
Total net position, beginning	10,265,615	10,265,615	10,265,615	-
Total net position, ending	<u>\$ 11,663,876</u>	<u>\$ 11,641,707</u>	<u>\$ 12,792,264</u>	<u>\$ 1,150,557</u>

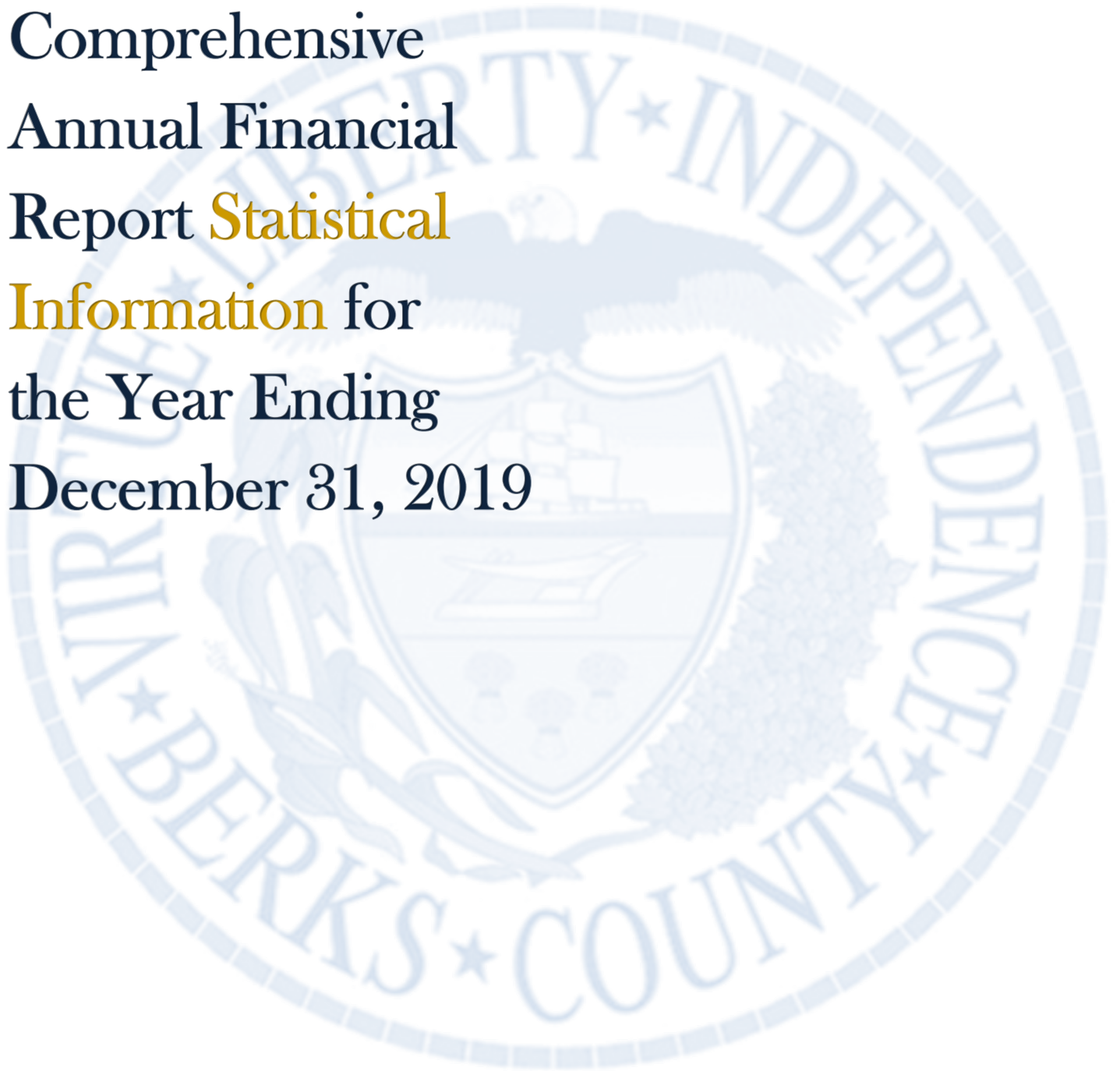
Statement of Changes in Net Position
 Custodial Fund
 Year ended December 31, 2019

County of Berks
 2019 Comprehensive Annual Financial Report

	Balance January 1, 2019	Additions Increase (Decrease)	Reductions (Decrease) Increase	Balance December 31, 2019
Assets				
Cash, cash equivalents, and investments	\$ 2,797,344	\$ 3,014,835	\$ (4,416,518)	\$ 1,395,661
Total assets	<u>2,797,344</u>	<u>3,014,835</u>	<u>(4,416,518)</u>	<u>1,395,661</u>
Liabilities				
Due to third parties by department:				
Clerk of Courts	\$ 272,509	\$ 3,150	\$ -	\$ 275,659
District Attorney	311	144,924	(144,563)	672
Prothonotary	<u>2,524,524</u>	<u>2,866,761</u>	<u>(4,271,955)</u>	<u>1,119,330</u>
Total liabilities	<u>\$ 2,797,344</u>	<u>\$ 3,014,835</u>	<u>\$ (4,416,518)</u>	<u>\$ 1,395,661</u>



County of Berks,
Pennsylvania
Comprehensive
Annual Financial
Report **Statistical
Information** for
the Year Ending
December 31, 2019



County of Berks
Statistical Section - Categories
Year Ended December 31, 2019

This section presents trends, contextual and detail information to help readers evaluate the financial information presented in the proceeding sections. This information is presented in the following six categories:

Financial Trends

Financial trends information is intended to help readers understand and assess how the County of Berks' financial position has changed over time.

Revenue Capacity

Revenue capacity information is intended to assist readers to better understand and assess the factors affecting the County of Berks' ability to generate its own revenue, most notably the real estate property tax.

Debt Capacity

Debt capacity information is intended to assist readers to better understand and assess the County of Berks' debt burden and its ability to issue additional debt.

Demographic and Economic Information

Demographic and economic information is intended to help readers to better understand the socioeconomic environment in which the County of Berks' operates.

Operating Information

Operating information is intended to provide readers with information for evaluating the County of Berks' financial statement information as it relates to the services the County of Berks provides and activities it performs.

Miscellaneous Statistics

Miscellaneous statistics is intended to help readers to better understand the demographics in which the County of Berks' operates and exists.

**County of Berks
Net Position by Component
Last Ten Years
(accrual basis of accounting)**

	<u>2019</u>	<u>2018</u> (Restated)	<u>2017</u> (Restated)	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Governmental activities										
Net Investment in Capital Assets	\$ 137,967,636	\$ 114,240,905	\$ 95,148,395	\$ 81,931,824	\$ 43,806,168	\$ 23,918,071	\$ 9,829,007	\$ 17,083,783	\$ 9,109,197	\$ 1,934,910
Restricted	70,387,159	84,477,314	59,235,018	40,408,168	39,884,858	24,326,098	11,685,944	12,257,593	16,010,546	24,338,877
Unrestricted	<u>97,246,664</u>	<u>86,028,855</u>	<u>117,240,734</u>	<u>129,854,361</u>	<u>156,023,750</u>	<u>159,475,948</u> (1)	<u>160,689,349</u> (1)	<u>165,487,146</u>	<u>163,473,570</u>	<u>171,236,880</u>
Total governmental activities net position	<u>\$ 305,601,459</u>	<u>\$ 284,747,074</u>	<u>\$ 271,624,147</u>	<u>\$ 252,194,353</u>	<u>\$ 239,714,776</u>	<u>\$ 207,720,117</u>	<u>\$ 182,204,300</u>	<u>\$ 194,828,522</u>	<u>\$ 188,593,313</u>	<u>\$ 197,510,667</u>
Business-type activities										
Net Investment in Capital Assets	\$ 13,783,851	\$ 12,114,745	\$ 12,977,783	\$ 13,723,645	\$ 13,187,836	\$ 25,658,496	\$ 25,034,275	\$ 13,829,836	\$ 9,406,663	\$ 8,680,936
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted deficit	<u>5,600,796</u>	<u>4,815,598</u>	<u>3,236,555</u>	<u>441,397</u>	<u>(1,095,778)</u>	<u>(10,451,880)</u> (2)	<u>(12,457,169)</u> (2)	<u>(9,366,816)</u>	<u>(8,319,120)</u>	<u>(23,180,373)</u>
Total business-type activities net position	<u>\$ 19,384,647</u>	<u>\$ 16,930,343</u>	<u>\$ 16,214,338</u>	<u>\$ 14,165,042</u>	<u>\$ 12,092,058</u>	<u>\$ 15,206,616</u>	<u>\$ 12,577,106</u>	<u>\$ 4,463,020</u>	<u>\$ 1,087,543</u>	<u>\$ (14,499,437)</u>
Primary government										
Net Investment in Capital Assets	\$ 151,751,487	\$ 126,355,650	\$ 108,126,178	\$ 95,655,469	\$ 56,994,004	\$ 49,576,567	\$ 34,863,282	\$ 30,913,619	\$ 18,515,860	\$ 10,615,846
Restricted	70,387,159	84,477,314	59,235,018	40,408,168	39,884,858	24,326,098	11,685,944	12,257,593	16,010,546	24,338,877
Unrestricted	<u>102,847,460</u>	<u>90,844,453</u>	<u>120,477,289</u>	<u>130,295,758</u>	<u>154,927,972</u>	<u>149,024,068</u>	<u>148,232,180</u>	<u>156,120,330</u>	<u>155,154,450</u>	<u>148,056,507</u>
Total primary government net position	<u>\$ 324,986,106</u>	<u>\$ 301,677,417</u>	<u>\$ 287,838,485</u>	<u>\$ 266,359,395</u>	<u>\$ 251,806,834</u>	<u>\$ 222,926,733</u>	<u>\$ 194,781,406</u>	<u>\$ 199,291,542</u>	<u>\$ 189,680,856</u>	<u>\$ 183,011,230</u>

(1) Decrease is the result of implementing GASB 68 and other prior period adjustments described in Note 1.

(2) Increase is the result of implementing GASB 68 and other prior period adjustments described in Note 1.

County of Berks
Changes in Net Position
Last Ten Years
(accrual basis of accounting)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Expenses										
Governmental activities:										
General government	\$ 46,452,638	\$ 48,039,250	\$ 30,620,288	\$ 36,082,577	\$ 24,518,197	\$ 15,721,339	\$ 18,758,919	\$ 17,615,938	\$ 19,358,233	\$ 20,021,126
Judicial	53,106,071	52,034,508	50,672,477	50,162,752	49,573,970	48,391,839	47,033,776	48,313,567	46,672,086	45,019,035
Public safety	83,216,811	81,282,114	76,756,649	73,693,374	60,793,123	58,902,986	58,557,094	57,900,874	53,971,066	53,449,933
Human services	201,850,983	203,987,908	204,645,396	195,370,229	173,389,044	167,089,187	169,216,796	181,005,416	187,841,278	171,929,312
Culture and recreation	7,945,393	7,731,438	8,046,140	8,047,701	7,756,963	7,392,985	7,541,491	7,961,633	7,127,616	7,653,072
Community and economic development	5,888,248	4,809,666	5,218,666	5,736,313	6,466,588	5,790,903	4,674,567	5,447,335	7,164,309	8,114,649
Public works	1,488,806	1,979,939	1,241,733	1,108,162	2,212,561	1,518,619	1,143,574	997,263	948,645	523,018
Community support	2,124,745	2,770,282	626,679	601,605	564,489	1,825,423	5,706,515	5,308,083	6,858,598	6,659,295
Debt service administrative expenses	4,383,080	6,904,771	8,443,737	9,146,762	10,642,781	11,239,235	16,320,620	12,442,872	16,918,941	11,508,880
Capital Projects	-	-	-	-	-	-	-	-	-	-
Solid waste	314,950	191,695	359,419	1,176,581	1,241,206	1,247,078	1,245,347	1,280,046	1,275,635	1,141,743
Total governmental activities expenses	\$ 406,771,725	\$ 409,731,571	\$ 386,631,184	\$ 381,126,056	\$ 337,158,922	\$ 319,119,594	\$ 330,198,699	\$ 338,273,027	\$ 348,136,407	\$ 326,020,063
Business-type activities										
Department of Emergency Services	-	-	-	-	12,445,334	12,793,480	8,652,660	8,614,042	7,967,837	7,454,948
Berks County Residential Center	7,545,851	8,170,840	7,701,449	7,877,438	6,999,440	5,667,274	6,088,570	6,047,116	5,464,568	-
Berks Heim	51,410,777	50,755,851	48,537,671	46,861,213	39,332,775	37,753,556	38,407,433	38,763,708	37,757,747	36,383,076
Youth Center	-	-	-	-	-	-	-	4,416,787	5,885,897	12,778,024
Total business-type activities expenses	58,956,628	58,926,691	56,239,120	54,738,651	58,777,549	56,214,310	53,148,663	57,841,653	57,076,049	56,616,048
Total primary government expenses	\$ 465,728,353	\$ 468,658,262	\$ 442,870,304	\$ 435,864,707	\$ 395,936,471	\$ 375,333,904	\$ 383,347,362	\$ 396,114,680	\$ 405,212,456	\$ 382,636,111
Program Revenues										
Governmental activities:										
Charges for services :										
General government	8,480,343	8,944,575	9,090,716	8,170,571	7,974,794	7,892,340	8,370,615	7,700,054	7,449,565	7,002,381
Judicial	10,021,136	9,962,280	10,246,205	12,480,779	11,114,805	12,229,763	11,650,097	10,056,699	10,256,054	11,472,650
Public safety	15,795,493	16,434,063	15,988,449	16,595,735	6,135,812	7,219,251	7,081,372	5,619,927	5,148,579	5,594,622
Human services	1,124,165	1,274,856	1,505,680	1,529,874	1,720,468	1,842,966	1,561,502	2,016,753	2,071,743	2,114,879
Culture and recreation	120,948	216,108	201,503	575,744	135,187	112,481	75,756	124,492	116,685	133,154
Community and economic development	659,079	(4,916,987)	861,287	2,035,597	940,375	672,165	749,067	1,053,516	573,080	1,417,454
Public works	2,032,415	1,822,805	1,043,790	1,178,078	2,021,583	22,902	-	-	346	3,225
Solid waste	3,577,836	4,594,787	4,147,808	3,647,496	3,422,991	3,574,193	2,820,596	2,775,018	2,911,968	2,738,410
Other activities	227,835	1,471,216	1,521,986	1,543,670	1,514,558	1,503,982	2,405,976	1,934,098	1,941,296	1,180,059
Operating grants and contributions	217,451,639	215,507,157	205,661,746	197,988,775	178,140,256	177,271,350	174,282,405	189,380,439	194,760,629	191,577,202
Capital grants and contributions	4,920,266	6,058,810	4,058,333	11,664,124	7,127,307	42,348	3,038,095	675,629	2,820,932	1,921,128
Total governmental activities program revenues	\$ 264,411,155	\$ 261,369,670	\$ 254,327,503	\$ 257,410,443	\$ 220,248,136	\$ 212,383,741	\$ 212,035,481	\$ 221,336,625	\$ 228,050,877	\$ 225,155,164
Business-type activities										
Charges for services :										
Department of Emergency Services	-	-	-	-	10,787,498	8,753,289	8,059,740	7,687,064	7,867,909	8,349,161
Berks County Residential Center	8,562,482	9,187,097	8,703,124	8,836,182	8,861,784	7,664,164	6,985,278	6,523,375	6,018,136	-
Berks Heim	53,931,414	51,665,493	50,593,420	47,896,629	41,886,562	41,017,725	40,974,069	40,567,133	40,201,168	37,117,616
Youth Center	-	-	-	-	-	-	-	567,352	2,091,611	8,432,646
Operating grants and contributions	-	-	-	-	21,236	93,120	51,522	1,252,856	2,296,085	2,117,133
Capital grants and contributions	-	7,463	8,384	8,587	-	-	-	-	-	-
Total business-type activities program revenues	62,493,896	60,860,053	59,304,928	56,741,398	61,557,080	57,528,298	56,070,609	56,597,780	58,474,909	56,016,556
Total primary government program revenues	\$ 326,905,051	\$ 322,229,723	\$ 313,632,431	\$ 314,151,841	\$ 281,805,216	\$ 269,912,039	\$ 268,106,090	\$ 277,934,405	\$ 286,525,786	\$ 281,171,720
Net (expense)/revenue										
Governmental activities	(142,360,570)	(148,361,901)	(132,303,681)	(123,715,613)	(116,910,786)	(106,735,853)	(118,163,218)	(116,936,402)	(120,085,530)	(100,864,899)
Business-type activities	3,537,268	1,933,362	3,065,808	2,002,747	2,779,531	1,313,988	2,921,946	(1,243,873)	1,398,860	(599,492)
Total primary government net expense	\$ (138,823,302)	\$ (146,428,539)	\$ (129,237,873)	\$ (121,712,866)	\$ (114,131,255)	\$ (105,421,865)	\$ (115,241,272)	\$ (118,180,275)	\$ (118,686,670)	\$ (101,464,391)

County of Berks
Changes in Net Position (continued)
Last Ten Years
(accrual basis of accounting)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes, levied for general purposes	\$ 145,013,522	\$ 143,677,809	\$ 136,828,317	\$ 136,869,417	\$ 136,151,892	\$ 136,033,476	\$ 134,808,089	\$ 127,067,035	\$ 127,133,403	\$ 127,849,461
Hotel room	2,447,014	2,735,849	2,636,191	2,434,126	2,225,844	2,055,944	1,844,957	1,647,698	1,590,516	1,471,283
Payments in lieu of taxes	236,984	221,485	219,602	237,561	242,774	266,532	220,931	316,221	249,053	324,063
Investment earnings	5,647,379	3,331,494	1,616,192	1,474,025	1,134,503	639,352	550,091	833,259	1,049,014	850,893
Changes in fair value of investment rate swaps	845,879	(2,273,517)	581,988	(1,109,819)	490,084	601,668	-	-	-	-
Rentals	405,200	440,093	489,566	464,950	389,756	328,094	356,407	202,812	-	-
Miscellaneous	7,530,000	7,439,000	6,068,787	4,945,007	-	-	-	-	-	-
Gain (loss) on sale of capital assets	-	(281,413)	(690,319)	86,776	20,720	(245,199)	68,874	46,931	18,100	27,008
Conversion to special revenue fund	-	-	-	-	6,089,996	-	-	-	-	-
Transfer of assets to related entity	-	-	-	-	-	(5,746,011)	-	-	-	-
Swap termination fee	-	-	-	-	-	-	-	-	-	-
Transfers	1,088,977	1,088,979	1,083,238	(146,980)	1,088,977	(436,774)	(10,196,998)	(4,816,823)	(14,158,452)	(401,900)
Total governmental activities	<u>\$ 163,214,955</u>	<u>\$ 156,379,779</u>	<u>\$ 148,833,562</u>	<u>\$ 145,255,063</u>	<u>\$ 147,834,546</u>	<u>\$ 133,497,082</u>	<u>\$ 127,652,351</u>	<u>\$ 125,297,133</u>	<u>\$ 115,881,634</u>	<u>\$ 130,120,808</u>
Business-type activities										
Investment earnings	6,013	4,448	14,667	1,986	8,088	7,349	5,962	5,248	8,658	25,828
Changes in fair value of investment rate swaps	-	(132,828)	52,475	(78,729)	626,541	830,097	-	-	-	-
Rental of space	-	-	-	-	48,230	43,998	27,643	22,464	21,010	-
Gain (loss) on sale of capital assets	-	-	-	-	-	(2,696)	818	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	(16)
Conversion to special revenue fund	-	-	-	-	(6,089,996)	-	-	-	-	-
Transfers	(1,088,977)	(1,088,979)	(1,083,238)	146,980	(1,088,977)	436,774	10,196,997	4,816,823	14,158,452	401,900
Total business-type activities	<u>(1,082,964)</u>	<u>(1,217,359)</u>	<u>(1,016,096)</u>	<u>70,237</u>	<u>(6,496,114)</u>	<u>1,315,522</u>	<u>10,231,420</u>	<u>4,844,535</u>	<u>14,188,120</u>	<u>427,712</u>
Total primary government general revenue	<u>\$ 162,131,991</u>	<u>\$ 155,162,420</u>	<u>\$ 147,817,466</u>	<u>\$ 145,325,300</u>	<u>\$ 141,338,432</u>	<u>\$ 134,812,604</u>	<u>\$ 137,883,771</u>	<u>\$ 130,141,668</u>	<u>\$ 130,069,754</u>	<u>\$ 130,548,520</u>
Changes in Net Position										
Governmental activities	20,854,385	8,017,878	16,529,881	21,539,450	30,923,760	26,761,229	9,489,133	8,360,731	(4,203,896)	29,255,909
Business-type activities	2,454,304	716,005	2,049,712	2,072,984	(3,716,583)	2,629,510	13,153,366	3,600,662	15,586,980	(171,780)
Total primary government net revenue	<u>\$ 23,308,689</u>	<u>\$ 8,733,883</u>	<u>\$ 18,579,593</u>	<u>\$ 23,612,434</u>	<u>\$ 27,207,177</u>	<u>\$ 29,390,739</u>	<u>\$ 22,642,499</u>	<u>\$ 11,961,393</u>	<u>\$ 11,383,084</u>	<u>\$ 29,084,129</u>

County of Berks
Fund Balances of Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	<u>2019</u>	<u>2018</u> (Restated)	<u>2017</u> (Restated)	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Fund										
Nonspendable	\$ 1,376,957	\$ 1,761,032	\$ 1,405,524	\$ 1,641,843	\$ 1,584,554	\$ 1,364,327	\$ 398,435	\$ 592,927	\$ 878,350	\$ -
Restricted	3,500,077	4,077,110	4,012,464	2,859,389	4,125,006	4,201,282	4,869,238	2,299,603	1,865,358	-
Committed	43,344,586	30,871,588	19,322,610	7,327,174	-	-	-	-	-	-
Assigned	4,013,727	4,012,877	4,083,786	4,082,537	10,551,289	11,323,251	16,953,963	19,545,324	35,008,622	-
Unassigned	104,739,173	113,305,213	115,222,806	118,930,211	135,023,020	134,990,876	110,406,873	102,045,175	115,808,679	-
Reserved	-	-	-	-	-	-	-	-	-	22,143,083
Unreserved	-	-	-	-	-	-	-	-	-	135,857,859
Total General Fund	<u>\$ 156,974,520</u>	<u>\$ 154,027,820</u>	<u>\$ 144,047,190</u>	<u>\$ 134,841,154</u>	<u>\$ 151,283,869</u>	<u>\$ 151,879,736</u>	<u>\$ 132,628,509</u>	<u>\$ 124,483,029</u>	<u>\$ 153,561,009</u>	<u>\$ 158,000,942</u>
All other governmental funds										
Nonspendable	2,771,457	2,771,457	2,712,241	2,836,878	3,116,156	32,408	12,455	15,128	15,891	-
Restricted	17,378,118	16,816,476	14,259,149	13,852,760	10,523,506	15,054,053	49,188,337	55,487,813	65,973,877	-
Assigned	-	-	-	-	66,759	-	-	-	-	-
Unassigned	-	-	-	-	(2,466,812)	-	-	(45,567)	(270,263)	-
Reserved	-	-	-	-	-	-	-	-	-	20,302
Unreserved	-	-	-	-	-	-	-	-	-	89,703,186
Total all other governmental funds	<u>\$ 20,149,575</u>	<u>\$ 19,587,933</u>	<u>\$ 16,971,390</u>	<u>\$ 16,689,638</u>	<u>\$ 11,239,609</u>	<u>\$ 15,086,461</u>	<u>\$ 49,200,792</u>	<u>\$ 55,457,374</u>	<u>\$ 65,719,505</u>	<u>\$ 89,723,488</u>
Total governmental funds	<u>\$ 177,124,095</u>	<u>\$ 173,615,753</u>	<u>\$ 161,018,580</u>	<u>\$ 151,530,792</u>	<u>\$ 162,523,478</u>	<u>\$ 166,966,197</u>	<u>\$ 181,829,301</u>	<u>\$ 179,940,403</u>	<u>\$ 219,280,514</u>	<u>\$ 247,724,430</u>

Note:

The County implemented GASB Statement No. 54 in 2011 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned compared to reserved and unreserved.

County of Berks
Changes in Fund Balances of Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

Revenues	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Taxes:										
Property	\$ 145,321,065	\$ 143,705,841	\$ 137,690,930	\$ 136,924,879	\$ 136,536,071	\$ 136,328,388	\$ 135,388,540	\$ 127,003,623	\$ 127,740,394	\$ 125,922,864
Hotel	2,447,014	2,735,849	2,636,191	2,434,126	2,225,844	2,055,944	1,844,957	1,647,698	1,590,516	1,471,283
Court costs, fines and forfeitures	2,686,290	2,673,976	2,825,583	3,021,575	3,350,999	3,524,023	3,724,858	3,533,648	3,600,846	4,556,223
Intergovernmental revenue	222,680,006	222,165,757	210,267,612	210,291,504	185,900,383	178,186,729	177,199,936	191,267,090	198,655,502	193,442,460
Department charges and reimbursements	70,649,378	72,824,610	70,478,089	67,134,262	55,614,535	58,480,623	56,555,546	54,394,935	51,789,888	24,701,700
Payments in lieu of taxes	236,984	221,485	219,602	237,561	89,730	102,196	51,827	135,367	61,979	131,780
Rentals	405,201	440,093	489,566	464,950	389,756	328,094	356,407	202,812	224,206	216,663
Sales of property, supplies and equipment	4,168	12,040	(770)	86,776	20,720	18,250	68,874	46,931	18,100	27,008
Investment earnings	5,647,381	3,331,493	1,616,192	1,474,025	1,134,503	639,352	550,092	833,261	1,049,014	1,695,035
Other revenue	9,705,218	9,871,487	8,629,323	9,384,796	5,088,961	2,572,505	4,014,222	1,444,130	1,754,018	7,045,682
Total revenues	\$ 459,782,705	\$ 457,982,631	\$ 434,852,318	\$ 431,454,454	\$ 390,351,502	\$ 382,236,104	\$ 379,755,259	\$ 380,509,495	\$ 386,484,463	\$ 359,210,698
Expenditures										
Current:										
General government, administrative	\$ 50,043,396	\$ 43,284,381	\$ 44,076,078	\$ 43,561,692	\$ 42,140,641	\$ 41,134,083	\$ 39,852,191	\$ 47,959,429	\$ 38,636,615	\$ 18,830,640
General government, judicial	56,278,837	54,987,295	52,602,699	51,897,682	51,638,171	50,335,681	49,460,353	65,573,490	48,819,429	46,906,599
Public safety	82,307,298	80,767,060	74,497,685	72,303,496	61,057,768	61,456,822	58,692,210	72,374,351	53,443,564	53,128,773
Human services	212,397,394	215,335,012	204,636,989	195,598,654	173,905,554	167,515,886	169,602,996	191,747,864	190,338,788	172,719,027
Culture and recreation	6,833,114	6,964,018	6,998,988	8,705,093	6,801,869	6,435,971	7,885,299	9,268,854	11,176,693	8,004,068
Community and economic development	7,068,718	5,741,639	6,160,562	6,892,219	7,976,468	6,820,729	6,526,379	7,180,694	7,578,062	10,839,751
Public works	4,207,148	6,276,293	2,729,499	11,693,954	8,681,128	5,699,803	2,721,058	1,868,944	1,210,529	979,830
Community support	13,160,403	13,455,946	12,035,621	10,538,809	5,537,268	5,980,470	5,061,857	5,307,490	5,133,316	6,692,107
Intergovernmental expenditures- Solid waste	250,720	220,870	295,029	928,453	993,342	998,452	997,007	1,000,219	997,450	844,401
Debt service:										
Principal	14,779,894	15,605,850	20,356,220	18,896,062	18,758,298	19,026,576	19,429,357	19,481,932	14,127,753	29,068,574
Interest	8,663,370	8,318,135	3,999,167	5,106,802	5,773,802	6,274,112	8,043,447	9,346,689	9,934,093	5,976,629
Debt issuance costs	900,000	-	-	119,123	178,668	118,742	141,629	430,673	-	691,302
Administrative expenditures	19,091	31,096	22,528	141,015	80,461	109,147	12,302	15,518	38,902	-
Capital outlay	453,954	591,891	936,616	2,143,152	4,671,727	26,310,999	24,595,446	20,906,488	8,702,465	15,017,354
Total expenditures	\$ 457,363,337	\$ 451,579,486	\$ 429,347,681	\$ 428,526,206	\$ 388,195,165	\$ 398,217,473	\$ 393,021,531	\$ 452,462,635	\$ 390,137,659	\$ 369,699,055
Excess (deficiency) of revenues over (under) expenditures	\$ 2,419,368	\$ 6,403,145	\$ 5,504,637	\$ 2,928,248	\$ 2,156,337	\$ (15,981,369)	\$ (13,266,272)	\$ (71,953,140)	\$ (3,653,196)	\$ (10,488,357)
Other financing sources (uses)										
Transfers in	\$ 14,261,224	\$ 15,337,061	\$ 16,582,778	\$ 23,118,717	\$ 13,749,987	\$ 12,607,913	\$ 14,488,107	\$ 21,491,843	\$ 18,964,872	\$ 8,468,764
Transfers out	(13,172,248)	(14,248,082)	(15,499,540)	(22,044,742)	(19,631,432)	(11,870,836)	(15,816,894)	(27,676,447)	(33,123,324)	(8,870,664)
Bond premium	-	-	-	209,950	3,613,694	82,210	2,860,762	-	-	-
Issuance of long term debt	-	-	-	-	-	-	17,785,000	29,940,941	-	72,077,540
Payments to refunded bond escrow agent	-	-	-	(24,943,412)	(27,211,227)	(9,963,468)	-	-	-	-
Issuance of refunding bonds	-	-	-	9,790,000	23,776,200	10,000,000	-	9,870,000	-	14,667,460
Conversion to special revenue fund	-	-	-	-	554,492	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	\$ 1,088,976	\$ 1,088,979	\$ 1,083,238	\$ (13,869,487)	\$ (5,148,286)	\$ 855,819	\$ 19,316,975	\$ 33,626,337	\$ (14,158,452)	\$ 86,343,100
Special Item										
Swap termination fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,876,000)	\$ -
Net change in fund balances	\$ 3,508,344	\$ 7,492,124	\$ 6,587,875	\$ (10,941,239)	\$ (2,991,949)	\$ (15,125,550)	\$ 6,050,703	\$ (38,326,803)	\$ (20,687,648)	\$ 75,854,743
Debt Service										
Percentage of noncapital expenditures	3.4%	2.8%	2.2%	5.9%	4.9%	10.0%	8.1%	7.9%	3.6%	6.3%

Note:
This schedule has been included to provide prior years' information as it was presented in the prior years' reports, not restated for prior year adjustments.

County of Berks
Total Revenue by Source, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

Fiscal Year	Taxes	Court Costs, Fines & Forfeitures	Inter - Governmental Revenues	Department Charges & Reimbursements	Payments in Lieu of Taxes	Rentals	Sale of Property, Supplies, and Equipment	Investment Earnings	Other Revenues	Totals
2019	\$ 147,768,079	\$ 2,686,290	\$ 222,680,006	\$ 70,649,378	\$ 236,984	\$ 405,201	\$ 4,168	\$ 5,647,381	\$ 9,705,218	\$ 459,782,705
2018	146,441,690	2,673,976	222,165,757	72,824,610	221,485	440,093	12,040	3,331,493	9,871,487	457,982,631
2017	140,327,121	2,825,583	210,267,612	70,478,089	219,602	489,566	(770)	1,616,192	8,629,323	434,852,318
2016	139,359,005	3,021,575	210,291,504	67,134,262	237,561	464,950	86,776	1,474,025	9,384,796	431,454,454
2015	138,761,915	3,350,999	185,900,383	55,614,535	89,730	389,756	20,720	1,134,503	5,088,961	390,351,502
2014	138,384,332	3,524,023	178,186,729	58,480,623	102,196	328,094	18,250	639,352	2,572,505	382,236,104
2013	137,233,497	3,724,858	177,199,936	56,555,546	51,827	356,407	68,874	550,092	4,014,222	379,755,259
2012	128,651,321	3,533,648	191,267,090	54,394,935	135,364	202,812	46,931	833,261	1,444,130	380,509,492
2011	129,330,910	3,600,846	198,655,502	51,789,888	61,979	224,206	18,100	1,049,014	1,754,018	386,484,463
2010	127,394,147	4,556,223	193,442,460	24,701,700	131,780	216,663	27,008	1,695,035	7,045,682	359,210,698

Source:
County of Berks, Financial Statements, as restated in individual CAFR's

County of Berks
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Years

<u>Fiscal Year</u>	<u>Tax-Exempt Property</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Total Taxable Assessed Value</u>	<u>Market Value</u>	<u>Assessed Value as a Percentage of Market Value</u>	<u>Common Level Ratio</u>	<u>Total Direct Tax Rate</u>
2019	\$ 2,976,705,700	\$ 14,631,813,800	\$ 3,526,903,700	\$ 875,883,200	\$ 19,034,600,700	\$ 19,764,524,800	96.3%	62.20%	7.657%
2018	2,850,561,100	14,567,436,400	3,465,305,500	850,850,000	18,883,591,900	19,610,606,700	96.3%	68.50%	7.657%
2017	2,838,979,500	14,509,132,100	3,459,131,800	824,364,000	18,792,627,900	19,515,064,200	96.3%	74.30%	7.372%
2016	2,813,697,200	14,452,726,600	3,390,894,000	815,271,200	18,658,891,800	19,378,229,700	96.3%	75.60%	7.372%
2015	2,792,647,500	14,426,375,000	3,388,924,200	806,010,200	18,621,309,400	19,335,256,500	96.3%	76.30%	7.372%
2014	2,773,724,300	14,383,351,500	3,381,283,700	792,507,900	18,557,143,100	19,265,737,800	96.3%	78.10%	7.372%
2013	2,756,192,800	14,339,515,800	3,363,960,000	787,046,700	18,490,522,500	19,194,308,100	96.3%	77.90%	7.372%
2012	2,744,225,900	14,333,218,900	3,364,298,400	775,615,500	18,473,132,800	19,170,097,000	96.4%	73.20%	6.935%
2011	2,722,905,100	14,312,618,000	3,355,340,500	789,901,800	18,457,860,300	19,151,011,000	96.4%	70.70%	6.935%
2010	2,690,011,100	14,250,643,200	3,369,197,100	807,453,600	18,427,293,900	19,120,898,600	96.4%	67.70%	6.935%

Notes:

For Population Figures, Refer to Demographic and Economic Statistics Page of Comprehensive Annual Financial Report

Source:

County of Berks Assessment Office

**County of Berks
Property Tax Rates Per \$1,000 of Assessed Value
Direct and Overlapping Governments
Last Ten Years**

<u>Tax Year</u>	<u>County of Berks</u>	<u>City, Borough, or Township</u>	<u>School District (1)</u>	<u>Total</u>
2019	7.657	3.95	29.30	40.91
2018	7.657	3.84	28.81	40.31
2017	7.372	3.80	28.46	39.63
2016	7.372	3.63	28.07	39.07
2015	7.372	3.35	27.57	38.29
2014	7.372	3.32	27.22	37.91
2013	7.372	3.22	26.77	37.36
2012	6.935	3.08	26.24	36.26
2011	6.935	2.92	25.42	35.28
2010	6.935	2.77	24.80	34.51

Notes:

- (1) Each unit within these classes levies its own millage rate. The rates shown are averages. The CAFR's statistical section contains a current year breakdown of overlapping taxes by municipality, and their related school districts.

Source:
County of Berks Assessment Office

**County of Berks
Principal Taxpayers
Current and Nine Years Ago**

Taxpayer	Business/ Product	2019			2010		
		Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
East Penn Manufacturing Co.	Battery Manufacturing	\$ 70,448,800	1	0.37%	\$ 45,806,900	2	0.25%
BRE RC Exeter PA LP	Shopping Mall	46,445,600	2	0.24%	24,731,200	8	0.13%
Reading Hospital	Healthcare	44,103,300	3	0.23%	37,207,400	5	0.20%
GH Spring Ridge Associates LP	Shopping Mall	40,292,100	4	0.21%	41,491,000	4	0.23%
CBRE Group, Inc.	Warehousing	38,549,300	5	0.20%			
Green Hills Realty Association, LP	Leasing	38,436,800	6	0.20%	42,348,100	3	0.23%
Highlands at Wyomissing	Intermediate Care	37,449,800	7	0.20%	34,648,600	6	0.19%
GM Berkshire Hills LLC	Housing	37,161,300	8	0.20%			
Ashley Furniture Industries	Furniture Manufacturing	34,594,800	9	0.18%	20,987,000	10	0.11%
Berkshire Mall LLC	Shopping Mall	33,922,300	10	0.18%	58,077,100	1	0.32%
Phoebe Berks Village Inc.	Intermediate Care	-		0.00%	26,395,900	7	0.14%
Carpenter Technology Corp.	Specialty Steel Manufacturing	-		0.00%	24,203,400	9	0.13%
Total		\$ 421,404,100		2.21%	\$ 355,896,600		1.93%

Note

Total County of Berks assessed valuation for 2019 and 2010: \$ 19,034,600,700 \$ 18,427,293,900

Source

County of Berks Assessment Office

**County of Berks
Property Tax Levies and Collections
Last Ten Years**

Calendar Year ended December 31	Total Tax Levy (1)	Current Tax Collections (2)	Percentage of Levy Collected	Delinquent Tax Collections (3)	Total Tax Collections	Total Tax Collections To Tax Levy
2019	\$145,747,949	\$141,210,114	96.89%	\$4,110,951	\$145,321,065	99.71%
2018	144,441,118	139,455,986	96.55%	4,249,856	143,705,842	99.49%
2017	138,386,112	133,476,216	96.45%	4,214,714	137,690,930	99.50%
2016	137,553,350	132,573,006	96.38%	4,351,873	136,924,879	99.54%
2015	137,276,293	132,039,450	96.19%	4,496,621	136,536,071	99.46%
2014	136,803,259	131,640,203	96.23%	4,688,185	136,328,388	99.65%
2013	136,318,729	130,260,182	95.56%	5,128,358	135,388,540	99.09%
2012	128,117,506	122,243,142	95.41%	4,760,481	127,003,623	99.06%
2011	128,011,510	122,252,616	95.50%	5,487,778	127,740,394	99.79%
2010	127,825,213	121,799,628	95.29%	4,123,236	125,922,864	98.51%

Notes:

- (1) Does not include interims and additions to duplicate
- (2) Includes discounts, penalties, interims, additions, rebates and error adjustments
- (3) Includes penalties and adjustments

Source:

County of Berks Assessment Office
County of Berks Treasurer's Office
County of Berks Tax Claim Bureau

County of Berks
Direct and Overlapping Property Tax Rates
Last Ten Years
(rate per \$1,000 of assessed value)

Function/Program	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
County Direct Rates										
Total direct rate	7.66	7.66	7.37	7.37	7.37	7.37	7.37	6.94	6.94	6.94
Municipalities										
City:										
City of Reading	17.69	17.69	17.69	17.69	15.69	15.69	15.69	14.33	14.33	11.95
Boroughs:										
Bally	5.00	5.00	5.00	5.00	5.00	4.70	4.50	4.50	4.30	4.10
Bechtelsville	5.50	5.00	5.00	4.50	4.50	4.50	4.50	4.00	3.60	3.60
Bernville	4.44	4.44	4.44	4.44	4.44	4.44	4.44	3.94	3.94	3.94
Birdsboro	6.86	6.86	6.86	6.86	6.66	6.66	6.16	6.16	6.16	6.16
Boyertown	6.69	6.34	6.14	5.64	5.14	5.14	5.14	5.14	5.14	4.99
Centerport	3.10	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00
Fleetwood	6.45	6.25	6.25	6.00	6.00	5.50	5.50	5.50	3.00	2.75
Hamburg	8.00	8.00	8.00	8.00	8.00	7.50	6.50	5.50	5.50	5.50
Kenhorst	5.81	5.60	5.60	5.60	5.60	5.60	4.60	3.60	3.60	3.60
Kutztown	4.10	4.10	4.10	4.10	4.10	3.35	3.10	3.10	2.85	2.85
Laureldale	6.80	6.05	6.05	5.90	5.90	5.90	4.90	4.90	4.90	4.90
Leesport	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72	5.72
Lenhartsville	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Lyons	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85	1.85
Mohnton	5.50	5.13	5.10	4.55	4.30	4.30	3.80	3.80	3.80	3.60
Mt. Penn	10.50	10.50	9.50	8.50	7.40	7.40	7.40	7.40	7.40	7.40
New Morgan	1.86	1.86	1.50	1.56	1.56	4.50	4.50	2.99	2.99	1.83
Robesonia	4.90	4.90	4.65	4.65	4.65	4.40	4.40	4.40	4.15	4.15
St. Lawrence	6.89	6.64	6.64	6.64	6.00	5.70	5.70	5.30	5.30	5.30
Shillington	7.14	7.14	7.14	7.14	5.89	5.89	4.89	4.89	4.89	4.39
Shoemakersville	6.50	6.50	6.50	6.50	5.50	5.50	5.50	5.50	5.50	5.00
Sinking Spring	8.32	7.99	7.99	7.32	7.32	7.32	6.32	6.32	5.04	5.04
Topton	6.55	6.55	6.05	5.85	5.85	5.85	5.85	6.35	5.60	5.60
Wernersville	6.60	6.60	6.10	6.10	6.10	6.10	5.60	5.60	5.60	5.60
West Reading	9.60	8.85	8.10	7.60	7.10	7.10	7.10	7.10	7.10	7.10
Womelsdorf	4.50	4.50	4.50	4.50	3.50	3.50	3.00	3.00	3.00	3.00
Wyomissing	3.90	3.90	3.90	3.90	3.90	3.90	3.63	3.63	3.43	3.13
Townships:										
Albany	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Alsace	1.50	1.50	1.50	1.50	1.00	1.00	1.00	1.00	1.00	1.00
Amity	2.80	2.60	2.45	1.95	1.95	1.95	1.80	1.80	1.80	1.80
Bern	3.94	3.94	3.94	3.44	3.44	3.19	3.12	3.12	3.12	3.12
Bethel	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.50
Brecknock	2.33	2.33	2.33	2.33	1.95	1.95	1.95	1.95	1.75	1.75
Caernarvon	2.48	2.48	2.48	2.48	2.48	2.48	2.48	2.38	2.38	2.38
Centre	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36
Colebrookdale	4.00	4.00	3.50	3.50	3.50	3.50	3.50	3.00	3.00	3.00
Cumru	6.46	6.20	6.18	6.18	6.18	5.68	5.28	5.28	4.78	4.78
District	0.55	0.45	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
Douglass	4.30	4.30	3.30	3.30	2.30	2.30	2.00	2.00	2.00	2.00
Exeter	3.47	3.34	3.34	3.25	2.87	2.87	2.87	2.69	2.69	2.43
Greenwich	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.60	0.80
Heidelberg	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Hereford	1.20	1.20	1.20	1.20	0.96	0.96	0.96	0.96	0.96	0.80
Jefferson	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18
Longswamp	3.05	3.05	3.05	2.80	2.80	2.80	2.80	2.85	2.32	2.32

County of Berks
Direct and Overlapping Property Tax Rates
Last Ten Years
(rate per \$1,000 of assessed value)

Function/Program	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Townships (continued)										
Lower Alsace	8.68	8.68	8.68	7.95	7.18	7.18	6.68	6.68	6.68	6.68
Lower Heidelberg	5.54	5.19	4.79	4.79	4.79	4.79	4.80	4.85	4.85	2.55
Maidencreek	1.75	1.75	1.75	1.75	1.75	1.50	1.50	1.13	1.13	1.13
Marion	1.80	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.20	1.00
Maxatawny	2.36	2.36	2.36	2.36	2.36	2.36	3.36	3.36	3.36	3.36
Muhlenberg	5.00	5.00	5.00	5.00	5.00	4.80	4.80	4.50	4.25	4.25
North Heidelberg	1.00	1.00	1.00	1.00	1.00	0.40	0.40	0.40	0.40	0.20
Oley	4.19	4.10	3.20	2.80	2.80	2.80	2.80	2.59	2.50	2.50
Ontelaunee	4.05	4.05	4.05	4.05	3.80	3.80	3.80	3.80	3.80	3.80
Penn	1.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Perry	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.25
Pike	1.50	1.50	1.50	0.87	0.87	0.87	0.87	0.87	0.87	0.87
Richmond	3.50	3.50	3.50	3.50	2.50	2.25	2.00	1.75	1.75	1.75
Robeson	3.00	2.75	2.75	2.75	2.75	2.75	2.50	2.50	2.25	2.25
Rockland	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.60	0.60	0.30
Ruscombmanor	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09
South Heidelberg	4.10	4.10	4.10	3.35	3.35	3.05	2.55	2.55	2.25	2.25
Spring	3.95	4.01	4.01	3.25	3.25	3.25	3.25	3.25	3.00	2.65
Tilden	2.20	1.45	1.45	1.45	1.45	1.45	1.45	0.95	0.92	0.92
Tulpehocken	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60	1.60
Union	3.65	3.65	3.65	3.65	3.65	3.65	3.65	2.15	2.15	2.15
Upper Bern	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.95	1.20
Upper Tulpehocken	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Washington	2.70	2.70	2.70	2.70	2.70	2.70	4.32	4.32	2.32	2.32
Windsor	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
School Districts:										
Antietam	40.99	39.74	39.15	37.79	36.79	35.86	34.56	33.75	32.35	31.60
Boyertown	27.33	26.37	25.02	24.27	23.96	23.39	22.52	21.88	20.77	20.02
Brandywine Heights	33.74	33.24	32.78	32.30	32.30	32.30	32.30	31.25	30.00	29.70
Conrad Weiser	29.65	28.86	28.00	27.14	26.32	25.71	25.71	25.27	24.32	24.32
Daniel Boone	31.58	30.83	30.20	29.70	28.96	28.96	28.96	28.96	28.42	27.65
Exeter	33.11	32.62	32.62	32.22	31.25	31.25	30.80	30.10	29.62	28.62
Fleetwood	33.11	33.11	32.56	31.81	30.96	30.21	29.21	28.22	27.28	26.61
Governor Mifflin	28.60	28.10	27.60	27.10	26.60	26.00	25.30	24.50	23.20	22.60
Hamburg	26.96	26.96	26.96	26.71	26.46	26.21	25.96	25.71	25.21	24.96
Kutztown	29.95	29.95	29.95	29.95	29.95	29.95	29.25	28.76	28.28	28.28
Muhlenberg	30.73	29.81	29.06	28.56	27.81	27.56	26.81	26.31	25.56	25.06
Oley Valley	27.94	27.34	26.93	26.33	25.84	25.39	24.93	24.56	23.82	23.82
Reading	17.93	17.93	17.93	17.93	17.41	17.41	16.92	16.92	16.46	16.46
Schuylkill Valley	27.82	27.07	27.07	27.07	26.79	26.79	26.79	26.27	25.13	24.43
Tulpehocken	26.85	27.10	27.60	27.70	27.70	27.70	27.70	27.70	27.45	27.08
Twin Valley	27.56	27.55	27.55	26.77	25.74	24.54	23.88	22.60	21.70	21.40
Upper Perkiomen	25.23	24.54	24.35	24.95	24.60	24.25	24.00	23.66	23.66	20.75
Wilson	26.26	25.67	25.29	24.95	24.60	24.25	24.00	23.66	21.95	20.75
Wyomissing	31.43	30.67	30.07	30.07	29.78	29.49	29.05	28.57	27.89	27.11

Note:

Total annual real estate taxes (county, municipal, school) per \$1,000 of assessed value.

Source:

County of Berks Assessment Office

**County of Berks
Ratio of Outstanding Debt by Type
Last Ten Years**

Year	Governmental Activities			Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bond Long Term	Capital Leases	General Obligation Bond Current	General Obligation Bond Long Term	Capital Leases	General Obligation Bond Current			
2019	\$ 152,700,553	\$ -	\$ 20,302,848	\$ 24,631,280	\$ -	\$ 466,142	\$ 198,100,823	1.01%	\$ 470.37
2018	169,202,807	-	20,686,984	25,004,760	-	438,016	215,332,567	1.10%	512.51
2017	188,367,121	-	20,504,206	25,653,096	-	425,795	234,950,218	1.20%	562.28
2016	206,960,390	-	19,676,075	26,289,210	-	418,780	253,344,455	1.30%	611.80
2015	235,441,478	-	20,516,681	26,919,161	-	748,319	283,625,639	1.47%	685.14
2014	203,053,850	-	19,417,949	71,001,906	-	1,692,051	295,165,756	1.53%	713.49
2013	262,360,301	-	20,007,023	27,108,396	-	922,977	310,398,697	1.62%	750.62
2012	254,178,922	-	18,724,352	30,903,986	-	1,480,648	305,287,908	1.59%	739.29
2011	228,146,210	-	16,847,720	32,766,807	-	1,401,466	279,162,203	1.46%	677.12
2010	239,365,833	-	16,147,017	34,565,315	-	1,377,919	291,456,084	1.52%	708.38

Note:

Amounts netted for discounts, premiums and deferred refundings losses.

Source:

County of Berks Financial Statements, as restated in Prior Years adjustments

**County of Berks
Ratios of General Bonded Debt Outstanding
Last Ten Years**

<u>Fiscal Year</u>	<u>Population</u>	<u>Estimated Actual Taxable Value</u>	<u>General Obligation Debt</u>	<u>Ratio of General Obligation Debt to Assessed Value</u>	<u>General Obligation Debt Per Capita</u>
2019	421,164 *	\$ 19,764,524,800	\$ 198,100,823	1.00%	\$ 470.37
2018	420,152	19,610,606,700	215,332,567	1.10%	512.51
2017	417,854	19,549,373,000	234,950,218	1.20%	562.28
2016	414,097	19,454,270,800	253,344,455	1.30%	611.80
2015	413,965	19,335,256,500	283,625,639	1.47%	685.14
2014	413,691	19,265,737,800	295,165,756	1.53%	713.49
2013	413,521	19,194,308,100	321,748,697	1.68%	778.07
2012	412,948	19,170,097,000	305,287,908	1.59%	739.29
2011	412,279	19,151,011,000	278,905,880	1.46%	676.50
2010	411,442	19,120,898,600	291,456,084	1.52%	708.38

Notes:

* Estimate used for 2019 population

Source:

Pennsylvania State Data Center or Census Bureau (Census Report or Most Recent Yearly Estimates)
County of Berks Assessment Office
County of Berks Financial Statements, as restated in Prior Year adjustments

County of Berks
Direct and Overlapping Governmental Activities Debt
December 31, 2019

<u>Direct Debt of County and Related Entities</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
County of Berks	\$ 173,003,401	100%	\$ 173,003,401
Overlapping Debt			
School Districts:			
Antietam	\$ 19,373,000	100%	\$ 19,373,000
Boyertown Area	92,735,000	100%	92,735,000
Brandywine Heights	20,480,677	100%	20,480,677
Conrad Weiser	34,298,249	100%	34,298,249
Daniel Boone Area	70,650,000	100%	70,650,000
Exeter Township	66,138,000	100%	66,138,000
Fleetwood Area	27,137,150	100%	27,137,150
Governor Mifflin Area	52,215,000	100%	52,215,000
Hamburg Area	45,005,000	100%	45,005,000
Kutztown Area	25,875,000	100%	25,875,000
Muhlenberg Area	35,620,000	100%	35,620,000
Oley Valley	26,067,072	100%	26,067,072
Reading School District	456,476,941	100%	456,476,941
Schuylkill Valley	16,060,000	100%	16,060,000
Tulpehocken Area	17,650,000	100%	17,650,000
Twin Valley	28,340,000	100%	28,340,000
Wilson Area	73,565,000	100%	73,565,000
Wyomissing Area	28,865,000	100%	28,865,000
Total School Districts	\$ 1,136,551,089		\$ 1,136,551,089
Municipalities			
City of Reading	\$ 326,808,925 (1)	100%	\$ 326,808,925
Albany Township	196,789	100%	196,789
Alsace Township	2,196,441	100%	2,196,441
Amity Township	4,745,000	100%	4,745,000
Bally Borough	2,998,182	100%	2,998,182
Bechtelsville Borough	66,715	100%	66,715
Bern Township	64,130	100%	64,130
Bernville Borough	316,724	100%	316,724
Bethel Township	907,625	100%	907,625
Birdsboro Borough	984,000	100%	984,000
Boyertown Borough	2,724,978	100%	2,724,978
Caernarvon Township	1,251,186	100%	1,251,186
Colebrookdale Township	592,896	100%	592,896
Cumru Township	1,575,000	100%	1,575,000
Exeter Township	21,430,606	100%	21,430,606
Fleetwood Borough	1,433,480	100%	1,433,480
Greenwich Township	55,996	100%	55,996
Hamburg Borough	674,473	100%	674,473
Hereford Township	81,444	100%	81,444
Kutztown Borough	17,635,000	100%	17,635,000
Leesport Borough	178,685	100%	178,685
Lenhartsville Borough	346,401	100%	346,401
Longswamp Township	386,999	100%	386,999
Lower Alsace Township	1,403,047	100%	1,403,047
Lower Heidelberg Township	6,252,317	100%	6,252,317

Note

(1) Unavailable - used latest data available

County of Berks
Direct and Overlapping Governmental Activities Debt
December 31, 2019

<u>Direct Debt of County and Related Entities (continued)</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Maidencreek Township	34,253	100%	34,253
Maxatawny Township	198,614	100%	198,614
Mt. Penn Borough	243,746	100%	243,746
Mohnton Borough	276,712	100%	276,712
Muhlenberg Township	19,330,672	100%	19,330,672
Ontelaunee Township	15,488,000	100%	15,488,000
Penn Township	42,231	100%	42,231
Richmond Township	2,248,808	100%	2,248,808
Robeson Township	716,338	100%	716,338
St. Lawrence Borough	495,025	100%	495,025
Shillington Borough	1,687,000	100%	1,687,000
Shoemakersville Borough	1,540,978	100%	1,540,978
Sinking Spring Borough	5,182,228	100%	5,182,228
South Heidelberg Township	1,246,074	100%	1,246,074
Spring Township	17,516,257	100%	17,516,257
Tilden Township	5,672,705	100%	5,672,705
Topton Borough	2,307,213	100%	2,307,213
Tulpehocken Township	2,256,090	100%	2,256,090
Union Township	729,838	100%	729,838
Upper Bern Township	2,471,415	100%	2,471,415
Upper Tulpehocken Township	2,291,053	100%	2,291,053
Washington Township	8,820,000	100%	8,820,000
Wernersville Borough	1,059,000	100%	1,059,000
West Reading Borough	8,603,250	100%	8,603,250
Total Municipalities	<u>\$ 495,764,539</u>		<u>\$ 495,764,539</u>
Total overlapping debt			<u>\$ 1,632,315,628</u>
TOTAL DIRECT AND OVERLAPPING DEBT			<u>\$ 1,805,319,029</u>

Source

Annual Reports from individual School Districts and Municipalities

**County of Berks
Legal Debt Margin Information
Last Ten Years**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Debt Limit at 300%	\$ 1,535,260,685	\$ 1,501,171,348	\$ 1,433,540,382	\$ 1,378,800,855	\$ 1,324,954,399	\$ 1,307,926,447	\$ 1,309,909,635	\$ 1,288,660,406	\$ 1,266,195,075	\$ 1,257,080,566
Total amount of debt applicable to debt limit net of discount on zero coupon bonds	<u>173,003,401</u>	<u>189,889,791</u>	<u>208,871,327</u>	<u>226,636,465</u>	<u>255,958,159</u>	<u>222,677,099</u>	<u>246,929,029</u>	<u>240,494,029</u>	<u>237,407,346</u>	<u>242,343,081</u>
Legal Debt Margin	<u>\$ 1,362,257,284</u>	<u>\$ 1,311,281,557</u>	<u>\$ 1,224,669,055</u>	<u>\$ 1,152,164,390</u>	<u>\$ 1,068,996,240</u>	<u>\$ 1,085,249,348</u>	<u>\$ 1,062,980,606</u>	<u>\$ 1,048,166,377</u>	<u>\$ 1,028,787,729</u>	<u>\$ 1,014,737,485</u>
Total net debt applicable to the limit as a percentage of debt limit	11.27%	12.65%	14.57%	16.44%	19.32%	17.03%	18.85%	18.66%	18.75%	19.28%
Total Revenues Received	\$ 522,276,602	\$ 518,835,221	\$ 494,148,862	\$ 488,187,265	\$ 451,204,255	\$ 439,409,335	\$ 434,340,809	\$ 434,176,303	\$ 441,392,523	\$ 413,091,580
Total net revenue	\$ 1,535,260,685	\$ 1,501,171,348	\$ 1,433,540,382	\$ 1,378,800,855						
Borrowing base = Total net revenues, divided by three	\$ 511,753,562	\$ 500,390,449	\$ 477,846,794	\$ 459,600,285						

Source:
County of Berks, Financial Statements

**Ratio of Annual Debt Service Expenditures
For General Obligation Bonded Debt
To Total General Governmental Expenditures
Last Ten Years**

Fiscal Year	Principal	Interest	Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to Total Governmental Expenditures
2019	\$ 14,779,894	\$ 8,663,370	23,443,264	\$ 457,363,337	5.13%
2018	20,504,205	3,419,780	23,923,985	451,479,488	5.30%
2017	20,356,220	3,999,167	24,355,387	429,347,681	5.67%
2016	18,896,062	5,106,802	24,002,864	428,526,206	5.60%
2015	18,758,298	5,773,802	24,532,100	388,195,165	6.32%
2014	19,026,576	6,274,112	25,300,688	398,217,473	6.35%
2013	19,429,357	8,043,447	27,472,804	393,021,531	6.99%
2012	19,481,932	9,346,689	28,828,621	452,462,635 *	6.37%
2011	14,127,753	9,934,093	24,061,846	390,137,659	6.17%
2010	29,068,574	5,976,629	35,045,203	369,699,055	9.48%

Notes:

* Includes prefunding of pension plan

Source:

County of Berks, Financial Statements

**County of Berks
Demographic and Economics Statistics
Last Ten Years**

Calendar Year	Population	Per Capita Personal Income	Median Household Income	Median Age	Higher Education Enrollment	Public School Enrollment	Unemployment Rate	Average Sales Price of Residential Property
2019	421,164	*	\$ 61,522	40.2	*	*	4.6%	\$ 174,200
2018	420,152	30,187	61,058	39.8	26,437	70,247	4.2%	173,700
2017	417,854	29,041	59,580	39.9	26,590	69,871	4.2%	170,900
2016	414,097	27,844	57,068	39.8	27,081	70,329	4.4%	169,000
2015	413,965	27,146	55,936	39.7	27,985	71,160	4.8%	168,200
2014	413,691	26,998	55,798	39.7	28,503	71,358	4.8%	169,200
2013	412,078	26,723	55,170	39.5	28,648	71,866	7.2%	170,600
2012	411,094	26,478	55,021	39.4	28,341	72,288	7.7%	173,400
2011	409,624	26,332	54,823	39.1	27,919	72,356	7.9%	174,000
2010	407,310	25,518	53,470	38.9	27,660	72,063	8.7%	170,400

* 2019 data not available. Population estimated

Source:
Individual Institutions
County of Berks Assessment Office
Pennsylvania Department of Labor & Industry, Bureau of Research and Statistics

**County of Berks
Principal Employers
Current Year and Nine Years Ago**

Employer	2019			2010		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
East Penn Manufacturing Co. Inc.	8,107	1	3.72%	5,800	2	2.80%
Tower Health	7,592	2	3.48%	6,877	1	3.32%
Pennsylvania Government	2,997	3	1.37%	1,800	6	0.87%
Imperium Management Services Inc.	2,489	4	1.14%		(1)	
County of Berks	2,289	5	1.05%	2,494	4	1.20%
Carpenter Technology Corp.	2,237	6	1.03%	2,040	5	0.99%
Reading School District	2,000	7	0.92%	2,583	3	1.25%
Penske Truck Leasing	1,998	8	0.92%		(1)	
Penn State St. Joseph Medical Center	1,973	9	0.91%	1,525	8	0.74%
Boscovs Inc.	1,770	10	0.81%	1,400	10	0.68%
Redner's Markets Inc.		(1)		1,411	9	0.68%
Wal-Mart Stores		(1)		1,786	7	0.86%
Total	33,452		15.35%	27,716		13.39%
Total County Labor Force	218,000			207,100	(2)	

Note:

- (1) - Employer not on both lists
- (2) - Estimated total

Source:

Pennsylvania Department of Labor & Industry, Bureau of Research and Statistics

County of Berks
Full-Time Equivalent Employees by Function/Program
Last Ten Years

Function/Program	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Governmental activities:										
General government	182	184	200	197	196	193	205	203	209	200
Judicial	446	455	451	458	462	465	457	463	468	471
Public safety	506	492	505	487	412	398	397	390	391	404
Public works	-	-	-	-	-	-	-	-	-	-
Human services	286	291	288	294	293	297	302	307	315	313
Culture and recreation	41	39	32	34	35	35	35	35	30	31
Community and economic development	15	15	22	19	19	17	21	22	9	9
Total governmental activities	<u>1,476</u>	<u>1,476</u>	<u>1,498</u>	<u>1,489</u>	<u>1,417</u>	<u>1,405</u>	<u>1,417</u>	<u>1,420</u>	<u>1,422</u>	<u>1,428</u>
Business-type activities										
Berks Heim	375	381	396	399	402	398	399	398	403	415
Emergency Services	-	-	-	-	79	78	79	81	77	77
Berks County Residential Center	61	62	67	64	68	57	55	55	54	51
Youth Center	-	-	-	-	-	-	-	1	58	71
Total business-type activities expenses	<u>436</u>	<u>443</u>	<u>463</u>	<u>463</u>	<u>549</u>	<u>533</u>	<u>533</u>	<u>535</u>	<u>592</u>	<u>614</u>
Total primary government expenses	<u><u>1,912</u></u>	<u><u>1,919</u></u>	<u><u>1,961</u></u>	<u><u>1,952</u></u>	<u><u>1,966</u></u>	<u><u>1,938</u></u>	<u><u>1,950</u></u>	<u><u>1,955</u></u>	<u><u>2,014</u></u>	<u><u>2,042</u></u>

Note:

A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

(1) Youth Center closed in 2012

(2) Berks County Residential Center opened in 2010

(3) Emergency Services merged with Public Safety in 2016

Source:

County of Berks, Personnel Statements

**County of Berks
Operating Indicators by Function/Program
Last Ten Years**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Function/Program										
Governmental activities:										
General government										
Elections										
New Registrations	6,400	10,245	4,000	20,387 **	4,859	4,896	4,360	11,283 **	4,494	5,782 **
Absentee Ballots Processed	3,289	6,392	1,500	9,358	2,177	2,830	1,962	7,396	2,814	5,282
Change of Address/Party	30,267	26,371	18,000	62,101	25,057	20,178	18,954	22,397	22,405	21,063
Cancellations	2,709	17,053	3,000	43,348	7,092	8,641	3,023	6,262	2,615	19,110
** 2012 and 2016 were presidential election years,										
Real Estate										
Appeal summaries	596	573	713	950	1,485	1,657	1,075	1,517	1,720	2,070
Change Notices	3,150	3,577	2,616	3,190	2,964	4,299	3,205	3,840	2,002	3,907
Parcels Created	250	462	374	548	388	328	384	288	373	451
Acreage Changed	375	526	1,884	473	587	470	524	600	664	735
Judicial										
Coroner										
Total Cases	3,505	3,363	3,371	3,386	3,230	3,057	3,172	2,966	3,044	2,863
Cremations	2,197	2,043	2,028	2,004	1,865	1,699	1,695	1,518	1,367	1,291
District Attorney										
Criminal Case Prosecution										
Adult Cases	6,251	6,473	7,019	6,560	6,533	6,865	6,500	6,135	5,258	5,965
Juvenile Cases	3,024	3,024	736	804	890	2,074	2,371	2,454	1,967	1,958
Narcotics Enforcement Team	241	235	272	780	602	187	251	236	295	257
DUI Central Booking	836	802	735	658	602	665	620	587	522	492
Major Crimes	2,917	2,401	2,408	2,484	2,215	1,592	2,481	1,382	1,322	1,250
Fugitive/Warrants Unit			-	-	226	-	-	-	-	-
Register of Wills										
Estates Opened	1,871	1,872	2,023	1,886	1,865	1,670	1,764	1,778	1,870	1,780
Marriage Licenses Issued	2,294	2,380	2,462	2,396	2,403	2,349	2,268	2,410	2,253	2,268
Adoptions	249	243	82	227	190	214	207	215	235	215
Public Safety										
County Prison										
Inmates Committed	6,094	6,611	6,994	6,328	6,701	6,840	7,050	6,774	6,557	6,816
Average Daily Population	1,044	1,104	999	1,024	1,171	1,187	1,199	1,115	1,045	1,046
Inmate Counseling Sessions	1,243	1,317	1,607	1,690	1,568	1,547	2,582	1,630	1,687	1,579
Inmate Work Release Participants	159	146	117	92	83	110	114	108	114	116
Inmates Enrolled in Education	388	463	542	422	498	395	362	502	378	412
Public Works										
Recycling Center										
Tons Recycled Curbside	44,031	44,133	45,759	51,597	55,291	51,757	52,250	51,708	44,069	40,650
Tons Recycled Drop-off	719	7,529	1,492	1,625	1,585	1,660	1,662	1,547	1,450	1,804
Tons Recycled Commercial	149,554	184,759	169,106	161,972	158,866	142,918	124,200	120,669	113,237	157,390
Tons Recycled by County	1,116	1,273	1,209	1,472	1,510	1,659	1,600	1,881	1,413	2,009

Note

** Presidential election year, so more registrations processed.

**County of Berks
Operating Indicators by Function/Program
Last Ten Years**

Function/Program	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Human services										
CareerLink										
Companies Served	751	654	647	465	417	375	310	725	720	700
Adults Served	102	79	97	58	126	149	152	110	137	84
Youth Served	395	440	502	545	571	539	593	734	837	604
Dislocated Workers Served	97	135	324	265	304	434	451	472	605	553
JOBS Program (EARN)	327	359	327	340	442	342	356	609	1,848	1,426
Culture and recreation										
Ag Land Preservation										
Number of Farm Applicants	108	117	132	127	123	139	139	131	125	115
Number of Farms Selected	16	30	24	24	21	23	21	43	30	19
Funds Raised	522	10,000	4,375	100	-	147	-	2,349	145	40,000
Community and economic development										
Planning										
Act 247 Subdivision Reviews	150	153	180	151	134	152	142	143	143	180
Act 247 Ordinance Reviews	47	70	72	42	44	31	45	74	69	57
Act 537 Sewage Reviews	2	2	4	10	-	3	3	1	8	4
Act 97 Solid Waste Reviews	2	2	4	5	1	2	3	3	1	2
911										
Total 911 Calls	-	176,619	183,498	194,460	211,700	210,461	204,083	218,832	219,556	195,568
Average Daily Call Volume	-	484	503	533	580	577	560	600	602	536
Average Answer in < 10 seconds	0%	93%	99%	99%	99%	99%	99%	99%	99%	99%
Surcharge Funds Received	(1)	(1)	(1)	(1)	\$ 1,297,310	\$ 2,194,832	\$ 2,286,686	\$ 2,346,944	\$ 2,456,854	\$ 2,596,960
Surcharge Funds Disbursed	(1)	(1)	(1)	(1)	\$ 1,054,321	\$ 1,628,053	\$ 1,776,841	\$ 1,923,136	\$ 2,094,802	\$ 2,429,253
Business-type activities										
Berks Heim										
In-house Days										
Private Pay	17,018	18,957	20,178	22,090	20,866	19,983	21,790	21,535	21,681	21,766
Medical Assistance/Medicare A	128,325	128,701	127,894	127,110	127,593	129,382	127,730	130,110	129,520	127,634
Bedhold Days	725	751	742	556	554	500	742	574	725	705
Berks County Residential Center/Youth Center										
Average Daily Population										
Berks County Residential Center	57	51	61	80	80	67	74	80	56	64
Youth Center (2)			-	-	-	-	-	-	23	30

Note

(1) As of August 2015, no longer tracking because of change in funding regulations.
(2) Youth Center closed in 2011

Source:

Individual County Departments

**County of Berks
Capital Asset Statistic by Function/Program
Last Ten Years**

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities:										
General government										
Land and land improvements	\$ 2,221,983	\$ 2,221,983	\$ 2,221,983	\$ 2,221,983	\$ 2,221,983	\$ 2,221,983	\$ 3,499,090	\$ 1,664,570	\$ 149,143	\$ 149,143
Buildings and building improvements	144,352,813	144,173,026	143,483,130	137,923,541	138,719,289	112,252,678	111,790,776	126,923,789	120,179,203	113,359,988
Furniture, fixtures, and equipment	17,739,139	13,506,048	13,485,216	13,428,370	81,095,364	9,878,697	9,444,535	12,334,176	14,743,969	16,663,345
Construction in progress	10,296,942	6,689,024	6,046,603	6,970,633	3,285,230	26,820,832	46,783,680	23,243,334	9,352,390	8,166,676
Infrastructure	94,401	94,401	94,401	85,760	-	-	-	-	-	-
Agricultural easements	82,534,643	81,438,317	80,229,316	79,371,116	78,161,441	76,669,703	75,085,203	73,173,727	71,453,155	70,520,705
	<u>257,239,921</u>	<u>248,122,799</u>	<u>245,560,649</u>	<u>240,001,403</u>	<u>303,483,307</u>	<u>227,843,893</u>	<u>246,603,284</u>	<u>237,339,596</u>	<u>215,877,860</u>	<u>208,859,857</u>
Judicial										
Buildings and building improvements	1,388,509	1,005,804	1,005,804	1,005,804	907,096	757,634	1,128,901	1,128,901	1,036,828	1,029,921
Furniture, fixtures, and equipment	2,359,845	2,623,239	2,302,377	2,552,861	2,262,887	2,625,854	2,577,830	2,537,914	2,570,410	2,810,086
Construction in progress	203,871	223,792	-	-	-	-	-	87,621	-	-
	<u>3,952,225</u>	<u>3,852,835</u>	<u>3,308,181</u>	<u>3,558,665</u>	<u>3,169,983</u>	<u>3,383,488</u>	<u>3,706,731</u>	<u>3,754,436</u>	<u>3,607,238</u>	<u>3,840,007</u>
Public Safety										
Buildings and building improvements	50,360,727	50,195,720	49,937,349	49,830,760	48,959,401	46,797,847	46,872,609	53,039,836	43,681,188	43,681,189
Furniture, fixtures, and equipment	65,775,607	64,951,402	64,568,334	67,310,794	2,168,160	2,356,084	2,104,994	2,469,719	2,567,719	2,885,226
Construction in progress	1,996,743	2,285,848	763,784	102,128	-	-	-	-	-	-
Infrastructure	28,759	28,759	28,759	-	-	-	-	-	-	-
	<u>118,161,836</u>	<u>117,461,729</u>	<u>115,298,226</u>	<u>117,243,682</u>	<u>51,127,561</u>	<u>49,153,931</u>	<u>48,977,603</u>	<u>55,509,555</u>	<u>46,248,907</u>	<u>46,566,415</u>
Public Works										
Land and land improvements	41,516	41,516	41,516	41,516	41,516	41,516	41,516	41,516	5,816	-
Buildings and building improvements	8,051,863	8,051,863	8,051,863	8,051,863	8,051,863	8,051,863	8,051,863	8,051,863	8,051,863	8,051,863
Furniture, fixtures, and equipment	208,286	208,286	225,836	225,836	225,836	176,726	176,726	192,317	179,409	179,409
Construction in progress	3,423,838	3,266,432	1,902,992	15,158,118	6,599,210	4,619,721	2,000,718	1,160,164	555,538	446,340
Infrastructure	35,070,261	31,652,761	27,944,838	12,757,777	10,587,072	6,051,426	4,799,840	4,132,152	4,116,857	4,003,494
	<u>46,795,764</u>	<u>43,220,858</u>	<u>38,167,045</u>	<u>36,235,110</u>	<u>25,505,497</u>	<u>18,941,252</u>	<u>15,070,663</u>	<u>13,578,012</u>	<u>12,909,483</u>	<u>12,681,106</u>
Human services										
Buildings and building improvements	137,750	137,750	137,750	137,750	113,931	-	110,700	110,700	110,700	110,700
Furniture, fixtures, and equipment	492,933	499,961	455,048	482,406	500,446	500,493	569,902	550,415	672,658	693,168
	<u>630,683</u>	<u>637,711</u>	<u>592,798</u>	<u>620,156</u>	<u>614,377</u>	<u>500,493</u>	<u>680,602</u>	<u>661,115</u>	<u>783,358</u>	<u>803,868</u>
Culture and recreation										
Land and land improvements	15,026,900	15,026,900	14,983,030	14,967,868	13,633,400	13,550,628	13,491,264	13,081,317	11,064,480	11,041,962
Buildings and building improvements	8,132,890	7,984,180	7,844,746	7,821,125	7,321,287	7,150,341	7,087,808	6,904,979	7,514,007	6,856,080
Furniture, fixtures, and equipment	1,236,654	1,068,755	1,244,389	1,097,063	1,058,175	1,043,562	972,820	1,061,688	934,890	1,180,422
Construction in progress	228,908	171,532	113,187	39,143	-	-	-	-	2,456,287	566,848
Historical treasures	2,279,644	2,279,644	2,279,644	2,279,644	2,279,644	2,279,644	2,279,644	2,166,153	1,915,631	873,000
Infrastructure	38,762	38,762	-	-	-	-	-	-	-	-
	<u>26,943,758</u>	<u>26,569,773</u>	<u>26,464,996</u>	<u>26,204,843</u>	<u>24,292,506</u>	<u>24,024,175</u>	<u>23,831,536</u>	<u>23,214,137</u>	<u>23,885,295</u>	<u>20,518,312</u>
Community and economic development										
Buildings and building improvements	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700	1,843,700
Furniture, fixtures, and equipment	37,204	30,217	43,254	23,359	23,359	23,359	23,359	48,648	144,457	144,457
	<u>1,880,904</u>	<u>1,873,917</u>	<u>1,886,954</u>	<u>1,867,059</u>	<u>1,867,059</u>	<u>1,867,059</u>	<u>1,867,059</u>	<u>1,892,348</u>	<u>1,988,157</u>	<u>1,988,157</u>
Total governmental - cost	<u>\$ 455,605,091</u>	<u>\$ 441,739,622</u>	<u>\$ 431,278,849</u>	<u>\$ 425,730,918</u>	<u>\$ 410,060,290</u>	<u>\$ 325,714,291</u>	<u>\$ 340,737,478</u>	<u>\$ 335,949,199</u>	<u>\$ 305,300,298</u>	<u>\$ 295,257,722</u>
Business-type activities										
Department of Emergency Services (1)										
Buildings and building improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 486,846	\$ 486,845	\$ 486,846	\$ 486,846	\$ 486,846
Furniture, fixtures, and equipment	-	-	-	-	-	67,581,031	11,301,560	9,954,737	10,192,384	10,191,882
Construction in progress	-	-	-	-	-	668,570	8,103,310	6,885,539	2,119,052	1,374,341
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,736,447</u>	<u>19,891,715</u>	<u>17,327,122</u>	<u>12,798,282</u>	<u>12,053,069</u>
Berks County Residential Center (2)										
Buildings and building improvements	10,187,060	10,187,060	10,187,060	10,187,060	8,909,018	7,912,681	7,902,464	505,847	9,718,080	9,718,080
Furniture, fixtures, and equipment	223,327	223,327	337,121	368,724	346,699	285,023	239,133	239,133	731,975	731,975
Construction in progress	1,001,301	-	-	-	-	126,822	-	412,450	-	-
	<u>11,411,688</u>	<u>10,410,387</u>	<u>10,524,181</u>	<u>10,555,784</u>	<u>9,255,717</u>	<u>8,324,526</u>	<u>8,141,597</u>	<u>1,157,430</u>	<u>10,450,055</u>	<u>10,450,055</u>
Berks Heim										
Buildings and building improvements	38,210,258	38,160,486	38,118,048	38,046,576	38,032,210	38,013,639	37,749,851	37,731,995	37,601,419	37,601,419
Furniture, fixtures, and equipment	4,989,317	4,661,321	4,658,696	4,586,482	4,549,490	3,962,829	3,887,423	3,808,013	3,727,912	3,438,957
Construction in progress	1,266,633	35,398	29,945	17,642	14,367	278,646	-	-	12,620	-
	<u>44,466,208</u>	<u>42,857,205</u>	<u>42,806,689</u>	<u>42,650,700</u>	<u>42,596,067</u>	<u>42,255,114</u>	<u>41,637,274</u>	<u>41,540,008</u>	<u>41,341,951</u>	<u>41,040,376</u>
Total business-type activities	<u>\$ 55,877,896</u>	<u>\$ 53,267,592</u>	<u>\$ 53,330,870</u>	<u>\$ 53,206,484</u>	<u>\$ 51,851,784</u>	<u>\$ 119,316,087</u>	<u>\$ 69,670,586</u>	<u>\$ 60,024,560</u>	<u>\$ 64,590,288</u>	<u>\$ 63,543,500</u>
Total primary government	<u>\$ 511,482,987</u>	<u>\$ 495,007,214</u>	<u>\$ 484,609,719</u>	<u>\$ 478,937,402</u>	<u>\$ 461,912,074</u>	<u>\$ 445,030,378</u>	<u>\$ 410,408,064</u>	<u>\$ 395,973,759</u>	<u>\$ 369,890,586</u>	<u>\$ 358,801,222</u>

Note:
(1) Converted to special revenue fund in 2015
(2) Youth Center closed in 2012
Berks County Residential Center opened in 2010

Source:
Comprehensive Annual Financial Reports



